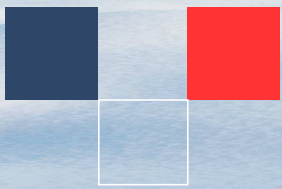




Understanding E-procurement: Qualitative Case Studies

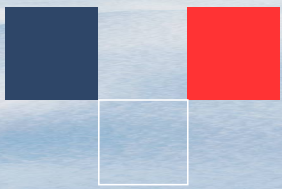
Vinit Parida, Kittipong Sochonthummapharn & Upasana Parida



E-procurement

“E-procurement is a technology solution that facilitates corporate buying using the Internet. It has the power to transform the purchasing process, because it pervades all of the steps identified by the supply manager”

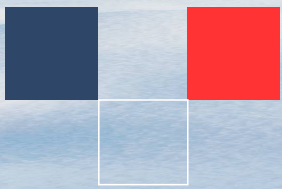




Use of E-procurement

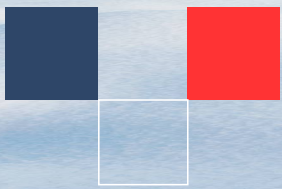
- Individual employees can order goods directly from their personal computer through the web on real-time
- This order passes through different channel's
- Individual can search for items, checks availability, place and track orders and initiate payment of delivery





E-procurement Benefits

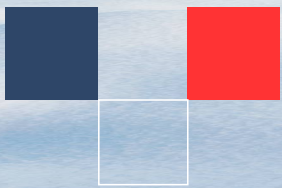
- Cost savings
- Control over maverick spending
- Streamlining business process
- Better information flow between buyers and suppliers
- Better inventory level



Purpose of the Study

“ To understand the e-procurement process by focusing on its benefits, risks, practices and strategies and its emerging usages in the current business to business (B2B) environment”

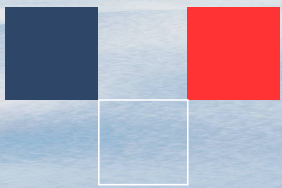




E-procurement Risks

- Internal business risks
- External business risks
- Technological risks
- Process risks



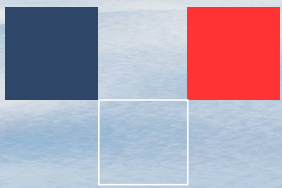


E-procurement Strategy

- Wait and see approach
- Passive approach
- Aggressive approach

E-procurement Practices

- Direct material (or purchases)*
- Indirect material (or purchases)



E-procurement Models

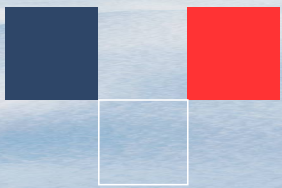
- Buy-side procurement
- Sell- side procurement
- E-marketplace and trading hubs





Questions needs to be answered

- E-procurement benefits in B2B global context?
- E-procurement risks in B2B global context?
- E-procurement practices, strategies and models in B2B global context?



