Purchase Order Management (POM) Best Practices: Process, Technology, and Change Management

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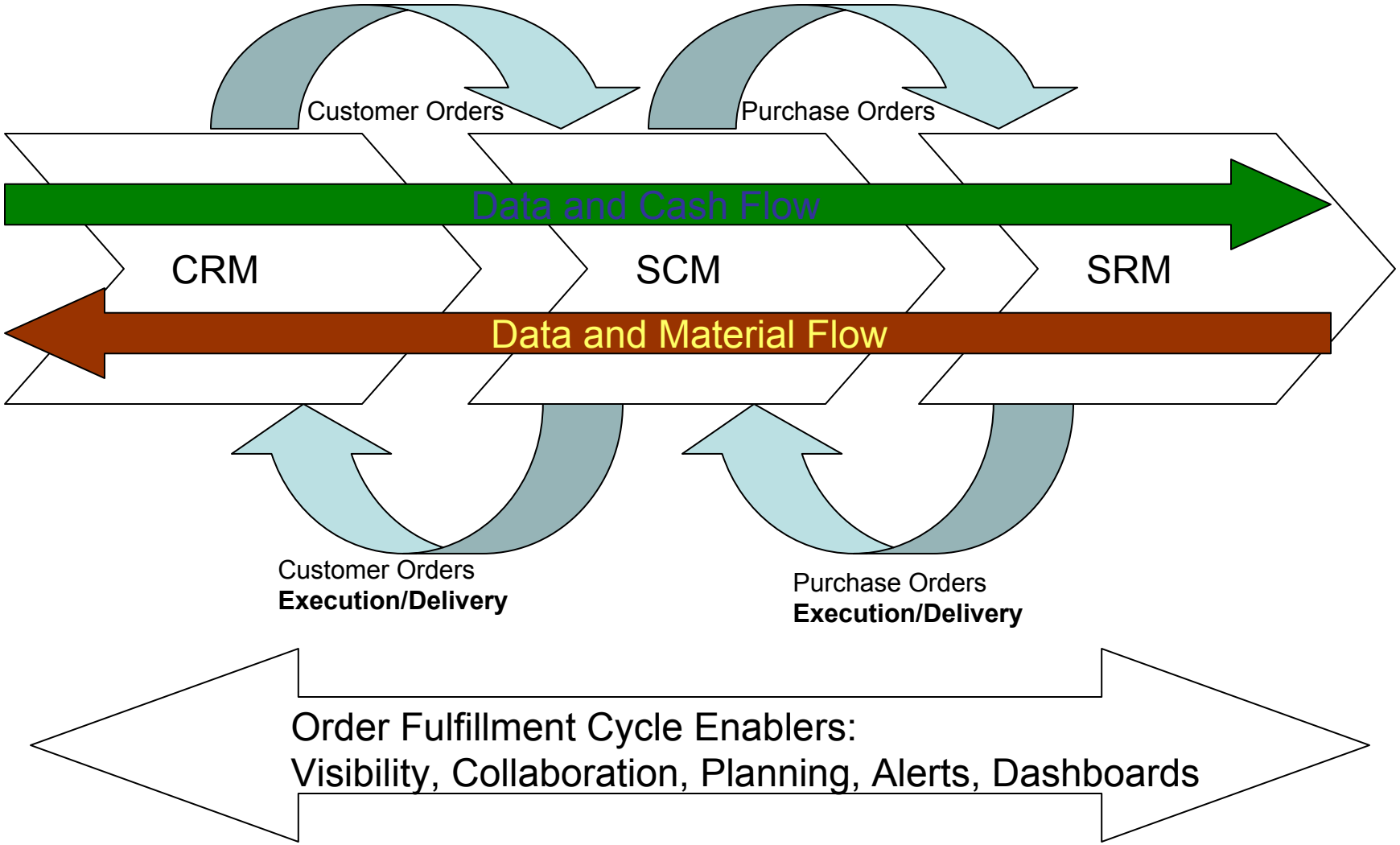
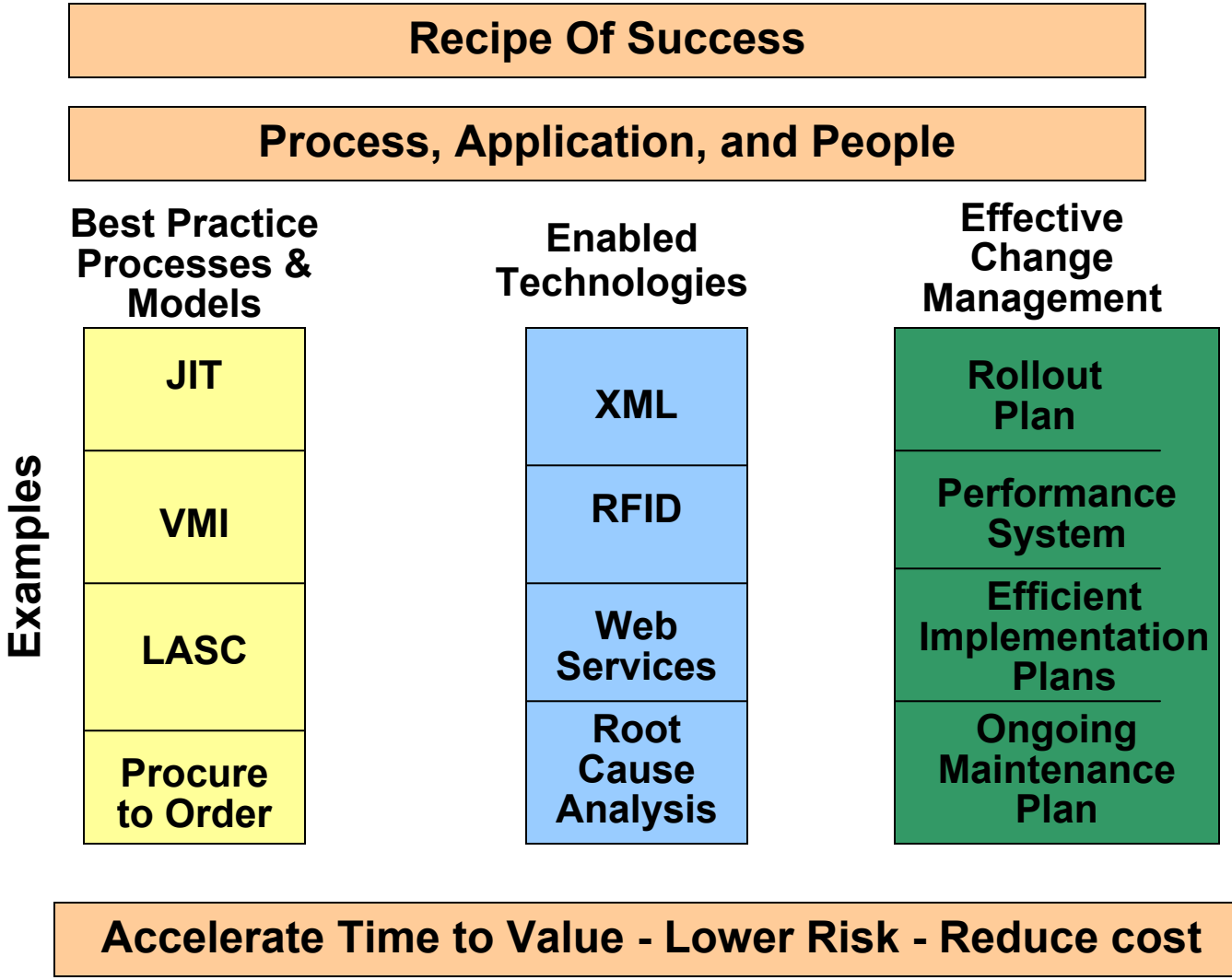

