

Remote Procurement: How To Build a Successful Remote Procurement Process



Today's procurement managers face unprecedented challenges in building a strong, resilient supply chain, sourcing strategically, and ensuring their procurement teams and processes are operating with maximum efficiency and efficacy.

Major business disruptors such as climate change, sociopolitical unrest, and major health crises such as the COVID-19 novel coronavirus pandemic have made effective procurement more important than ever.

And while the challenges might be unprecedented, so too are the opportunities to align procurement as a primary value driver for your business—provided you're ready to embrace new procurement strategies.

In the "new normal" created by COVID and other disruptors, remote procurement management is one of the most valuable tools available. Properly managed, remote procurement teams can collaborate to perform and improve business processes and meet business needs.

The key lies in crafting a remote procurement process that acknowledges your team's needs, prioritizes collaboration and communication, and gives them the tools they need to succeed.

Why Remote Procurement Management Matters

Even before the coronavirus pandemic struck, chief procurement officers (CPOs), senior procurement managers, and other procurement professionals were looking to improve their agility and protect their business continuity by investing in remote working capabilities for their teams.

Modern digital tools—including the automation, data management, and analytics provided by comprehensive procure-to-pay solutions like PLANERGY—made it possible to assemble teams that could collaborate on global procurement as effectively across time zones as they would in a traditional shared workspace.

As companies around the world continue to wrestle with the fallout from the pandemic in the new normal, using these tools to support remote work has become even more important.

Protecting employee health (including mental and spiritual health as well as physical) and complying with government regulations while still developing and executing a winning procurement strategy has forced organizations to reevaluate their procurement processes to meet stakeholder expectations.

From improving information technology and software assets to taking a more proactive approach to remote team management, procurement specialists are closing the gaps created by social distancing and the supply chain challenges created by COVID-19 and other disruptors by taking procurement jobs, procurement processes, and procurement strategies out of the office and into the cloud.

Properly managed, the benefits of remote work are substantial for both employer and employees.

Employees report higher productivity, greater job satisfaction, and a renewed sense of work-life balance. They work longer, live healthier, and display greater

loyalty to their employers, too.

Given that 83% of survey respondents said they'd be happier working remotely for the foreseeable future, companies who want to compete effectively in the global market need a clear and comprehensive remote procurement plan in place to attract top talent and ensure folks inside procurement and across the organization are supporting organizational goals for growth, innovation, and competitive performance with every purchase.

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Best Practices for a Successful Remote Procurement Program

Whether you already had a remote procurement plan in place before the pandemic or are starting from scratch, you can create and sustain a successful remote procurement program by following some basic best practices.

1. Understand Your Needs

From the jump, transitioning to remote procurement requires a careful analysis of your current capabilities, as well as your business needs and goals. It also requires a thorough understanding of common procurement challenges that come with distributed remote work, including:

- Finding tools that eliminate the need for paper-based, manual workflows (including approvals!), in-person meetings, and access to onsite resources such as computers and software.
- Finding ways for procurement team members to communicate and collaborate effectively.
- Potential lack of clarity in workflows, hierarchies, and accountability.
- Logistical issues regarding purchasing and distributing materials, goods, and services.

In considering these challenges, and in reviewing your needs and goals, asking yourself these questions can provide some much-needed clarity:

- What tools and software does the procurement team need to successfully perform their jobs, including the necessary training to ensure everyone can use them effectively?
- How can we transition paper documents and manual workflows online while still protecting data security and ensuring both access and accountability?
- What new jobs or job titles (if any) will need to be created to facilitate the transition to remote procurement, and how will these positions be filled? Internally, or through job postings?
How many years of experience will they require, and what skills will they need? Will they be part-time? Full-time?
- What additional criteria will need to be added to existing positions such as procurement specialist or procurement analyst to ensure these roles have the communication skills and technical savvy to perform their duties remotely?
- What metrics (including key performance indicators (KPIs), benchmarks, etc.) will we use to evaluate our remote procurement program? What software tools will be required to support such an evaluation and make refinements to our processes?

The answers to these questions will help you craft policies that meet your needs and also aid in managing your remote team effectively while meeting *their* needs.

2. Choose the Right Software Tools

Your team will need a variety of hardware, as well as shared software applications, to perform their duties effectively and collaborate despite disparate locations and schedules.

Some areas to keep in mind include:

- **Consistent hardware.** Whether your company issues hardware such as laptops, printers, etc. or requires contractors to provide their own, it's crucial that everyone on your procurement team has compatible technology that meets the requirements for the software you'll be using.

Making sure everyone has the same model of video camera and microphone, for example, will simplify setting up communication software and also minimize the need for advanced troubleshooting (since everyone will have the same repair instructions or can be issued a functional replacement quickly from inventory).

