MAKING PURCHASING *E*-ASIER

E-COMMERCE USED TO BE THE PRESERVE OF MAJOR COMPANIES WITH THE BUDGET AND RESOURCES TO SET-UP AN ELECTRONIC DATA INTERCHANGE (EDI) SYSTEM. ONLY PLACING HUNDREDS OF ORDERS A WEEK COULD JUSTIFY THE EXPENSE. HOWEVER, THE KIND OF FLEXIBILITY, ELECTRONIC INTEGRATION AND E-COMMERCE CAPABILITIES THAT ERIKS CAN OFFER, NOW MAKE E-COMMERCE A COST-EFFECTIVE AND SUSTAINABLE OPTION, EVEN FOR WEEKLY ORDER LEVELS IN THE TENS RATHER THAN THE HUNDREDS.

An early adopter of EDI was Ford, and the first MRO supplier to establish an EDI connection with Ford in Europe was *ERIKS*, in the early 1990s. Since then, the systems have simplified, the set-up costs have shrunk, and *ERIKS'* experience has grown enormously. Now Ford makes several million pounds of purchases annually via e-commerce, and recently instigated a new contract from Ford in Germany to purchase from the UK – set-up by *ERIKS* in just five weeks.

But the size of Ford's e-commerce operation is only one end of the scale. The growth of the internet and the Web, and the increase in digital systems such as SAP within even smaller organisations, means that e-procurement can now be highly viable on a far smaller scale, for any organisations which want to cut costs, minimise paperwork and increase purchasing efficiency.

There's no need for an EDI or other complex electronic system, and no requirement to place tens of thousands of pounds of orders every week. Essentially, if a potential e-commerce customer can send *ERIKS* an electronic message, *ERIKS* will almost certainly be able to open it. Once it's opened it can be processed, and e-procurement is underway. The system and process can then grow and develop to be as integrated, sophisticated and comprehensive as the customer requires.

There's a choice of two ways customers can access the standard *ERIKS'* e-catalogue. The first option is a punch-out catalogue, linked directly to the customer's purchasing system. This allows browsing and selection of products, with a requisition or purchase order raised on their own system. Customers retain order approval and budget control within their systems. The second option is to register to use the catalogue via a standard web browser. Control is maintained by allowing buyers to purchase only from pre-selected approved suppliers. With either option, the e-catalogue can be configured to show only products the customer is likely to need – saving time which would otherwise be spent searching the quarter of a million items available from *ERIKS*.
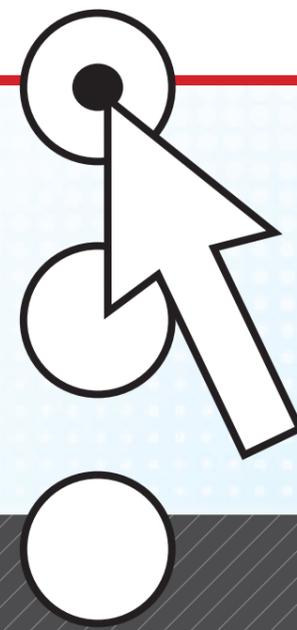
In addition, *ERIKS* can provide a stores management system – either consignment stock or vendor-managed – to ensure that stock levels in a customer's stores are maintained at the required level, with automatic ordering and replenishing.

ERIKS' comprehensive suite of e-commerce solutions makes it easy for any customer to establish an e-procurement system and save time and money. *ERIKS* integrates with a wide range of e-procurement portals (Ariba, Hubwoo, Oracle Supplier Network, Procserve Zanzibar etc) and invoicing portals (such as OB10, Basware, Tradex Causeway and B2BE) and offers connectivity to any customer systems. In addition, electronic integration with suppliers' systems helps to improve the speed of order processing, as well as ensuring ordering accuracy by eliminating double-keying of orders.

The comprehensive integration of *ERIKS'* electronic systems with the systems of both customers and suppliers is a real strength of establishing an e-commerce process with *ERIKS*. Once an order has been generated electronically by a customer there is no need for manual re-entering in any systems, so the possibility of human error is virtually eliminated, accurate ordering is almost guaranteed, and time is saved at every stage of the process. The entire process can also be paperless, unless there is a customer requirement for a paper print-out for record-keeping. Even then, the amount of hard-copy paperwork generated is far less than with a traditional manual ordering system.

Whereas with larger customers *ERIKS* can integrate with their ERP system using defined messaging standards, with their ERP system, smaller customers only need to have the capability to send – for example – an XML or other structured file, for it to be possible to create a fully integrated system. Nowadays a majority of organisations run SAP, which has an electronic ordering module built-in, and *ERIKS* can integrate with this too – minimising the amount of additional setting-up required before a customer can initiate e-commerce.

With the increasing ease of establishing an e-commerce system, and the ability to make it as comprehensive and integrated as required – from e-procurement to invoicing,

shipping notes, order confirmation, stock management and so on – more and more customers are seeing the benefits: in reduced costs, time saved, errors eliminated, less paper and less waste generated, and greater efficiencies realised.

In fact, e-commerce is becoming one of the e-asiest ways to make a noticeable difference to the efficiency and cost-effectiveness of procurement – and e-specially with *ERIKS*.