



THE ULTIMATE GUIDE TO MODERN AND RESPONSIBLE PROCUREMENT MANAGEMENT

TOOLS AND BEST PRACTICE

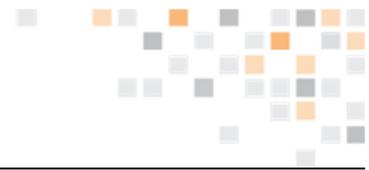


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Why should anybody care about procurement?

Whether you run or work at a large or small organisation, you will be involved in some way in procurement processes. All companies procure: some buy small things, such as pencils; others make huge purchases, such as buildings and raw materials. Regardless of whether you have a procurement department or just a person responsible for buying, many companies face fairly common obstacles in this area:

- Little control over who is buying, what they are purchasing, and from which vendor;
- Lost opportunities to negotiate better prices with vendors;
- Poor management of spending;
- A poor or no evaluation system for vendors;
- A complicated and ineffective manual procurement process.

These are just a few problems that organisations cite when speaking about their procurement processes. The fact that many parties from different departments are involved in these activities means that the list becomes even longer.

The DocLogix procurement management solution solves the most common problems that organisations face in the field of procurement management.

Who can use the DocLogix procurement management solution and for which tasks?

The solution has benefits for people in all positions in an organisation. They can use it to perform the following actions:

Every employee

- Create a purchase request and send it for approval to a manager
- Gain up-to-date information about the status of an order
- Confirm the receipt of goods or services
- Give feedback about suppliers
- Access all documents relating to an internal purchase request (such as RFQs, incoming proposals, orders, receipts and invoices)

Department manager

- Give approvals for purchase requests
- Analyse and control the spending of subordinates

Procurement manager

- Use templates to prepare RFQs and orders
- Carry out evaluations of incoming proposals
- Approve vendor proposals
- Search for related proposals and store new ones
- Follow the execution of purchases
- Approve received invoices and assign costs to the relevant departments



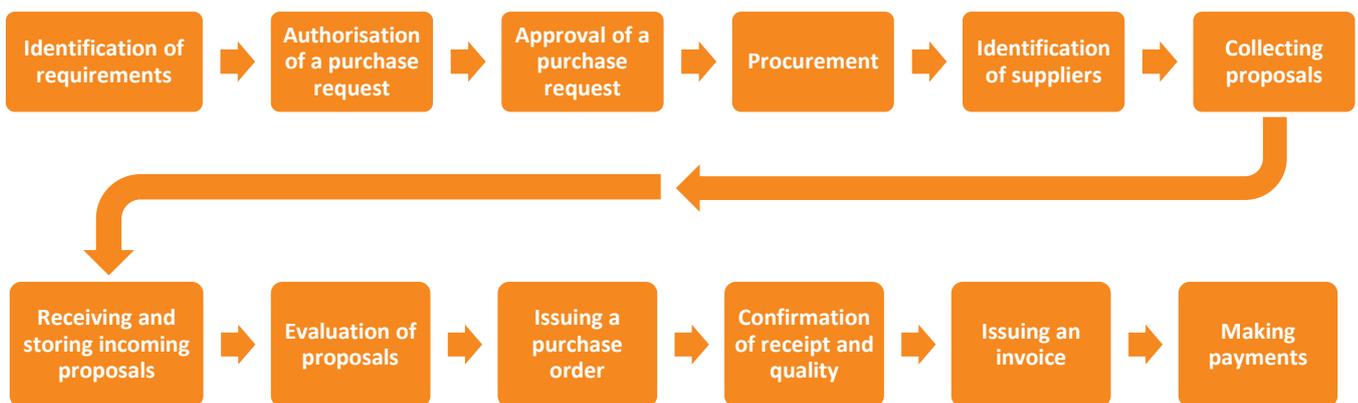
- Store and share contracts
- Analyse and control spending, and identify opportunities for savings

Financial officer / CEO

- Easily access and approve / reject purchase requests
- Monitor upcoming payment dates of invoices
- Have a complete picture of spending (plans and facts)

DocLogix: a tool for modern and responsible procurement management

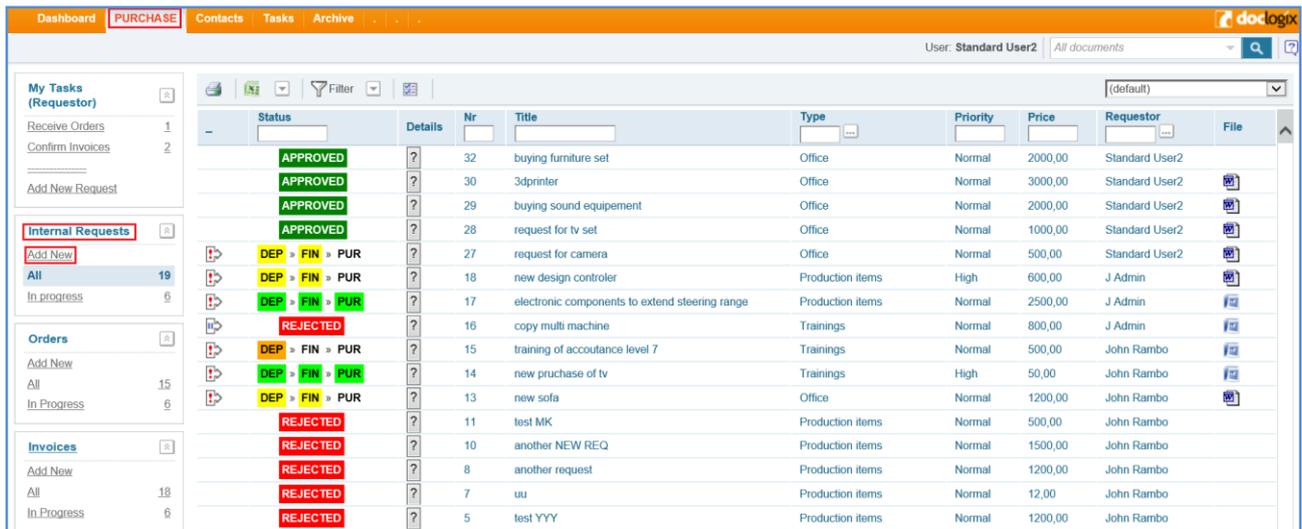
The DocLogix solution helps organisations at each step of the procurement cycle. The specific activities involved in this cycle may differ between companies, but the core processes remain the same.



