

Source2Pay Project

Process – Vendor Set Up & Maintenance
Future State
Focus Group Meeting
August 25, 26 2016

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Agenda

- Welcome
- Introductions
- Source2Pay Project Overview
- Project's Process Details
- Process Current State
- Current State Identify Issues
- Next in the project's process
- Questions

Welcome!

- Introductions
 - Name
 - Department
 - Current Job
 - Goal for being participating on a Focus Group

Source2Pay Project

- Our current Source2Pay procedures at the University has significant opportunities for improvement and impact every department within the University system.

Today – Common Feedback

- Takes too long when business rules require purchase orders or bids
- Overly complex business rules that are often unknown to those making purchases
- Difficulty tracking and reconciling transactions
- Often not leveraging available strategic contracts to maximize cost savings

Project Purpose/Goal

- Identify process improvements throughout Source2Pay process
- Develop RFP
- Ultimate goal is to minimize, improve & standardize IT platforms

Source2Pay Project

- Project scope - Identified 24 process within the Source2Pay cycle.
- Pilot 4 processes
- Utilize Business Process Improvement methodology approach (BPI)

Procurement Services

- Project Sponsor:
 - Duane Elmore – Asst VP Procurement Services
- Functional Group Lead
 - Dan Szajna – Assoc Director of Compliance, Policy and Conflict

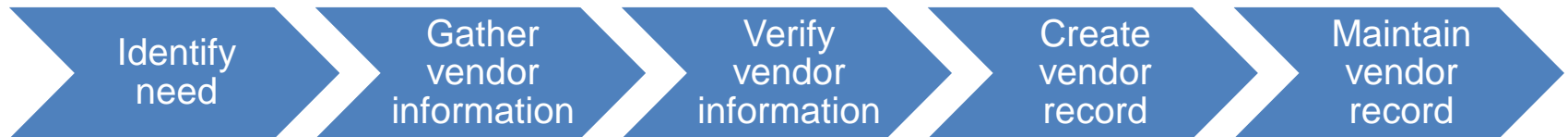
Project Process

- Capture Current State
 - Map process
 - Current state document
 - Present to campus in focus group setting
 - Present feedback to the team
 - Finalize current state
 - Present to Director Council

Project Process

- Create Future State
 - Map process
 - Identify Issues
 - Brainstorm recommendations
 - Present to campus in focus group setting
 - Present feedback to the team
 - Finalize proposed solutions
 - Present to Director Council

New Vendor Setup, Maintenance & Termination: Current State



Current State Process

- Identify Need
 - A new vendor is identified as needing to be setup created because a campus unit encounters some need to pay
 - Office of Procurement Diversity (OPD) requests a new Business Enterprise Program (BEP) vendor be added

Current State Process

- Gather Vendor Information
 - Campus unit and Vendor complete the Vendor Information Form
- Verify Vendor Information
 - IRS database
 - Excluded Parties List

Current State Process

- Create New Vendor Record
 - Upload VIF
 - Create Banner Record
 - Create iBuy Record
- Maintain Vendor Record
 - Address Update
 - TIN Update
 - Vendor Details Update
 - Termination

Key Findings

- **Training**
 - Departments need training on obtaining info from the vendor, completing the VIF, the vendor maintenance process, searching for vendors in Banner and iBuy and understanding the FTMVEND form
- **Communication**
 - Inconsistent communication between departments and UPAY, between UPAY and Purchasing
 - VIF not being submitted by vendor in timely manner
 - Improve communication to departments re: use of notes on vendor record
 - Lack of transparency into the status of processing a VIF
 - Departments and vendors unsure of whom to contact with questions regarding the VIF, tax information
 - Campus unit not informed of vendor termination in Banner
 - Lack of communication to university as a whole on vendor rules
- **Resources (finance, human)**
 - Lacking UPAY staff/resources causes delays
 - Termination list for vendors is large and slows down system * see also under Technology
 - Lack of designated contacts for processing of VIF and additional required documents by international vendors

Key Findings

■ Procedures

- Lack of knowledge on the ownership for working with vendor and verifying info (Vendor Maint, Purchasing, Departments)
- Department notice an inconsistent process when a VIF is requested to update a vendor name when previous invoices showing the same name were processed.
- VIF asks if department wants to “Add [vendor] to iBuy” but there’s not a choice – it’s mandatorily added in iBuy

■ Technology

- Manual VIF process causes delays and errors (bad data, mis-key, legibility, rework)
- Lack of automation for processes involving rework for Purchasing and departments and UPAY
- Multiple systems (Banner, iBuy, BEP, etc.)
- Banner/iBuy does not communicate with BEP system
- Vendor does not have access to technology (Adobe, Fax) Multiple external systems for verification
- Limited vendor search capabilities in procurement systems
- Banner lacks a method for archiving/purging terminated vendor list.

