

# The Benefits Of Purchase Requisition Software



No matter how ambitiously they compete in the marketplace, companies of all sizes can still find ways to enhance their competitive edge. One of the most powerful opportunities to improve profits and productivity while reducing costs is through the use of purchase requisition software supported by automation and artificial intelligence.

As part of a comprehensive procurement software solution like PLANERGY, purchase requisition software lets companies optimize the efficiency of, and value produced by, the purchase requisition process—and procurement processes in general—while keeping waste and expense to a minimum.

## Purchase Requisition Software: The Basics

A purchase requisition (also called a purchase request) is the spark that ignites the procure-to-pay (P2P) process. It is the way in which companies meet business needs by purchasing required goods and services.

Traditionally, the purchase requisition process was time-consuming, labor-

intensive, and a source of potential expense beyond the purchase of goods and services. Outdated purchase request workflows:

- Used paper-based document management
- Required manual data entry, research, and error correction
- Provided minimal spend visibility
- Did not allow procurement teams to track purchases in real time
- Lacked safeguards against maverick spend, fraud, and theft
- Lacked support for user-friendly and comprehensive spend analysis
- Created an often incomplete audit trail
- Required a request-for-quote (RFQ)/request-for-proposal (RFP) for many purchases
- Generated extra fees and lost discounts due to delays in the purchase approval process

Cloud-based purchase requisition software automates and streamlines purchasing processes. It gives users easy access to purchasing and approval workflows, improves spend visibility, and enhances a number of procurement processes such as inventory management, contract management, and supplier management by integrating with other procurement software components as well as existing accounting software solutions and enterprise resource planning (ERP) packages.

Instead of searching for potential vendors for every item purchased, tracking down the necessary forms, going through the RFP/RFQ process, and then trying to get the best price possible with incidental attention paid to terms and vendor performance history, a buyer using purchase order software follows a simple series of steps:

1. The requestor creates a purchase request within the system, choosing items from a pre-approved catalog of goods and services. For new items or one-off purchases, forms can still be added manually, populated with standard contract and other data as required.
2. The form is automatically routed to the correct manager or supervisor for necessary approvals. Approved forms move on to purchasing, while rejected forms are returned to the requestor for revision.
3. The purchasing team reviews the approved purchase requisition form to ensure it is complete, accurate, and meets budget requirements.
4. The approved purchase requisition form is used to create a purchase

order. In the event a new supplier is desired or required, the purchase request is used to create an RFQ.

5. The purchase order or RFQ moves through the purchase order system and is sent to the vendor or is used to initiate the vendor selection process. All parties can track its status in real-time, and communicate across departments, locations, and devices.

*Thanks to artificial intelligence (AI) and business process automation, purchase requisition software eliminates the most common purchasing frustrations while providing added value through greater efficiency, accuracy, and ease of use.*

## **Purchase Requisition Software Helps Optimize Procurement**

For modern purchasing departments (and finance teams), overcoming the traditional frustrations that accompany a manual purchase request form—wasted time and money, low spend visibility, inaccurate and opaque spend data, etc.—is as easy as adding intelligent, automated purchase order management to their procurement process using a software solution.

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Using a cloud-based, automated purchasing software solution transforms your purchase order process through:

### **• Touchless Purchase Order Management**

With centralized data management, not only are paper and pen out of the picture, but so is manual data entry—and human error. Purchase requisitions can be created in moments, either from scratch or using a variety of templates. Purchase requests are pre-populated with information from pre-approved vendor lists contextualized by item availability, pricing, and delivery terms. Purchase orders are created and automatically linked to the original purchase requisition, as well as the

associated invoice, shipping documents, and any other correspondence related to the transaction. Purchase order cycle times are reduced, as are invoice processing cycles.

## ▪ **Optimized Approval Workflows**

Automation supports contingency workflows, so orders never languish in an unattended inbox. Purchase requests that require revision or special approval can be flagged and then automatically rerouted through the system to ensure consistency and avoid redundant labor.

## ▪ **Customizable Ordering Controls**

Robust process customization makes it easy to fine-tune every aspect of the purchase order process, from approval workflows based on spending levels and budget requirements to limiting access to specific items for users working in certain locations, departments, or budgets.

## ▪ **Total Spend Visibility**

Pre-approved vendor lists and item catalogs send maverick spend packing before it begins. Automated and immediate purchase request tracking ensures all stakeholders enjoy on-demand, leveled, and real-time visibility on the status of any given purchase—whether they're in the office or on the go. All data related to a transaction is collected and organized for easy, mobile-friendly access for review, spend analysis, forecasting, and presentation. Accurate spend data improves cash flow control, too, so companies can direct capital toward emergency spend, product development, or expansion with confidence.

## ▪ **A Complete Audit Trail**

Thanks to comprehensive data management and complete spend visibility, financial controls are much easier to implement, as well as more comprehensive and accurate. Financial teams can produce a complete audit trail on demand, improving forecasting and spend analysis. They can also examine spending trends and anomalies to identify opportunities for

innovation, process improvement, and growth.

## ▪ **Staff-Driven Savings**

Process automation provides savings through efficiency and productivity improvements, but it also frees staff from the burdens of low-value tasks, improving productivity and morale. Team members can use their skills to pursue critical tasks that support company initiatives and goals, while management can reduce overhead.

## ▪ **Integration with Other Software Solutions**

As part of a complete procurement software solution, purchase requisition software can connect with other modules to provide all business units with accurate, real-time spend data they can use for stronger inventory management, contract management, and supplier management. Integration with ERPs, accounting software, and customer resource management (CRM) packages means marketing, sales, logistics and accounting—as well as the C-suite—are all on the same page and working to support company goals while budgeting properly for their own specific initiatives.

## ▪ **Improved Supplier Management**

Complete data transparency and data management integration makes it easy to onboard and evaluate suppliers. Performance data strengthens your negotiation position for terms and pricing, and lets you identify top performers and add them to a list of preferred suppliers. Underperformers can be suspended or removed from the system altogether. Automated approval and payment workflows make it easier to capture early payment discounts and avoid late fees, too, ensuring your reputation with the vendors essential to your company's day-to-day operation remains strong.

# Better Purchase Requisitions, Stronger Procurement

Is your spend strengthening your company's position, or straining it? Every purchase, big or small, begins with a purchase requisition. Making sure your purchase requisition process is optimized for savings, efficiency, and value sets the stage for greater productivity and profitability in your total procurement—and stronger support for your company's most important goals.

## What's your goal today?

### 1. Use PLANERGY to manage purchasing and accounts payable

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