

***Procure to Pay Workshop***  
*A Proposal to*

**Co. X**

**August 14<sup>th</sup> 2007**

**From**

**Dr. Kevin McCormack**

 **drk**research

## SITUATION

As more companies are seeking to move beyond procurement into fully deployed supply chain systems, a key challenge for many companies is in the area of improving efficiency in their procure to pay cycle for many of their contracted services, especially in the area of facilities maintenance and on-site contract management. Multiple challenges exist in environments where field associates are working from manual or electronic systems, requisitioning on-site services for maintenance or other activities, and ensuring that this information is captured effectively.

In addition, significant challenges exist to ensure that the proper service level agreement is fulfilled, the correct price is charged, the purchase order is transmitted correctly, the invoice matches, and finally, that the supplier is paid the correct amount for the actual services delivered. While many enterprise systems claim that these elements are simply defined within their structural logic, the truth is that there are many opportunities for error, and that without a planned process for managing the procure to pay cycle, your organization may be bearing significant costs due to non-compliance to system or process requirements.

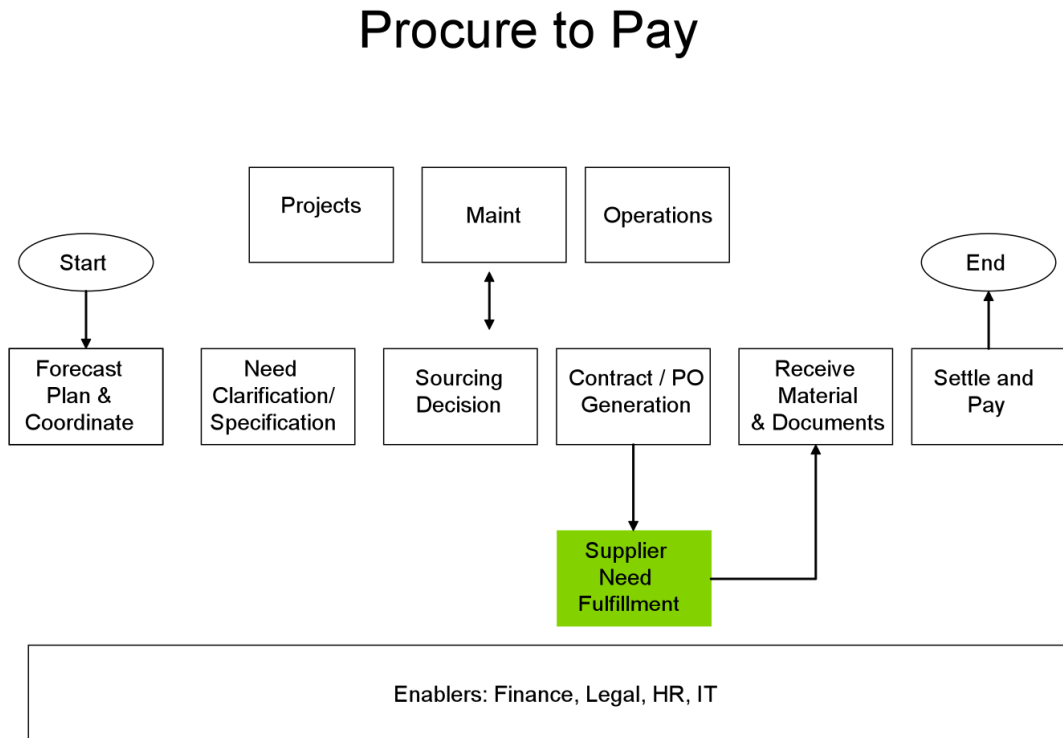


Figure 1. The Procure to Pay High Level Process

## **PROPOSAL**

Using experiential learning approaches and real case studies this workshop will provide supply and procurement leaders and commodity managers an understanding of the fundamentals of Procure to Pay (P2P) process maturity and the DRK models and approach.

As a result of completing this workshop, participants will be able to:

1. Understand the purpose and goals of the P2P process within the context of their firm and supply network.

- How P2P fits into the their mission and vision
- P2P benefits to their firm

2. Develop a P2P strategy and plan for their organization and understand:

- The supply chain network view (interactions, relationships, attributes, environment)
- Your P2P strategy compared to the DRK model maturity model
- P2P Program Management
- Commodity classifications and organization related to P2P
- The importance of data quality, extraction and organization
- Spend and impact analysis in the context of P2P
- Supplier assessment, diagnoses and improvements.
- Supply portfolio management – building the combined view
- How to build a P2P system
- P2P “what if” modeling
- P2P deployment methods, roles and responsibilities

3. Understand and articulate the impacts of success for a P2P program

## **Workshop Details**

**Duration** 1 Day - 8 hours

### **Resources Required**

Three flipcharts, tables for all participants, LCD monitors with laptop connection, masking tap for hanging posters on the wall, four sets of multicolored markers.

