

EC Path Forward; Mike's Vision

1. Start small.
 - a. Don't try to automate everything all at once- it will be too complex, take too long and cost too much.
 - b. Start small – maybe 1 reverse auction – to build some excitement and system competency
 - c. Parse the function into separable pieces then automate the pieces.
 - i. Examples; online links to terms and conditions, email notices, electronic payments.
2. Assign the right person(s) to lead the effort –
 - a. Assign an EC guru who can communicate with both the technical and business functions.
 - b. Caution: it's NOT a technical person nor a 40-year-experienced buyer.
 - i. IT will design something that is technically elegant, but doesn't meet the business needs.
 - ii. The buyer is not aware of available technical options and will request a technical dinosaur.
 - c. Examples: 1) Share documents electronically, don't just send them. 2) Create electronic records on the fly
3. You can't write a comprehensive specification – prepare for creative problem solving
4. People will need constant training and hands-on support
 - a. Using electronic tools is only part of the education
 - b. Using the electronic tools effectively, is a constant learning process and all but the youngest will resist self-guided learning
 - c. Storing, filing and finding electronic records is NOT intuitive and people will need constant training, help and organizational advice.
5. Implementing Electronic processes is a cost saving to both the buyer and the seller
 - a. Seller's who understand this will gladly help (and maybe pay) to automate processes
 - b. Seller's who don't understand and/or resist the transition are a cost and time liability
 - c. Don't get locked in to transactional support from a 3rd party. Only pay for the training, development or process (if you have to)
6. Write an Electronic Commerce Agreement to demonstrate “mutual agreements”
 - a. Security, privacy, data ownership, transaction method, order limits
7. Manage the data flow between users and suppliers - not transactions
 - a. We used to order, receive, count and issue pencils. Now users talk directly to the supplier who counts and issues pencils. Note: Many companies have the supplier deliver directly to the end-user.
8. Integrate the needs of all interested parties not just the buyer and seller
 - a. End users, receiving, QA, accounts payable, internal audit, DCAA, records
 - b. Suggestion: create a list of interested parties and list their needs. Compare needs between the parties and design a process that satisfies the need for each person at the same time.
 - c. Examples: 1) the buyer, seller, user & QA all need to be able to see the spec. –so share it on line. 2) AP and the seller need to exchange money, by doing so electronically, they eliminate the checks and transit time. 3) The end-user and the seller's field supervisor both need to see and use the safety plan.
9. Once processes are proven, mandate the change.
 - a. Require employees to have technical proficiency
 - b. Require sellers to have technical proficiency
 - c. Require managers to manage the electronic information and ensure that out of sight is not out of mind.

10. Electronic dust bunnies pile up quickly – plan, organize and review the execution.