

# OneMarket.

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WHITEPAPER

## EVALUATING PROCUREMENT TECHNOLOGY? LOOK BEYOND LEGACY PROVIDERS.





## INTRODUCTION

**For most sourcing and procurement teams, investments in traditional Source-to-Pay (S2P) technology have largely underperformed relative to their original value case. This sentiment is echoed at the top, with 83% of leaders saying investments into technology like S2P software have not met their initial expectations.**

Why do so many implementations fail? For starters, traditional S2P implementations see low adoption success rates – **30% to 40%** in most cases – due to user experience complexity and license costs. Partial implementations compound the issue, leading to manual workarounds and incomplete datasets that impact user confidence, lower value realization, and typically require unbudgeted resources to support.

The result? Higher overall costs and the likelihood that the solution fails to deliver on its intended use case. These risks have led procurement leaders to reconsider plans for S2P technology, with **only 11% of CPOs** prioritizing it for their function.

We think this is a missed opportunity because the data, organizational visibility and spend control provided by these tools are key to addressing cost opportunities in areas of procurement like indirect spend – an overlooked cost category that takes up **20% of annual revenue**. In today's austere business climate, that's an avenue of potential savings that cannot be ignored.

# THE TRADITIONAL S2P TECHNOLOGY MODEL IS BROKEN, SO HOW SHOULD PROCUREMENT TEAMS TRANSFORM DIGITALLY?

The following pages provide insight into how procurement teams can rethink their approach to S2P technology and implementation and begin fully extracting value from these capabilities.

This whitepaper will cover areas such as:

1



**Five common reasons why traditional S2P solutions have a high risk of failure and how to overcome them**

2



**The challenges procurement teams typically face gaining investment for S2P solutions, and what they should demand once they are successful**

3



**Common concerns procurement teams might have for S2P implementations and how they can set themselves up for success**



# WHY TRADITIONAL S2P SOLUTIONS FAIL

When it comes to procurement technology solutions on the market today, procurement teams are spoiled for choice, but the number of solutions in today's marketplace can be daunting to evaluate. Without the right guidance, procurement teams risk ending up with a tool that's difficult and time-consuming to use – leading to user attrition and, ultimately, a failed investment.

Based on our conversations with numerous procurement teams, we've identified several common reasons why most traditional S2P solutions fail to meet expectations:



## **THEY AREN'T DESIGNED WITH PROCUREMENT IN MIND.**

Traditional S2P technology is often made up of legacy tools or applications that are complex, poorly integrated and that require significant modifications to align with modern procurement needs. Too often, these solutions are built by sales-driven SaaS providers without empathy or a deep understanding of what procurement teams need to establish efficient automation or leverage data in S2P processes.



## **THEY REQUIRE A SIGNIFICANT LEVEL OF CONFIGURATION TO BE USEFUL.**

Solutions also typically come 'empty' out of the box, requiring the laborious configuration of processes, templates and data entry. The lack of pre-built templates, workflows, and data also makes customization for specific tasks difficult. This complexity also introduces the risk of errors made during configuration – leading to the automation of bad buying or processes down the line.



## **AFTER-SALES SUPPORT IS EXPENSIVE AND CHALLENGING TO ACCESS.**

Procurement teams looking to extract timely value from their investment will find that software vendors don't provide the real practitioner expertise vital to maximizing the software's potential. The lack of in-house expertise to perform critical functions – like data hygiene or administration – leads to underperformance and risk of failure for implemented S2P solutions.



## **THEY AREN'T IMPLEMENTED BY PARTNERS VESTED IN YOUR SUCCESS.**

Larger software vendors often pursue revenue, and seldom provide 'white glove' support after a customer signs. It's typical for implementation and after-sales support to be handed over to a third-party contractor that's unfamiliar with the end customer's needs (and in many cases the software itself). When things inevitably go wrong, timelines are impacted, implementations are delayed, and the buck gets passed between parties.