Procurement management process

Identification of requirements

At this stage, a team member (from sales, marketing or another department) initiates a purchase request (PR) and outlines their needs. This information usually includes a description of the material and quantity required, the estimated price and the delivery deadline. The DocLogix solution provides a quick and easy way of making a purchase request. A golden-mean approach is used at DocLogix, whereby a happy medium is found between usability and the need to provide the information required. The initial stage of a purchase request appears as shown below. To make a request, the user goes to the PURCHASE section in the main menu and selects the Add New option in the Internal Requests box.

Status	Details	Nr	Title	Type	Priority	Price	Requestor	File
APPROVED		32	buying furniture set	Office	Normal	2000,00	Standard User2	
APPROVED		30	3dprinter	Office	Normal	3000,00	Standard User2	
APPROVED		29	buying sound equipment	Office	Normal	2000,00	Standard User2	
APPROVED		28	request for tv set	Office	Normal	1000,00	Standard User2	
DEP > FIN > PUR		27	request for camera	Office	Normal	500,00	Standard User2	
DEP > FIN > PUR		18	new design controler	Production items	High	600,00	J Admin	
DEP > FIN > PUR		17	electronic components to extend steering range	Production items	Normal	2500,00	J Admin	
REJECTED		16	copy multi machine	Trainings	Normal	800,00	J Admin	
DEP > FIN > PUR		15	training of accoutance level 7	Trainings	Normal	500,00	John Rambo	
DEP > FIN > PUR		14	new purchase of tv	Trainings	High	50,00	John Rambo	
DEP > FIN > PUR		13	new sofa	Office	Normal	1200,00	John Rambo	
REJECTED		11	test MK	Production items	Normal	500,00	John Rambo	
REJECTED		10	another NEW REQ	Production items	Normal	1500,00	John Rambo	
REJECTED		8	another request	Production items	Normal	1200,00	John Rambo	
REJECTED		7	uu	Production items	Normal	12,00	John Rambo	
REJECTED		5	test YYY	Production items	Normal	1200,00	John Rambo	

Figure 1. Initiating an internal purchase request.

The person who makes the internal purchase request needs to enter the following information:

- Title – a short description of the planned items/services to be purchased;
- Type – the general category of the items/services requested for purchase. The classification is user-defined;
- Priority – determines the urgency of the request;
- Net Price [EUR] to – defines the maximum value for the request;
- An Endorsee (Supervisor) is automatically assigned by the system on the basis of the subordinate-supervisor relationship between the logged-in user (originator) and their supervisor;
- Details/Explanation – a detailed description of the intended purchase and justification for it. Other information such as vendor preference can also be provided here;
- File – a purchase request can be attached in the form of an MS Word file. This is created from the PR document template and its content is synchronised with that in the request form. Several files can be attached to the form.



📄 **New 1. internal request.**

📄 Save | ⏪ Back

General
Nr / Version
RFQ
Proposals
Orders
Receipts
INVOICE

Title : *

Type: * Priority: *

Net Price [EUR] to: *

Endorsee (Supervisor): *

Details / Explanation: *

1 piece of multimedia projector of HQ
 I need it for presentations of icons

	Title	File size (KB)
File:	Internal Purchase Request document	28

[Add attachment](#) | [From scanner...](#)

Figure 2. Internal purchase request form.

After the request is saved, the appropriate workflow begins automatically.



Save & close | Check-out | Back

Workflow created

General | Nr / Version | RFQ | Proposals | Orders | Receipts | INVOICE

Nr: **34** Workflow Status: **DEP** » **FIN** » **PUR**

Title : **multimedia projector HQ**

Type: **Office** Priority: **Normal**

Net Price [EUR] to: **1500,00**

Endorsee (Supervisor): **John Doe**

Figure 3. Internal purchase request form.

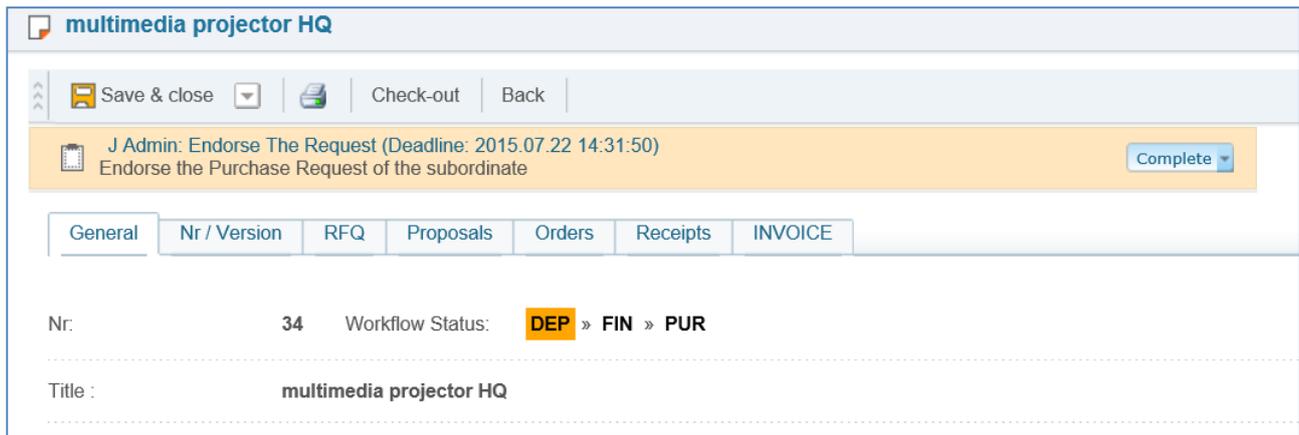
Standard employee – the originator of a request has access only to their internal requests.

