

University researchers are using e-procurement systems to achieve their goals swiftly and efficiently.

ONE-STOP SHOPPING

By Mary Grush

HIGHER EDUCATION INSTITUTIONS are competing harder than ever for recognition as top colleges and universities. Nowhere does that competition play out more keenly than in the field of research, where successful researchers and programs can garner enormous prestige for an institution. For administrators interested in burnishing the reputations of their institutions further, the goal is simple: Create support systems that make it possible for their star researchers to focus exclusively on their work—and to produce results quickly.

E-procurement systems help put that goal within reach. While e-procurement already plays a strategic role throughout higher education—providing greater oversight on spending, maximizing the benefits of on-contract ordering, and streamlining procedures—its impact in the realm of research is particularly significant. ▶

A Rapid Race to Research

"As an institution, we compete on the basis of speed," says John Riley, executive director of purchasing and business services at **Arizona State University**, which moved to e-procurement six years ago. ASU ranks as a top-tier research university despite the fact that its endowment cannot compare to those of other prestigious universities that have existed for hundreds of years. "We can't just 'buy' great researchers," says Riley, "but we can attract those researchers if they can get their labs up and running faster, if they can get their research done faster, and if they think they have a better chance of making that big breakthrough sooner."

Those big breakthroughs rarely occur while researchers are wading through stacks of bureaucratic paperwork. "Researchers are basically interested in doing research," says John Mayes, AVP and chief procurement officer at **Yale University (CT)**, which turned to e-procurement in 2004. "They're finding a cure for cancer, they're finding a cure for diabetes—they're passionate about their research and they don't want to spend time on any administrative task that they can avoid. One of the nice things about the e-procurement solution is that it is *really* fast."

ASU's Riley agrees. "Researchers would trade money for time any day of the week," he says. "What I try to do is make sure they don't have to make that choice."

When researchers need to purchase something, it is often critical for the research process and may even be needed overnight. With an e-procurement system like Yale's, for example, it takes just minutes from the time the order is submitted to when it's received by the supplier, and there are shipping controls and tracking in some cases. Yale also has internal stockrooms right on campus from which researchers can order supplies.

Eliminating ordering mistakes saves time, too. "An e-procurement system allows us to distribute contract information right to the desktop," says Riley. "Not only can the researchers order things faster, they can order the right

things. They can look at images to identify what they need."

Preemptive Procurement

A lot of time can also be lost at the very beginning of a project. Most research

projects depend on grants or funding of some sort. Not surprisingly, many universities and colleges don't allow researchers to begin the procurement process until the funding is secure. "I've had researchers come in with grant

A CELLING POINT FOR E-PROCUREMENT

JAKOB WATERBORG'S RESEARCH into cell biology has spanned more than 30 years, 23 of which have been spent in his current position at the **University of Missouri-Kansas City**. Along with his role as a principal investigator, he's also a tenured associate professor in the School of Biological Sciences at UMKC.

Waterborg's research lab investigates the regulation of gene expression, specifically studying histones, the packaging proteins of the genes. "We are looking all the time at very basic, fundamental science questions," says Waterborg. Two major processes in



particular hold his attention: first, how cells duplicate their DNA and then repackage it with new protein; and second, transcription—specifically the mechanism of loosening tightly packed DNA in nucleic cells to get the encoded information out, to make protein.

"For the *moment*—the last 15 years," Waterborg says, his experiments are plant- and fungi-based. Such focus over a long period has put him on the cutting edge of research in the field, and has brought international acclaim both to his program and his university.

But just because such research takes years, doesn't mean a supply order should. Waterborg's lab is loaded with highly sensitive supplies and experimental material, all of it maintained like clockwork and personally overseen by him. Almost 25 years ago, he made a choice to run a smaller lab where he could keep his hands directly on the research—rather than becoming more of a research administrator in a larger lab.

"I bring a handful of people in to work with me, who can work with the genes...while I complement that with expertise that I've developed over my career in working with the packaging proteins," says Waterborg. "Keeping that distinction, it's possible for me to stay at the head of my field and not get taken over by my own lab to become a money-generating machine."

Working in a small lab by choice, Waterborg does his own ordering—everything from chemical supplies and disposable plasticware from companies such as Fisher Scientific or Sigma-Aldrich, to more expensive laboratory equipment such as his \$9,000-plus sub-zero refrigeration unit. And Waterborg purchases 75 percent of all his supplies and equipment through UMKC's self-service e-procurement system.

Waterborg has been using UMKC's e-procurement system since the university launched it more than four years ago. He appreciates the time savings, along with his ability to oversee all purchases for his lab. Before e-procurement, a traditional paper-based purchase took Waterborg anywhere from 30 minutes to an hour. With UMKC's e-procurement system—SciQuest with PeopleSoft integration—the professor estimates that a similar order may take five to 10 minutes. "That's probably a 5x to 10x factor of time saved," notes Waterborg. "Rarely is any follow-up required." All of which means that he can spend the bulk of his time on pure research.

requests, but their money is not here yet—their project isn't even funded yet," explains Riley. "But they want to go through the procurement process; they

"A more traditional approach would have been for the procurement department to say, 'If you don't have funding yet, you don't need procurement,'" says

with vendors.

