



# Vendor Registration, Qualification, AVL

LOG-SRM-002  
Sept 17, 2008

# LaGov

**Version 1.0**  
Updated: 08/25/2008

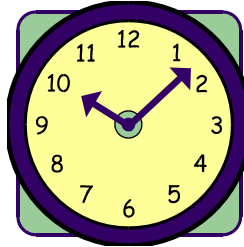


# Agenda

- Logistics, Ground Rules & Introduction
- Workshop Objectives
- Project Overview/Timeline
- Business Process Review
  - SAP terms glossary
  - Process improvement opportunities
  - SAP concepts & functionality
  - Leading practices
  - Enterprise readiness challenges
- Action Items
- Questions



# Logistics



**Before we get started ...**





# Ground Rules

- Has everybody signed in?
- Everybody participates – blueprint is not a spectator sport
- Focus is key – please turn off cell phones and close laptops
- Challenge existing processes and mindsets
- Offer suggestions and ideas
- Think ***Enterprise***
- Ask questions at any time
- One person at a time please
- Creativity, cooperation, and compromise





# Introductions

## ■ Roles:

- **Process Analyst and Functional Consultant (Team IBM):** Leads and facilitates the discussions; drives design decisions
- **Documenter (State Employee):** Takes detailed notes to support the formal meeting minutes (to be sent by the Process Analyst to all participants for review and feedback)
- **Team Members (LaGov):** Provides additional support for process discussions; addresses key integration touch points
- **Subject Matter Experts:** Advises team members on the detailed business processes and participates in the decisions required to design the future state business processes

### ***Around the Room Introductions:***

1. *Name*
2. *Position*
3. *Agency*



# Blueprint Objectives

1. Review and discuss the current or As-Is Business Processes:
  - Which helps to drive out the ***business requirements***
  - As well as the ***integration points*** with other processes
2. Define Master Data:
  - Address key integration points
  - Support organizational requirements
  - Consistent and appropriate use of data fields
3. Define Future or To-Be Business Processes based on:
  - Best Practices inherent in SAP
  - Intellectual capital from other SAP implementations
  - State business requirements



# Blueprint Objectives (continued)

4. Identify Development Requirements:
  - Forms
  - Reports
  - Interfaces
  - Conversions
  - Enhancements
  - Workflow
5. Understand and communicate any Organizational Impact / Enterprise Readiness Challenges
6. Gather system Security Authorizations and State-wide Training Requirements



# Today's Workshop Objectives

- Review State of Louisiana Vendor Self Registration Process
- Review State of Louisiana Vendor Qualification Process/Requirements
- Review State of Louisiana Approved Vendor List Functionality
- Review Glossary
- Overview of Vendor Registration in Supplier Relationship Management (SRM)





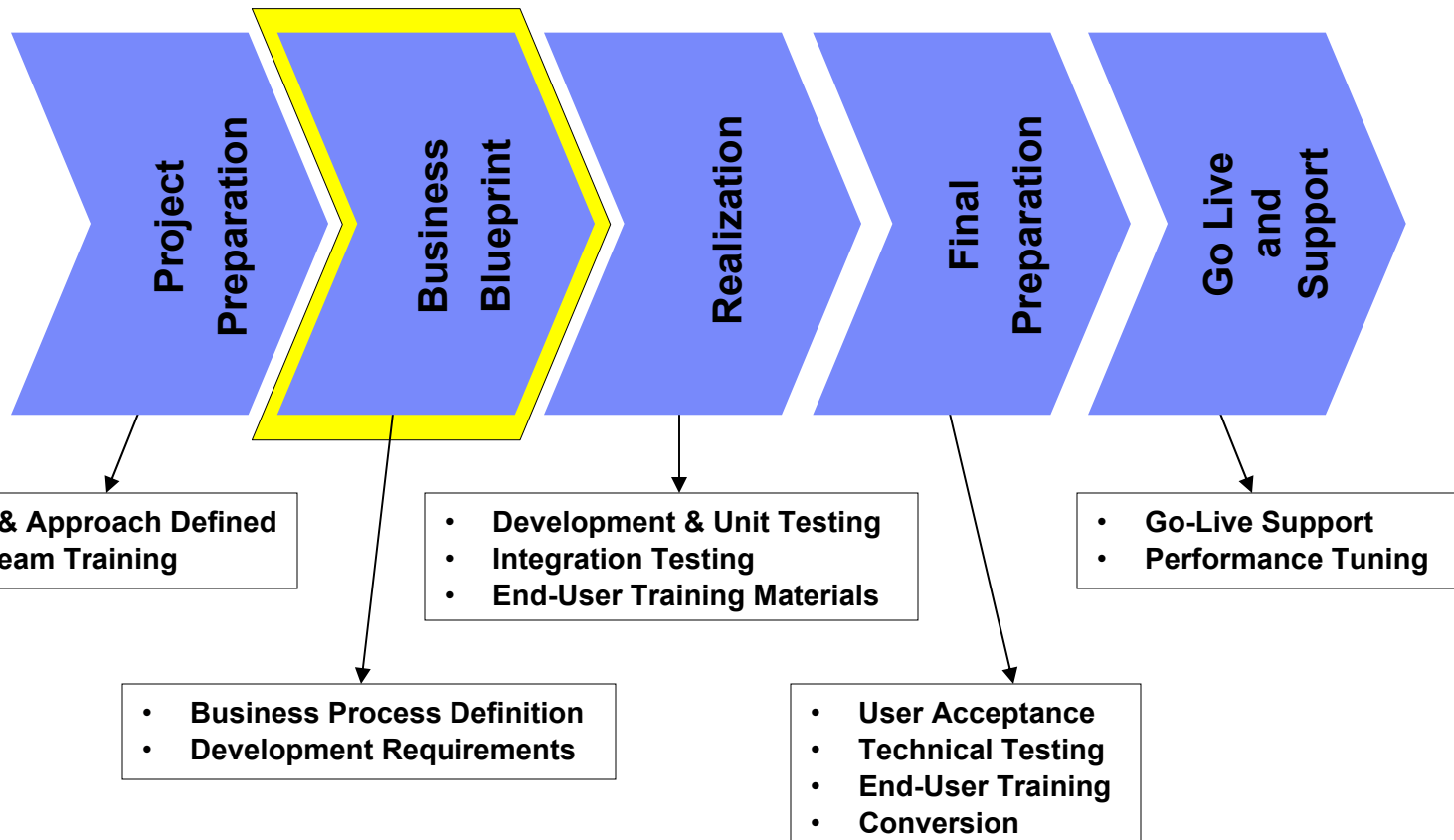
# Today's Workshop Objectives

- Overview of SAP Vendor List Functionality
- Next Steps



# Project Phases

## ■ Five Key Phases

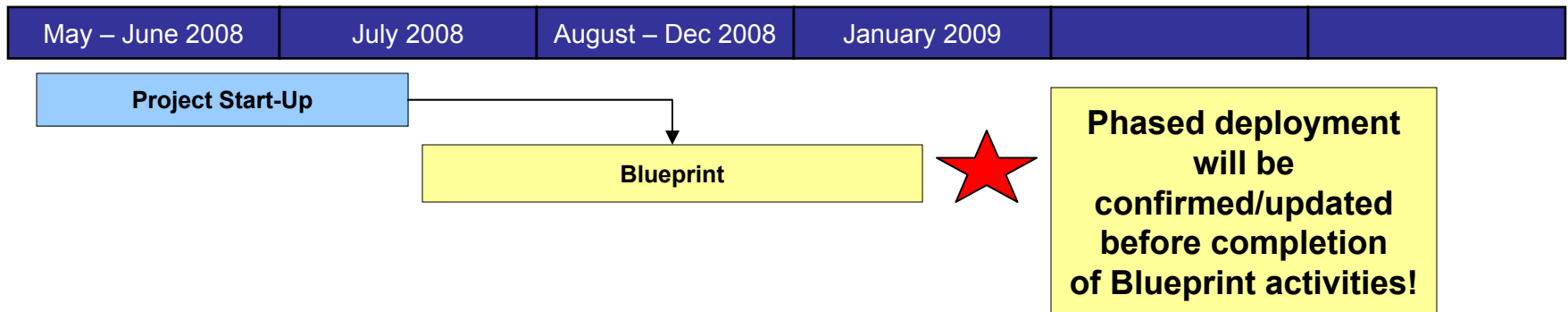




# Tentative Project Timeline

- Tentative implementation dates are planned as follows:

Functionality	Tentative Implementation Date
Budget Prep	October 2009
DOTD	February 2010
Core Modules All Agencies	July 2010
Additional Modules	January 2011





# **LaGov Blueprint Schedule Tentative**



# Project Organization - Functional Teams

## Finance Leads

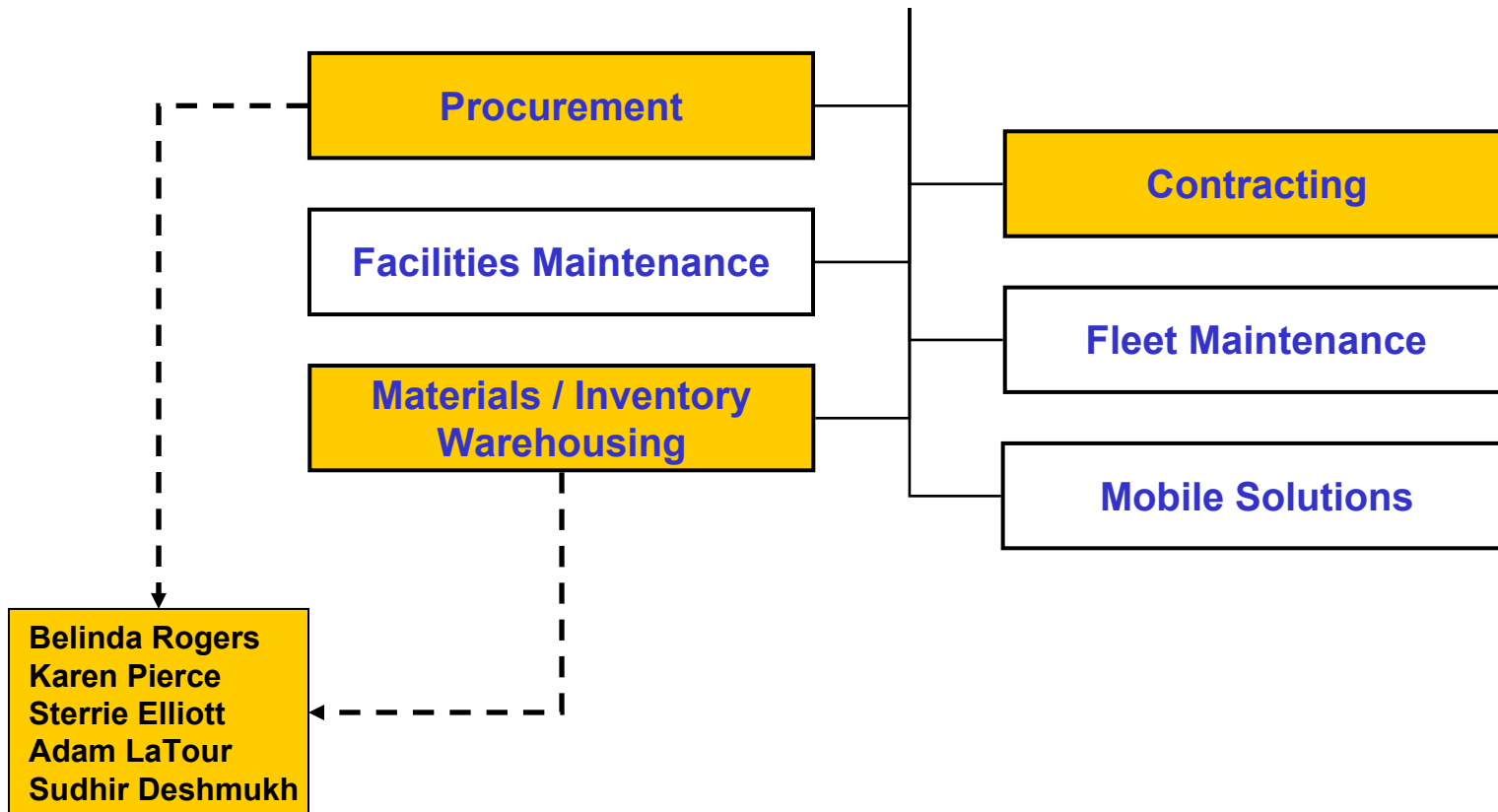
Beverly Hodges – Finance Lead  
Drew Thigpen – Finance Lead  
Mary Ramsrud – Consulting Lead

## Logistics Leads

Belinda Rogers – Logistics Lead  
Jack Ladhur – Logistics Lead  
Brad Denham – Consulting Lead

## Linear Assets Leads

Mark Suarez – Agile Assets Lead  
Charles Pilson – Consulting Lead





# **As-Is Overview**



# As-Is Discussion for Vendor Registration

- As – Is Vendor Registration Overview
- Various Vendor Registration systems
- Details of Vendor Registration by system
  - LaPAC
  - eCat
  - DOTD
    - Procurement (purchasing)
    - Professional services
    - Construction



# As-Is Discussion for Vendor Registration (continued)

- Current Vendor Qualifications (DOTD)
- Commodity registration for Vendors





# As-Is: Vendor Registration Overview

<b>Legacy System</b>	<b>Methods of Registration</b>	<b>Functionality Available for Registered Vendors</b>
<b>AGPS</b>	<b>Vendor does not register. Agencies create vendor records.</b>	<b>Vendor can be issued P.O.'s and receive payment</b>
<b>LaPAC</b>	<b>Online self-registration</b>	<b>Vendor receives automatic email notification when bid invitations are posted in his selected commodity classes.</b>
<b>eCat</b>	<b>Vendor submits hard copy form printed from OSP website; or completes questionnaire contained in bid invitation when submitting bid for contract.</b>	<b>Vendor automatically receives email notification when release orders are issued against his contract(s). He can then log into eCat and view/print P.O.'s.</b>
<b>PQL</b>	<b>Vendor submits hard copy form printed from OCR website</b>	<b>Allows vendors to register to receive bids for Services</b>



## As-Is: Vendor Registration Overview (continued)

<b>Legacy System</b>	<b>Methods of Registration</b>	<b>Functionality Available for Registered Vendors</b>
<b>DOTD – Procurement</b>	<b>Vendor submits hard copy form printed from DOTD website</b>	<b>Vendor is included on DOTD’s mailing list (email) for his selected commodities.</b>
<b>DOTD – Professional Services</b>	<b>Vendor completes on-line “business card” form.</b>	<b>Vendor receives email notification of posted RFP’s (DOTD website) for his registered service areas.</b>
<b>DOTD – Construction</b>	<b>Vendor completes on-line “contractor information” form.</b>	<b>Vendor registration is required in order to be listed as a “prospective bidder” for individual construction projects.</b>



## Various Vendor Registration systems currently in place

### **AGPS (CFMS)**

State user adds vendor based upon information received during the requisition or award process of commodities or services.