Authorisation of a purchase request

If the cost of a purchase request (PR) is higher than the originator’s set limit, the document is sent to their supervisor for approval. The system automatically assigns the endorsement task to the supervisor, who can approve the request, create a task for correction or reject the request. The supervisor is notified about a new task by e-mail and can jump from there directly to the request form, where the appropriate actions can be carried out. All requests for approval are also available on the supervisor’s dashboard.

Dashboard PURCHASE Contacts Tasks Archive									
User: John Doe All documents									
My Tasks (Supervisor) Requests for Approval 4									
	Status	Nr	Title	Type	Priority	Price	Requestor	File	
	DEP » FIN » PUR	34	multimedia projector HQ	Office	Normal	1500,00	J Admin		
	DEP » FIN » PUR	22	to buy Apple Station	Office	High	3000,00	J Admin		
	DEP » FIN » PUR	20	test ap	Proff. serv.	Normal	15,00	J Admin		
	DEP » FIN » PUR	15	training of accountance level 7	Trainings	Normal	500,00	John Rambo		

Figure 4. Active requests for approval.

multimedia projector HQ

Save & close | Check-out | Back

J Admin: Endorse The Request (Deadline: 2015.07.22 14:31:50)
Endorse the Purchase Request of the subordinate

Complete

General | Nr / Version | RFQ | Proposals | Orders | Receipts | INVOICE

Nr: 34 Workflow Status: **DEP** » FIN » PUR

Title : multimedia projector HQ

Figure 5. A request-endorsement task.

Approval of a purchase request

The financial controller or another relevant person receives notification of the task for confirming the PR, which requires approval of the expenditure and goods intended for purchase. The task is also accessible in DocLogix (see figure below). The task can be completed by approving the PR, rejecting it with an explanation, or requesting additional information.



Dashboard PURCHASE Contacts Tasks Archive

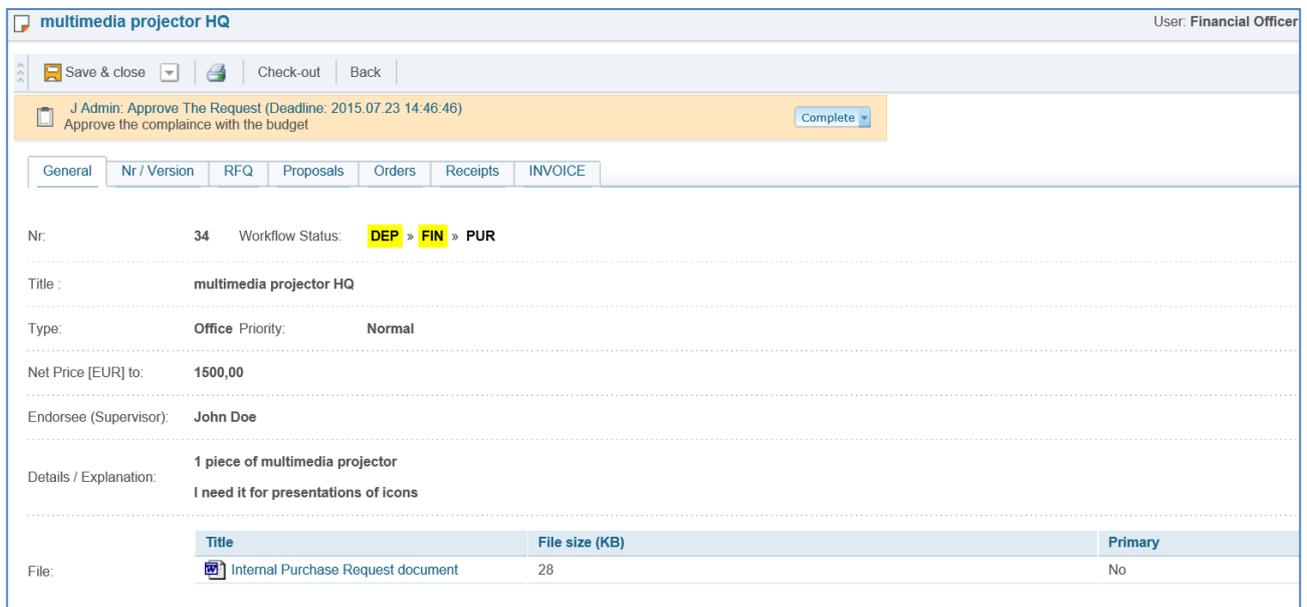
User: Financial Officer | All documents

My Tasks (Financial_Controller) | Requests for approval: 1

Status	Nr	Title	Type	Priority	Price	Requestor_	File
DEP » FIN » PUR	34	multimedia projector HQ	Office	Normal	1500,00	J Admin	

My Tasks (Requestor): Receive Orders (1), Confirm Invoices (2), Add New Request

Figure 6. A list of active tasks appointed to the financial controller.



multimedia projector HQ

User: Financial Officer

Save & close | Check-out | Back

J Admin: Approve The Request (Deadline: 2015.07.23 14:46:46)
Approve the complaine with the budget

Complete

General | Nr / Version | RFQ | Proposals | Orders | Receipts | INVOICE

Nr: 34 Workflow Status: **DEP** » **FIN** » PUR

Title : multimedia projector HQ

Type: Office Priority: Normal

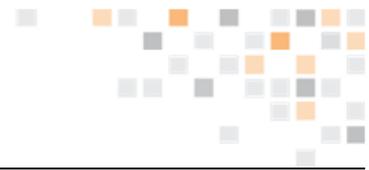
Net Price [EUR] to: 1500,00

Endorsee (Supervisor): John Doe

Details / Explanation: 1 piece of multimedia projector
I need it for presentations of icons

Title	File size (KB)	Primary
Internal Purchase Request document	28	No

Figure 7. An internal purchase request. Notifications include an active approval task for the financial controller.



