Bid Management: Best-of-Breed or ERP?

Proactis for Government Procurement

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Introduction

The debate about whether to choose a Best-of-Breed solution over an ERP suite is a complex question. It is all too often a decision based on the path of least resistance – the ERP route. However, there is much more to it, with factors spanning from how you do your job, to how to improve efficiency, to cloud, to IT requirements and customizations.

Why choose Best-of-Breed over ERP?

Which deployment model will be best for you depends on a variety of factors, including:

- The needs of your procurement team.
- How your ERP handles procurement and vendor management.
- How your procurement and financial data integrate today and how you need to integrate in the future.
- Size and culture of the organization.
- Agility, especially with respect to updates/upgrades.
- What it's costing your agency for potential customizations and support.
- Reliance of internal IT resources and project prioritization.

The problem with any of the factors above is that they are all about your requirements. But what about the vendor? How do you drive greater competition to your bids? How do you increase transparency with the public? How do you remain agile to leverage best practices from numerous other city, county and state agencies without standing in line at the version upgrade counter waiting to "check-out"?

Procurement organizations increasingly need to be more agile and, therefore, need to creatively draw from external service providers. Proactis has a government procurement application built by government experts, designed specifically for the unique challenges public sector procurement face.

Here are the top 5 considerations why best-of-breed solutions, such as Proactis, could be a better fit over ERP solutions:

1. The "tree in the forest" problem

If a tree falls in a forest, will only those pre-registered vendors in your vendor portal (those standing in the forest) be the only ones to hear it? Is your ERP solution capable of creating an external Bid Board with all open solicitations directly on your existing procurement website where vendors visit without pre-registration? It is unlikely. Additionally, how much more competition could you invite into "the forest" if the solicitation was made visible to the public and broadcast to notifications services via RSS? With a Best-of-Breed solution, an endless amount.

2. Agile architecture

Does agility come at the cost of integration? If so, it needs addressing, quickly. Changes occur more frequently in public procurement than your IT team's ability to upgrade ERP versions. At Proactis, new functionality and enhancements are continually being introduced, allowing us to stay on top of market needs. In contrast, ERP architectures are more rigid and inflexible; thus limiting your ability to extend and customize your ERP solution.

3. And it can look like your branded website

An ERP system does offer convenience. But it comes at a cost. The cost is generic vendor registration, external from your website, containing a limited amount of data fields and branded by your ERP provider. This is not the case with Best-of-Breed solutions.

4. If it's not transparent – it's contested

Proactis' robust audit engine tracks and records all activities throughout the system, thereby ensuring full transparency into the procurement process. The audit engine logs all user activity with date and time stamps. The automated audit tool also provides a manual audit feature to capture events like phone calls and emails, which occur outside of the system. Audit trails can be accessed through multiple views and through various reporting capabilities – giving users their own audit view.

5. Do all vendors need to be stored in your ERP?

Potential vendors are not the same as active vendors. So why do they have to be stored in your ERP as though they were? Keeping potential vendor records in your system of record is not a good thing, as it leads to polluted vendor masters and it requires additional overhead to clean and maintain.

Summary

This is not a comprehensive evaluation of ERP solutions versus SaaS solutions, it provides rationale for opening any solution evaluation beyond the scope of ERP solutions. There is no "one size fits all" answer, and your final decision will be based on numerous factors.

Don't you owe it to your constituents to at least consider alternatives beyond the bounds of your current ERP solution?

Best of Breed		ERP
✔	Create external bid board with all open solicitations directly on your existing procurement website.	✖
✔	Ability to respond seamlessly to changes	✖
✖	Limited functionality and generic branding of website	✔
✔	Full transparency of the procurement process	✖
✔	Effective vendor management and data	✖

If you want to achieve great cost savings, full spend control and process efficiency, then contact us:

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