Customer Orders
Purchase Orders
Data and Cash Flow
CRM
SCM
SRM
Data and Material Flow
Customer Orders
Execution/Delivery
Purchase Orders
Execution/Delivery
Order Fulfillment Cycle Enablers:
Visibility, Collaboration, Planning, Alerts, Dashboards


Recipe Of Success
Process, Application, and People
Best Practice Processes & Models
Enabled Technologies
Effective Change Management
Examples
JIT
VMI
LASC
Procure to Order
XML
RFID
Web Services
Root Cause Analysis
Rollout Plan
Performance System
Efficient Implementation Plans
Ongoing Maintenance Plan
Accelerate Time to Value - Lower Risk - Reduce cost

In the move toward Lean and Agile Purchase Order Management Process, key questions start to surface…..

What is the best practice in moving to a proactive mode instead of the reactive mode when dealing with supply problems?

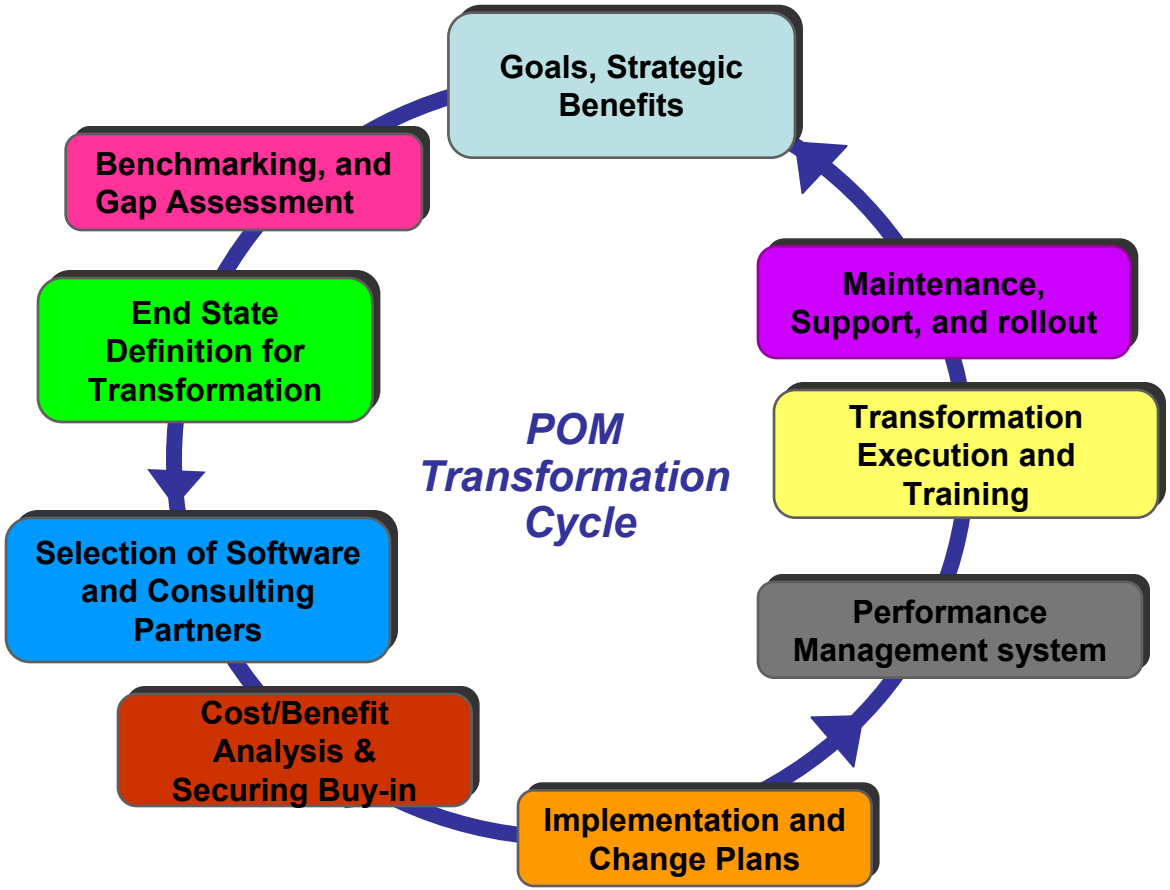
How can we do it?

How can we spend more energy on making improvement rather than on managing transactions?

What is the best way to quantify and then maximize the value from implementing the technology?

How can we drive the POM change successfully?