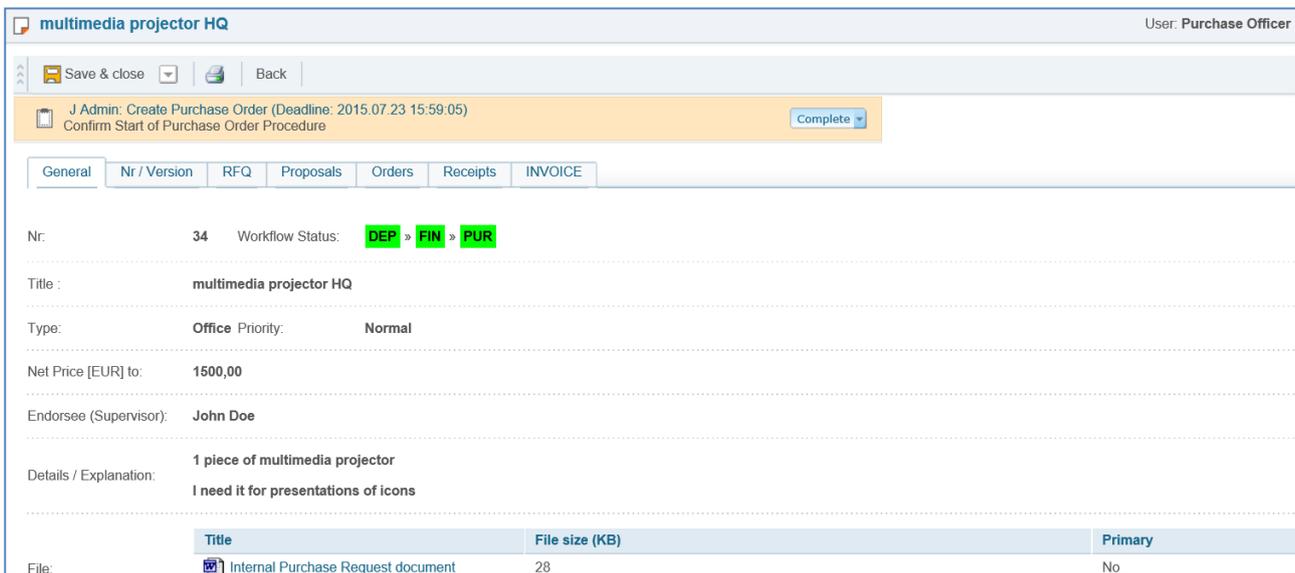
Procurement

After final approval of the PR, the task goes to the chief procurement officer or supply manager, who starts the execution of the purchase (note: the assignment of a purchase contract can easily be implemented through configuration). The purchasing officer receives notification by e-mail and has access to all their requests in an interface oriented to business roles.



Dashboard PURCHASE Contacts Tasks Archive									
User: Purchase Officer All documents									
My Tasks (Purchase_officer)									
Start purch. execution 1									
Send orders to vendor 0									
Status	Nr	Title	Type	Priority	Price	Requestor_	File		
DEP > FIN > PUR	34	multimedia projector HQ	Office	Normal	1500,00	J Admin			

Figure 8. A list of active tasks appointed to a purchasing officer.



multimedia projector HQ User: Purchase Officer

Save & close Back

J Admin: Create Purchase Order (Deadline: 2015.07.23 15:59:05)
Confirm Start of Purchase Order Procedure Complete

General Nr / Version RFQ Proposals Orders Receipts INVOICE

Nr: 34 Workflow Status: DEP > FIN > PUR

Title: multimedia projector HQ

Type: Office Priority: Normal

Net Price [EUR] to: 1500,00

Endorsee (Supervisor): John Doe

Details / Explanation: 1 piece of multimedia projector
I need it for presentations of icons

Title	File size (KB)	Primary
Internal Purchase Request document	28	No

Picture 9. An internal purchase request. Notifications include an active approval task for the purchase officer.

Identification of suppliers

To identify suppliers of materials, a supply manager typically carries out activities such as talking to end users and searching internal databases and the Internet, as well as using recommendations. With DocLogix, a purchasing officer can use information from the originator of a request about preferred vendor/s or criteria for selecting them.

Collecting proposals

Once suppliers are identified, the supply manager sends them a Request for Quotation/Proposal (RFQ/RFP). These typically contain information including a description and technical specification of the material and quantity needed, terms and conditions, delivery date, submission date and quality requirements.

Using DocLogix, a purchasing officer can start an RFQ from the internal purchase request form. All submitted proposals for the request are accessible to the PR's originator and other users with the appropriate rights.



New 2. request for quotation.

Save Back

General | Nr / Version | Proposal

Title : * 1st rfq - projector

Vendor: * Example Company

Root Internal Purchase Req: * multimedia projector HQ

Creator of Internal Req: * J Admin

Content:

Title	File size (KB)
Request For Quotation to Vendor	25

File: *

Figure 10. An RFQ form

Dashboard | PURCHASE | Contacts | Tasks | Archive

multimedia projector HQ User: J Admin All documents

Save & close Back

General | Nr / Version | RFQ | Proposals | Orders | Receipts | INVOICE

New RFQ (F5-refresh)

Nr	Date	Title	Vendor	Creator	File
24	2015.07.22	1st rfq - projector	Example Company	J Admin	

RFQ Related:

Figure 11. Creation of an RFQ from an internal request form.

The content of an RFQ in MS Word format can be automatically synchronised with the metadata for the PR document. The file is editable directly from DocLogix.