On the software side, make sure everyone has a computer that meets (or ideally, exceeds) the system requirements for memory, graphics, and operating system for any given application. Starting with compliant and compatible hardware will ensure everyone's navigating the same software environment and has access to all the features they need to communicate with each other while performing their jobs.

Finally, make it as easy as possible for all your team members to access essential supplies as needed. Automated approvals for purchases in specific categories and with specific pricing criteria, for example, make it much simpler for team members to stay well-supplied while still capturing their spend data and ensuring projects and teams stay on-budget.

- **Communication and collaboration.** Modern procurement teams span time zones and continents, so you need tools that will let you communicate both in real time and via time-delay as needed. Invest in a collaboration platform such as Slack, Discord, Microsoft Teams, etc. to provide support for communication and collaboration between the entire team, specific groups (e.g., a project manager and their team), and individuals having private chats.

Dedicated video conferencing platforms such as Zoom or DialPad facilitate face-to-face communication. Virtual document management tools such as Adobe Acrobat and DocuSign make it easy to share and sign business-critical documents securely.

- **A comprehensive, cloud-based procure-to-pay solution.** This is the biggie when it comes to achieving sustainable, best-in-class remote procurement. Choosing a P2P solution such as PLANERGY:
 - Centralizes your data management. All spend data is captured and stored in a single place, where it can be tracked and analyzed or added to additional data from other sources to provide a richer source of strategic insights.
 - Consolidates your existing software environment. Templates and standardization destroy data silos; leveled, role-appropriate access keeps data secure but accessible, allowing teams to share

data and collaborate effectively without needing to find workarounds.

- Provides powerful automation based on artificial intelligence to streamline high-volume processes and eliminate the need for paper documents or manual workflows. Accuracy and speed increase, while human error is eliminated and the need for human oversight is greatly reduced.
- Shortens the procurement lifecycle, improving efficiency across the board and providing more time for strategic sourcing, financial planning and decision making. In addition, shorter purchase order and invoice processing lifecycles mean materials, goods, and services are deployed more effectively, while accounts payable has more time to capture early payment discounts or free up cash flow by deferring payment until the due date.
- Simplifies communication and integration with suppliers. Support for punch-out catalogs and vendor portals, as well as built-in support for contract management, category management, and inventory management make it easier to:
 - Develop and enforce policies for guided buying.
 - Ensure every purchase is made at the optimal pricing and terms from a preferred supplier.
 - Monitor vendor performance while enforcing supplier compliance through collaborative and data-driven vendor management.

3. Create and implement policies that meet your changing needs.

No two companies will have identical policies in place for remote procurement. But you can give your remote procurement program staying power by developing and enforcing policies and protocols that address your evolving needs.

- **Create and enforce communication policies.**
 - Schedule a daily procurement-wide meeting to ensure everyone knows the day's priorities and has the latest information.
 - Project managers and category managers should schedule regular team meetings for the same purpose. Teams spread across time

zones can alternate hosting or have special catch-up sessions for team members who can't attend live.

- Provide clear opportunities for all voices to be heard to build trust and a sense of camaraderie.
- Prioritize creativity and innovation.
- Ensure everyone is using only approved communication and collaboration tools to prevent data loss, ensure data security, and avoid miscommunication.

▪ **Redefine core processes to leverage new tools.**

- Ensure everyone has received training on all software being used and understands their role and responsibility within the procurement system.
- Prioritize the replacement of outmoded manual workflows and paper documents with their online equivalents.
- Ensure all buyers are following approved, documented policy for purchases, from contract negotiations and management to guided buying and supplier relationship management.
- Ensure everyone across the organization has seen, understood, and agreed to the new processes.
- Incorporate benchmarks, metrics and process analysis into all workflows and regularly review them to identify areas of potential improvement or those in need of correction.
- Take advantage of cross-functional collaboration to ensure all duties can be covered effectively without a single point of failure should a team member take time off or retire. Cross-functional training also helps with compliance by keeping duties separated and provides further protection against invoice fraud, theft, and maverick spend.

Whatever policies you establish for your procurement team and organization as a whole, make sure you've:

- Properly documented all policies and procedures.
- Distributed these policies and procedures to all stakeholders
- Secured verification from stakeholders that they've read, understand, and agree to comply with these policies and procedures (e.g., an electronic signature).

- Incorporated regular updates as needed to ensure everyone always has the latest and most accurate version of procurement policy and procedure at hand.

Successful Remote Procurement is Possible

Digital transformation has freed your business processes from their brick-and-mortar bonds.

Switching to remote procurement doesn't just create cost savings; it allows you to create a more agile and resilient organization that's able to respond to global procurement challenges with greater ease and confidence than ever before.

Invest in the tools your procurement team needs, prioritize collaboration and communication, and develop and implement new processes for procurement and team management to ensure everyone's on the same page and working toward the growth and success of your organization.

What's your goal today?

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