Framework for Implementing POM Transformation Program

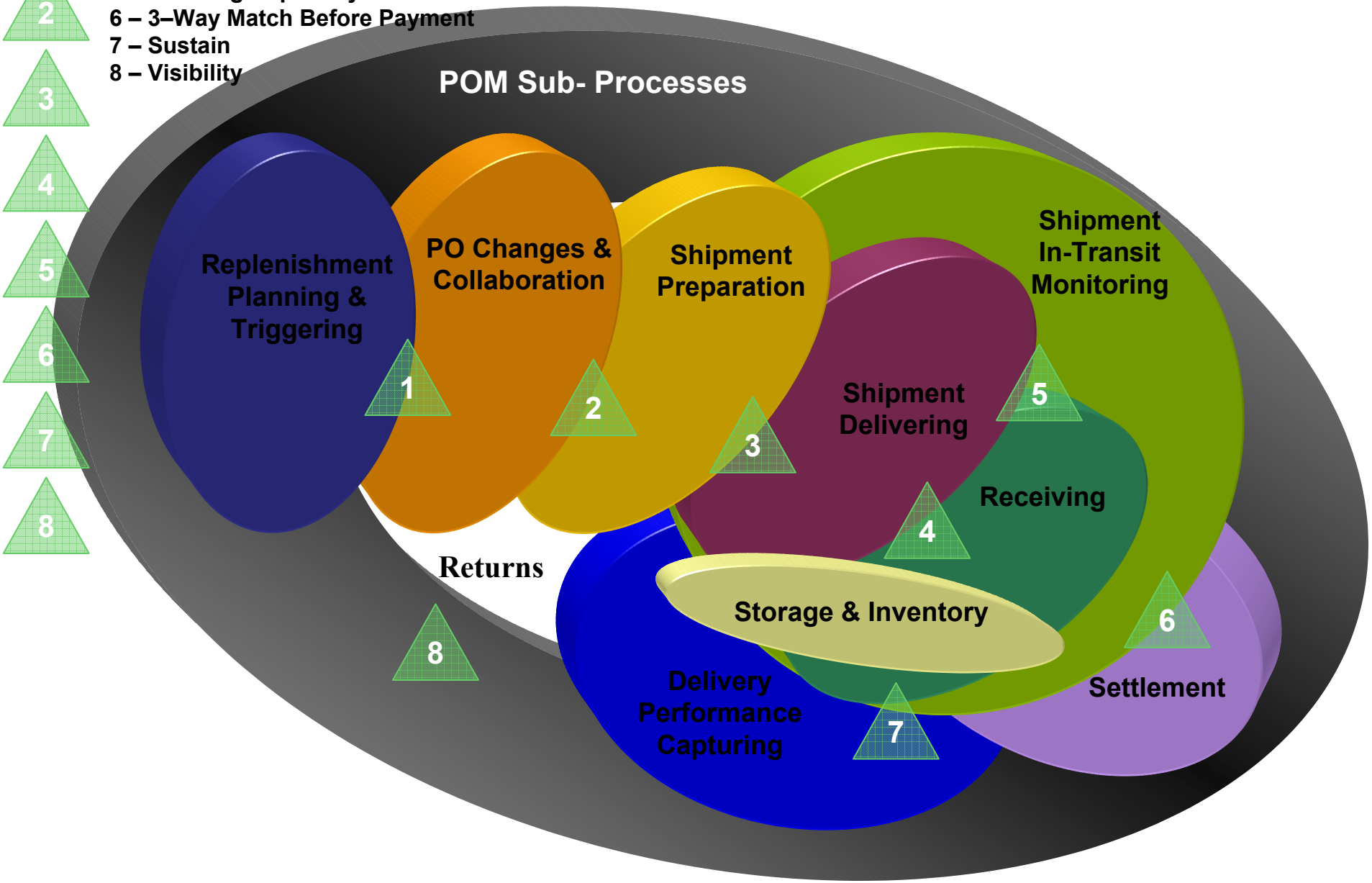


Why Agile and Lean POM?

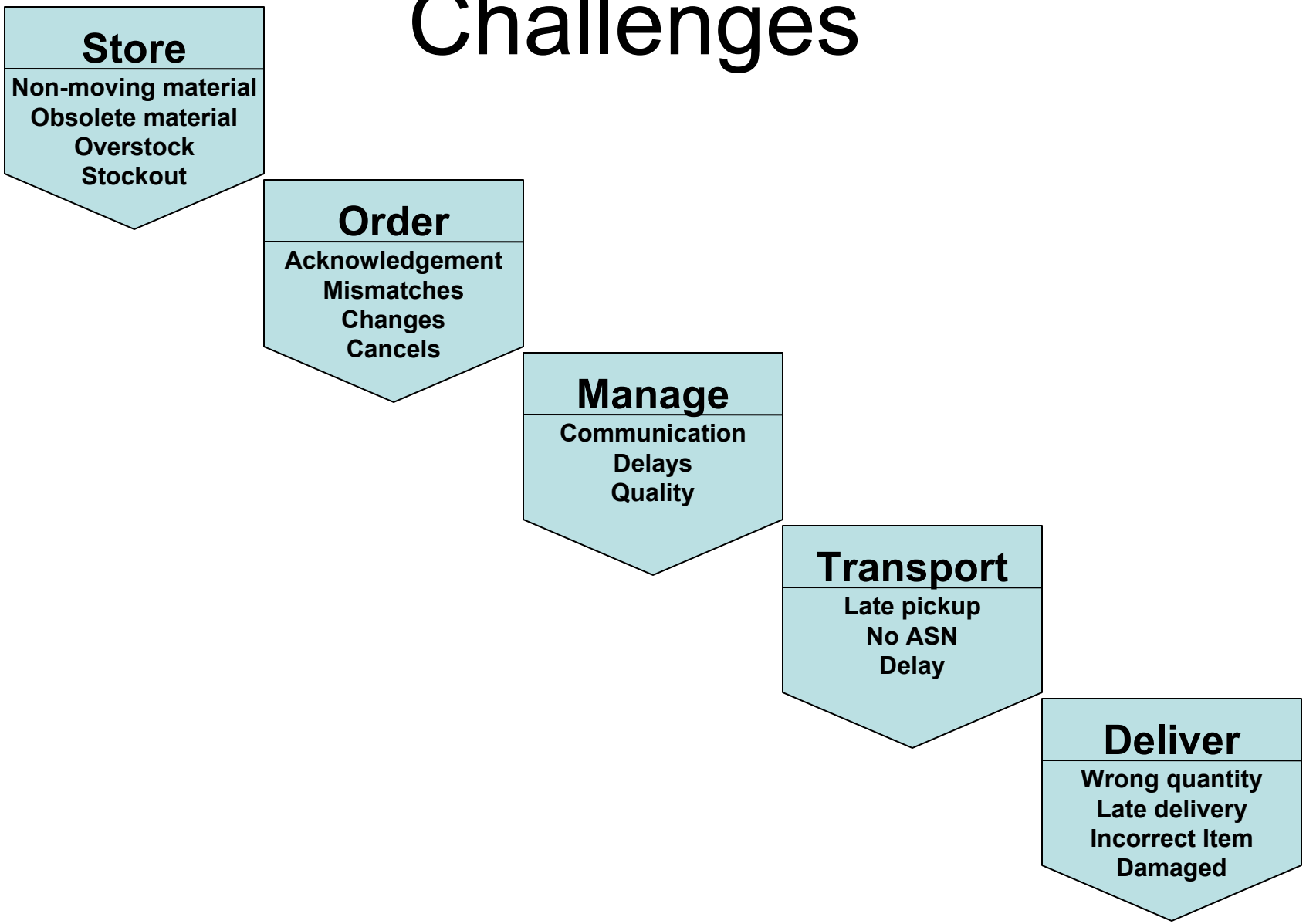
- Global competition is leading the pressure to reduce costs and is contributing to the growing importance of POM
- Strategic outsourcing creates the need for improved information sharing and collaboration with suppliers
- Firms are extending POM process outside their four walls to include contract manufactures, third-party logistics providers, and service providers
- Effective POM process is key in providing real-time information about the in-bound supply which helps in taking the right decisions
- There is an increased need for building responsiveness, increasing flexibility, and proactive management
- Effective POM can control and manage the impact of upstream variability which is critical for the success of the supply chain
- Supply replenishment has become more complex over the recent years, causing increases in time, cost, and errors