## **THEIR INITIAL AND HIDDEN COSTS CAN STRETCH PROCUREMENT BUDGETS.**

Procurement teams might budget for the initial high cost of licensing traditional S2P solutions, only to be blindsided by additional, unplanned costs for support and change requests – which can quickly run out of control. Add these costs to the high risk of implementation failures and delays, and it's easy to see why CFOs and CPOs hesitate to invest in S2P technology without the right business case and mitigation plans in place.



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# WHAT TO DEMAND FROM MODERN S2P TECHNOLOGY AND VENDORS

In today's economic environment, procurement is faced with growing pressure to reduce costs and an ever-increasing list of corporate responsibility targets, so dedicating valuable time and resource to administer tools and technology is becoming increasingly unsustainable. If procurement technology hinders rather than helps, it's time to look at other options. Below is a guide on what procurement teams should demand from their S2P technology when it comes to solving their challenges.

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## ADDRESSING PROCUREMENT'S CHALLENGES WITH MODERN S2P TECHNOLOGY



### Performance Management

#### EXISTING CHALLENGES:

Your team struggles to track procurement initiatives, timelines, and workloads because the data exists in offline documents and has to be manually updated to software. There's no simple way to track performance or obtain an audit trail of activities.

#### RECOMMENDED STEPS:

Consider software that's purpose-built to track and manage all sourcing activities in a single dashboard, giving you visibility into all projects and their timelines. This simplifies reporting, allows teams to spot at-risk timelines and identify non-compliant buying, and enables informed planning.



## Sourcing

### EXISTING CHALLENGES:

Sourcing is still nebulous for the team, as it's difficult to track the many sourcing costs, bids, and supplier events that are happening all at once. Information on sourcing events and timelines exists both online and offline, with manual labor required to reconcile both types of data records on traditional S2P software.

### RECOMMENDED STEPS:

Look for sourcing technology with pre-built templates and tools that can quickly and easily be employed to create sourcing events and communicate with suppliers. Ensure data, events and communications are tracked in one place, giving your team a single view of the entire sourcing organization - making it easier to drive efficiencies and increase sourcing frequency.



## Procure-to-Pay

### EXISTING CHALLENGES:

The high cost and complexity of traditional S2P software is often at odds with the importance of driving organizational adoption to systemic P2P processes. Teams often find it faster to work with spreadsheets or emails rather than wrestle with the cumbersome and slow user experience within traditional P2P tools or applications.

### RECOMMENDED STEPS:

Fortunately, modern S2P software brings more intuitive and connected tools for PO management, invoice submissions, and catalog and rate card management, to name a few. All on a single platform dashboard, allowing procurement access to a rich trove of data to conduct spend analysis, spend compliance, and automation.



## Contracts Management

### EXISTING CHALLENGES:

The team constantly has to track down supplier contracts, often misses renewal deadlines, and lacks the data they need to negotiate better contract terms. Traditional S2P tools may have some functionality for the approvals process, but no central repository of contracts data that procurement sorely needs.

### RECOMMENDED STEPS:

Some modern S2P software comes equipped with a contract repository that's intuitive, and features functions like keyword searches, metadata tagging, and event triggers or notifications. These features translate contracts into data that the team can use to analyze trends, track pricing, and proactively plan budgets around contract renewals and approvals.



## Spend Data Analytics

### EXISTING CHALLENGES:

More time is spent uploading and managing data from offline sources than mining it for insights into savings opportunities within areas of spend. Data is often of poor quality and quickly outdated, requiring a dedicated team to maintain it – resources that can be more valuably deployed to drive value.

### RECOMMENDED STEPS:

Spend analytics tools integrated into modern S2P software are designed to seamlessly draw spend data in real-time, while the team uses the solution to get work done. Leading data tools enrich and categorize spend, supplier and contractual data into actionable views such as spend cubes and dashboards, giving teams a single source of truth to pipeline opportunities, track compliance and support corporate responsibility goals.



## Practitioner Support

### EXISTING CHALLENGES:

The procurement team doesn't have the capacity or expertise for critical tasks like ensuring data hygiene and user adoption, leaving traditional S2P software underutilized and poorly adopted by the procurement team and the broader organization.