E-procurement Environment

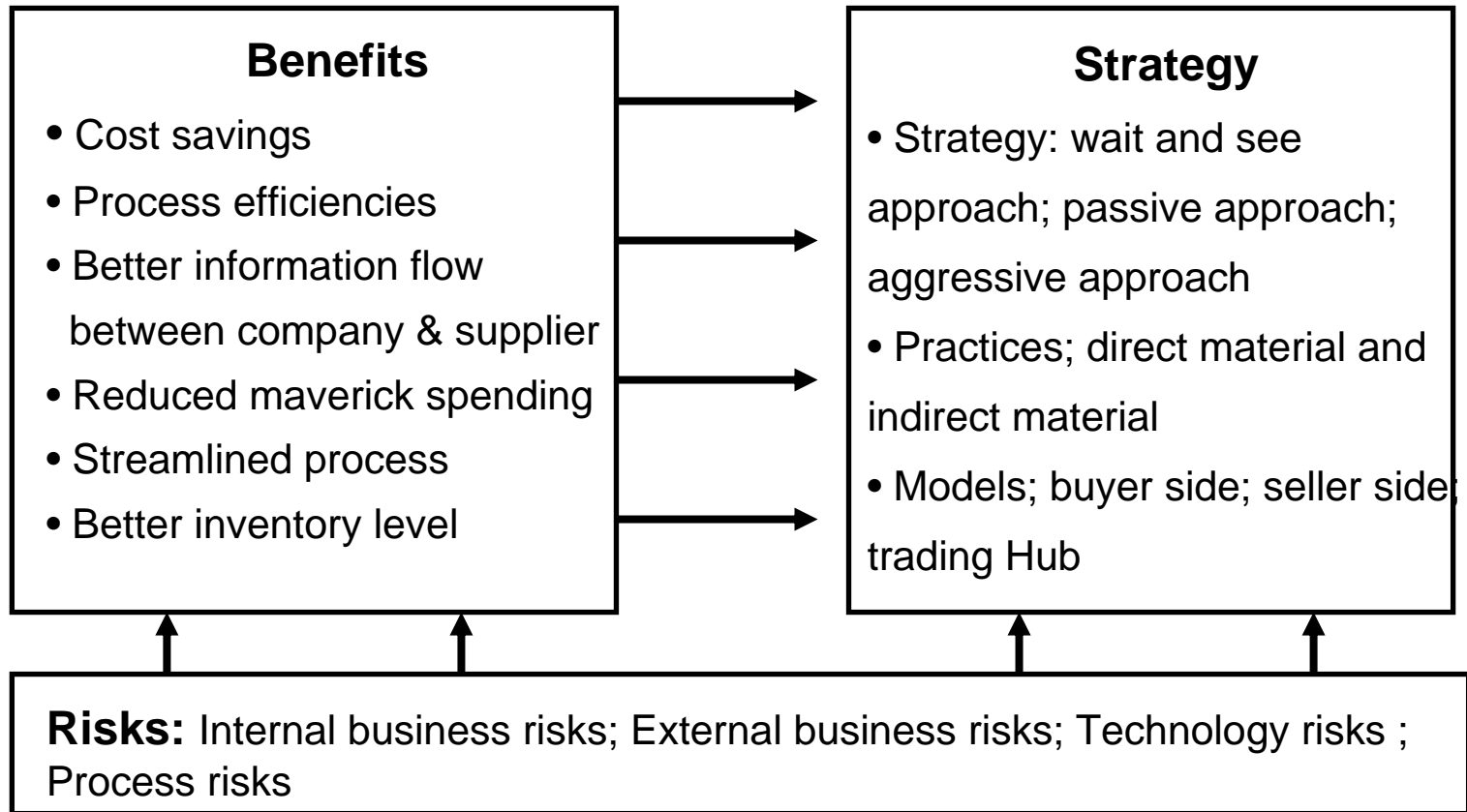
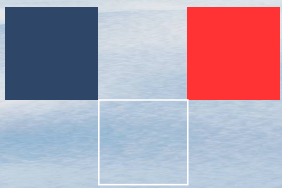


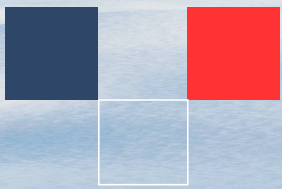
Figure 1: Emerged Frame of reference



Methodology

- Qualitative Study
- Multiple case studies
- Sample size: 2 Indian and Swedish companies
- Interview: Personal and phone

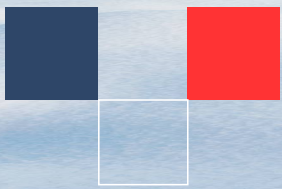




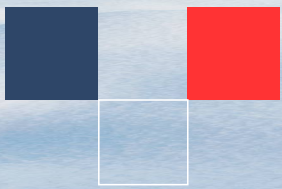
Findings & Conclusion

- ❑ Cost saving is the main motivator for implementation of e-procurement
- ❑ Process efficiency lead to reduction of suppliers used for the procurement process
- ❑ Better information flow between buyers and suppliers, reduced maverick spending, and streamlined process are beneficial

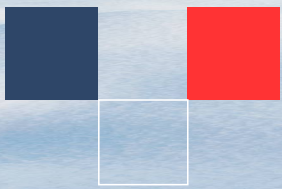




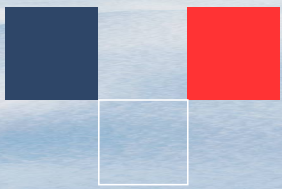
- ❑ Real time exchange leads time saving, but its more beneficial for companies purchasing direct material
- ❑ The most important benefits was contract compliance, cost savings, and better relations between internal external customers
- ❑ Internal risks can be minimize by giving proper training to the employees at all level



- ❑ Lack of managerial commitment hinders adoption of e-procurement
- ❑ External risks were due to dealing with new customers, lack of integration between system used by the suppliers
- ❑ Technological risks were really low for Swedish companies
- ❑ Risks related with security and control were mostly present during the initial phase of e-procurement



- ❑ Companies could start with an approach and change it on in later stage
- ❑ “moderate approach” which is something between passive and aggressive approach
- ❑ Both direct and indirect material are purchased by e-procurement
- ❑ But indirect material were more likely to be purchased
- ❑ All three models were recognized and the buyer side model was mostly implemented by the companies



Future Research

- ❑ The dissimilarities could be an area for future research to be undertaken
- ❑ The dissimilarities due to location (country) and its culture can be an interesting area for further research
- ❑ A quantitative study would be interesting in making the research area border



Understanding E-procurement: Qualitative Case Studies

Thank You!