THE BUSINESS PROCESS CHALLENGES

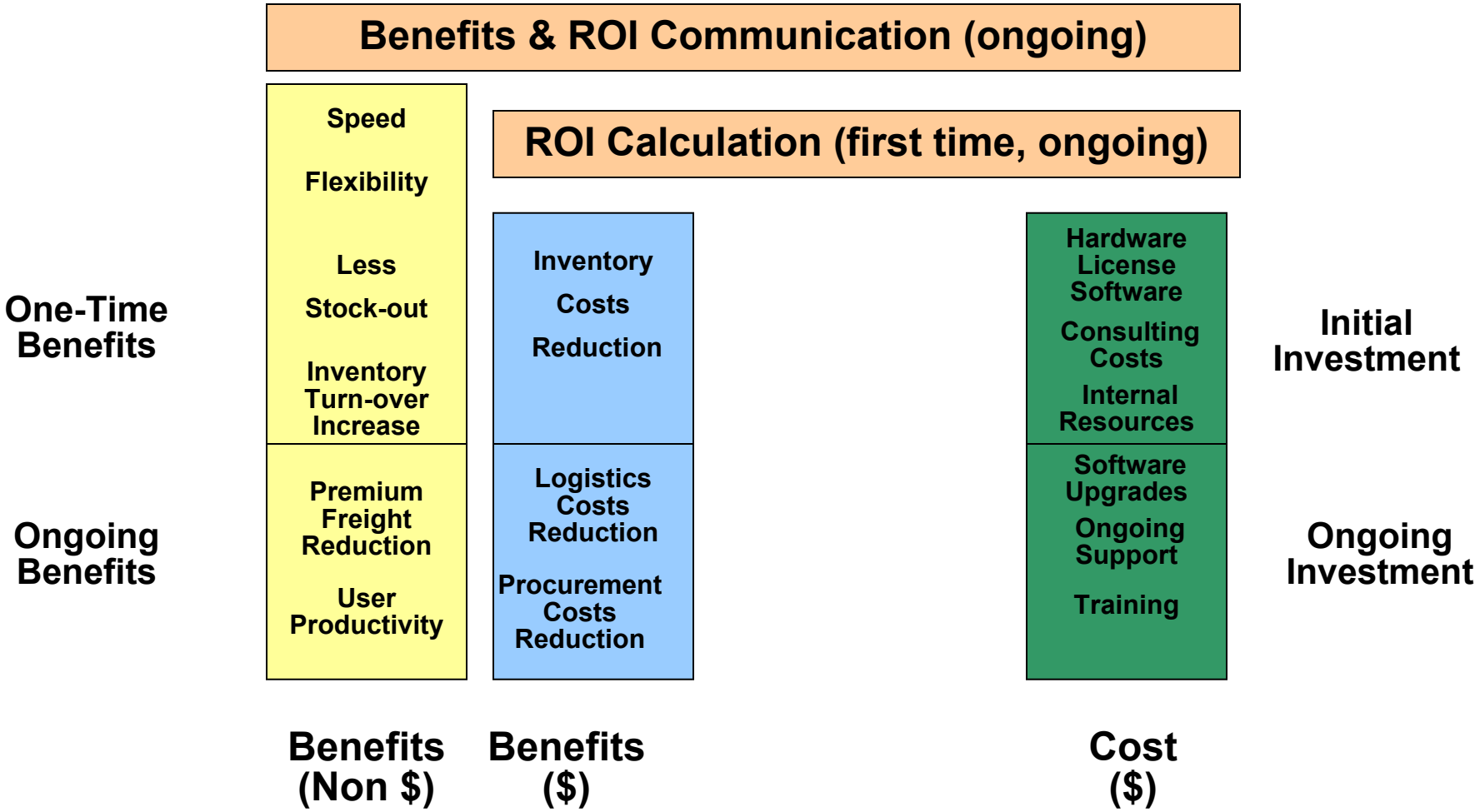
1 –Timely Triggering and Changes
2- No Well Defined Framework for Collaboration
3 – Back-order Shipments
4 – Lack of ASN use
5 – Tracking Capability
6 – 3–Way Match Before Payment
7 – Sustain
8 – Visibility



