THE PROCUREMENT PROCESS

Key business process elements

What is the purpose of the process?
What are the steps?
What is the purpose of each step?
What information is processed in each step?
What information is exchanged?
The Procurement Process

Purchase Requisition

Super Skateboard Builders, Inc.  Requisition Number: 3754
Purchase Requisition

<table>
<thead>
<tr>
<th>Material #</th>
<th>Material Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>DNS535001</td>
<td>Entry-level Skateboard</td>
<td>50</td>
</tr>
<tr>
<td>HLM70000</td>
<td>Helmet</td>
<td>10</td>
</tr>
<tr>
<td>SHY66000</td>
<td>T-Shirt</td>
<td>10</td>
</tr>
<tr>
<td>FAS20001</td>
<td>Skateboard Firm and Kits</td>
<td>20</td>
</tr>
</tbody>
</table>

For use by Purchasing

<table>
<thead>
<tr>
<th>PO Date</th>
<th>Vendor</th>
<th>Requested Date</th>
<th>Delivery Location</th>
<th>F.O.B. Point</th>
<th>TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/07</td>
<td>Black Willow Skateboards, Inc.</td>
<td>July 1, 2007</td>
<td>Warehouse</td>
<td></td>
<td>Net 30</td>
</tr>
</tbody>
</table>

Requisition by:
Name: BLOOMBERG
Signature: [Signature]
Date: 7/12/07

PO created by:
Name: SEWAGE B
Signature: [Signature]
Date: 7/11/07
Purchase Order

Super Skateboard Builders, Inc.
1 Skateboard Drive
Grand Rapids, MI, 49525
Phone: 616.555.2294 Fax: 616.555.2234

PURCHASE ORDER
Purchase Order Number: 1546

P.O. Date: July 11, 2007
Ship Date: July 17, 2007

<table>
<thead>
<tr>
<th>Material #</th>
<th>Material Description</th>
<th>Unit Type</th>
<th>Unit Price</th>
<th>Unit Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENGS3000</td>
<td>Entry-Level Skateboard</td>
<td>Each</td>
<td>25.00</td>
<td>625.00</td>
</tr>
<tr>
<td>13</td>
<td>Helmet</td>
<td>Each</td>
<td>7.00</td>
<td>91.00</td>
</tr>
<tr>
<td>15</td>
<td>T-Shirt</td>
<td>Each</td>
<td>10.00</td>
<td>150.00</td>
</tr>
<tr>
<td>20</td>
<td>Skateboard Parts Kits</td>
<td>Each</td>
<td>20.00</td>
<td>400.00</td>
</tr>
</tbody>
</table>

Subtotal: $1,276.00
Sales Tax: Exempt
Shipping & Handling: $0.00

Other: N/A

Order Total: $1,276.00

Authorized By: [Signature]
Date: [Signature]

Packing List

Black Widow Skateboards, Inc.
1 Skateboard Drive
Holland, MI, 49424
Phone: 616.555.7839 Fax: 616.555.2207

Packing List

Order Date: July 11, 2008
Date Filed: July 11, 2008

Customer Contact: D. Bloomberg
Customer Number: 4322
Customer PO #: 1546
Order Number: 23917

Ship To: Super Skateboard Builders, Inc.
1 Skateboard Drive
Grand Rapids, MI, 49525

Bill To: Super Skateboard Builders, Inc.
Attention: David Bloomberg
1 Skateboard Drive
Grand Rapids, MI, 49525

<table>
<thead>
<tr>
<th>Material #</th>
<th>Description</th>
<th>Unit Weight (lbs)</th>
<th>Unit Quantity</th>
<th>Ship Quantity</th>
<th>Backorder Quantity</th>
<th>Weight (lbs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENGS3000</td>
<td>Entry-Level Skateboard</td>
<td>7.50</td>
<td>50</td>
<td>50</td>
<td>0</td>
<td>375.00</td>
</tr>
<tr>
<td>HMTS3000</td>
<td>Helmet</td>
<td>4.00</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>40.00</td>
</tr>
<tr>
<td>GSHT4000</td>
<td>T-Shirt</td>
<td>0.75</td>
<td>10</td>
<td>10</td>
<td>0</td>
<td>7.50</td>
</tr>
<tr>
<td>FADK6000</td>
<td>Skateboard Parts Kits</td>
<td>2.00</td>
<td>20</td>
<td>20</td>
<td>0</td>
<td>40.00</td>
</tr>
</tbody>
</table>

Total Weight: 462.50

Comments: Backordered Items will ship as they become available. Please contact the Customer Service department at (616) 555-7839 with any questions or concerns. Thank you for your order!
Goods Receipt Document

Super Skateboard Builder, Inc
Goods Receipt Document
(Receipt Verification)
Receipt # 32343

Vendor Invoice

3 way match for payment:
- 
- 
- 

Source documents:
- 
- 
-
Procurement process information flow

Instance-Level Information
- Status of a purchase requisition/order?
- Has requisition been acted on? Has PO been created/sent
- Have goods been received for requisition/order? When?
- Where are goods?
- If received, has an invoice been received? Paid?
- If not received, when can we expect the goods?

Process-Level Information
- How well is process doing?
- How much time does it take on average? Per material? Per vendor?
- Which vendors are prompt? Who habitually delivers late?
- What do we buy most often? From with vendor(s)?

Enterprise Systems in Procurement

Essentials of Business Processes and Information Systems by Magal and Word
Presentation prepared by and copyright of Dr. Tony Pittarese, East Tennessee State University, Computer and Information Sciences Dept. (pittares@etsu.edu)
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