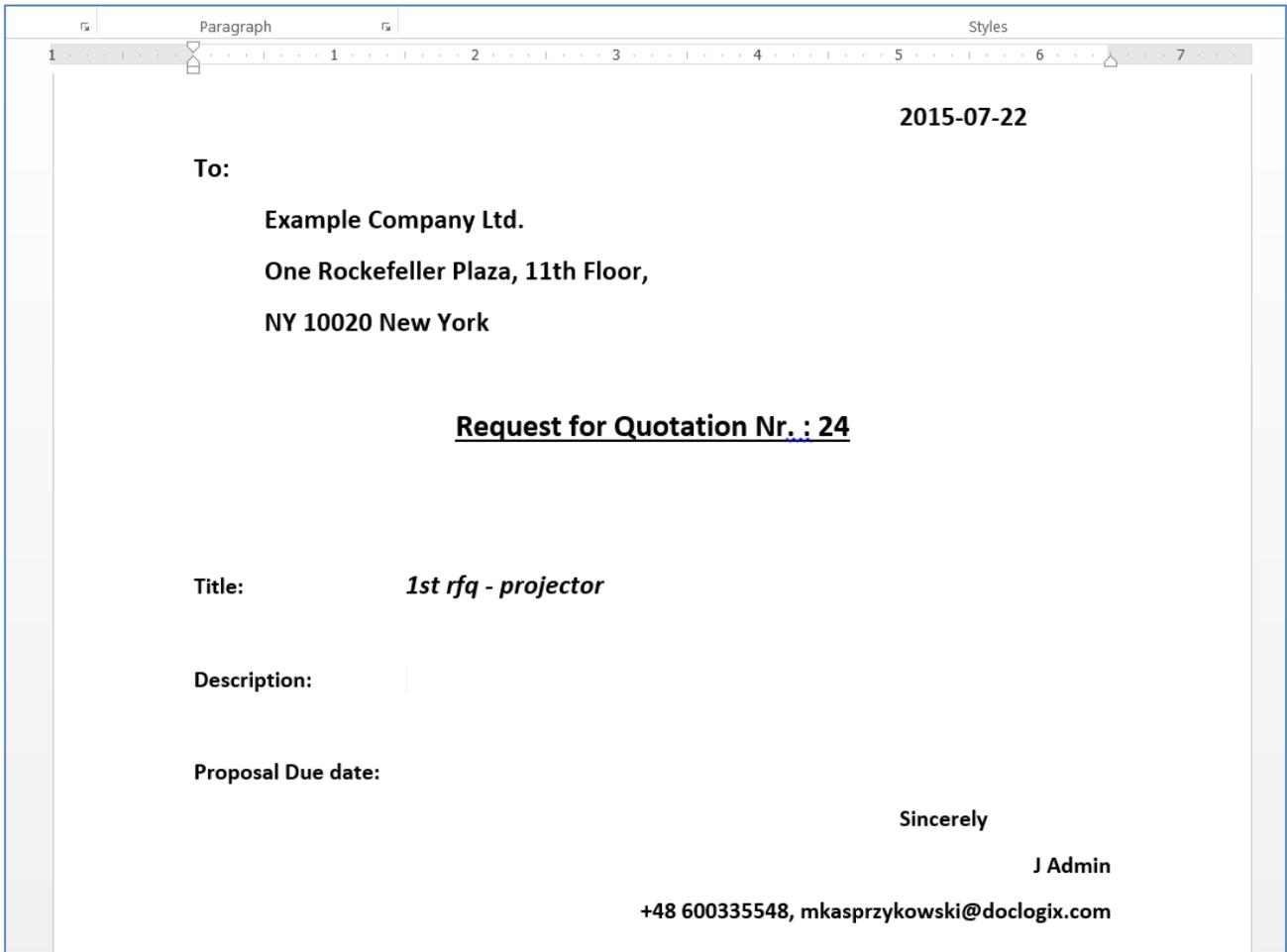


Figure 12. RFQ and PR content synchronisation.

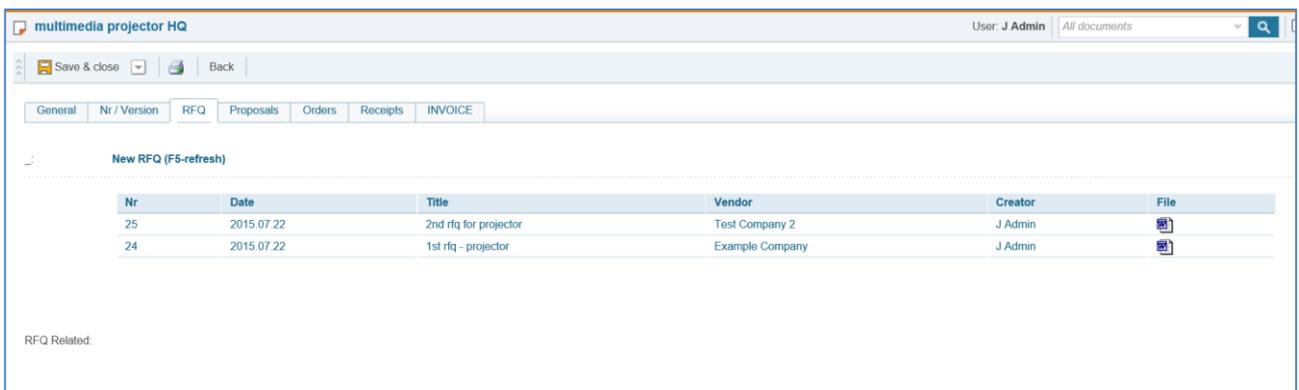
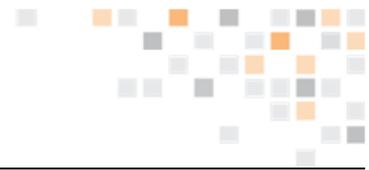


Figure 13. RFQs related to an internal PR.

Receiving and storing incoming proposals

Metadata from a received proposal is filled in automatically from a related RFQ, or the proposal can be linked manually to any RFQ. The proposal can be uploaded directly from e-mail or as a scanned file, and automatic data filing makes the process much easier. The most important data, such as the net price, are also indicated in the metadata for the incoming proposal. All other important information can be included in the notes field.