### **eCAT (Web Application)**

Contract vendors register in eCat by submitting form/information to OSP, creating a User for that company. By registering, vendors will receive electronic notification of orders placed against their contract(s) and can log in to retrieve order(s).

### **LaPAC**

Vendors can view/download/print ITB's or RFP's on-line without having to register. By registering, a vendor will receive electronic notification each time an ITB or RFP in any of his selected commodity areas is posted. LaPAC's vendor file is separate from AGPS's.

### **DOTD Procurement Web Based System**

State user adds vendor based upon information received from faxed or mailed web application.

### **DOTD Professional Vendor List**

State user adds vendor into Lotus notes based upon information received from an email electronically created upon submission of a web application.

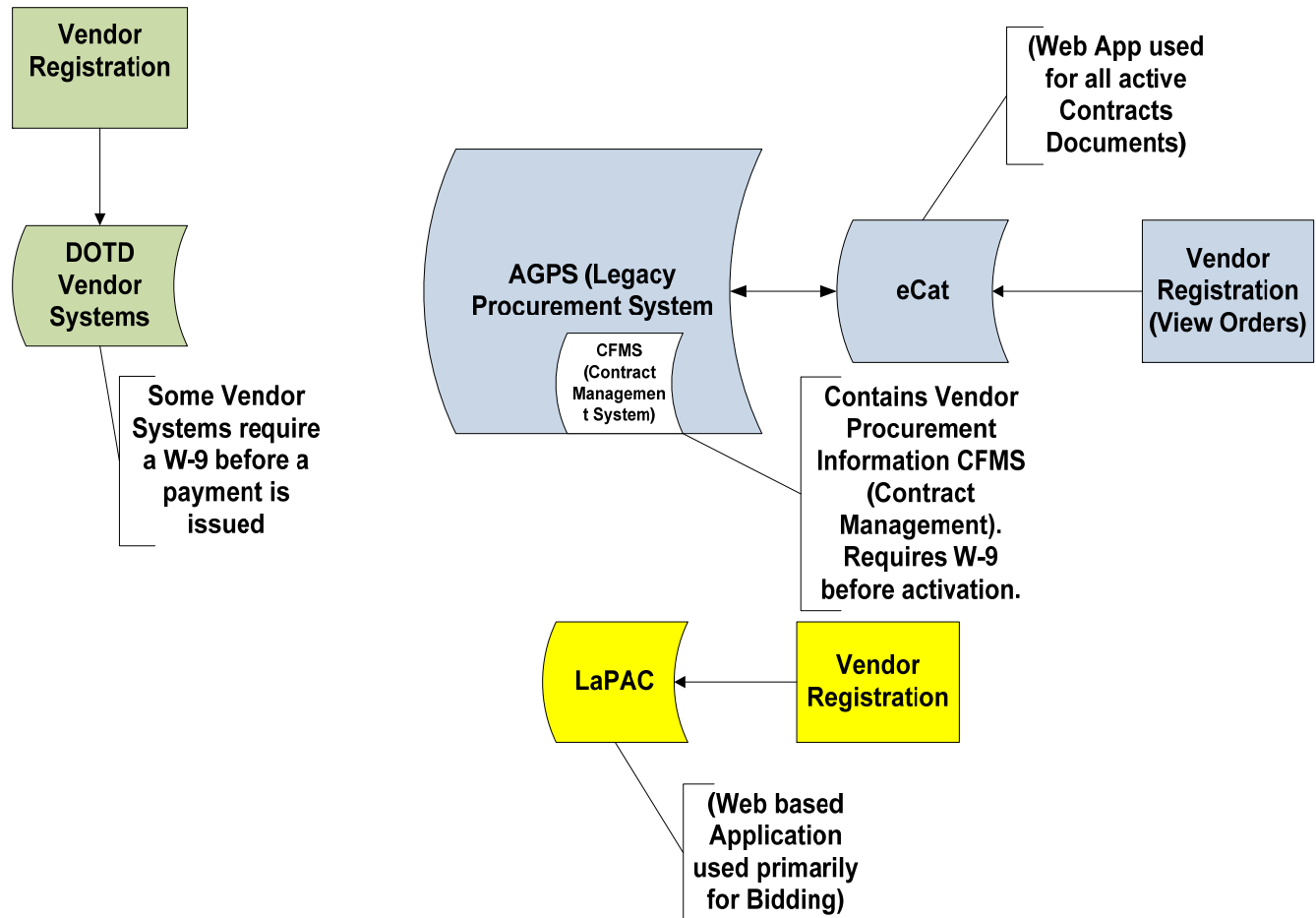
### **DOTD Construction SUBS Application**

State user adds vendor into SUBS based upon information received from an email electronically created upon submission of a web application.

