

Purchase order visibility



Whitepaper

Executive summary

Maintaining an efficient and transparent supply chain is crucial in today's competitive business landscape. Purchase order (PO) visibility plays a significant role, enabling businesses to track the status of orders in real-time and respond promptly to any issues. This white paper presents a comprehensive solution to enhance PO visibility by tracking journey milestones and raising alerts when thresholds are breached. This solution aims to provide businesses with the tools to improve operational efficiency, reduce costs and enhance customer satisfaction.



Introduction

Importance of purchase order visibility

Purchase order visibility refers to the ability to monitor and track the status of purchase orders throughout their lifecycle. It is crucial for ensuring timely deliveries, maintaining optimal inventory levels and responding quickly to any disruptions in the supply chain. Enhanced visibility can lead to better decision-making, improved supplier relationships and increased customer satisfaction.

Current challenges in purchase order management

Many organizations face challenges in achieving adequate PO visibility, including:

- **Fragmented communication:** Lack of seamless communication between suppliers, logistics providers and internal teams can lead to delays and misunderstandings.
- **Manual processes:** Reliance on manual tracking methods is time-consuming and prone to errors.
- **Data silos:** Disparate systems and databases can hinder the flow of information, making it difficult to get a complete view of the PO status.
- **Delayed updates:** Without real-time data, businesses cannot respond promptly to issues, leading to potential delays and increased costs.

Objectives

The primary objective of this whitepaper is to propose a solution that enhances purchase order visibility by:



Tracking key milestones in the purchase order journey



Raising alerts when predefined thresholds are breached



Providing real-time updates to improve decision-making and operational efficiency



Proposed solution

Overview

The proposed purchase order visibility solution leverages advanced tracking technologies and a robust alert system to ensure complete visibility into the purchase order process. By monitoring critical milestones and setting thresholds for various metrics, businesses can proactively address potential issues and maintain smooth operations.

Key Features

Tracking journey milestones

The solution tracks the PO journey through critical milestones, including:

- Order creation: Capturing and logging order details as soon as the PO is created
- Order approval: Monitoring the approval process to ensure timely authorization
- Supplier acknowledgment: Confirming the supplier's receipt and acceptance of the PO
- Production start: Tracking the initiation of the manufacturing or assembly process
- Dispatch: Monitoring the dispatch of goods from the supplier's facility
- In transit: Real-time tracking of the shipment's progress using IoT devices and GPS technology
- Customs clearance: Tracking the customs clearance process for international shipments
- Delivery: Confirming the delivery of goods to the final destination

Alert system for threshold breaches

The alert system is designed to notify stakeholders when predefined thresholds are breached. These thresholds can be set for various metrics, including:

- Delivery time: Alerts for delays beyond a specified timeframe
- Supplier delay: Alert for the delay in acknowledgment
- Customs delays: Notifications for delays in customs clearance
- Transit issues: Alerts for issues encountered during transportation, such as route deviations, delayed pickup, etc.

Data analysis and visualization

The solution includes powerful data analysis and visualization tools to help businesses make sense of their PO data:

- Slice and dice of data: Users can break down and analyze data from different perspectives, such as by supplier, product, region or timeframe.
- Business KPIs tracking: Key performance indicators (KPIs) such as lead times, carrier performance and supplier performance can be tracked and visualized to provide insights into overall supply chain health.

User interface design

The user interface (UI) is designed for ease of use and quick access to critical information:

- Card and list views: Users can switch between card and list views for different perspectives on their POs. They should be able to track the milestones on a timeline view.
- Filters: Advanced filtering options allow users to quickly locate specific POs based on various criteria.
- Download to Excel: The ability to download PO data in Excel format for further analysis or reporting.

Action-based alerts and exception reporting

- To facilitate proactive management, the solution includes:
- Action-based alerts: Notifications that prompt users to take specific actions, such as approving a delayed shipment or getting an acknowledgment from the supplier.
- Exception reporting: Detailed reports on exceptions and anomalies, such as late deliveries or supplier discrepancies, to help identify and address issues promptly.

Implementation

Technology stack

The implementation of the proposed solution involves a combination of technologies, including:

- Cloud computing: For scalable data storage, processing, and real-time updates
- IoT sensors: For real-time tracking of physical goods during transit
- GPS technology: For precise location tracking and route monitoring
- Advanced analytics: For processing large volumes of data and generating actionable insights
- Integration platforms: To ensure seamless integration with existing ERP and supply chain management systems

Integration with existing systems

The solution is designed to integrate seamlessly with existing ERP and supply chain management systems like WMS, TMS and YMS. This ensures that businesses can leverage their current infrastructure while enhancing their purchase order visibility capabilities.

Data collection and processing

Data is collected from various source ERP systems, WMS, TMS and YMS. This data is then processed and analyzed to provide real-time updates and generate alerts. Advanced algorithms can be used to predict potential issues and recommend corrective actions.

Conclusion

Enhancing purchase order visibility through the tracking of journey milestones and the implementation of an alert system can significantly improve supply chain efficiency and reduce costs. By leveraging advanced technologies, businesses can gain real-time insights into their PO processes, proactively address potential issues and maintain smooth operations.



About the author



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Rahul has nearly 12 years of experience in Supply Chain driving growth in start-ups and Big 4 organizations. He is a Certified Product Owner (CSPO) with experience in Program /Product Management, Supply Chain Business Consulting and Supply Chain digital transformation. Rahul is experienced in building products/solutions for the Retail, Manufacturing and Logistics industry using latest technologies and data-driven smart applications in the Digital and IoT space.

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