



## 140 Questions For a Procurement Performance Assessment

Following are 140 useful questions when assessing or benchmarking Procurement processes and organisation performance. Questions are in no particular order.

We can use these to design the “current state analysis” stage by ensuring answers to most of those questions.

1. Do you know how much you spend per annum on goods and services?
2. Do you know percentage of your total expenditure is with the procurement of goods and service?
3. Do you know what percentage of your procurement is on indirect goods and services?
4. Do you have a formal documented process for supplier selection and engagement?
5. Are your procurement system(s) ISO 9001 accredited?
6. Are you aware of litigation dangers with loss life or limb incurred through engaging a supplier in out of process work instruction?
7. Are you aware of “walk free” ethical sourcing policy?
8. Do you have a structured process for direct supplier communications?
9. Do you require your procurement/SCM team to have a formal tertiary qualification?
10. What is your main means of purchasing office supplies?
11. What application do you currently utilize to order supplies?
12. Please identify the quantity of your furniture (chairs, desks, etc.) ordering for the entire company?
13. What is the average amount of your purchase requisition?
14. What is the maximum dollar amount that you can purchase without an approval?
15. What is the turnaround time on approvals (when applicable)?
16. What is the number of vendors you order supplies from?”
17. Do you receive a confirmation that your order is in process (after submission)?
18. How often do you receive wrong items?
19. How often do you receive duplicate shipments of your order?
20. What is the turnaround time on the returned items shipped back to the supplier?
21. In your current purchasing process, what do you like the most?
22. In your current purchasing process, what do you like the least?
23. What kind of ERP system does your organization have?
24. Describe your company’s hardware/infrastructure setup.
25. What business units do you consider being influenced by eProcurement?
26. How are the business units being integrated within the eProcurement implementation?
27. How many IT personnel are currently supporting your purchasing application?
28. What staff would be replaced/hired for the eProcurement area?
29. How do you track duplicate payments on the invoice?
30. Is your purchasing process paper-based?
31. Currently, how long does it take you to complete an entire requisition to pay cycle (P2P) ?
32. Is the approval process for purchase requests manual or automated?
33. How often do you get the right items which you ordered?
34. How do you track receiving wrong items?
35. How much does receiving the wrong items slow down employee production time?
36. How long would it take a newcomer to learn your current purchasing system?”
37. Do you provide training for your purchasing application, if any?
38. How does your company evaluate user/buyer/purchaser input (needs, comments), where do you capture the inputs, document and analyze it?”
39. On a daily basis, what percentage of backlog (when compared to P.O’s generated) will you have on the purchases
40. How many purchases do you do on a typical day?

41. How many full time employees are working in the purchasing department?
42. What are purchase roles and employees responsibilities?
43. What do you think could enhance efficiency within your company's purchasing department?
44. What do you think could enhance efficiency of purchasing agents within your company?
45. What eProcurement initiatives exist in your company in order to save time and effort in the short time, and cost in the long run?
46. How satisfied are you with your vendors' performances?
47. How do you evaluate and rate supplier performance?
48. Who is responsible for vendor profiling and vendor analysis?
49. What is your vision for the future vendor service level?
50. What kind of purchasing information do you capture in your current procurement system?
51. How satisfied are you with your current procurement information system?
52. Describe the workflow currently in place in your organization for purchasing non-production items.
53. How do you control the workflow for completeness and correctness?"
54. Any other comments?
55. What kind of measure does your organization take to reduce the "maverick buying"?"
56. Estimate the percent of off-contract purchasing that occurs at your company.
57. How do you take care of the non-production material purchase entered through Time & Expenses?
58. How do you make sure that there is a compliance with policies and procedures while buying the non-production materials?
59. How do you leverage the expenditure analysis information?
60. How many hours (on an average) does an employee spend for an entire requisition to pay cycle?
61. How many approvals are done daily by an approver?
62. What is the cost to process a purchase order?
63. What is the transaction cost per commodity?
64. What is the transaction cost per line Item?
65. What is the average cost of a requisitioner to manage/update a product catalogue?
66. Do you purchase one commodity from various vendors?
67. If so, are you aware you could leverage your buying power by aggregating PO's?
68. How many active MRO vendors do you have?
69. Out of number of active MRO vendors, how many are suppliers that you have a agreement with
70. Negotiated corporate agreement with?
71. How widely used are purchasing agreements by your buyers?
72. How does your organization make sure that the items brought are the pre-approved items with a negotiated price?
73. What kind of procedure is available to control the number of vendors for the same commodity?
74. How do you leverage the commodity trends and identify suppliers for negotiation?
75. How does your buyer(s) ensure he/she is getting the best prices?
76. Describe how your reconciliation process works?
77. For the payment purposes, what kind of (2-way or 3-way) matching is performed?
78. How many full-time Accounts Payable employees do you have and what are their roles/responsibilities?
79. How long does it take to perform an invoice-PO-goods receipt reconciliation?
80. How many P-cards do you have issued out?
81. What is your payment policy for purchases without an invoice?
82. How many full-time requisitioners do you currently have?
83. Is Purchasing card process integrated into the system?
84. How long would it take a newcomer to learn your current purchasing system?
85. What is requisitioner's pay per hour?
86. How many full-time approvers do you currently have?
87. What is approver's pay per hour?
88. How many full-time buyers do you currently have?
89. What is buyer's pay per hour?
90. Please estimate the quantity of your Accessories (pens, pencils, tray, working desk items, etc) ordering?
91. Please estimate the quantity of your Paper Products (writing pads, manila folders, notebooks, etc) ordering.
92. Please estimate the Frequency of your Furniture ordering?
93. Please estimate the Frequency of your Accessories ordering?