### **PQL (Pre Qualified List - OCR)**

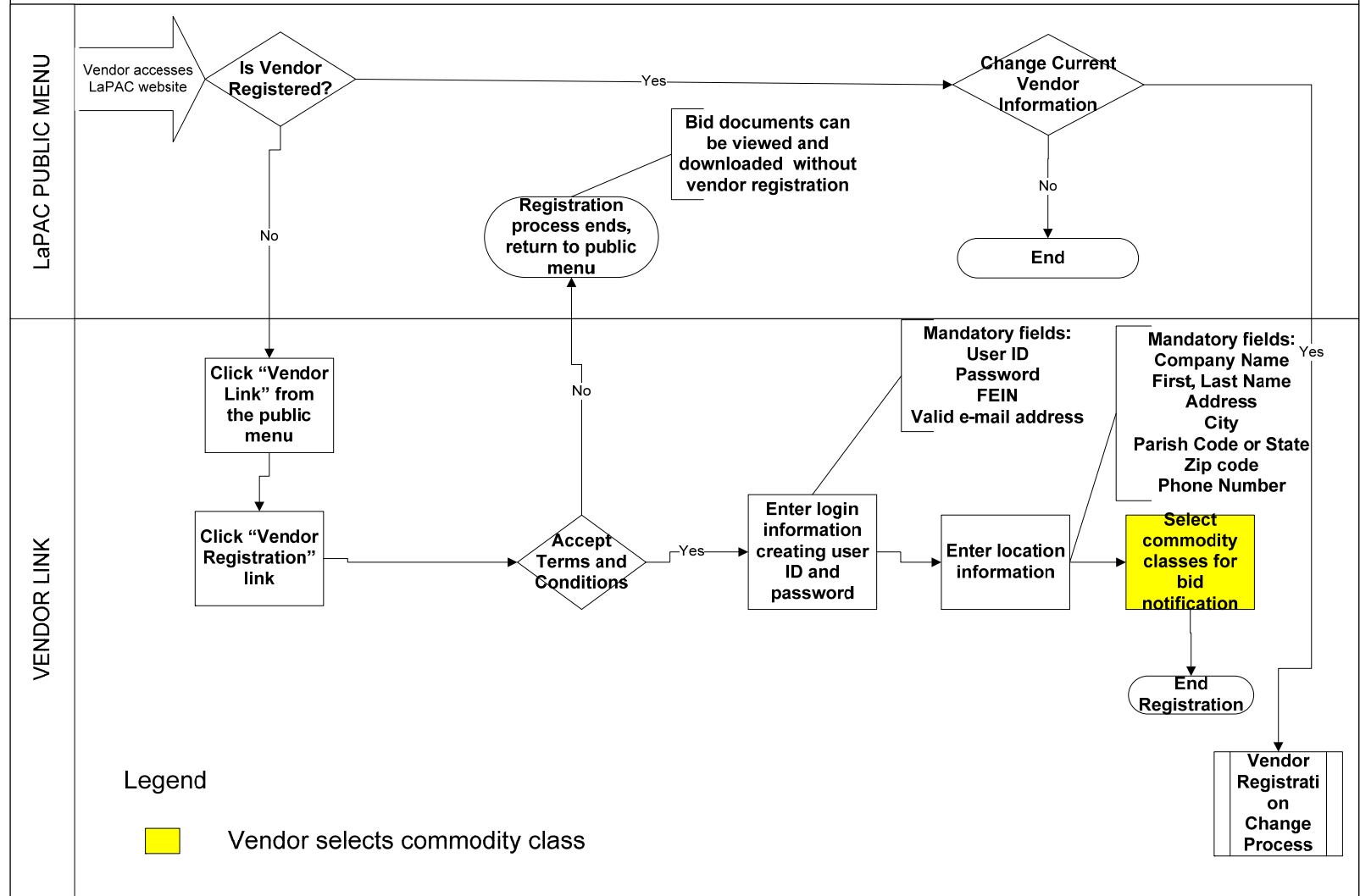


## Various Vendor Registration systems currently in place





## LaPAC VENDOR REGISTRATION



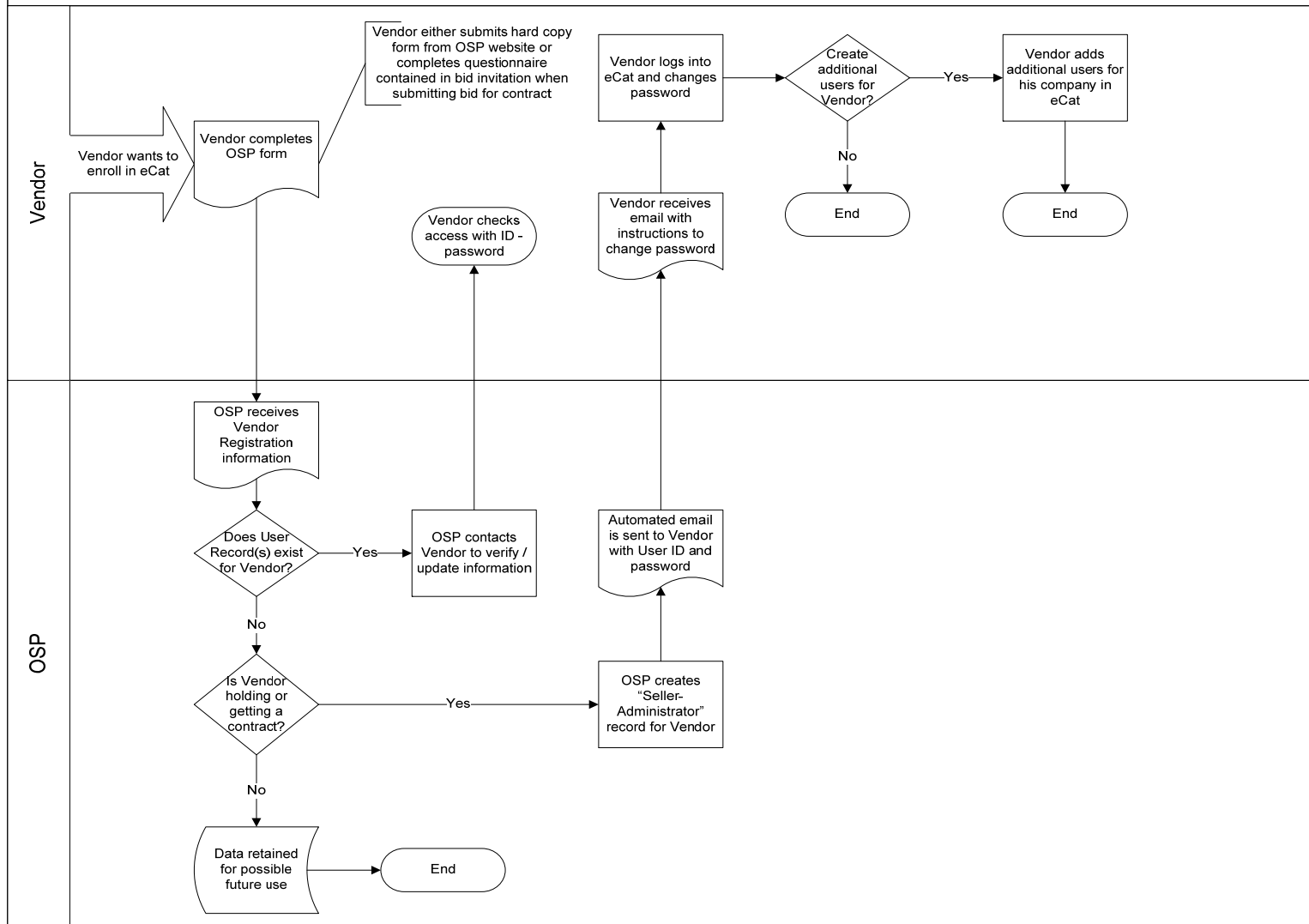


# As-Is Vendor Registration – LaPAC

- Vendor Registration process in LaPAC is a self-registration process
- Vendor goes to LaPAC Public Menu (can link from OSP's website) and clicks on Vendor Link.
- Vendor must first "Accept the Terms and Conditions" .
- Vendor creates User ID and Password; FEIN or SSN and a valid email address are required.
- Company information is entered:
  1. Company Name (Mandatory Field) and Division (Optional)
  2. First Name followed by your Last Name. (Mandatory Field)
  3. Enter your Address (Mandatory Field)
  4. Enter your City. (Mandatory Field)
  5. Parish (Optional)
  6. State (Mandatory Field)
  7. Country information (Optional)
  8. Zip Code (Mandatory Field)
  9. Phone Number (Mandatory Field)
  10. FAX Number (Optional)
  11. Toll Free Number (Optional)
- Vendor selects commodity classes for which he wants to receive email notification.  
(Confirmation email sent for each commodity class registered.)
- Vendor change menu allows users to change Password, Company, Information, Location Information, or Add/Remove Commodities



