

Glossary

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A

Aggregation - consolidation of orders or invoices.

Approval Workflow - Approval workflow can be programmed into the P2P solution to enable automatic routing of orders to the financial or business authorisers required to approve an order before it is placed.

Automated Reconciliation - the matching of a Purchase Order and Invoice.

B

BMEcat - BMEcat data format is a widely used international standard for the exchange of product data catalogues between suppliers and purchasing organisations. This standard is used by the ProcServe Trading Network for the creation and exchange of catalogue data within the ProcServe Catalogue Builder, ProcServe Catalogue Manager and ProcServe Catalogue Search.

Business Process Outsourcing (BPO) - is a form of [outsourcing](#) which involves the [contracting](#) of the operations and responsibilities of a specific business function to a third-party service provider.

Business Process Re-engineering (BPR) - this is the main way in which organisations become more efficient and modernise performance.

Business to Business (B2B) - describes commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer. Contrasting terms are business-to-consumer (B2C) and business-to-government (B2G).

Buyers - A buyer is any person or organisation who contracts to acquire an asset in return for some form of consideration. When someone gets characterised by their role as buyer of certain assets, the term "buyer" gets new meaning: A "merchandiser" or buyer is a person who purchases finished goods, typically for resale, for a firm, government, or organisation. (A person who purchases material used to make goods is sometimes called a purchasing agent.)

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C

Catagories of Spend - Commodities such as energy, fleet vehicles or office solutions which are purchased by multiple public sector organisations and therefore lend themselves best to a collaborative approach to procurement.

Catalogue(s) - a list of items, including price, available from a specific supplier. Catalogues are often a subset of all the products available from a supplier. Catalogues may be national, sectoral, regional or local.

Catalogue Management - Catalogue Management in the [electronic marketplace](#) is concerned with Business to Business (B2B) suppliers making an electronic catalogue of their products available for buyers to purchase from online.

Catalogue Search Engine - the underlying software that allows for buyers utilising an electronic marketplace to search the catalogue of goods and services using a variety of means. Typically a Search Engine will allow for keyword searches as well as pre-defined search terms.

Change Management - is a structured approach to transitioning individuals, teams, and organisations from a current state to a desired future state. The current definition of Change Management includes both organisational change management processes and individual change management models, which together are used to manage the people side of change.

Check-out - Once users have selected the required purchases, they proceed to the 'check-out' to complete the transaction. At this stage, various additional pieces of information are input, such as name of requisitioner, date, cost centre, delivery address, etc.

CIPS (The Chartered Institute of Purchasing & Supply) - CIPS is an international organisation, based in the UK, serving the purchasing and supply profession. www.cips.org

Cloud Computing - Cloud computing is Internet-based computing, whereby shared resources, software and information are provided to computers and other devices on-demand, like the electricity grid. ProcServe is working with the [Cabinet Office](#) to define and demonstrate how the upcoming Government Apps Store will operate. The work is part of the G-Cloud programme, which underpins the ICT Strategy announced by the Cabinet Office recently. The ICT Strategy is set out to transform the use of technology in the public sector in the coming years.

The core elements of the G-Cloud programme evolve around:

- Establish Government Cloud Hosting Services
- Consolidate the government data centres currently used into fewer strategic data centres
- Establish a Government Apps Store

Collaboration - collaboration is about organisations joining forces to harness the influence of their combined buying power and expertise.

Collaborative Procurement - the collaborative purchase by several Departments or organisations of commonly used goods and services.

Commodity Classification Coding - is the assignment of a structured coding mechanism to goods and services that a buying organisation may wish to purchase. The purpose of assigning commodity coding is for easy identification of products and services which are similar in function or related in some way.

Connectivity - in the context of eProcurement, refers to the use of computer networks to link different Procurement and Finance Systems to one another, and provide information resources between computer systems and their final users.

Contract - a formal agreement between a buying organisation and respective supplier. Transparency between a buyer and a supplier means that each can plan their business and know where they stand in the buying relationship.