1st proposal for projector

Save & close | Check-out | Back

General | Nr / Version | Evaluation | ORDER | INVOICE

Nr: **25** Chosen: **NO**

Title : **1st proposal for projector**

Net Price [EUR]: **1400,00**

Root RFQ: **Example Company Ltd.__1st rfq - projector**

Vendor: **Example Company** Internal Request: **multimedia projector HQ**

Creator of INT REQ: **J Admin**

Notes:

	Title	File size (KB)
File:	Test doc	11

Figure 14. Incoming proposal form.



Evaluation of proposals

The purchasing officer can evaluate all incoming proposals relating to a PR by assigning values to each criterion.

1st proposal for projector

Save & close | Check-in | Back

Document saved.

General | Nr / Version | Evaluation | ORDER | INVOICE

Cooperation History (0-100):

Quality (0-100):

Price (0-100):

Warranty (0-100):

Sum of Evaluation (0-400): **305**

Figure 15. Evaluation tab for a proposal

A special view allows the user to compare proposals.

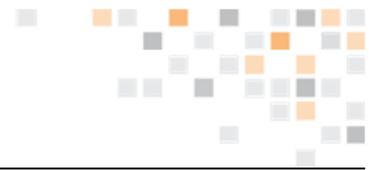
Documents and records
User: J Admin | All documents

- Company Documents
- I. PURCHASE.
 - 1. Internal REQUESTS
 - 2. RFQs
 - 3. Proposals
 - 4. ORDERS
 - 5. Receipts of delivery
 - 6. INVOICES
 - 7. Reports
- II. SETUP.
 - Company Registrations
 - Company Templates

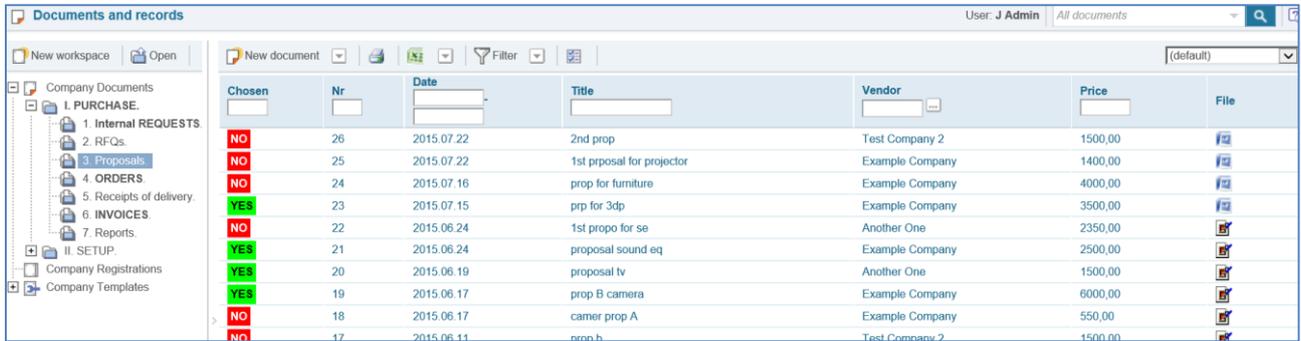
New document
Filter

Nr	Vendor	Int. Request	Price	History	Quality	Price	Warranty	SUM	File
26	Test Company 2	multimedia projector HQ	1500,00	50	45	100	100	295	
25	Example Company	multimedia projector HQ	1400,00	75	90	60	80	305	

Figure 16. Comparison of incoming proposals.



The figure below shows that the status of the proposal changes immediately after the person responsible marks it as “chosen”. It is convenient to have a single view for all proposals and the status of each.

