WBSCM UPDATE

February 2008

FEATURE:

SUPPLIER RELATIONSHIP MANAGEMENT (SRM)

This issue highlights how WBSCM will help USDA and USAID manage commodities, services (such as food processing), and transportation suppliers more easily and efficiently.

What's Supplier Relationship Management?

Supplier Relationship Management is a fancy name for the process of buying and food commodities to customers. Though different agencies and private companies have different types of suppliers, they share some common processes for managing those suppliers and the entire supply chain. The WBSCM project is taking advantage of industry and government best practices and technologies that capture, standardize, and automate these processes.
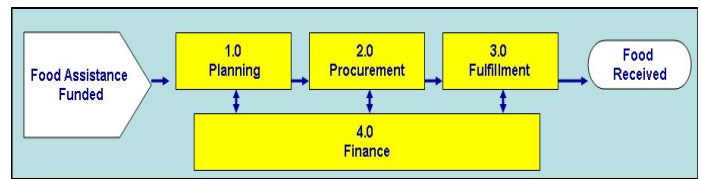
WBSCM will provide many benefits for managing the agencies' supply chain. Currently, WBSCM agencies have to use multiple databases and systems to do SRM tasks, such as DEBES, LTCS, EBES, and FBES. The challenges we face include manual paper-based work, inconsistent data, duplication, and other inefficiencies.

In the future, WBSCM will replace these databases and systems, and enable users to log in to *one* system to perform all of these tasks. This system contains a tremendous amount of functionality to standardize and consolidate the procurement process end-to-end. In addition, WBSCM supports compliance with federal government processes, rules and regulations for procurement.

How does SRM fit into WBSCM?

SRM features will be integrated into all of WBSCM's four high-level "business processes areas," as highlighted in yellow below.

WBSCM High Level Business Process Areas[1]

The WBSCM users who will benefit from these SRM tools include commodity specialists, contracting officers, managers, auditors, and commodity and freight vendors.

What will SRM help you do?

From an agency users perspective, when you log onto the WBSCM portal in the future, you will have a single "one-stop shopping" view of the data

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[1] *To learn about what activities are included in each of the "Business Process Areas", click on the title of the picture above…*

and tasks needed to qualify and maintain a centralized source of information on suppliers (also called vendors). You will also be able to request and evaluate bids, and negotiate and manage contracts.   If you're a supplier, you'll have a single, consistent, online process to submit bids to *all* agencies. And for customers, you'll have a simple, online, catalog and ordering process similar to Amazon.com.

Key WBSCM SRM features include:

❖ **Single source of reliable data and processes, including the ability to:**

- Obtain, evaluate, and maintain information about suppliers (called "Supplier Qualification")

- Identify commodity requirements and approve requisitions ("Requisitioning")

- Submit bids consistently to all agencies

- Issue and manage Requests for Quotation (RFQs); get consistent vendor bids; evaluate bids; negotiate; and award contracts ("Supplier Negotiation")

- Develop, execute, and monitor contracts throughout their lifecycle ("Contract Management")

- Find (or "source") suppliers, and generate and track purchase orders ("Order Management")

❖ **Supplier "Self Service" and USDA "one face to all vendors" processes, including the ability to:**

- Use a consistent set of processes and one website across agencies to issue
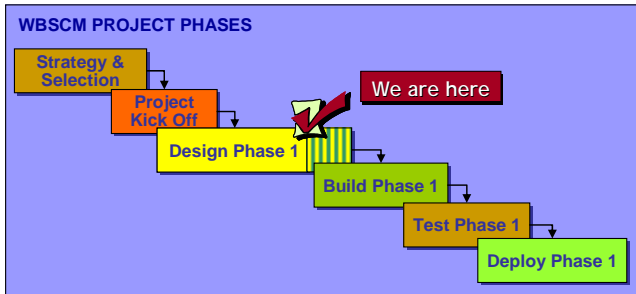
Public Notification of Bid Invitations, submit bids, and review bids

- Enable vendors to manage your bidding, purchase order management, and shipment notifications online with all agencies

❖ **Support for regulatory compliance, financial integrity, and faster approvals, including the ability to:**

- Get easy access to a single source of reliable, real time data on available funds, funds commitments, and obligations

- Electronically select and attach necessary FAR clauses to USDA bid invitations, Purchase Orders (PO), and contract documents

- Automatically generate a unique number (the "Long Procurement Number" – AGAR 76) when creating a procurement to help track it

- Use online workflow tools to move documents through the process, including using electronic signatures for approvals

- Check vendor status online

- Consistently review bids before Linear Program evaluation

- See a consolidated view of bidders and their bid information.

