

Exensys Software Solutions Ltd.		AA/B/CCDD V x.y
White Paper		W. E. F. dd/mm/yy



The logo for exensys, featuring the word 'exensys' in a light blue, lowercase, sans-serif font. The 'x' is stylized with a red and white circular graphic. A registered trademark symbol (®) is located to the right of the 's'.

Business Performance Sustained **Best Practice**
eXensys – External Services Procurement

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Introduction:

All organizations spread across industries are primarily involved in two kinds of purchases i.e. standard and services. As profit margin on an item is directly dependant on its purchase price, organizations have concentrated only on improving and streamlining their standard procurement cycle. But there is a huge potential to save costs if proper management of service purchases is undertaken.

eXensys - External Services has been designed after in-depth industry research. It incorporates the industry best practices involved in purchase of services. It supports an organization to streamline its entire service purchase cycle by removing all unnecessary processes. Moreover, it accelerates the complete cycle through its efficient workflow management.

This paper presents how industry best practices can be implemented through adoption of eXensys – External Services leading to cost savings through lead time reduction, order tracking time reduction and minimizing costs involved in placing orders.

Overview:

External Services is a sub-module within eXensys - Procurement module. It supports the entire cycle of service requirements generation, quotation request, service purchase order, services recording, and invoice.

Request Processing

Users across the organization can request for their service requirements through a specially designed Service Requisition screen. A user needs to enter his department details along with the choice of a preferred vendor (if any). Each requisition has a validity date beyond which it automatically expires i.e. it won't be available for further reference, thus restricting any unnecessary procurement. Request for multiple services can be made in a single service requisition. The system allows selection of only service items. The system also supports item-wise service locations providing flexibility to requirements from a centralized location.

Request for Quotation

Once an organization receives multiple service requisitions, it needs to find the best possible source in terms of price, quality, timeliness of service, etc. eXensys – External Services facilitates creation of Service RFQ. A service RFQ can be created with reference to multiple requisitions, thereby allowing consolidation of requirements and negotiation of better prices. The purchaser can set the priority status to High, Medium or Low as per the importance of the requirements. An expected date can be set either for the entire RFQ or for each service requirement. Validity date communicates the service provider the last date before which a quotation can be submitted. If the Service RFQ is created with reference to requisitions then all the service requirement details will flow from the referenced requisitions other wise the user needs to select the items manually along with the requirement quantities. Once the requirements are selected the user needs to select the service providers. The print facility

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allows printing of the RFQ multiple times so that the same can be sent to multiple service providers.

Service Quotation

On receiving quotations from multiple service providers the organization needs to record all these quotations. eXensys – External Services provides the facility to capture all the received quotations against the Service RFQ. Provisions to record various details such as vendor details, vendor quotation no. and date, etc. are supported. Quotation validity date lets the purchaser place an order within the specified time period. All the service requirements are automatically populated if the quotation is created with reference to a RFQ. Minimum Order value from the service provider lets the purchaser decide the optimized order quantity. Facility to capture the provider’s payment terms and due date based discounts is also provided.

Service Order

After evaluating all the received quotations the purchaser finally selects the best possible one. eXensys – External Services provides the facility to raise a Service Order against the selected quotation. A service order can also be raised either with reference to service requisitions or without any reference. Apart from reference details other necessary information includes vendor details, currency, etc. If any payment term is mapped to a service provider then it is available by default in the order otherwise the user can manually select from a list of defined terms. eXensys provides the flexibility to select a single expected date for the entire order or different expected dates for each service requirement. The purchaser can either accept the quotation price or change the price based on any negotiations after quotation receipt. eXensys – Service Order also provides the facility to attach any received documents.

Service Entry Sheet

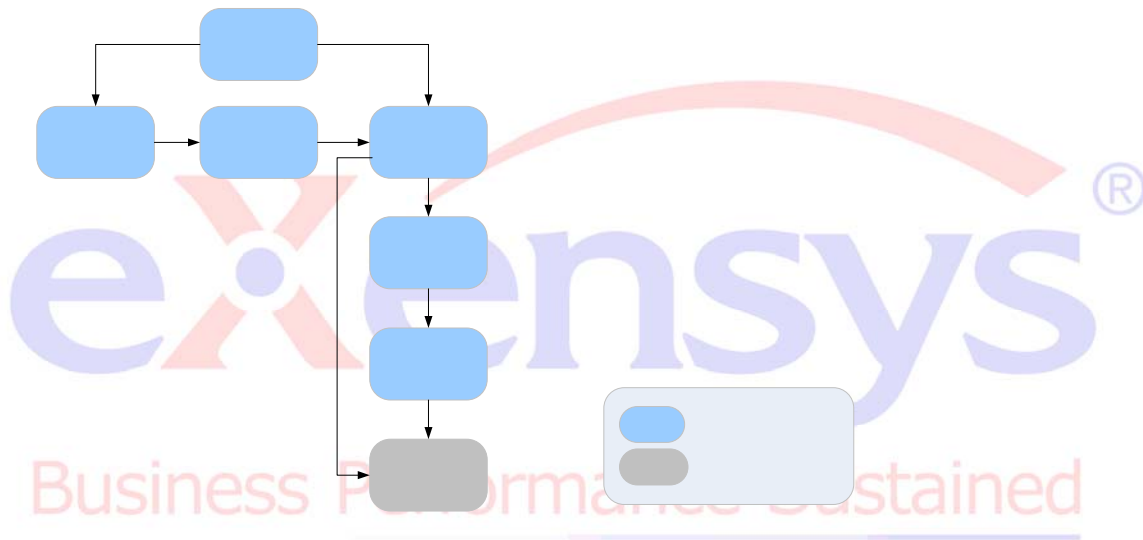
The service provider performs the services at the locations as per the instructions in the order. eXensys – External Services facilitates recording of service execution details through a service entry sheet. The various details which are captured include vendor details, cash or credit purchase, etc. As a best practice a service entry sheet should be recorded with reference to a service order. The supervisor or requester records the actual service date against the expected date. Various statuses such as ‘yet to start’, ‘in process’ and ‘completed’ can be entered by the supervisor to ensure real-time tracking of the service. Also score on timeliness and score on quality can be provided at the time of service entry which can be used as parameters for vendor evaluation.

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Invoicing & Payments

The invoice details as received from the supplier can be entered into the system and verified against the Service Order.

Once payment is released against an invoice, the system controls duplicate payments by not allowing the same in the payments screen. Further, a liability can be created only for what has been received. Similarly payments can be released against only what has been received. Further eXensys Workflow enables to implement controls for approvals at each stage in the Procure-to-Pay cycle.



Benefits:

1. Streamlined service purchases
2. Significant reduction in the procurement cycle time
3. Less paper-work
4. Ensure timely payments to vendors

Service RFQ

Service
Quotation

Service Order

Service Entry
Sheet

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Conclusion:

- eXensys – External Services is an effective module sufficing the entire service purchase needs of an organization
- eXensys – External Services cycle integrates the entire business processes of service requirements generation, quotation request, service purchase order, services recording, invoice and payments, enabling perfect automation
- eXensys – External Services cycle handles multiple service requests with different expected date for each service request
- eXensys – External Services supports centralized ordering
- eXensys – External Services is supported with minimum and easy data entry options to increase data accuracy and reduce errors in data entry
- eXensys – External Services supports flexible, automated routing for orders, invoices and payments to workflow for approvals enforcing controls at each step

