Oracle Services Procurement

Oracle® Services Procurement is the application that enables complete control and oversight for services spending. It is a key component of Oracle Advanced Procurement, the integrated suite that dramatically cuts all supply management costs.

CONTROL SERVICES SPENDING

Although most organizations spend a large share of total budget on services, few have the same visibility and management of services costs as they do for goods and materials. For even the most efficient enterprises, services spending can be a thicket of unsourced buying, lost savings opportunities, and limited oversight from the Purchasing department. Oracle Services Procurement brings full Purchasing oversight to services. By simplifying services procurement with online processes, your organization can save money on all services categories, from general business services to contingent labor and complex, project based services. Oracle Services Procurement helps you source and manage services for maximum savings.

Figure 1: Oracle iProcurement Requisition Checkout Information

Key Features

- Create contracts for services and inventory destination items with complex payment terms
- Incorporate progress payment schedule into services contracts
- Track and report progress based on schedule
- Release progress payments
- Recoup advance payments
- Apply retainage to complex services invoices
- Rate cards and job-standardization

Master Contract Negotiations

- Online negotiation definition
- Team collaboration
- Multiple attribute bid analysis
- Seamless master contract creation from award
- Terms and conditions capture
- Location-based rate capture
- Rate differentials capture
- Configurable sourcing rules
- Integration with Oracle Procurement Contracts for advanced contract creation and enforcement
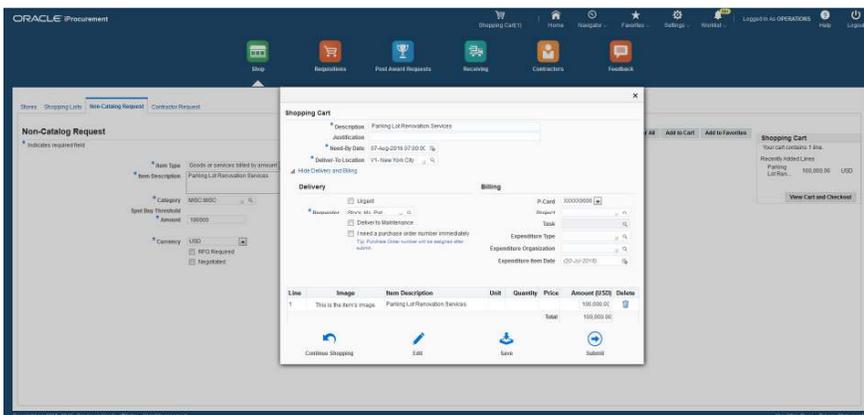
ORACLE®

With Oracle Services Procurement you can:

- Maximize Preferred Supplier Savings
- Eliminate Over-billing and Over-runs
- Create Visibility into Services Spending

MAXIMIZE PREFERRED SUPPLIER SAVINGS

Oracle Services Procurement helps you create better agreements with preferred suppliers, directs spending to those suppliers and lowers processing costs through close supplier collaboration.

CREATE AND ENFORCE BETTER AGREEMENTS

Establishing and maintaining master agreements with services vendors is critical to realizing bottom-line savings. With Oracle Services Procurement, you can define and manage all aspects of your services business arrangement utilizing contracts. For contingent labor, that includes appropriate rates, terms, job information and more. For complex services such as construction or professional services you can define payment terms, progress payment schedule, financing advances, financing advances recoupment and retainage rates for services settlement. The ability to define, manage, control, and track these contract elements keeps lead times and costs in check while preventing cost overruns.
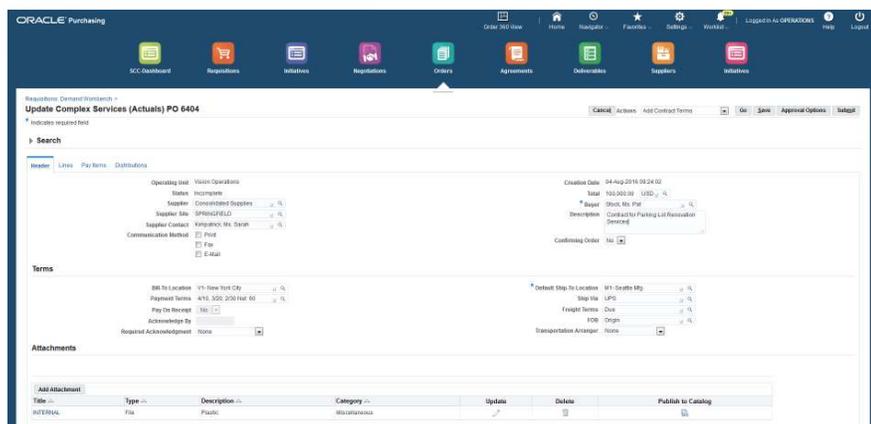

