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THE PROCUREMENT PUZZLE: WHY TRADITIONAL S2P SOLUTIONS AREN'T FITTING THE BILL

Procurement teams have an overwhelming array of procurement technology options to choose from. While seemingly a good thing, the abundance of choices often translates into a complex and daunting task of selecting the most suitable solution. Making a poor selection can lead to negative outcomes: wasted investment dollars, poor user experience and reputational damage for the procurement function inside the broader organization.

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The issue at hand is not just about choosing the right tool; it's about effectively managing change and understanding where the common pitfalls are and how to navigate them.

Based on our experience working with numerous procurement teams, these are the five main reasons why traditional source-to-pay (S2P) solutions that promise comprehensive capabilities often fall short of delivering on expectations:

1

The tools were not built with a full understanding of the underlying procurement processes

Traditional S2P technology often comprises legacy tools or applications that are complex and poorly integrated. Frequently, these tools are constructed by sales-driven SaaS providers who lack the empathy or deep understanding of what procurement teams need. They focus on selling their product rather than comprehending the intricacies of procurement processes. This disconnect results in solutions that fail to deliver efficient automation or leverage data effectively in S2P processes, undermining procurement efficiency and strategic decision-making.

2

The tools require significant and constant configuration to be useful

Many S2P solutions come 'empty' out of the box, which pushes a significant burden on procurement teams. They are left with the task of configuring processes, templates, and data entry fields – a time-consuming and complicated endeavor that can introduce the risk of errors, ranging from incorrect data entry and reporting to the automation of "bad buying." Instead of focusing on strategic initiatives such as cost savings and supplier relationship management, teams are forced to spend their valuable time troubleshooting and rectifying issues triggered by these empty S2P solutions.

3

A lack of reliable access to real practitioner expertise

Many procurement software providers outsource after-sales support to third-party vendors who may not possess the necessary skill set or understanding of the client's specific needs or even the software itself. Besides introducing an additional layer of complexity and potential inefficiency that hinders the software's performance, some vendors also levy additional charges for after-sales support. Not only is the overall cost efficiency of the S2P solution impacted, the teams may also be deterred from seeking necessary support.

4

Implementation is not handled by parties that are vested in your success

Driven by the pursuit of revenue, large software vendors often focus on closing the deal, rather than ensuring that the client's needs are met post-sale. After a client signs on, the implementation is frequently handed over to a third-party contractor, who is usually not a subject matter expert when it comes to procurement, the client, or the software. When things inevitably go south, a frustrating game of pass-the-buck between parties causes protracted timelines and delayed implementations, leaving the client with a severely underperforming S2P solution.

5

Initial and hidden costs stretch procurement budgets

Procurement teams often budget for the initial high cost of licensing traditional S2P solutions, only to be blindsided by additional, unplanned costs. These can include support fees and charges for change requests, which can quickly spiral out of control. When you add these costs to the high risk of implementation failures and delays, it's clear why CFOs and CPOs hesitate to invest in S2P technology. Without a robust business case and well-thought-out mitigation plans in place, the investment can quickly turn into a financial sinkhole.

A STRATEGIC APPROACH TO STEER CLEAR OF THE SOURCE-TO-PAY TECHNOLOGY QUAGMIRE

If these pitfalls and struggles have been part of your experience, there is another option for you to consider.

OneMarket was born out of necessity, after our evaluation of the market and finding many challenges with today's solutions. Designed by practitioners to support our own procurement teams, OneMarket is used to deliver thousands of sourcing projects across hundreds of procurement engagements and analyze millions of spend transactions. Our solution is a cost-effective, simplified set of source-to-pay technology empowered with pre-built tools and templates, supported by market intelligence, and price benchmarks and enabled by expert resources to manage implementation and ongoing data hygiene.

All this with one goal in mind: to help Sourcing and Procurement teams elevate their impact and visibility as true partners to business leaders.

Learn more about OneMarket and its five modules.

Read the full whitepaper about the procurement technology landscape here.

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