

Coupa Takes the Plunge Into Web Spending Management

by Mickey North Rizza

Procurement technology vendor **Coupa** has launched a new e-Procurement platform. The product is marketed directly at procurement and finance organizations that have deployed applications, but have yet to reap the rewards. It's very timely too, considering the current economic environment.

The company believes the new e-Procurement product cracks the code on smarter spending by providing predictive spend dashboards and proactive alerts, allowing companies to look at potential over-spending areas and course-correct spending habits before it's too late. It also allows companies to source the best deals from virtually any e-commerce website. RFQs can also be automatically published to a Coupa RFQ Twitter stream, reaching potential suppliers from around the globe. These last two features arm every employee with the ability to save the company money during the procurement process.

The iRequest and iBuy capabilities provide an alternative to punch out sites. Coupa iRequest allows requisitions for any item from any website and still applies the approval workflows and controls of the purchasing system. Coupa iBuy is the next step that facilitates e-commerce transactions across the Internet for the buying organization.

The e-Procurement product is a great tool for small businesses that have no spending policies in place. However, for companies focused on compliance and those that want to reap the rewards of buying on

contract or from preferred or qualified suppliers, the workflows must be carefully thought out.

A reference that supported the Coupa e-Procurement product noted, "We are now part of the business process, have visibility, and work together with procurement by forecasting spending and making changes in spending habits with the Coupa predictive dashboards." However, opening up procurement to the Internet world without preferred suppliers and negotiated rates as the baseline means the opportunity for more competition from non-qualified sources. While this may be a great opportunity to ensure enterprise spend management using the Internet, it could kill preferred pricing, preferred suppliers, contract compliance, and some supplier relationships. The potential for risky trading relationships is high. But if the workflow supports the preferred suppliers first, it might have potential.

AMR Research expects this Internet savvy e-procurement tool to change the way procurement is done online, but cautions companies to ensure they look carefully at their compliance requirements, supplier contracts, and necessary workflows as they set up the system.