CrimsonCorner Frequently Asked Questions (FAQs)

Q. What is **CrimsonCorner**?
A. **CrimsonCorner** is OU Norman Campus' tool for Electronic procurement (generally known as eProcurement). It is the automation and management of the procurement-to-payment process. It involves carrying out the entire process online:
- shopping
- creating and approving requisitions
- placing purchase orders
- receiving products and services
- processing invoices

Q. What / who is SciQuest and how does it relate to **CrimsonCorner**?
A. SciQuest is the company that is "powering" **CrimsonCorner**. SciQuest's home office is in Cary, North Carolina. It owns and operates computing servers at various locations across the country. It provides and maintains the software and hardware by which and on which **CrimsonCorner** operates. This kind of arrangement is known as "Software as a Service" (SaaS). The University licenses the software but does not "house" it or maintain it.

Q. Why is OU Norman Campus implementing **CrimsonCorner**?
A. From in institutional perspective, transforming our purchasing process to eProcurement is an important part of an overall strategy for stretching budgets further and making processes more efficient. University systems like ours find that implementing eProcurement makes the purchase and payment processes faster, more efficient, and more compliant with governing laws, regulations, and policies. Electronic procurement has become the standard best-practice.

From a departmental perspective, you should – over time – find it faster and easier to create and approve requisitions. You will have ready access to online catalogs with some of the University's busiest and best suppliers. This list of catalogs will grow in time as we gather better and better information about what you're buying and from which suppliers.

Q. How will **CrimsonCorner** help me do my job?
A. If your job involves researching, ordering, or approving goods and services for your department...receiving goods...paying the bills...and/or reconciling departmental financial statements, then **CrimsonCorner** should help you by making your tasks easier, faster, more compliant, and more transparent (trackable). You will be able to see exactly where your orders are in the process, and you'll be able to find the complete transaction history in a single place. You'll be able to locate competitive pricing with our best and busiest suppliers, very similar to shopping online.

Q. How will it work?
A. With **CrimsonCorner**, you won't need to work in PeopleSoft purchasing and payables screens anymore. Instead, you'll have an online procurement environment that will look more familiar and intuitive if you are already used to online ordering in your personal life.

Q. How will I find out more about **CrimsonCorner**?
A. There will be a number of well advertised Town Hall meetings scheduled throughout April, 2012. Those meetings will not replace training, but will cover the highlights of **CrimsonCorner**.

Q. How will I get training?

A. Not through the Town Halls. Rather, there will be abundant hands-on training opportunities, beginning in May, 2012, and continuing on an intensive schedule until all necessary employees have gone through it. These opportunities will be widely announced and advertised. After that, training will be held on a more normal schedule, like training that is currently given on other systems (such as PeopleSoft).

Q. Who is involved? How is **CrimsonCorner** being implemented?

A. Several University components are involved in this implementation. Extremely close cooperation and effective collaboration are being carried out among these components.

- <u>Purchasing</u> – Is handling the shopping, requisitioning, and order-placement features of the system. Purchasing is also working with those suppliers whose catalogs will be made available on **CrimsonCorner** for shopping.
- <u>Financial Services</u> – Is handling the workflow set-up and processing, adding of new suppliers, invoice-processing, supplier-payment, and accounting aspects of the system.
- <u>Information Technology</u> – Is working closely with other individuals to make sure that the integrations between **CrimsonCorner** and PeopleSoft go smoothly and correctly.
- <u>SciQuest Professionals</u> – Make up the team of individuals who work for the company that actually hosts, powers, and maintains **CrimsonCorner**.
- <u>Consultants with Huron and Skybridge</u> – Complement the overall effort by providing the functional and technical advice to make sure this implementation goes as smoothly and painlessly as possible.
- <u>Key Stakeholders</u> – Represented mainly by Vice Presidents and Department Heads, who have been briefed about this implementation, and who have communicated their support for it.
- <u>The University Community</u> – Comprising numerous departments across campus has been involved in focus groups (to provide feedback *during* implementation), one-on-one meetings with key "high-stakes" departments, Town Hall meetings, hands-on training, and pilot testing.