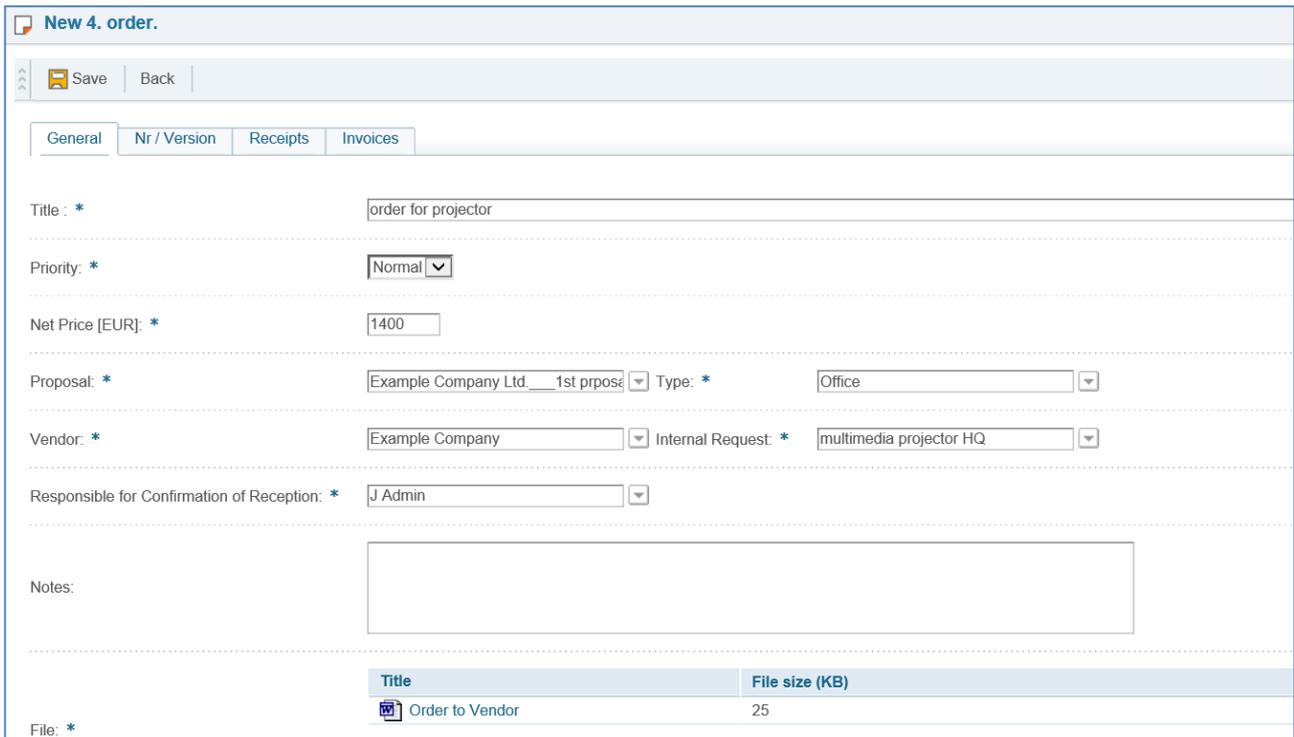


Chosen	Nr	Date	Title	Vendor	Price	File
NO	26	2015.07.22	2nd prop	Test Company 2	1500,00	
NO	25	2015.07.22	1st proposal for projector	Example Company	1400,00	
NO	24	2015.07.16	prop for furniture	Example Company	4000,00	
YES	23	2015.07.15	prop for 3dp	Example Company	3500,00	
NO	22	2015.06.24	1st propo for se	Another One	2350,00	
YES	21	2015.06.24	proposal sound eq	Example Company	2500,00	
YES	20	2015.06.19	proposal tv	Another One	1500,00	
YES	19	2015.06.17	prop B camera	Example Company	6000,00	
NO	18	2015.06.17	camer prop A	Example Company	550,00	
NO	17	2015.06.11	prop b	Test Company 2	1500,00	

Figure 17. Comparison of incoming proposals.

Issuing a purchase order

The DocLogix tool makes it easy for a purchasing officer to issue an order. A new order is automatically linked to the relevant documents.



New 4. order.

Save | Back

General | Nr / Version | Receipts | Invoices

Title : *

Priority : *

Net Price [EUR]: *

Proposal: * Type: *

Vendor: * Internal Request: *

Responsible for Confirmation of Reception: *

Notes:

Title	File size (KB)
Order to Vendor	25

File: *

Figure 18. Issuing a new order.

The order form and document are automatically filled with relevant metadata and the workflow is initiated. The first task is assigned to the creator of the purchase order, who sends it to the vendor.



order for projector

Save & close | Check-out | Back

J Admin: Confirm Sending Order to Vendor (Deadline: 2015.07.23 16:00:00)
Complete
Workflow created

General | Nr / Version | Receipts | Invoices

Nr: 17 Workflow Status: **Send** » **Recieve**

Title : order for projector

Priority: Normal

Net Price [EUR]: 1400,00

Proposal: Example Company Ltd.__1st proposal for projector__1400.0000 Type: Office

Vendor: Example Company Internal Request: multimedia projector HQ

Responsible for Confirmation of Reception: J Admin

Notes:

Title	File size (KB)
Order to Vendor	25

Figure 19. Creation of a new purchase order.

Confirmation of receipt and quality

The next task in the workflow is automatically assigned to the originator of the internal purchase request (PR), who is responsible for confirming its receipt and quality verification of the order.

order for projector

Save & close | Check-out | Back

J Admin: Confirm Reception and Quality of delivery (Deadline: 2015.07.24 15:00:00)
Complete

General | Nr / Version | Receipts | Invoices

Nr: 17 Workflow Status: **Send** » **Recieve**

Title : order for projector

Figure 20. Confirmation of receipt and quality.

After an order is delivered, a new task is assigned to the originator, who can access it through an interface oriented to their business role and also receives an e-mail notification.



My Tasks (Requestor) ⌵

[Receive Orders](#) 2

[Confirm Invoices](#) 2

[Add New Request](#)

Figure 20. A task assigned to the originator.

The originator of the request can upload additional documents (such as those on deliveries and shipments) relating to the order.

New 5. receipt of delivery

Save Back

General Nr / Version

Title : *

Order: *

Vendor: *

Internal Request: *

Creator of PURCH REQ to RECE: *

Notes:

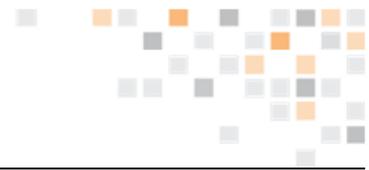
	Title	File size (KB)
File: *	Test 2doc	11

[Add attachment](#) | [From scanner...](#)

Figure 21. Upload of shipment documents.

Issuing an invoice

When a purchasing officer receives an invoice, they upload it to DocLogix. The invoice is linked to the original order, with all the metadata filled in automatically and a new workflow set. The person who receives the goods and checks their quality typically starts the workflow.



1st invoice for projector

Save & close | Check-out | Back

J Admin: Confirm finally for payment (Deadline: 2015.07.23 16:00:00)
Confirm finally for payment Complete Workflow created

General | Nr / Version

Nr: 19 Workflow Status: **Confirm** » Pay

Title: 1st invoice for projector

Sum of Invoice [EUR]: 1000,00

Payment Date: 2015.07.22

Order: Example Company Ltd.___order for projector___1400.0000

Vendor: Example Company Proposal: 1st prposal for projector

Internal Request: multimedia projector HQ Receipt:

Notes: 1st of expected 2 invoices for projector

Title	File size (KB)	Primary
inv	22	No

Figure 22. Task assigned to the PR originator to start the payment-approval workflow.

Making payments

The final task is assigned to an accounting officer, who pays the invoice in accordance with the payment terms.

1st invoice for projector User: Accountancy User

Save & close | Check-out | Back

J Admin: Execute the transfer (Deadline: 2015.07.23 16:00:00)
Execute the transfer Complete

General | Nr / Version

Nr: 19 Workflow Status: **Confirm** » **Pay**

Title: 1st invoice for projector

Sum of Invoice [EUR]: 1000,00

Payment Date: 2015.07.22

Order: Example Company Ltd.___order for projector___1400.0000

Vendor: Example Company Proposal: 1st prposal for projector

Internal Request: multimedia projector HQ Receipt:

Notes: 1st of expected 2 invoices for projector

Title	File size (KB)	Primary
inv	22	No

Figure 23. Task for paying an invoice.



