

Contract

Bringing spend under contract

The natural progression after the creation of a supplier database is to achieve the benefits of spend management. The Realyst Contracting Portal allows an organisation to utilise the internet to accelerate and more efficiently contract with its approved suppliers.

The Contracting Portal is an essential tool for organisations who wish to rapidly and efficiently bring as much spend under management and contract as possible, leveraging buying power, setting standards, improving processes and creating a competitive environment.

Financial Savings

The returns depend very much on the spend categories that are brought under management, ranging from as low as 5% up to 50%; although research would indicate a realistic expectation of between 5 and 20% saving.

To bring a large amount of spend under control without the use of technology will be a cumbersome task, and open to all the excuses found in defence of a decentralised approach.

Achievable Benefits

So how do organisations practically achieve these benefits and quickly, at a low cost and minimal risk to the organisation?

Each organisations particular environment directly determines the specific method of approach however the following is the generic process we would advocate:

1. Analyse the contract spend per commodity type, identifying those commodities that represent the highest spend yet are inefficiently procured.
2. Create terms of reference, standard contract requirements, and selection criteria.
3. Invite submissions to selected or advertised suppliers
4. Automate short listing, negotiation, approval and contracting
5. Focusing on the gap in post award Contract Management





Decentralisation

Organisations are often faced with resistance and tension at operating level to the imposition of suppliers procured centrally (especially if the procurement process is cumbersome), it's important therefore that the scoping of the services is inclusive, and that the organisation makes clear definition in categorising suppliers, some suggestions are:

- Suppliers that will be utilised under every circumstance without exception
- Preferred suppliers
- Recommended suppliers

Sustainable BEE

In a recent implementation Realyt was successful in reducing the contracting time for 1500 individual agreements, geographically spread from a 12 month manual process to a 9 week automated process, including the education and change management required.

BEE plays a significant role in procurement in the South African context, and bringing spend under management is a key tool to achieving improved compliance.

One of the key advantages of the Realyt Contracting Portal is its seamless integration into the RealContract Contract Management system, providing the ability to generate the

contract document itself from a standard template, organising and populating the key data into the database, and providing accountability, visibility and all the well documented benefits of a contract management system.

About Realyt

Realyt provides software and skills to deliver best practice contract management. A contract portal is one step in this process to progress in the procurement maturity model.

For more information on this product or to discuss any other products and services please contact:

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