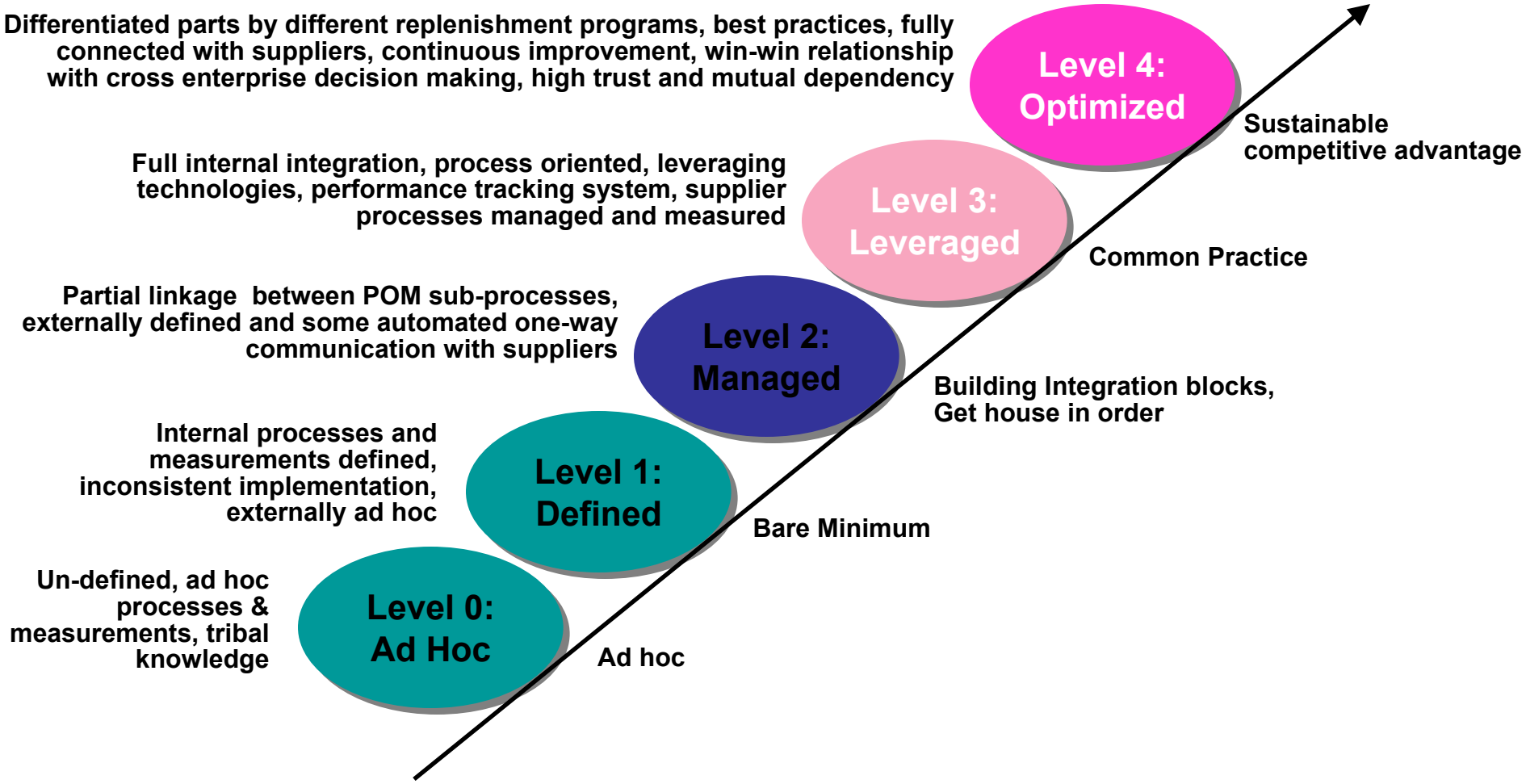
Challenges


Store
Non-moving material
Obsolete material
Overstock
Stockout
Order
Acknowledgement
Mismatches
Changes
Cancels
Manage
Communication
Delays
Quality
Transport
Late pickup
No ASN
Delay
Deliver
Wrong quantity
Late delivery
Incorrect Item
Damaged