- View an easy to read format to do quick comparisons and find errors

- Keep an long-term electronic record of documents to easily track progress, and provide an online transactions audit trail

- Use electronic "filing cabinets" to manage, store, access, and trace documents ("eContracts Records Management")

STATUS CORNER

WBSCM PROJECT PHASES
- Strategy & Selection
- Project Kick Off
- Design Phase 1 — We are here
- Build Phase 1
- Test Phase 1
- Deploy Phase 1

The WBSCM team is completing the Design Phase of the project. Our teams for the Procurement, Fulfillment, and Finance business process areas are working together to validate and finalize design scenarios. These scenarios tell short stories about how work will be done in the future. They provide descriptions of the business processes and process flows, key components to building and testing the new system.

After completing the remaining Design Phase work and planning the next phase, the team will kick off the "Build Phase."

In addition to this work, USDA key personnel in Washington, DC and Kansas City attended introductory "SAP 01" training in January on SAP applications.

Also in January, the SRA Training Team developed a plan to address training requirements for the WBSCM agency users, and this plan will be implemented in multiple phases in the upcoming months.

Did you know...?

…that USDA provides commodities to support lunches to over 30 million children each school day in over 100,000 public and non-profit private schools, through the National School Lunch Program!

…that USDA is providing disaster food stamps to people devastated by the fires in Southern California. Read the full press release at www.fns.usda.gov/cga/PressReleases/2007/PR-0313.htm

…that USAID has provided $19 M for Emergency Food in Bangladesh. Read the full press release at www.usaid.gov/press/release/2007/pr071204.html

…that the WBSCM Team has completed more than 76 design scenarios with WBSCM SMEs – that's a lot of work! Go, team!

ED CORNER

You say "tow-MAY-tow," I say tow-MAH-ter" -- One of the challenges of transitioning to WBSCM is learning different agencies' lingos, and "SAP speak". In many cases, different groups use different words to describe similar things. So, we're working to create a common language for WBSCM that everyone understands. Here's the latest sample of the new "WBSCM dictionary."

WBSCM SRM Terms:

- **Vendor:** A business or other organization from which materials or services can be procured. Examples include "Commodity Vendors" (such as food processors, meat packing plants, steamship lines, and food wholesalers), "Service Vendors" (such as chicken processors), and "one time Vendors."

- **Purchase Requisition (PR):** A request or instruction from the Fulfillment process to the Procurement process to procure a quantity of a material or service for a certain delivery time (also called an FAS/USAID "approved Commodity Request" or an FNS "approved Delivery Order").

- **Bid Invitation:** The solicitation sent to vendors and the public to notify them about a USDA commodity, transportation or service request.

- **Purchase Order (PO):** The agreement between USDA and the vendor to provide transportation, services or commodity by date and price (also called a "Contract Abstract" or "Notice to Deliver" in some agencies).

Want to know who else is using standardized SRM processes and tools?

You can get more information from the SAP Sapphire 07 Conference website by clicking on the links below:

- ❖ The Future of SAP SRM

- ❖ Companies' Success Stories using SAP SRM

Upcoming Attractions...

The WBSCM Team will get a more detailed preview of the envisioned WBSCM design through the Final Design Demo (FDD).

NEXT MONTH...

…will feature how the WBSCM Enterprise Resource Planning (ERP) capabilities will help integrate, standardize and streamline processes across the supply chain.

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ASK US

We'd appreciate your thoughts and feedback! Please email any WBSCM questions or suggestions you have to:

WBSCM@kcc.usda.gov

You can find more WBSCM information on the WBSCM Program Web site.