## LA eCat Vendor Registration





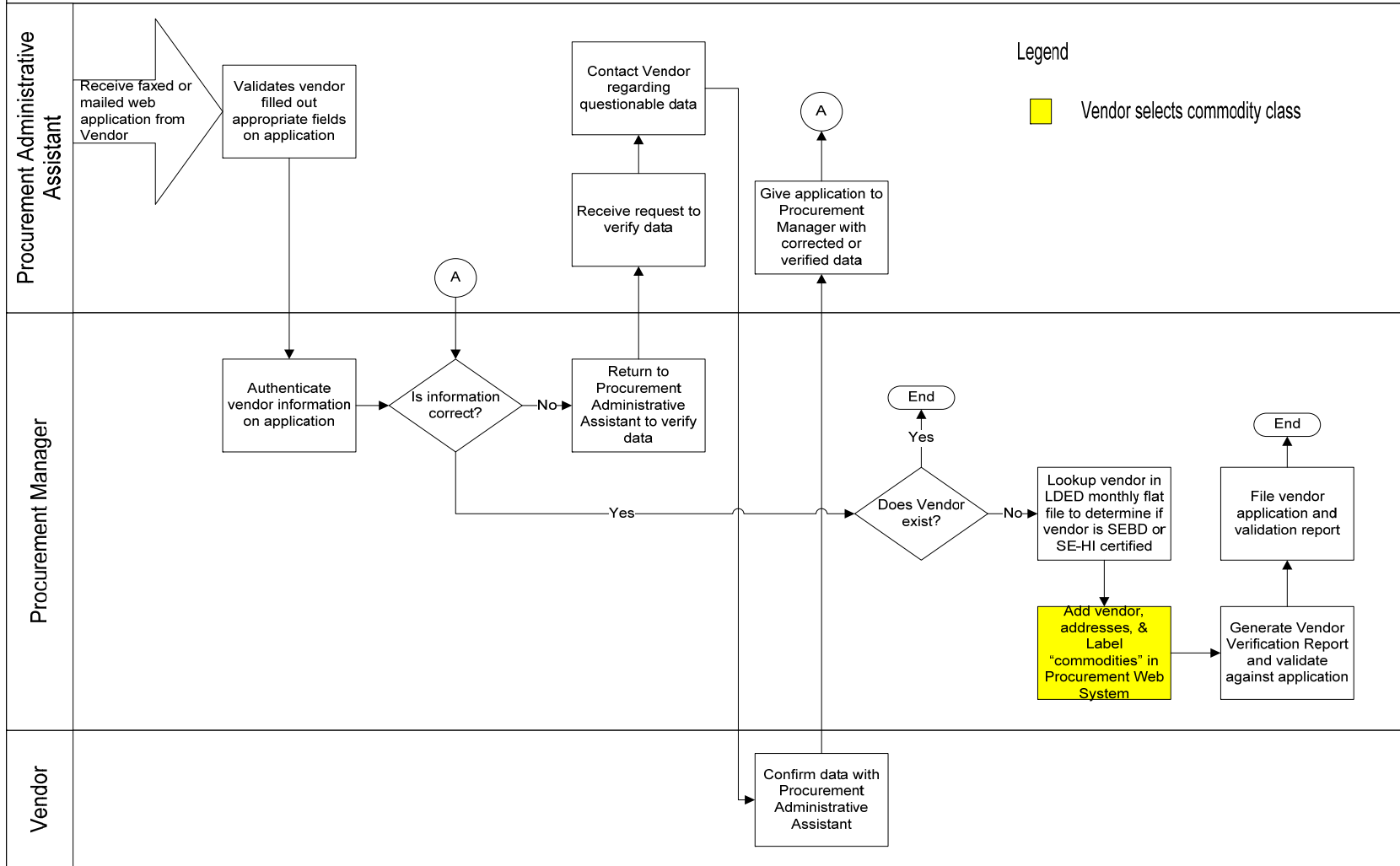
# As-Is Vendor Registration - eCat

- Service available for current State contract holders only
- LA eCat is an internet-based shopping tool used by agencies for placement of contract orders. By enrolling in eCat, a vendor will receive his orders electronically.
- Vendor obtains form from OSP's website, then completes and submits hard copy to OSP (signature required); or, bidder completes LA eCat questionnaire contained in bid invitation when submitting bid for contract.
- Data elements completed on form are as follows
  1. Company name
  2. Contact Number
  3. Email Address
  4. Contact Person
  5. Contact Phone
  6. Accept PCard?
- OSP receives info from vendor and creates user ("seller administrator") for company in LA eCat.
- System sends email to Vendor advising him of his User ID and Password and advising him to log into eCat and change Password. This user can add others for his company.





## DOTD Create Vendor Process in Procurement Based Web System





DOTD

## Procurement (Purchasing) Vendor Form

Fields that are required to create a Vendor in the DOTD Procurement Web Based Application include:

Company Name  
Mailing Address  
Telephone Number  
E-mail Address  
Federal Identification Number (FIN)  
Social Security (if an individual)  
Signature

### APPLICATION FOR DOTD PROCUREMENT MAILING LIST

PLEASE PRINT OR TYPE

FIRM NAME: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

\_\_\_\_\_  
(ZIP CODE MUST BE SHOWN)

TELEPHONE NUMBER: \_\_\_\_\_

FAX NUMBER: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

FEDERAL IDENTIFICATION NUMBER: \_\_\_\_\_

SOCIAL SECURITY NUMBER (If an Individual): \_\_\_\_\_

REQUEST TO RECEIVE BID NOTIFICATION ON THE FOLLOWING COMMODITIES LISTED BY COMMODITY CODE NUMBER:


Signature and Name of Person(s) Authorized to Sign Bids (Must be Manually Signed)

Official Title

Telephone Number  
(INCLUDE AREA CODE)