While that's all good news, Riley cautions that it's important for procurement departments to explain what these cost

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—John Mayes, Yale University

want us to line up the contracts so that as soon as the money is available they can pay the contractor, get what they need, and get a running start."

Increasingly, institutions with e-procurement systems are jettisoning the requirement to have funded requisitions before beginning the procurement process. By letting suppliers know that orders are being placed on the basis of anticipated funding, the procurement department can get much of the work done, ready to set in motion once the grant comes through.

Riley. "But that's really not our mission. Our mission is to get researchers what they need. We do all this to speed everything up."

Saving Money to Support Research

For research programs, the second great advantage of an e-procurement system is cost savings. Indeed, e-procurement systems are known for cutting the cost per transaction significantly, as well as for providing users with the pricing advantages of spending on contract

savings mean to researchers. "In the procurement department we never say to researchers, 'We are trying to save people money,'" says Riley. "Researchers hate the sound of that, because they think that if there is a savings, somebody will try to capture it." Instead, Riley focuses researchers on their ability to get more value from their dollars, perhaps in the form of additional staff who can work directly on research.

Integrating Systems and Services

At many institutions, red tape proliferates in direct proportion to the number of approvals required up the organizational ladder. Procurement is no different. "You really need to think about pushing this function down to the lowest level you can reach, because that's where things usually get ordered," says Tom Kaloupek, Virginia Tech's director of materials management.

A big part of the success of e-procurement in research programs at Virginia Tech—which, like the other schools in this article, uses procurement software from SciQuest—is an organizational structure that allows lab managers and graduate students access to the system, and gives the principal investigator the option to approve purchases in real time. For four years now, the university's e-procurement system has been fully integrated on the back end with its SunGard Banner ERP system: With all the business rules in place, the PI's research budget is instantaneously updated and accurate.

E-PROCUREMENT VENDORS

BEYOND THE E-PROCUREMENT FUNCTIONS offered by larger ERP vendors, you'll find many other vendors in the e-procurement space—but they vary greatly by primary market served and by functional offerings. In the education market, checking the experience of peer institutions is a good first step in looking for a solution that's right for your college or university. Below is a smattering of the available options.

Ariba: Cloud-based finance management. ariba.com

B-pack: E-procurement automation. b-pack.com

Basware: E-procurement and financial management. basware.com

Bellwether Software: Electronic purchasing software. bellwethercorp.com

Coupa Express: Open source e-procurement project sponsored by Coupa Software. coupa.org

HedgeHog: Sourcing and e-procurement. hedgehog.com

Ivalua: Sourcing and spend management. ivalua.com

Ketera: Source to spend management, recently acquired by Rearden Commerce. ketera.com

Proactis: E-procurement and spend management. proactis.com

SciQuest: Sourcing, catalog management, and e-procurement. sciquest.com

The benefits have included not only time savings but also the elimination of paper-based shadow systems that had been used to reconcile budgets—some of which caused more confusion than clarity. Against the current backdrop of highly constrained research budgets, says Kaloupek, the e-procurement system is especially empowering.

What started out at Virginia Tech as a system intended for external vendors has proved equally valuable in the trading of services on campus. “We have lots of internal service areas—such as DNA sequencing—where we have a cost center,” explains Wendell Vest, associate controller at Virginia Tech, “and there are numerous sponsored projects that might need such a service from another internal department.” The university can set up its internal departments as vendors in the e-procurement system, so research programs can easily purchase services from qualified departments within the university. Using the workflow in its e-procurement system, Virginia Tech has eliminated the cumbersome paper approval process that used to accompany these exchanges.

So successful has Virginia Tech’s implementation been that the procurement department has extended integrated e-procurement to a diverse range of research programs, both on and off campus. A unique example is the Unmanned Systems Lab, whose research into autonomous unmanned vehicles—land-based and airborne—requires an off-campus location. But the lab is by no means remote from the highest level of university procurement services. In fact, the procurement department welcomes research users anywhere in the university community. “At Virginia Tech, our research component has grown immensely,” says Kaloupek. “We would be very hard-pressed to provide the kind of service researchers are looking for in procurement without the e-procurement system.”

Keep an Eye on the Prize


For Riley, his goal at ASU is to offer researchers a delivery mechanism that

will get them what they want, under contract, at a good price, and much faster than any other way they could possibly do it. That’s what most other administrators want, too.

And if all goes according to plan, the researchers end up winning the Nobel Prize. Just don’t expect the head of procurement to be invited onto the podium in Stockholm. “You’ve never

heard a Nobel Prize winner say, ‘I owe it all to my friends in purchasing,’” quips Riley. At the end of the day, though, everybody—including the institution—wins. **CT**

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