94. Please estimate the Frequency of your Paper Products ordering?
95. Other comments on your Furniture ordering
96. Other comments on your Accessories ordering
97. Other comment on your Paper Products ordering
98. If your requisitions require approvals by management before being processed, what is the role of the approver?
99. How many MRO related PO do you process?
100. What is the number of estimated (annual) PO requisitions for MRO for the next year?
101. What is the number of estimated (annual) PO requisitions for MRO two years from now?
102. What is the number of estimated (annual) PO requisitions for MRO three years from now?
103. Estimate the number of users for the eProcurement system, if any.
104. What percent of return goods do you have?
105. How many meta exceptions for P-cards do you have per year?
106. What is the time in minutes for all information to be keyed into system for invoices?
107. What is the time in minutes for System Edit check?
108. What is the time in minutes for AP to follow up on any matching discrepancies?
109. What percent of matching exceptions (errors) is generated by Price – either on the PO or invoice?
110. Estimate the average number of hours between AP and Procurement it requires to correct one match exception caused by Price?
111. What percent of matching exceptions (errors) is generated by Payment Terms?
112. Estimate the average number of hours between AP and Purchasing, it requires to correct one match exception caused by Payment Terms?
113. What percent of matching exceptions (errors) is generated by Received Quantities?
114. Estimate the average number of hours between AP and Purchasing, it requires to correct one match exception Received Quantities?
115. What percent of matching exceptions (errors) is generated by Ordered Quantities?
116. Estimate the average number of hours between AP and Purchasing, it requires to correct one match exception caused by Ordered Quantities.
117. What percent of matching exceptions (errors) is generated by Invoiced Quantities?
118. Estimate the average number of hours between AP and Purchasing, it requires to correct one match exception Invoiced Quantities?
119. What percent of matching exceptions (errors) is generated by Item Numbers?
120. Estimate the average number of hours between AP and Purchasing, it requires to correct one match exception Item numbers?
121. What percent of total spent was processed through non-PO vouchers?
122. Comment on the percent of return goods.
123. Can you estimate the number of suppliers that will participate in the eProcurement initiatives?
124. Can you estimate the number of catalogues that you would include in the eProcurement solution?
125. Estimate your operating resource spend for the past two years.
126. What percent/dollar value of your total spend is related to MRO spending?
127. How much of your MRO spend is on contract? (percent)?
128. What is your contract leakage rate on the MRO items on contract?
129. What is your contract leakage rate on Tools & Equipment Items under contract ?
130. How much of your spend is on Tools & Equipment related items?
131. How much of your spend is on Service related items?
132. What is your contract leakage rate on the Service items under contract?
133. How many p-Card transactions do you process per year?
134. How many AP Full-Time Employees are there in your department?
135. How many programmers/analysts do you think you would need with an eProcurement solution?
136. What is your working capital interest rate for investments?
137. What is your current cycle time for MRO goods from requisition to delivery?
138. Do you engage your key suppliers early in the procurement process for goods and services?
139. Do you have a structured supplier relationship management (SRM) programme within your organisation?
- 140. DO YOU REGARD PROCUREMENT AS STRATEGIC OR CLERICAL WITHIN YOUR ORGANISATION?**