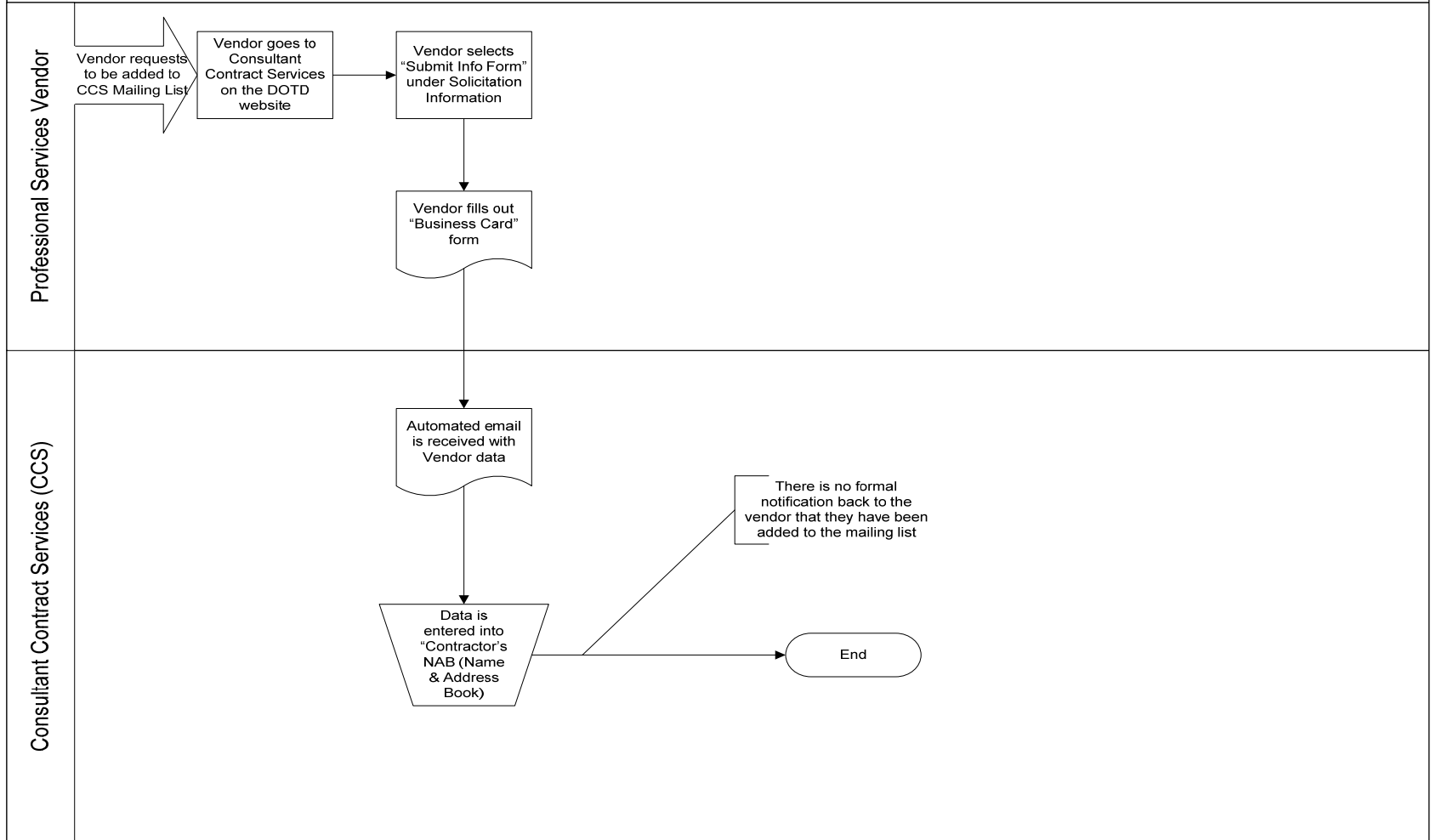

RETURN THIS FORM TO:

CARLA J. PARENT, CPPB, DOTD PROCUREMENT DIRECTOR  
PROCUREMENT SECTION, EAST WING, ROOM EW200  
LOUISIANA DEPARTMENT OF TRANSPORTATION & DEVELOPMENT  
P O BOX 94245  
BATON ROUGE LA 70804-9245

Fax: (225) 379-1862 or (225) 379-1481



## DOTD Professional Services Vendor Registration Process





## DOTD Professional Services Vendor Form

Fields that are required for Vendor  
Registration for Professional  
Services Vendor Registration  
include the following:

Firm Name

Service Provided

Contact person

Address Information

Phone Number

Tax ID Number



Louisiana Department of Transportation and Development

### Consultant Contract Services Engineering Consultant Business Card Information

Last Updated: 09/08/2008

#### 'New' Business Card?

Provide ALL the following information for your firm.

#### 'Updating' an Existing Business Card?

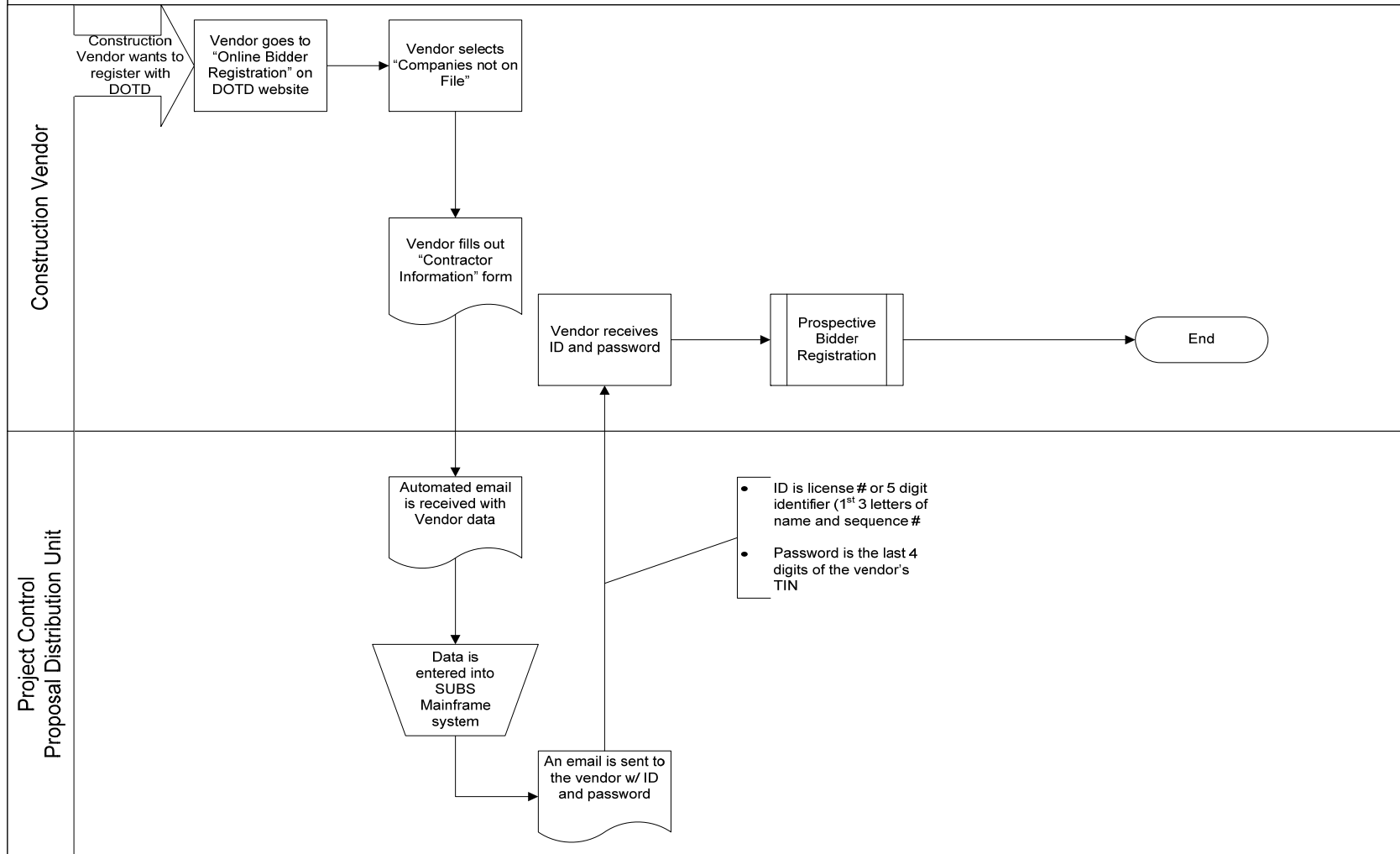
Complete all of the fields to ensure we have the latest information.

Firm Name	<input type="text"/>	
Service(s) Provided	<input type="checkbox"/> Engineering <input type="checkbox"/> Environmental <input type="checkbox"/> Surveying <input type="checkbox"/> Real Estate <input type="checkbox"/> Planning <input type="checkbox"/> Construction	
Principle Contact	Mr. <input type="text"/>	<input type="text"/>
Position	<input type="text"/>	
Email Address	<input type="text"/>	
Office Street Address	<input type="text"/>	
City	<input type="text"/>	
State/Province	<input type="text"/>	
Zip/Postal Code	<input type="text"/>	
Parish (If Applicable)	<input type="text"/>	
Office Phone	<input type="text"/>	
FAX	<input type="text"/>	
Tax ID Number	<input type="text"/>	
Comments/Questions:	<input type="text"/>	

Submit Form



## DOTD Construction Vendor Registration Process





## DOTD Construction Vendor Form

Fields that are required for Construction Vendor Registration include the following required fields as noted with the red asterisk:

Louisiana Contractors License  
Federal Taxpayer ID  
Company Name  
Address (City, State, zip code)  
Phone Number  
Fax Number  
E-mail Address  
Contact Person

### Companies not on file with LA DOTD

Louisiana Department of Transportation and Development will assign unlicensed contractors a permanent ID in lieu of a license number. After your contractor information is entered in our system, you will be notified by email or phone of your ID within two(2) business days.