Focus Group Solutions

- Ability to search by commodity (type of service/product offered)
- Ability to search for BEP vendors
- Designate up front that a vendor will be one-time use so UPAY can term after POs are paid
- Online, secure vendor portal where vendors fill out VIF-type info/register
- Guide on Vendor Maintenance vs. Campus Unit responsibilities
- Distributed weekly report of vendors added/terminated.
- Report of open POs with term'd vendors – and notification to campus unit of termination coming – here are open POs.
- Ability to download/report on BEP vendors
- Training on vendor search and understanding FTMVEND dates

Brainstormed Solution Ideas

■ Training

- Develop a vendor portal to add/enter info, containing training
- Ensure vendor training is included in the requisition training, including responsibility of department to get VIVF form and follow up when requested.
- Need smart form for VIF
- Update and enhance job aids to explain VIF better for campus units. (Work with Mary Malcolm's group)
- Develop webinar or online video training
- Include job aids/training link for vendors on VIF
- Give vendor a contact person (list contact info/instructions on VIF)

Brainstormed Solution Ideas

■ Communication

- Include “Who to call” information on VIF and OBFS website
- Develop and distribute a regularly scheduled (quarterly? monthly?) report indicating when vendors have been terminated
- Assign unique number to VIF so sequence of VIF is clear (e.g., hold old is VIF, is it older than this other one I have for same vendor?)
- When VIF is updated stakeholder (unit or vendor) generates email (like Service Desk ticket does)
- Hold Q+A sessions with UPAY for/with Business Managers Group
- Give vendors ability to maintain certain fields (e.g., phone, fax, email)
- Prepare communication to users covering questions we have received about the VIF. Link to training, job aides, and FAQs on OBFS website

Brainstormed Solution Ideas

▪ Communication

- Future: acquire vendor online portal – vendor information would automatically populate vendor information, vendor info would be verified by external systems. This system would have workflow so everyone would know status of on-boarding the vendor.
- Give requestor and vendor a reason and “how to fix” when a vendor is not set up
- Re-work the OBFS website to make sure users can easily locate vendor documentation
- Implement a status queue indicating where a VIF is in the process
- Improve/develop website that addresses areas where there is a lack of communication (including FAQs)
- Document and post/share defined explanations for all parties involved in on-boarding a vendor
- Develop FAQ for tax as well as common questions
- Have instant notification if change to VIF or info is added to a vendor record

Brainstormed Solution Ideas

■ Policy + Procedure

- VIF should work like Turbo Tax, where there are responsive questions based on answers entered by vendor. Also, include “tool tips” that can pop out instruction on various pieces of information requested by the VIF
- Ownership should remain with the campus unit until a vendor ID number has been assigned
- Revise VIF to exclude iBuy checkbox option and revisit other information on the form
- Flag vendors for inactivity. Review/update as needed (idea for a new system)
- Develop and implement an interactive vendor portal
- Define UPAY responsibility vs. campus unit responsibility

Brainstormed Solution Ideas

■ Policy + Procedure

- Update VIF to be an online Smart Form including workflow
- Need to determine who initiates VIF. If it's the department/campus unit, then they need to help with questions from the vendor. Need to work **with** vendor maintenance (team effort).
- Initiate an iBuy/PMM distribution listserv for approval to terminate with voting approvals
- Accurately capture multiple types of certifications (BEP, HUD, 8a, small business, etc.)
- Require training prior to access to Requisitioning
- Outsource vendor on-boarding/maintenance to another campus unit instead of UPAY
- Establish a procedure to terminate (archive or purge) vendors. Start with “x amount” per month. Make this a priority.

Brainstormed Solution Ideas

■ Technology

- Remove outdated/un-used vendors from system of record
- Develop a web site to enter VIF info/Smart form/interactive form (VIF)
- Vendor Info Form needs to be re-worked to be user-friendly
- Archive old/terminated vendor data
- Find and use one system with functionality of both Banner and iBuy
- Banner should “talk to” iBuy
- Problem of overrides of change name/TIN should be fixed or not allowed without higher level approval

Brainstormed Solution Ideas

▪ Technology

- Be able to check if vendor is already listed in system if already submitted
- Search function to find vendors by commodities (not commodity codes)
- Do away with fax option for submittal of VIF
- Ability to check on vendor status
- Vendor self service for changes
- Develop and implement a vendor portal including the following capabilities:
 - Vendor enters their information online
 - Multiple external system verification
 - Workflow
 - Notifications
 - Cross-check for duplication
 - If vendor is updating, there should be a way to see current info already existing in our system
 - Interface to other verification systems (e.g., Excluded Parties List, BEP certifications, IL Secretary of State)

Future State

Any future state ideas we have not discussed?

Next Steps

- Present feedback to Project's process Team
- Finalize future state
- Present future state to Director Council

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Thank YOU!