### RECOMMENDED STEPS:

Look for providers that can offer onshore practitioner support and manage their own implementations to ensure accountability during and after implementation. This helps improve adoption and ongoing value realization, ensuring the lifetime value of the investment is maximized.



## Market Intelligence

### EXISTING CHALLENGES:

The team does not have access to market intelligence and price benchmarking outside the organization, so has limited visibility into pricing opportunities, new suppliers, market capabilities and sourcing strategies from outside its own four walls.

### RECOMMENDED STEPS:

Make external market intelligence a requirement for your evaluation; ensure that providers you assess can provide actionable market intelligence to support their offering versus simply offering "empty" technology platforms.

Besides evaluating how a solution meets your challenges, don't forget to look into the providers behind these technologies. Your provider can impact everything from implementation quality to time-to-value realization, so a greater level of scrutiny is justified. The following section provides some concerns or questions to pose to providers, so procurement teams can find the ideal partner for their specific procurement technology implementations.

# SETTING UP MODERN S2P IMPLEMENTATIONS FOR SUCCESS

Whether you're looking for new procurement technology or evaluating alternatives to your incumbent solution, it pays to carefully assess the capabilities of the associated software providers, from both an implementation and functionality standpoint, as well as the level of support and expertise they are willing to provide post-implementation.

As an experienced leader in the procurement technology space, our team has listened to the concerns and questions of numerous procurement organizations, many of which your team might share:



**Q1: Even though I see the value, I'm concerned that the acquisition and implementation of new S2P software will require resources and expertise that we don't have on the team today.**

Look for providers that take full responsibility for implementation instead of relying on third-party contractors that inflate costs, lengthen timelines, and aren't aligned to what has been contractually agreed. Assess technology that is cost-effective and can be implemented as a complete suite of solutions or as individual modules that can combine with your existing technology stack to reduce the amount of up-front change required.



**Q2: I'm concerned that I might not have the necessary expertise to manage the software post-implementation and need to hire additional staff, resulting in additional cost.**

That's understandable, given how traditional S2P technology solutions are complex and have a steep learning curve. Choose providers with dedicated customer support to assist with onboarding and user adoption, while also training procurement staff with the skills and knowledge they need to maximize the use and efficiency of their technology investment.

Evaluate providers with a service-enabled platform, where clients are assigned expert resources to manage data hygiene, category analysis, and staff augmentation tasks – so procurement staff can focus on using the software for higher-value activities. Not every provider can do this, so ask yours about their level of support and commitment.



**Q3: I'm concerned that my employees may resist changing their workflows and processes, leading to low adoption rates and underutilization of the software.**

Go with software that's designed with an agile and intuitive user experience in mind. A well-integrated S2P platform allows users to access and switch between different modules within a single user environment, creating one unified user experience. The key is to minimize the effort for employees during onboarding and on an ongoing basis as they use the software to do their jobs.

The user interface should be straightforward and integrate naturally into workflows to reduce time and effort for adoption. Select providers will also offer domain experts and practitioners throughout implementation to help resolve employee concerns and ensure best practices are implemented.



**Q4: I'm concerned about facing integration issues with my existing ERP system, lengthening implementation timelines and introducing risk of error.**

Speak to providers about the technical aspects of their integration capabilities and ensure they can commit technical resources to support this phase of implementation. Look for solutions that are designed with simple integration in mind, reducing the need for IT resources from your organization to support and accelerating implementation timelines.

Look for tools with flexible data requirements and workflows that are easily tailored to the limitations of your existing ERP systems, minimizing the risks of delays and errors.



**Q5: I'm concerned that even after implementing a procurement technology solution, I won't achieve better sourcing results than prior to implementing the tool.**

This is a valid concern if the platforms you are evaluating are simply automating your current process. Look for tools that can truly simplify your sourcing process (and not add complexity, which will drive down adoption) and providers that can support your sourcing efforts with price benchmarks, supplier panel recommendations and sourcing strategies and RFP templates.

This service-enabled technology approach will ensure you are truly able to drive additional value for your business, versus simply automating a manual sourcing process.