If further information is required please contact Ms. Sharon Knight at (225) 379-1111 or [sknight@dotd.la.gov](mailto:sknight@dotd.la.gov)

### Contractor Information

LA Contractors License:	<input type="text"/>	(5 digit license number)
Federal Taxpayer ID:	<input type="text"/>	*
Company Name:	<input type="text"/>	*
Address1:	<input type="text"/>	*
Address 2:	<input type="text"/>	
City:	<input type="text"/>	*
State:	<input type="text"/>	*
Zip Code:	<input type="text"/>	*
Phone Number:	<input type="text"/>	*
Fax Number:	<input type="text"/>	*
Email Address:	<input type="text"/>	*
Contact Person:	<input type="text"/>	*

\* Indicates a required field.

Submit



# DOTD Vendor Qualifications

## ■ Professional Services

- Type(s) of service provided (i.e. Engineering, Surveying, Real Estate, etc.), Federal Tax ID and contact information are collected during registration.
- More specific documentation (ex. License Number, Qualifying Party) is collected during the contracting process for individual projects.
- Engineering licenses are validated online at [www.lapels.com](http://www.lapels.com) (*Louisiana State Board of Registration for Professional Engineers and Land Surveyors*). Other licensing and certification validations are performed through appropriate authorities.



# DOTD Vendor Qualifications (continued)

## ■ Construction

- Contractor's License Number, Federal Tax ID and contact information are collected during registration.
- Project appropriate licensing categories/specialties, certifications, compliance issues (i.e. Hudson Initiative SE, Federal DBE status) and previous work history concerns (i.e. default, debarment, disqualification) are addressed during the bid and award process for individual projects.
- Contractor licenses are validated online at [www.lslbc.louisiana.gov](http://www.lslbc.louisiana.gov) (*Louisiana State Licensing Board for Contractors*). Other licensing or certification (rarely needed) validations are performed through appropriate authorities.





# Commodity Registration for Vendors

- Casual Vendors are registered but will not receive an award /contract until a W-9 Form is on file
- During the registration process Vendors select the family of commodities / services for which they would like to receive bid invitations.
- During the award process the vendor's qualifications are validated.
- DOTD has a pre-qualified list for specific products. Vendors having products not on the list are allowed to submit their products for approval during the bid process.
  - To get on this list products must meet specific testing standards



# SAP Concepts



# SAP Glossary

- **Attribute** – A property or value that describes and defines an object or an entity in detail (blonde hair, blue eyes, 5'2" tall, 120 lbs...are all attributes of a human)
- **Client** – A grouping or combination of legal, organizational, business and/or administrative units with a common purpose; a self-contained unit in an SAP system with separate master records and its own set of tables ("The State of Louisiana")
- **Company Code** – This level represents an independent accounting unit within a client. Each company code has its own balance sheet and its own profit and loss statement. Example : a subsidiary company, member of a corporate group ("The State")
- **ECC** – Enterprise Central Component (the core SAP system where financials and most logistics transactions are processed)
- **Matchcode** – A search technique which enables a user to locate a particular database record (such as an account number or material master record) by entering information contained in the record (Key word Search)
- **Reconciliation Account** – A G/L account to which transactions in the subsidiary ledgers (such as in the customer, vendor, or assets areas) are updated automatically
- **Dunning** – A reminder or warning letter used to remind vendors to deliver the material from the purchase orders.



# SAP Glossary (continued)

- **Minority indicator** – A business that is owned and controlled by one or more socially and economically disadvantaged persons
- **Tolerance Group** – It is a percentage or a value that is the limit to which an event can deviate
- **Partner Functions** – A term, such as "sold-to party" or "payer", that describes a person or organization with whom you do business
- **Invoice verification** – A term that describes the entering and checking of incoming (vendor) invoices
- **Account Groups** – An object with attributes that determine the creation of master records
- **Flagging for deletion** – A label that identifies a data record to be deleted from the database
- **AVL (Approved Vendor List)** – Object in SAP for source determination which identifies vendors approved to supply specific commodities and services.
- **Purchasing Organization** – An organizational unit in Logistics, subdividing an enterprise according to the requirements of Purchasing

