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

A Coupa White Paper

coupa

smarter spending simplified

The Problem

Your business has just spent months updating its processes and implementing a brand new e-procurement system. A consultant you hired has modeled the ROI and determined your new system will save the company hundreds of thousands of dollars a year through process simplification, automation, and better prices.

So you happily turn the new system on, send out a "go live" memo, pat yourself on the back, and wait for the savings to roll in.

But they never come. Your first monthly report indicates that the business is spending just as much as before, and, to your dismay, no one appears to be using the new procedures.

What happened?

Your business overlooked one key aspect of success: **employee buy-in**.

Don't let this common mistake happen to your project. If you follow our guidance you can guarantee your new processes will be embraced and adopted by employees and management alike.

We developed these *seven strategies* from decades of working with businesses seeking to improve their procurement practices.

They just might represent the difference between failure and success in your procurement initiative, so follow them! Good luck.

coupa
smarter spending simplified

Step # 1. Build Anticipation and Excitement

If you are bringing change to an organization, lay the groundwork for success early. Weeks or months before you flip the switch on a new process or system begin marketing the change to your employees. Catch people's attention on what is being planned. Offer to answer any questions they might have and be responsive! Smartly worded email subject lines can engage employees' attention. Here are some ideas:

- *"For Automated Purchasing, Someday Is Sooner Than You Think"*

- *"Don't Mind The Mess, This Is A Construction Zone for Better Business Buying"*

- *"Something 'Wickedly Good' This Way Comes (And It's Available At Discount Pricing)"*

There's a reason big companies often spend millions of dollars to advertise their products - it works. Just like repeatedly exposing a target audience to a brand in a positive manner causes the audience to become comfortable with the brand, repeatedly exposing an initiative to employees will pave the way for its success. The key is to start advertising your initiative early, and to market the project's benefits for the company and for employees.

Then, when roll-out day comes, employees will not only be ready for the new e-Procurement system, they'll be excited to see it.

Do you plan to build excitement for change?

+15 Points!

coupa
smarter spending simplified

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 being 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!

coupa
smarter spending simplified

Step # 3. Invest in Training

Having engaged and interested employees isn't enough, they need to know what to do. Make sure they are trained on all key aspects of the new e-Procurement system well before the go-live date. **Make it fun**; people dread training because most sessions are boring.

Consider taking a "train the trainer" approach. Start out by identifying your "super users." Super users are those employees who may use the new system or process the most. They can be your strongest advocates or your most vocal critics, so be mindful of them. Train them on the new process professionally if possible. Solicit their feedback and ask them for their support to make the project successful. Then enlist these employees as teachers - by having them train the rest of your staff on the new system.

Be incremental about training. Train employees on what they need to know to be successful in the next 6 months, not the next 6 years. Don't overwhelm them with detail or with procedures that don't apply to them.

Train the groups who will go live with the new process first. Don't let too much time pass between training and go-live. And be pragmatic about what you cover; respect your employee's intelligence and their time.

Last, but not least, capture the training material and the Q&A in online form. Let this become a knowledge repository on the do's and don'ts about your new system.

Do you plan to invest in training?

+15 Points!

Step # 4. Make Your Project Fun

Improving your organization's procurement processes sounds pretty dull. So spice it up with novel ways of making the project "click" with others. Make the improvements you are achieving visible! Here are a few ideas:

- Monthly spending "thermometer" - encourage everyone to stay cool by keeping costs down

- Fastest gunslinger award - recognize the quickest cycle time processing purchasing requests through your new system

- Simplification award - recognize the biggest reduction in a complex ordering and approval process (see our next strategy for more information on this one)

- Savings "alerts" - broadcast savings events as they occur as employees effectively use the system to gain better pricing or to make better choices

Keeping the project fun keeps employees focused on what you are accomplishing by improving your business operations. And in so doing, you'll be training the organization to be more adaptive and receptive to additional process improvements down the road.

Do you plan to make your project fun?

+10 Points!

coupa
smarter spending simplified

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!

coupa
smarter spending simplified

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!

‹‹ coupa
smarter spending simplified

Step # 7. Reward Good Behavior

The best way to get anyone to do anything is through positive reinforcement, and the best positive reinforcement that a business can give an employee is a reward.

For purchasing administrators or central finance, structure their bonus or performance review around their commitment to the e-Procurement is an easy first step.

Here are two simple starting ideas that you can use are to reward good behavior:

- departments who put 90% or more of their spending through the system over a 90-day period receive a "spend control achievement party"

- employees who identify a savings opportunity and then solicit competitive bids through an RFQ (and save 5% or more off of last year's price) get 1% of the first-year savings as a bonus.

Do you plan to reward good behavior?

+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!