



Seven User Adoption Strategies That Will Guarantee e-Procurement Cost Savings

A Coupa White Paper



Step # 2. Set Specific Improvement Goals & Communicate Results

Do you want your organization to buy into your savings goals & process improvements? Then make sure employees know what your goals are and how your operational performance is tracking against those pre-set targets.

Engage employees in a conversation. Openly share your goals for the project. Here is a sample list:

- Speed up fulfillment times 50% (moving from 4 weeks to 2 weeks)
- Decrease order processing costs by 35%
- Reduce average approval wait times from 15 days to 3 days
- Reduce expenditures by 10% (from same period last year)
- Decrease prices paid by 5% in IT equipment and 10% in office supplies

Once you've established and shared specific targets for improvement, employees will have better insight on why they are participating in this change to begin with. Furthermore, you've put together a framework that can then be used to report progress.

Employees buy-in to goals they understand. As you begin to achieve small success, communicate it and congratulate them. Ask for their support to get to the point where you beat your initial targets. Make success a win for them too!

Do you plan to set goals and measure?

+25 Points!

Step # 5. Simplify Processes and Controls

Here's a simple question you should anticipate employees asking:

"Is the new system easier and more convenient than the old way?"

If you're not sure how employees would answer that critical question, you still have work to do.

The lack of a procurement process or a procurement system inevitably leads to complexity. So if this is your organization's first "formal" procurement system, you need to examine the current way and **"cut out the complexity, cost, and confusion."**

Employees, above all else, are looking to get their jobs done. If the new system is hard to use, they will examine other paths to purchasing the goods and services they need to get their work done. Said another way, your new process should make procurement procedures "easier to use than avoid."

One area organizations over-complicate is approvals. Just because an electronic procurement system allows you to create five approval levels and twenty-one different approval flows depending on the type, and dollar value, of purchase, this doesn't mean that you should. Instead, ask yourself at what dollar value any approval at all is required? Consider simply auditing purchases under \$25 dollars rather than pre-approving them. Error on the side of single or at-most two-stage approval flows. This will help you improve cycle times and improve employee satisfaction. And best of all, you'll be centralizing control and gaining better visibility into spending without having to deal with organizational strife and ill will.

Do you plan to simplify your processes?

+15 Points!

Step # 6. Don't Be Scared: Empower Employees

Empowerment isn't just a buzz-word, or a feel good word that is used to quell the fear of employees. It's an approach to business that actively engages employees in their jobs in a way that causes those employees to see themselves as important to the business.

In purchasing, empowerment is a technique by which a tiny central group can magnify its efforts greatly to gain insight and control over spending.

After all, it is employees, not finance or procurement, that buy the goods and services necessary for the business to function. **A central group can improve employee purchasing decisions, but usually this improvement is possible because the central group “knows more” than the requesters.** Why is this? Because the information they gain is not shared or made available to employees.

If however, your new process allows finance and purchasing personnel to share information with employees transparently, and allows employees to share their experience and information right back, your organization will learn faster and make much better buying decisions.

One easy area for empowerment in e-Procurement is gathering feedback or “ratings” from employees on previous purchases.

Do you plan to empower your people?

+10 Points!

Wrap-Up: What's Your Score?

Well, how did you do? The higher your score, the more you can expect to realize significant ROI for putting a new procurement system in. Add it up!

| User Adoption Strategy | Points | Your Score |
|--|------------|------------|
| Build anticipation and excitement for change | 15 | |
| Set specific goals and communicate results | 25 | |
| Invest in training | 15 | |
| Make your project fun | 10 | |
| Simplify your processes | 15 | |
| Empower employees | 10 | |
| Reward good behavior | 10 | |
| Total | 100 | |

| Predicted Project Success | Your Score |
|--|------------|
| Not good! Plan on hiring janitorial staff to clean graffiti off the bathroom walls (left by employees in response to the new system) | < 55 |
| So-so! Your project will succeed but it will take a year or two for employee behavior to fall fully in line with system goals | 55-79 |
| Good! You're in good shape and should realize savings right away | 80-99 |
| Perfect! You will be featured on the cover of an international purchasing magazine | 100 |

Remember: There's no better way to control spending and improve operational performance than by implementing an effective new procurement process. Take action and get going. Follow these strategies and you'll be sure to see a very rapid, immediate payoff. Good luck!