The accounting officer can monitor purchase invoices by payment-due dates.

User: Accountancy User All documents									
Filter									
	Status	Nr	Title	Type	Priority	Price	Requestor	File	
	Confirm > Pay	19	1st invoice for projector			1000,00	J Admin		
	Confirm > Pay	15	inv camera			5900,00	J Admin		
	Confirm > Pay	10	1st invoice for prod eq			1400,00	J Admin		
	Confirm > Pay	8	8th			1500,00	J Admin		
	Confirm > Pay	6	6th invoice			300,00	J Admin		

Figure 24. Invoices by payment-due dates.

Special reports help the chief accounting officer to plan financial resources for upcoming payments.

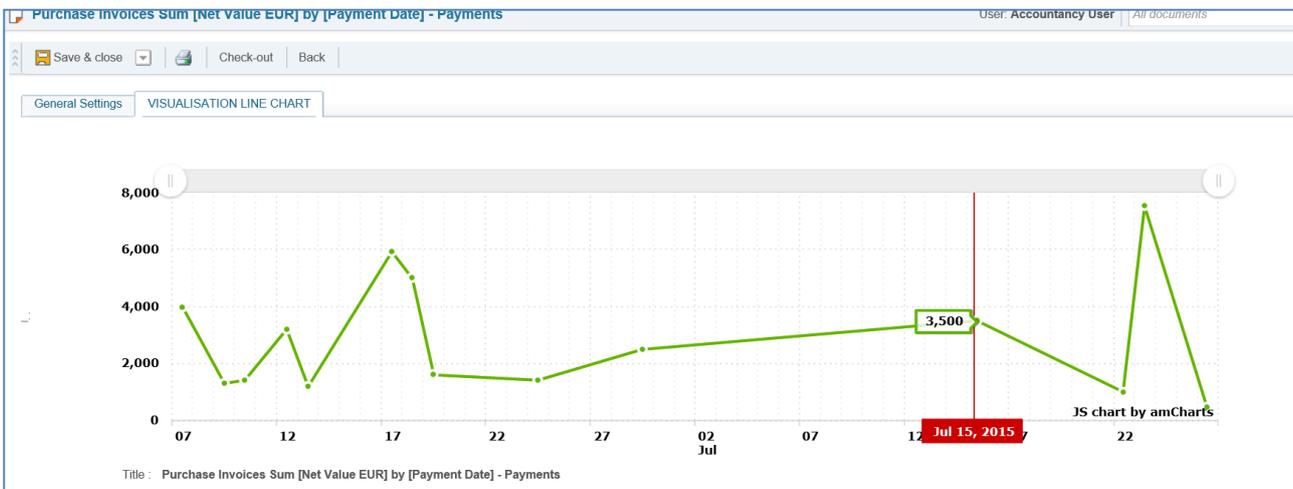


Figure 25. Demand for financial resources over a time period.



About DocLogix™

The DocLogix system is certain to improve the management of documents and processes in your organisation. It is constantly being developed and updated to further improve on its innovative set of functions, which are unique to DocLogix and not offered by any other system on the market. The product is intuitive and allows any organisation to work more efficiently. You can perform complex operations in a few clicks, easily **automate processes** and **quickly find the information you need**. DocLogix presents a complete picture of the processes within an organisation, enabling **managers to make informed decisions and control business activities more effectively**. The company's product makes **processes and documents more standardised**, thus **reducing costs and the risk of errors**. In addition, **most activities using the DocLogix system can be performed with a smartphone or tablet**, a crucial benefit for those who work outside the office.



Innovation



Efficiency



Control



Mobility

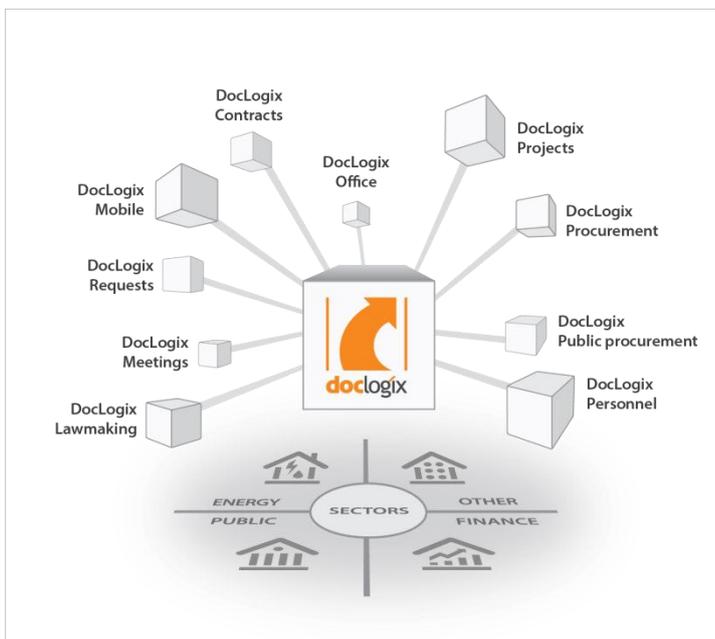


Standardization



Usability

The DocLogix™ platform and other business solutions



The business solution for procurement management is built on the leading DocLogix document and process management system. The product is a complete software platform for information and business-process management, and is best suited to medium-sized and large organisations. The purchase management solution is a part of DocLogix operation management solution that includes CRM, claims management, work-procedure management, time reporting and quality management. **Through the use of e-signature functionality, workflow management, task management, account management, search, archiving, report and analysis modules, an Android application, scanner integration and smooth MS office integration**, DocLogix provides every employee

with secure, easy-to-track and personalised methods for managing business-critical information and business processes. DocLogix is built on well-established Microsoft technologies, making investments secure and ensuring reliable productivity and support.