The diagram below offers a high-level view of the timeline for the project. As you can see, we are well into the project, and progress has been excellent. The star represents the targeted go-live time frame (June/July 2012).
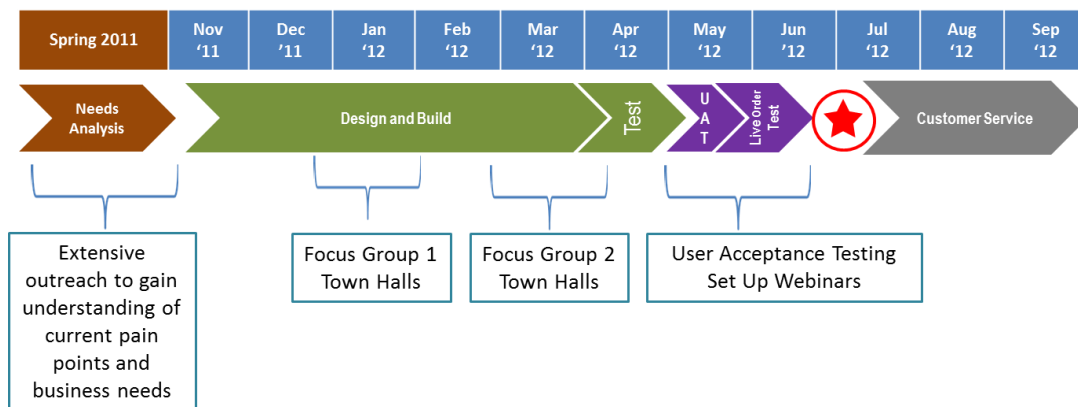
Q. What changes can I expect?

A. **CrimsonCorner** will bring several changes to your normal purchasing and payment processes.

- Invoice Transmittal – A noticeable change is that you should start seeing fewer and fewer invoices being sent directly to your office. Instead, we will be asking suppliers to send invoices to Financial Services. There they will be imaged and indexed so that they can be managed and transmitted electronically. This will reduce and hopefully eliminate the handling of paper and make the document communication process much more efficient.

- Electronic Receiving – You will indicate the receipt of products and services by completing electronic receiving reports inside **CrimsonCorner**. They will become "your signature" and will replace pen-and-ink signatures on paper invoices. They will nonetheless serve as authorization for Financial Services to pay invoices that have been correctly matched.

- Matching – Payment of invoices will be electronically triggered by the electronic matching of transaction detail on (1) purchase orders, (2) receiving reports, and (3) invoices ("three-way matching").

- Tolerances – The matching process will allow for tolerance so that payments will not come to a standstill if there are minor differences detected among the transaction elements of the three documents mentioned above. The tolerance is the lesser of $100 or 10%. So, if the total invoice dollar amount *exceeds* the total purchase order dollar amount by $100 or 10% – whichever is less – no payment will be made and the invoice will go into an exception queue to be investigated. If the invoice amount is *less* than the purchase order – regardless of dollar amount or percent – payment will be made.

Q. Will these changes be painless?

A. No. You should expect some discomfort and possibly frustration for several months as a result of the changes that **CrimsonCorner** will bring. Just the changes mentioned above are significant and represent a major departure from the way we're doing things today. You should expect a fairly lengthy period of uncertainty and ambiguity as we adjust to these new ways of doing the University's business.

Q. I keep hearing the terms "Punch-out" and "Hosted" in connection with **CrimsonCorner**. What do these terms mean?

A. Punch-out suppliers and Hosted suppliers (and their respective catalogs) have similarities and differences. Both kinds of catalogs are similar in that they offer items, pricing, and terms that have been agreed to, under contract, by the University and its chosen suppliers. The basic difference is "where and how" each catalog is kept and maintained. A Punch-out catalog is kept and maintained on a supplier's web site. Any changes (typically, prices) are communicated directly between the supplier and the University; the SciQuest servers are not involved. A Hosted catalog, by contrast, is kept and maintained on SciQuest's servers. Any changes must first be submitted by a supplier to the University. Upon the University's approval, SciQuest then puts those changes into effect. Shopping against a punch-out catalog is said to occur *outside* **CrimsonCorner**. Compared to what most people are used to as they shop online, punch-out catalogs provide the more familiar shopping experience. Shopping against a hosted catalog is said to occur *within* **CrimsonCorner**. Punch-out shopping falls neatly in line with Strategic Sourcing by which institutional spend is *directed* toward strategically important suppliers. Hosted catalogs – particularly hosted catalogs within the same commodity area – provide the better opportunity for "comparison shopping" which essentially works against strategic sourcing.