# ELEVATE YOUR PROCUREMENT CAPABILITIES WITH ONEMARKET

**OneMarket is a services-enabled technology solution designed to automate and streamline the entire Source-to-Pay lifecycle.**

Implementation is seamless and cost-efficient; OneMarket delivers its own implementations and deploys expert procurement and change management resources as standard to support initial rollout and ongoing data hygiene and administrative services.

OneMarket comes loaded with pre-built templates, data enrichments and best-practices, and our customers can leverage our Center of Excellence to gain access to price benchmarks, market intelligence, supplier recommendations and sourcing advice and execution support.

Designed by Practitioners, for Practitioners, OneMarket is a suite of five integrated modules that cover the entire Source-to-Pay lifecycle, available individually or in combination to suit our customers needs and priorities:

## OneMarket **INSIGHTS**®

Forget time-consuming manual methods and unreliable commercial spend analytics tools. OneMarket Insights® gives you greater control and visibility across your procurement data than ever before—routinely normalized, categorized, and enriched by a unique blend of automation and our procurement data experts. With a transparent and complete view of your company's spend, Insights enables sourcing value opportunity identification and compliance monitoring, and delivers actionable information to drive value for your business partners.

## OneMarket **PORTFOLIO**®

Procurement leaders are challenged with managing dozens of different data sources to ensure their teams are delivering on agreed-upon spend and savings targets. Armed with OneMarket Portfolio, you'll have a "single source of truth" for all of your sourcing activity, highlighting critical path items, identifying potential pitfalls, and allowing seamless collaboration between procurement teams, business stakeholders, and finance teams. Handle sourcing projects with ease, align resources to demand, and track savings to deliver a clear and the up-to-the-minute status of your team's impact and performance.

## OneMarket **SOURCING**®

Tired of dealing with complex and expensive sourcing tools that only partially meet your needs? By streamlining core functionality and eliminating unnecessary complexity, OneMarket Sourcing centralizes your sourcing activities and allows you to flexibly create different sourcing events, utilize proven LogicSource RFX tools and templates, and collaborate with LogicSource's network of trusted supplier partners. The result? No more wasted time, administrative burden, or poor outcomes. With OneMarket Sourcing, your teams are empowered to execute more events, more efficiently, and achieve better outcomes for your organization.

## OneMarket **CONTRACTS**®

Contract Management tools today offer wide-ranging functionality, but often don't solve the basic challenges Procurement is faced with. OneMarket Contracts consolidates all your procurement contracts into a single, centralized repository, with a unique blend of advanced AI/ML technology and contract data experts that extract key clauses and flag them for easy search and viewing. Stay on top of key dates and milestones with proactive alerts from our platform, while our ongoing support services handle the monthly ingestion of new contracts, reducing administrative headaches and allowing your team to focus on higher-value strategic work.

## OneMarket **PROCURE-TO-PAY**®

In a market where Procure-to-Pay platforms are expensive, complex, and difficult to implement with poor long-term adoption, OneMarket Procure-to-Pay is a simple, user-friendly platform that is implemented by our own practitioners to ensure a successful rollout. Take advantage of powerful tools to manage spend, such as spot-buys, rate cards, and eCatalogs, giving you unmatched capability at point-of-purchase. With OneMarket Procure-to-Pay®, you have total spend control and visibility, allowing you to identify and resolve areas of value leakage, over-consumption, or non-compliance in real time.

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With LogicSource and OneMarket, your procurement organization will have the technology it needs to elevate Source-to-Pay to the next level. Let us take the hassle out of your sourcing and buying so you can spend less time navigating your procurement software and invest more time connecting with your suppliers and stakeholders. Leverage OneMarket's entire suite of solutions or any of the modules according to your needs - it's all up to you. Learn more about OneMarket and its modules at [www.logicsource.com/onemarket](http://www.logicsource.com/onemarket).

Need guidance on choosing the right solution, have concerns, or just need a second opinion on your procurement strategy? Get in touch at [info@logicsource.com](mailto:info@logicsource.com) and let's talk!