Figure 2: Order Summary

Establishing and maintaining master agreements with services suppliers are crucial to driving bottom line savings. Yet it can be challenging because master agreements often contain elements that are specific to a given category of services. That's why Oracle Services procurement lets you define and manage important aspects of your services contracts. For instance, with contingent labor you can include negotiated rates, terms, job information and more. For complex services like construction where payment is critical, you can define payment terms to include progress payment schedule, financing advances, and financing advances. The ability to control and track these elements keeps lead-times and over-runs in check.

ENFORCE PREFERRED SUPPLIER USE IN EVERY REQUISITION

Even the best master agreements are useless unless users consistently order services through preferred suppliers. Oracle Services Procurement's requisition process directs users to rate-cards with preferred suppliers right from the initial request, funneling orders to preferred suppliers so that services are sourced to the correct supplier at negotiated rates every time, leading to job

Services Request

- Preferred suppliers list
- Business services request definition with information templates
- Contractor request definition
- Fixed prices request
- Rate based request
- Services details capture
- Visibility to pre-negotiated rates and terms
- Configurable approval rules
- Automatic route request to suppliers
- Pre-built suggested supplier list
- Raise Contractor Requests in any currency

Requisition and Purchase Order Management

- Purchase order change request
- Purchase order versioning
- Requisition withdrawal and cancellation
- Procure-to-pay lifecycle tracking
- Purchase order, timecard, invoice, payment, receipt

Resource and Project Management

- Resource portal
- Contractor performance tracking
- Automatic budget threshold alerts Automatic alerts for assignment nearing completion
- Timecard summary and details

standardization. For services that are routinely requisitioned by employees, you can create an approved vendor list that may contain one or multiple approved suppliers. When placing a request, the application displays the latest pricing information, enabling the employee and approvers to make an informed decision and set budget appropriately. For a unique request, you may choose to allow the employee to suggest a new supplier.

LOWER PROCESSING COSTS THROUGH SUPPLIER COLLABORATION

Oracle Services Procurement lowers processing costs, reduces order turnaround and improves service levels via online collaboration with your suppliers. Suppliers can receive communications through a variety of mechanisms, from a web portal or electronic messaging to fax and email. If candidate screening is required for contingent workers, suppliers and requisitioners collaborate and determine the best resource. Through Oracle iSupplier Portal, suppliers can track all aspects of the order and can invoice directly. As business needs change, the employee and the supplier may request changes to the order. Online tracking and change management frees procurement professionals from the burden of routine inquiries and change requests. Supplier performance is captured, measured, and made available to suppliers to help them improve their service to you.

Optionally, you can utilize Oracle Sourcing to collaboratively negotiate terms with potential vendors. Once the master agreement is in place, Oracle Services Procurement ensures that all purchase orders fully reflect the latest information to drive compliance throughout the organization.

ELIMINATE OVER-BILLING AND OVER-RUNS

Oracle Services Procurement eliminates over-billing with comprehensive invoice matching; it tracks deliverables and time online to ensure that what you only pay for the services you truly receive.

Figure 3: Pay Items tab from the Order Summary

ELIMINATE OVER-BILLING

Studies suggest that the majority of all services invoices contain errors. Services Procurement helps eliminate billing problems with multiple invoicing and reconciliation methods, reducing costly overcharges and manual effort. Supplier invoice accuracy is assured by matching to the original terms of payment, purchase order, and/or services receipts. In the case of contingent workers, you can use approved, supplier-entered timecards, as a services receipt or to auto-generate a supplier invoice based on approved timecards. Self-billing increases processing efficiency, reduces billing errors and allows you to take advantage of early payment discounts. For complex services, once an invoice is

Services Receipt and Time Tracking

- Online self-service contractor timecards
- Multiple receipt types
- Timecard, services receipt
- Automatic purchase order compliance
- Timecard approval routing approval
- Flexibility for contractor assignment and time reporting
- Auto receipt generation based on approved timecards

Invoice and Payment

- 2 way or 3 way invoice matching
- Evaluated Receipt Settlement for self-billing
- Automatic invoice creation based on approved timecards

received or generated the Complex Payment Terms specified on the contract are used to calculate the payment due to the supplier. With the ability to recoup advances and make milestone-based payments, you can mitigate risk of overpaying your subcontractors. Previous financing payments, if any, can be recouped, and applicable retainage can be withheld before payment is made.