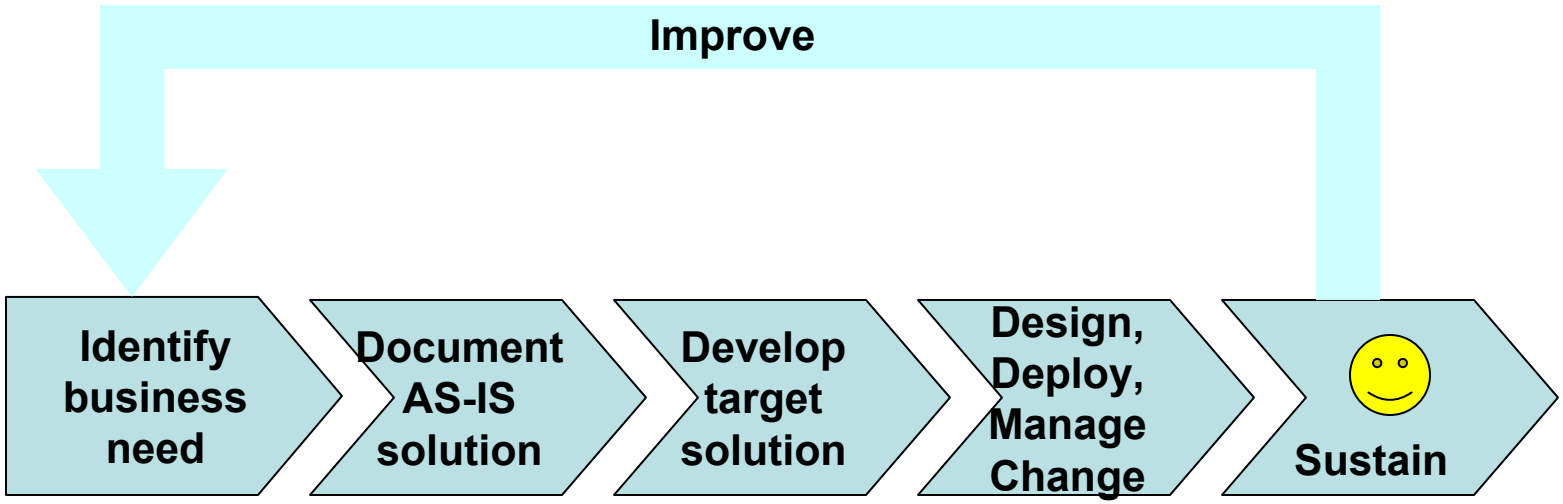
Putting it all Together



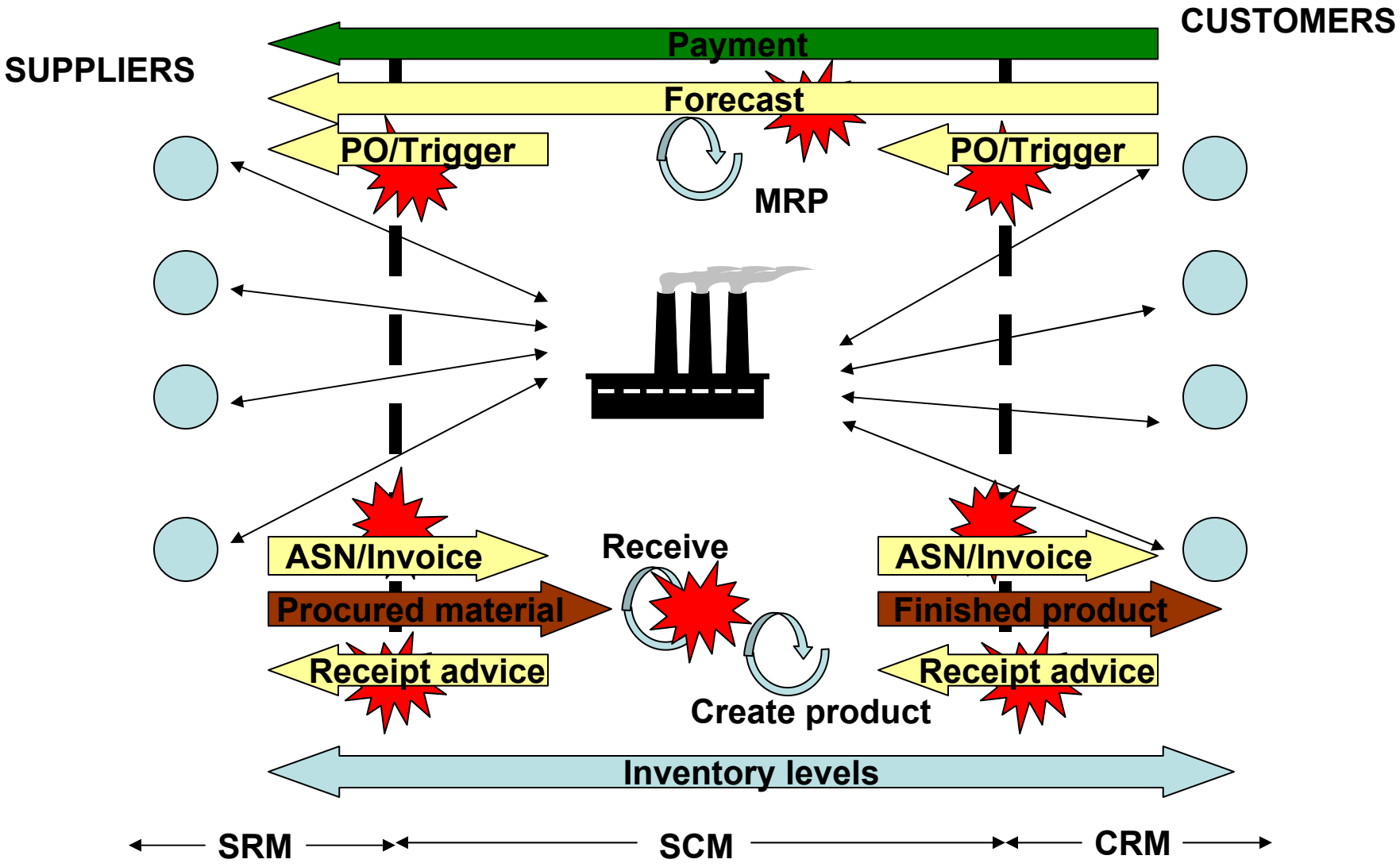
POM Maturity Model

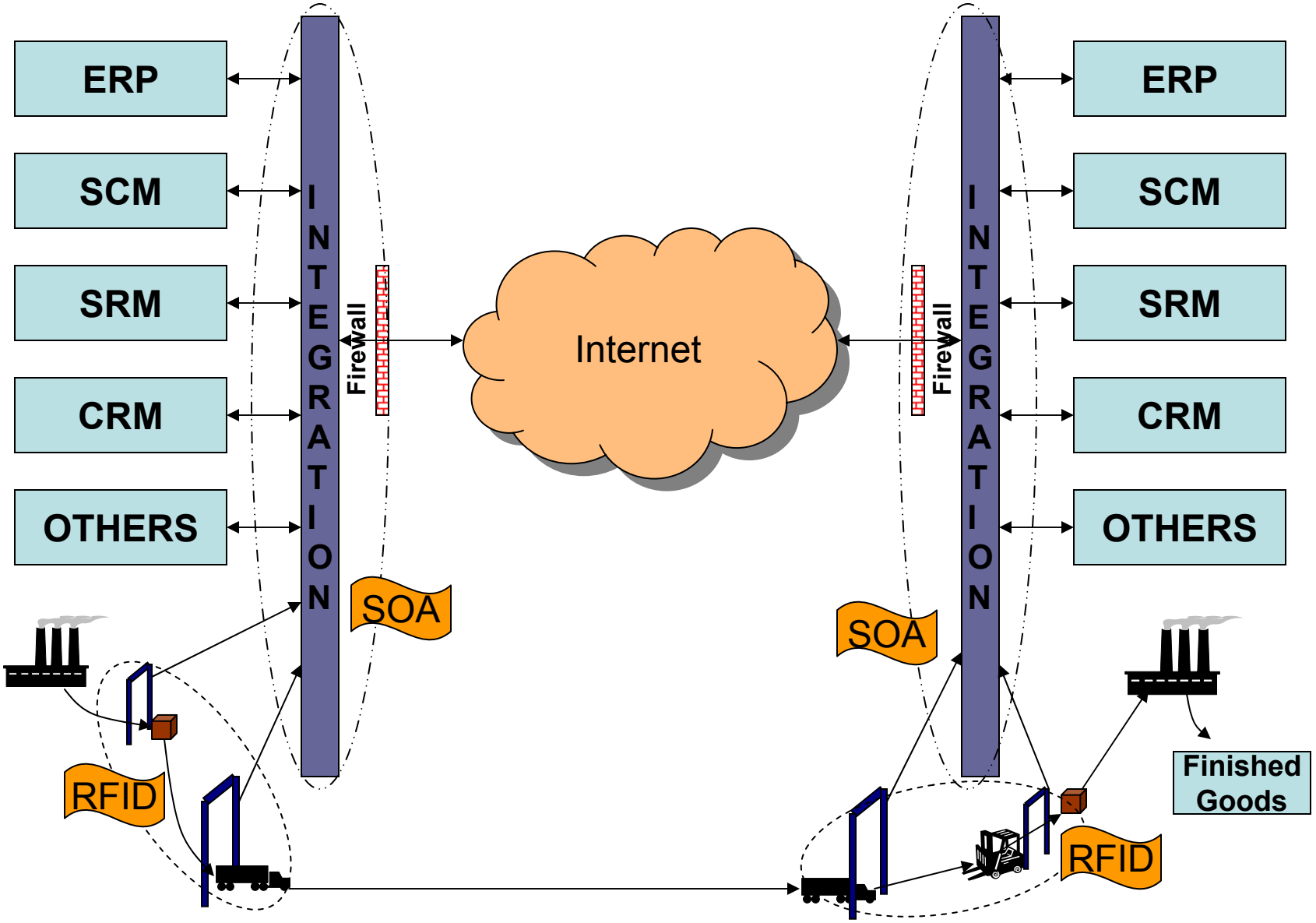


Deploying POM solution



Problems Areas




ERP
SCM
SRM
CRM
OTHERS
INTEGRATION
Firewall
Internet
Firewall
INTEGRATION
ERP
SCM
SRM
CRM
OTHERS
SOA
SOA
RFID
RFID
Finished Goods