### **Day 1**

**Instructor:** Dr. Kevin McCormack,

**Date:** TBD

**Time:** Day 1 - 8:00 am. – 5:00 p.m.  
**Place:** TBD

<b>Time</b>	<b>Topic</b>	<b>How</b>	<b>Outcomes</b>
8:00 AM – 8:30	Introductions, workshop overview and training procedures	Individual introductions and instructor review of workshop outcomes	Participants meet fellow participants, understand the experiences each brings, and understands the workshop goals and outcomes. Participants also organize into teams for the exercises.
8:30 - 9:30	P2P fundamentals – what, how and why?	<ul style="list-style-type: none"> <li>- brief lecture introducing each P2P component and how each can support the firm’s supply management and procurement efforts</li> <li>- discussion of P2P process maturity and all components</li> <li>- presentation of several example projects and discussion of component use for each specific project</li> </ul>	Participants will understand the strengths and weaknesses of each of the P2P maturity components and how to use these components as effective tools to support their firm’s supply management and procurement efforts.
9:30 – 10:00	Data Organization and Issues	<ul style="list-style-type: none"> <li>Examination and discussions of</li> <li>- Commodity classifications and organization.</li> <li>- Data quality, extraction and organization</li> <li>- Spend and impact analysis</li> </ul>	Participants will understand the issues with network data and how to use tools and techniques to address these issues in support of their firm’s supply management and procurement efforts.
10:00 – 10:15	Break		
10:15 – 11:30	The DRK Model – P2P Maturity - background, components, and strategies.	- lecturette on P2P maturity elements and application	Participants will be able to ID components of the maturity model and their purpose.
11:30 – 12:30	Working Lunch	Open Discussion	
12:30 – 1:00	Form exercise teams	Organize the teams by objective and role	Teams formed and ready for exercise

<b>Time</b>	<b>Topic</b>	<b>How</b>	<b>Outcomes</b>
1:00 – 2:15	Build analysis plan	- each team will complete their project analysis plan	Completed P2P analysis plan
2:15 – 2:30	Break		
2:30 – 3:30	Develop Reports and analyze the data	- each team will build their reports and analyze the data using the DRK model	Participants are able to explain how they used the DRK model components to describe a measure supply chain risk.
2:30 – 3:30	Diagnose the results and identify actions.	- breakout exercise diagnosing the results of the analysis and building action plans.	Participants are able to explain how they used the DRK model components to analyze and diagnose a P2P opportunity
3:30 – 4:30	Report out and wrap up	<ul style="list-style-type: none"> <li>- each team presents their results.</li> <li>- Q and A</li> </ul>	Participants are able to explain how they used the DRK model components to analyze and diagnose a P2P opportunity
4:30 - 5:00	Close and Adjourn	Participants complete workshop feedback assessment	Workshop feedback assessment

## DATA SOURCES

The DRK team will draw from its library of best practices based on multiple years of research and interviews with best-in-class customers, including sample data sets and P2P opportunities.

Participants can bring their own P2P opportunity and data for the exercises.

## DELIVERABLES

- One completed workshop.
- Handouts and a Workbook organized with sections for each module.
- Reference articles for pre-and post workshop reading.
- Electronic version of all material will be available via a workshop website.

## KEY PERSONNEL

The following will serve as key personnel for the project.

### **Kevin McCormack, MBA, DBA**

Dr. McCormack is currently CEO of DRK Research and Consulting, LLC and an Adjunct Professor in the College of Management at North Carolina State University and University of Oklahoma. He has over 25 years of business leadership, teaching, research and consulting experience in the areas of information technology, operations management, and supply chain management. His experience covers many national and international industry segments and a broad range of business processes. He has been a member of or has successfully conducted engagements with several government agencies and major companies in the food, forest products, pharmaceutical, chemical, consumer products, high tech and the plastics industry. Some of his clients have been Kraft, Philip Morris, CPC International, Cargill, Texas Instruments, USMC, Phillips Petroleum, Chevron-Phillips, Suncor Energy, Columbia Forest Products, Dow Chemical, Warner-Lambert, Standard Charter P2Pnk, Microsoft, Intel, Tektronix, several state governments, Borden Chemical, California Public Employees Retirement System (CalPERS), Wal-Mart, Campbell's, General Mills, Fairchild Industries and PepsiCo.

Dr. McCormack has degrees in Chemistry, Engineering, an MP2P and a DP2P. He has also developed and delivered courses in Information Technology and Operations Management at the graduate and undergraduate level both in the U.S. and in Europe. He has published two books and several articles in Quality Progress, Business Process Management Journal, Supply Chain Management, Benchmarking: A International Journal and several others. His new book, Supply Chain Risk Management will be out in December, 2007.

## BUDGET

We propose a fixed price of **\$10,000** for completion of one workshop with up to 20 students.

Payment Schedule: 100% at completion of workshop.

Project Assumptions: The Company will furnish the room, refreshments, etc. for the workshop at their location.

Travel and lodging expenses for the workshop are not included in this price and will be billed at actual cost.

**Project Start:** TBD

**CONFIDENTIALITY**

DRK will hold as confidential all information gained from this project that is not or does not become a matter of public knowledge.

**GENERAL**

Fees will be payable to **DRK Research and Consulting LLC.**

We appreciate your business and will strive to give you our best.

Approved by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Date

Please Fax or forward signed agreement to:

**DR. Kevin McCormack**  
**5425 Willow Bridge Lane**  
**Fuquay Varina, NC 27526**  
**Tel. 919-270-1250**

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