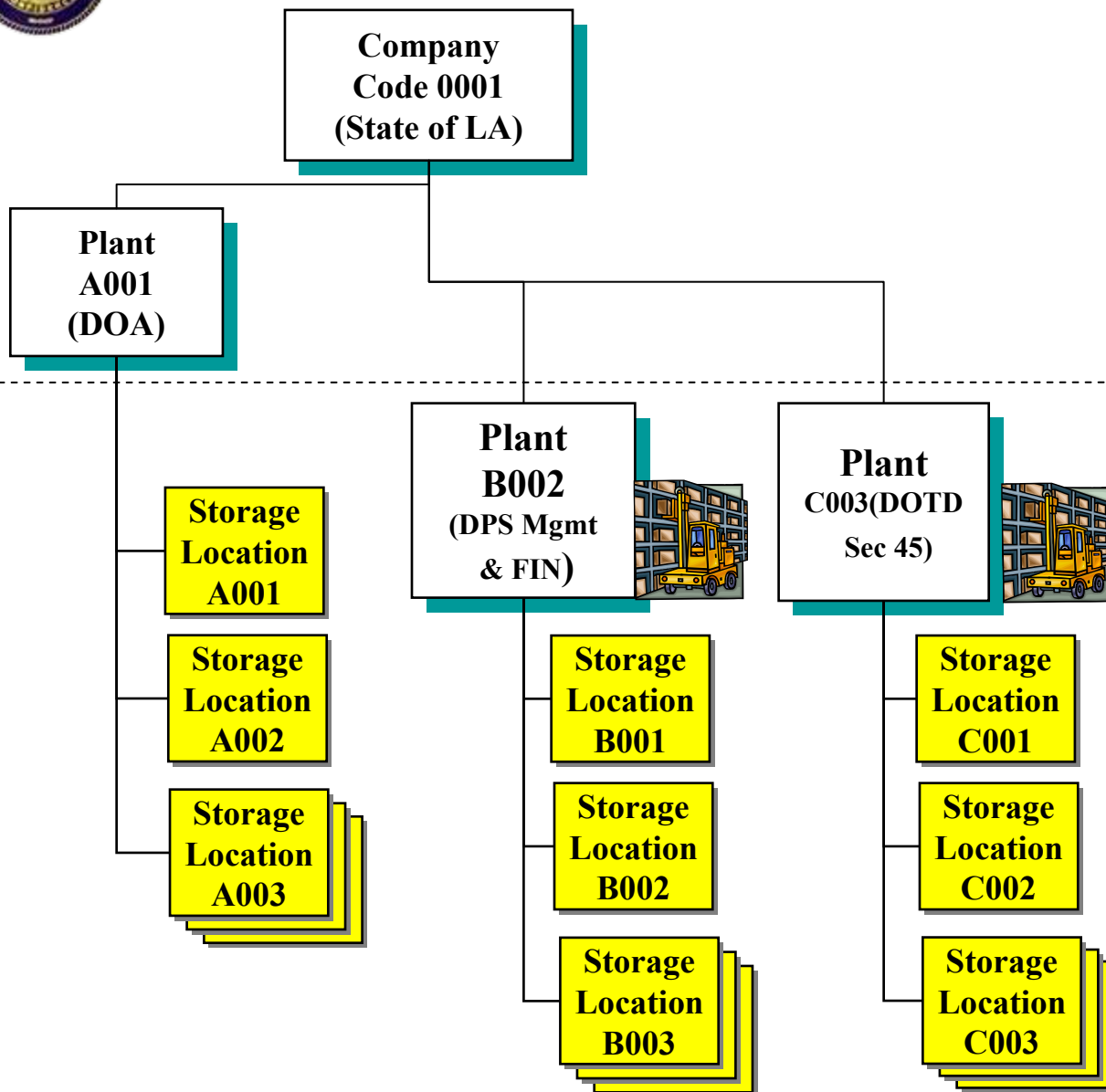


# SAP Glossary (continued)

- **Supplier Self Service (SUS)** – The SAP web based application which enables vendors to self register with the state, view purchase orders, respond to purchase orders, enter confirmations, enter invoices and view the status of supplied services and/or commodities
- **Supplier Relationship Management (SRM)** – The SAP application which enables the procurement process via a web enabled user interface
- **Supplier Screening** – The list of suppliers that have registered to supply items awaiting analysis and approval. They are not seen in the procurement processes until they are approved by the buyer
- **Supplier** – The listing of suppliers that have been accepted as qualified sources of supply for goods and services in SAP SRM



# “Going In” Logistics Structure



**Department Level**

**Agency Level**

**Guiding Principle:** If a given organization maintains inventory AND it wants to track the financial costs of that inventory at a given level, then that organizational level = SAP Plant

**Note:** Physical inventory taking (conducting an inventory and cycle counting) takes place at the Storage Location level!



# Vendor Registration, Qualification and AVL

- General Definition: Vendor Registration

The process by which potential suppliers can self-register by using a link on the homepage of the purchasing company. Suppliers can additionally assign themselves to specific product categories, submit relevant information, and manage their address and contact data.



## Vendor Registration, Qualification and AVL (continued)

- **General Definition: Qualification**

The process by which purchasing professionals identify and select potential new suppliers that can fulfill all the requirements to become a vendor for their company. This is facilitated in the SAP SRM system by providing questionnaires that can be customized to include information such as compliance to required standards, support for relevant business practices, or logistical capabilities for the on-time delivery of quality products or services.





## Vendor Registration, Qualification and AVL (continued)

- **General Definition: AVL (Approved Vendor List)**

This is the object within the SAP SRM system that identifies qualified suppliers as preferred sources of supply for items and services procured within the system. Vendor Lists can be configured based on the material master, service master or by product category.



## Vendor Registration, Qualification and AVL (continued)

- By allowing suppliers to self-register, companies are relieved of an administrative burden while still benefiting from having the supplier's contact and product information on hand.
- And when it comes to qualifying new suppliers, SAP SRM provides the tools and functionality to ascertain quickly whether a given supplier has the ability to fulfill all the necessary requirements.
- With the supplier self-registration capabilities of SAP SRM, interested suppliers can register for offering goods or services by filling in an online application form.



## Vendor Registration, Qualification and AVL (continued)

- Suppliers are also allowed to manage their user address and contact data themselves.
- With questionnaires that can be sent to potential vendors to gather relevant information, SAP SRM makes it easier for purchasing professionals to identify and select qualified suppliers.
- Questionnaires can be customized to include information such as compliance with required standards, support for relevant business practices, or logistical capabilities for on-time delivery of quality products or services.



## Vendor Registration, Qualification and AVL (continued)

- Additional Qualification Options:
  - With SRM the supplier and buyer can also get some analysis reports. SRM delivers several standard reports that can be used for vendor evaluation and qualification for future procurement requests. The posting of an invoice or confirmation can trigger the start of a web survey in which the requester will be asked for the business behavior of the supplier. The results can be viewed by the buyer and the supplier.



# Vendor Registration, Qualification and AVL

- **Benefits of Supplier Self Service:**
  - Ability for suppliers to self register and become bidders
  - Ability for suppliers to load catalogs with approval
  - Ability for suppliers to acknowledge orders
  - Ability for suppliers to enter goods confirmations with approval
  - Ability for suppliers to enter invoice information
  - Reduced data entry for users
  - Improved visibility for suppliers



# Vendor Registration, Qualification and AVL

- Main Steps in the Vendor Self Registration Process:
  - *Carry out self-registration (vendor)*
  - *Answer questionnaires (vendor)*
  - *Check supplier data and questionnaires*
  - *Approve suppliers*
  - *Create business partner in SRM*
  - *Create temporary contact person*



# Vendor Registration, Qualification and AVL

- **Supplier Self Registration and Qualification Integration scenario:**
  - Interested party calls up Homepage of the purchasing company.
  - Interested party calls up an URL that starts the self-registration in the self-registration system.
  - Interested party enters master data and assigns themselves to one or more product categories.
  - The interested party is automatically sent one or more questionnaires (for each product category).



# Vendor Registration, Qualification and AVL

- **Supplier Self Registration and Qualification Integration scenario (cont):**
  - Interested party fills out questionnaires and returns them.
  - Purchaser calls up *Supplier Screening* in *SAP Enterprise Buyer*.
  - Purchaser reviews master data and questionnaires in the registration system. Purchaser can accept or reject supplier.
  - Purchaser selects supplier from the supplier directory in the SRM Server System and transfers supplier via OPI link into the SRM Server System





# Vendor Registration, Qualification and AVL

- **Supplier Self Registration and Qualification Integration scenario (cont):**
  - The SUS System sends an e-mail (if appropriate) with a registration number to the supplier.
  - Supplier uses registration number to create user in *SAP SUS*.
  - Supplier can change his master data in *SAP SUS*.
  - Purchaser recognizes these changes in the business partner monitor.



## Vendor Registration, Qualification and AVL (continued)

- **AVL – Approved Vendor List**
  - The vendor list contains the preferred vendors for material masters or product categories.
  - Each entry of the vendor list can be marked as active or inactive. This enables you to control the suggestion of your favorite sources of supply in the sourcing process.
  - When maintaining the vendor list, you will see a proposal of possible sources of supply from the system.



## Vendor Registration, Qualification and AVL (continued)

### ■ **AVL – Approved Vendor List**

- In Sourcing, you can see all sources of supply coming from the vendor list marked with a special flag.
- It is possible to refer to back end contracts.
- If you defined vendor lists, you can search for them by purchasing organization, product category, product, description, vendor, status, and time frame.



## Vendor Registration, Qualification and AVL (continued)

- **AVL – Approved Vendor List**
  - In both the shopping cart and the sourcing transaction, you can see whether a source of supply is maintained in the vendor list.
  - Priorities for price determination: Contract, Catalog, Vendor Price, Product Price. In case no price has been found, the users are able to enter price manually.



## Vendor Registration, Qualification and AVL (continued)

### ■ **AVL – Approved Vendor List**

- The vendor list is integrated into all processes that contain a vendor search help:
  - Shopping (Requisitions): You can specify that only vendors maintained in the vendor list can be selected or just have them highlighted in the sources of supply overview.
  - Sourcing (Requirements Conversion): A purchaser can view which vendors are maintained in the vendor list when assigning a source, but is not limited to these.
  - Bidding (RFQ Process): You can search for Bidders via a vendor list.



# **SAP Vendor Master Record Screens**



# **Review of SAP Concepts**



# Special Topics





# Questions?