Q. Which supplier catalogs will be represented on **CrimsonCorner** at go-live?
A. Punch-out
- Scientific
  1. VWR or Fisher (yet to be determined)
  2. Sigma-Aldrich
  3. Life Technologies
  4. Qiagen
  5. Cardinal Health
  6. BioRad
- Office Related Products (ORP)
  7. OfficeMax or Office Depot or Staples (yet to be determined)
  8. Copelins
  9. Complete Book
- Maintenance, Repair, Operating (MRO)
  10. Grainger
- IT
  11. Dell
  12. HP
  13. CDW-G
  14. GovConnetion

Hosted
- Audio / Video
  15. SKC

Q. Why these suppliers and not others, and why so many Punch-outs and only one Hosted?
A. These suppliers were selected because of the high dollar volume and high transaction volume already being done with them. They are in the "top 50" of that class of suppliers. As already mentioned, Punch-out catalogs provide the shopping experience more familiar to most people. Punch-out shopping is aligned most closely with Strategic Sourcing, which is an objective of implementing **CrimsonCorner**.

Q. So, what is all this talk of Strategic Sourcing, and what does it have to do with **CrimsonCorner**?
A. Strategic Sourcing is a discipline within the professional field of Supply Chain Management. The University's Price College of Business offers a degree in Supply Chain Management, and so it makes sense that the University practices what it teaches. Course G5552 **–** Strategic Sourcing and Relationship Management – "Covers the strategic implications of sourcing and supplier relationships in the context of supply chain management. Critical elements include identifying and selecting suppliers, negotiating contract terms and conditions, implementing contracts, and measuring performance . . ." **CrimsonCorner** will naturally direct University spend to our strategically important suppliers. The initial list of those suppliers is referenced above. Through time, the performance of those suppliers will be measured, and corrective action – including finding different and better suppliers if necessary – will be taken.

Q. What if I find lower pricing with a supplier whose catalog is not in **CrimsonCorner**?

A. This will always be the case. There is no guarantee that **CrimsonCorner** will always have the lowest pricing. Competing suppliers may engage in "guerilla" pricing to undercut a **CrimsonCorner** supplier. When such instances arise, efforts will be made with the **CrimsonCorner** suppliers to match any price that is truly lower. Alternatively, an exception process will be available to seek authorization to purchase from the non- **CrimsonCorner** supplier. The overriding objective, though, is to monitor the performance of the **CrimsonCorner** strategically sourced suppliers to continually ensure they are delivering best value to you.

Q. Will I still be using a Pcard? When **CrimsonCorner** goes live, what will happen to Pcard activity?

A. The Pcard will always be needed for certain kinds of transactions, and so it will never go away. The most noticeable example is for making payment to cell phone bills. For those items that can be purchased from the **CrimsonCorner** suppliers, there will be a shift away from Pcard. This may not occur immediately, but it will happen over time. In general, over the long term, Pcard activity is expected to decrease.

Q. What if I need to purchase a product or service that is not offered by a **CrimsonCorner** supplier?

A. You should still use *forms* that are available *within* **CrimsonCorner**. For example, a form for non-catalog purchases is available and should be used. To the maximum extent possible, you should make your purchases *inside* **CrimsonCorner**, not outside it.

Q. Still, what if I run into a situation in which I have to make a purchase *outside* of **CrimsonCorner**?

A. Please try to make those occasions as infrequent as possible. If it just can't be avoided, there is a form within **CrimsonCorner** you use to request payment of an invoice.

Q. How will invoicing and payment be handled when I purchase from **CrimsonCorner** suppliers?

A. Each **CrimsonCorner** supplier will submit invoices electronically. They will be transmitted to Financial Services. The three-way matching process, referenced above, will be executed, and successful matches will automatically trigger payment. Recall that your Receiving report within **CrimsonCorner** will take the place of your practice today of signing paper invoices and then putting them in the campus mail to Financial Services.

Q. How will invoicing and payment be handled when I purchase from other suppliers on the non-catalog form within **CrimsonCorner**?

A. Suppliers have been and will be instructed to send invoices to Financial Services, not to you. Since the record of your purchase will be inside **CrimsonCorner**, your receiving report will serve as your signature to pay, based upon successful three-way match. Financial Services will image and index the invoice to that it will be available for electronic viewing, transmittal, and storage.