ENSURE SERVICES DELIVERY AND COMPLIANCE WITH DELIVERABLE TRACKING

For more complex contract needs, you can use Oracle Services Procurement in conjunction with Oracle Procurement Contracts to track deliverables online, ensuring that contract terms and conditions are fulfilled. You can assign any deliverable on your service order to internal and external owners, who are notified when deliverables come due. Suppliers can update the status of a deliverable online and include supporting attachments. The buying company approves all supplier deliverables, enabling you to make payments only when all terms and conditions have been fulfilled.

SET POLICIES FOR SERVICES SPENDING APPROVAL

Oracle Services Procurement ensures that adequate spending checks are in place. Approval rules are configurable, typically requiring approval from the employee's management and possibly other groups as appropriate. Services requests can be placed against open projects and their budgets. For organizations that require that sufficient funds be available and reserved prior to approval, Oracle Services Procurement provides all the necessary checks. Once the request is authorized, employees can track the spending amount against submitted invoices to see remaining budget. When integrated with Oracle Time and Labor, contingent workers can fill out timecards online to indicate work performed. For complex services, suppliers will report progress either in the form of a Work Confirmation or an Invoice. The system automatically updates the purchase order based on approved timecards, work confirmations and invoices, providing advance warning before spending runs over budget.

CREATE VISIBILITY INTO SERVICES SPENDING

Gain full visibility into your services spending, and a complete view of both goods and services expenditures in from one integrated procurement solution.

OVERSEE THE ENTIRE SERVICES PROCUREMENT CYCLE

With Oracle Services Procurement, you can track the entire services cycle with online access to the detailed history of each order. Employees can view the status of service requests and drill to supporting details such as approval status, purchase orders, timecards and invoices. Users may also initiate changes to service requests, which generate automatic notifications to suppliers. With advance notice of changes, suppliers can provide more responsive service and your buying organization incurs fewer penalties or cost premiums for expedited service. With Oracle Services Procurement, the complete history, status and cost of every service order is just a click away.

MEASURE SUPPLIER AND CONTINGENT LABOR PERFORMANCE

Improving supply base performance is just as vital for services as it has always been for goods and materials. You need the proper tools, metrics and processes to monitor, track and publish services supplier performance. With Oracle Services Procurement, delivery of services is tracked to completion. Suppliers can monitor their on-time performance for individual service requests through the portal, ensuring proper feedback to the supplier. For contingent labor, hiring managers can enter in contractor performance data at the end of each assignment. This information can be shared throughout the enterprise. So other hiring managers can view prior performance information to select the best contractors for each job.

Key Benefits

With Oracle Services Procurement you can:

- Maximize supplier savings
- Improve compliance and increase visibility into your company's spending for contingent labor and complex services.

As a part of Oracle's Procure-to-Pay solution, Oracle Services Procurement delivers:

- Measurable savings
- Reduced maverick spend
- Greatly simplified process for procuring and managing services of all kind
- Requesters can easily purchase the services they need while being directed to preferred vendors and pricing
- For purchasing managers, Services Procurement delivers powerful tools for managing catalogs, contracts and settlement

Related Products

Oracle Advanced Procurement includes additional complimentary solutions that provide valuable integration to Services Procurement

- Oracle Sourcing
- Oracle Procurement Contracts
- Oracle Purchasing
- Oracle iProcurement
- Oracle iSupplier Portal
- Oracle Payables
- Oracle Time and Labor
- Oracle Project Procurement

ACHIEVE A COMPLETE VIEW OF SERVICES AND GOODS SPENDING

Because Oracle Services Procurement is an integral part of Oracle Advanced Procurement, all of your procurement can be managed and executed from within a single integrated suite. Common entities such as vendors and employees, and common processes such as approval flows and order change management can be leveraged for both goods and services. This integration also gives employees a single access point for all of their goods and services requests, which makes deployment in your organization easier and reinforces compliance.

ORACLE E-BUSINESS SUITE—THE COMPLETE SOLUTION

Oracle E-Business Suite enables companies to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more—all from applications that are built on unified information architecture. This information architecture provides a single definition of customers, suppliers, employees, and products—all aspects of the business. Whether one module or the entire Suite is implemented, Oracle E-Business Suite enables procurement professionals to share unified information across the enterprise and make smarter decisions with better information.

Related Services

The following services are available from Oracle Support Services:

- Oracle E-Business Suite on Oracle Cloud
- Oracle E-Business Suite Accelerators
- Oracle Application Solution Centers
- Oracle University
- Oracle Consulting

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