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# Choose The Right Procurement Technology With This Decision Matrix



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# Introduction

You know procurement can help maximize your business's ROI, but there are so many steps in the procurement process. Your team doesn't have the time to conduct due diligence, strategic sourcing, a needs analysis, and so on.

Fortunately, procurement technology can automate several of these steps and deliver strong results. In fact, companies that use digital procurement tools can decrease their annual expenditures by an average of 5% to 10%, according to a study from [BCG](#). But how do you know which tools to use? There are so many powerful procurement technology solutions on the market, and it's hard to know which will deliver the highest ROI for your business.

The right procurement technology solution should help your organization take a more strategic approach to spend, without straining your finance and operations teams. Follow our road map to find the solution that works best for your business's unique needs.

## THE 3 STEPS OF RESEARCH

# 1. Identify why you need procurement technology



### Real life case study

CorePower Yoga, a national yoga powerhouse with a network of over 200 studio locations, came to realize they had no real way of controlling their maverick spend, one-off purchases, or unapproved orders. They found that they were spending upwards of \$50,000 in rogue spend—every single month.

Even for a national fitness brand, that is WAY too much. By implementing a centralized P2P software throughout their locations and consolidating 20+ of their vendors onto one purchasing platform, CorePower Yoga now saves \$50,000 a month—\$50,000 that used to be unknowingly burned on unapproved, unsolicited purchases.

Understanding why you need procurement technology comes down to understanding why you need procurement.

### So what is procurement, exactly?

Procurement is a strategic, multistep process a company follows to obtain supplies and services. It encompasses both sourcing and purchasing and covers an array of processes, from needs and market analysis to supplier due diligence to spend analytics. This strategic approach to spending reduces a company's purchasing costs by an average of 8%–12%, according to [research by Bain](#).

Bearing this in mind, consider what obstacles your team faces that deter you from executing on procurement. For example, is the process too cumbersome for your small team? Are you having trouble identifying the most cost-efficient vendor? Are you seeing cash leaks from maverick spend?

These obstacles are the reasons you need procurement technology and will be your guiding light for finding the best solution.

**A strategic procurement process reduces a company's purchasing costs by an average of 8%–12%**

## THE 3 STEPS OF RESEARCH

# 2. Consider how well a new software solution would integrate with your existing tech stack

The right procurement software will enable you to recreate orders and view your entire purchasing history from a single platform.

### Real life case study

In 2018, WeWork, a multi-billion dollar commercial real estate company that specializes in providing a comfortable and inspiring office space, had a glaring issue; they “were in desperate need of an integrated, easy-to-use platform to really take our procurement to the next level.” Their Workday procurement process was less than desirable for a fast-growing company, and they needed an integrated software solution that would allow them to easily manage their ERP requisition process.

Very quickly, WeWork was able to successfully integrate Order.co into their operations—centralizing their purchasing process, automating vendor payments, and nurturing global expansion—across 18 countries, and counting.

The best procurement technology on the market would still be a burden to you if it couldn’t integrate with your existing tech stack—or worse, if it resulted in a data breach.

Before you begin your search for procurement technology, discuss APIs with your IT team to make sure the technologies you already use will be compatible with new software.

An API, or application programming interface, is a “software intermediary that allows two applications to talk to each other,” according to [MuleSoft](#). If you’re a social media user, for example, an API is what allows you to create a post on Instagram that also populates to your Twitter and Facebook feeds.

Or, in the case of procurement technology, an API might allow you to link your existing vendor accounts to a vendor management system. This would enable you to automatically recreate orders and view your entire purchasing history from a single platform.

Once you’ve discussed APIs with IT, check in with your compliance team to find out whether they have specific guidelines vendors must follow when housing company data.

This step is critical to protecting your business against thirdparty risk. The average cost of a data breach in 2020 is \$3.86 million globally, according to [IBM’s Cost of a Data Breach Report](#). Even worse, a data breach puts your business’s reputation in jeopardy and could prompt even your most loyal customers to leave.



## THE 3 STEPS OF RESEARCH

### 3. Prepare for sales calls and product demos

Make a list of everything you need from a procurement solution and what features are of the greatest value to your team.

Knowing what questions you want to ask before a sales call or product demo will ensure that you walk away with the information you need to make a confident decision.

First, determine your budget. You'll want to establish pricing at the beginning of any sales call so you don't waste time learning about procurement technology your team can't afford.

Then, make a list of everything you think you need from a procurement solution, referring back to obstacles you flagged earlier. This list might include strategic sourcing, centralized purchasing, specific APIs, or integration with accounting. Once your list is complete, rank the items on that list in order of importance to determine what features are of the greatest value to your team.

From here, prepare any specific questions you have about the vendor. Be sure to consider questions about the vendor's customer support teams as well as their product. For example, you'll want to know how quickly you can expect to be fully onboarded to the procurement technology and who will support your team as they learn to use the product.



# Software Scoring Matrix

Use this matrix to score each procurement technology and choose the best solution

Your decision may not be clear just from researching and meeting with procurement technology vendors. You may find that you like several solutions, or that you're simply overwhelmed by the amount of information you obtained.

If that's the case, use this decision matrix to quantify your decision and select the best solution for your business.

To use the matrix, answer each question on the left using a scale of 1–5, which you'll note in the right column of the table. A rating of 1 signifies that you strongly disagree, 2 that you disagree, 3 that you sort of agree, 4 that you agree, and 5 that you strongly agree. Tally up your responses for a final score. Do this for each vendor, and then select the vendor with the highest score.

| Question  | Rating 1–5 |
|---|------------|
| The procurement technology is within my budget.   |            |
| The procurement technology has a strategic sourcing feature.  |            |
| The procurement technology will recommend alternative brands and products that may save my business money.                              |            |
| The procurement technology is likely to bring savings of at least 8% to my business's purchasing.                                       |            |
| The procurement technology will reduce the number of people needed to complete a purchase on behalf of my business.                     |            |
| The procurement technology will make the purchasing process faster for my business.   |            |
| The procurement technology complies with my company's data policies.  |            |
| The procurement technology will make it easier for my business to set and enforce budgets.  |            |
| The procurement technology will help to integrate the finance operations, and purchasing teams in one platform.                         |            |
| The procurement technology will allow my business to streamline approvals.  |            |
| I trust the business behind the procurement technology to on board my team and troubleshoot any issues we may have using the software.. |            |
| The procurement technology provides invoicing data and purchasing reports.  |            |
| The procurement technology integrates well with other software solutions in my company's existing tech stack.                           |            |
| The procurement technology integrates with vendor portals my company currently uses to make purchases.                                  |            |
| <b>Total</b>  |            |



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## Stop searching, start saving.

As you can see, an efficient procurement process is essential to your company's growth and success. The better and more efficient your procurement software is, the better and more efficient your company will be... it's simple math. Cut your operating costs and risks with procurement technology, and start seeing a greater return on your spend.

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If you're ready to start researching procurement technologies today, request a demo with Order.co.

[Get started →](#)