Contract Management - Contract management or contract administration is the management of contracts made with customers, vendors, partners, or employees. Contract management includes negotiating the terms and conditions in contracts and ensuring compliance with the terms and conditions, as well as documenting and agreeing any changes that may arise during its implementation or execution. It can be summarized as the process of systematically and efficiently managing contract creating, execution, and analysis for the purpose of maximizing financial and operational performance and minimizing risk.

cXML (commerce XML) - is a protocol used for the exchange of messages and data. It is commonly used for the exchange of electronic procurement documents (purchase orders, invoices, etc.,) and to exchange messages between different systems for PunchOut. See also **XML**.

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Delivery Note - a document referencing the customer order and confirming contents of the shipment included with a delivery.

Digital Signature - Digital signatures are an accepted method of eInvoice authentication under the terms of the EU Invoicing Directive. A digital signature or digital signature scheme is a type of asymmetric cryptography. For messages sent through an insecure channel, a properly implemented digital signature gives the receiver reason to believe the message was sent by the claimed sender. Digital signatures are equivalent to traditional handwritten signatures in many respects; properly implemented digital signatures are more difficult to forge than the handwritten type.

Document Management - relates to the storage and retrieval of paper and electronic documents.

DUNS Numbers - Dun & Bradstreet Numbers (DUNS Numbers) are issued, owned and solely maintained by the Dun & Bradstreet Corporation and are used for credit risk management and

corporate authentication. The DUNS Number is a unique nine-digit identification sequence, which provides unique identifiers of single business entities, while linking corporate family structures together.

Dynamic Marketplace - Module 2 of the Government eMarketplace is known as the Dynamic Marketplace. The Government is committed to making it easier for suppliers, including small and medium sized enterprises (SMEs), to do business with Government Departments and has created the Dynamic Marketplace. For procurements below the EU threshold of £100,000 and where the complexity is low, the Dynamic Marketplace gives Government Departments, their Agencies and NDPBs immediate, online access to a simple Request for Quote (RFQ) tool and pre-registered suppliers. This will enable Departments to carry out spot buy procurement for those goods and services that do not fit well in a catalogue, but are not complex enough to warrant the use of a specialist eSourcing tool.

To register on the Dynamic Marketplace, please visit <https://register4ukgov.procserviceonline.com>.

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Electronic Auctions or eAuctions - eAuctions are a method of enabling suppliers to compare contracts in real time and bid lower as the auction unfolds. Criteria such as product quality and service are included in a quality ranking which is combined with the bid to elect the best supplier.

Electronic Catalogues - the complete range of a company's products and services available online.

Electronic Commerce or eCommerce - consists of the buying and selling of [products](#) or services over electronic systems such as the Internet or other computer networks. Simply explained it is described as doing business electronically.

Electronic Consolidated Invoice - An electronic consolidated invoice is an electronic file containing all relevant financial information for the upload of an aggregated invoice onto the finance system. The electronic consolidated invoice addresses high volume invoices from major transactional suppliers through the upload of an electronic file on a weekly or monthly basis (eg - interim staff, business travel, car hire, stationery, internal catering hospitality etc). This eliminates the need for the manual re keying of high volumes of invoices within accounts payable.

Procurement Cards result in an electronic consolidated invoice being submitted by the bank through an electronic file rather than multiple paper invoices from suppliers.

Electronic Data Interchange (EDI) - this is a method of sending and receiving messages entirely electronically. Used predominantly by large companies with huge volumes of commercial data traffic.

Electronic Evaluation or eEvaluation - this is an automated process of tender evaluation against pre-agreed criteria. eEvaluation allows evaluation panels to streamline processes for developing

and structuring assessment criteria, conducting tender evaluation and comparing tender responses.

Electronic Goods Receipting - Electronic goods receipting is the recording on the system what has been delivered and when. This can be undertaken manually or by bar-code reading equipment.

Electronic Hub or eHub - a commercial website that provides coordination and synchronisation services to eCommerce, its users or partners.

Electronic Invoicing or eInvoicing - the issuing of invoices by email or by other electronic means directly to a purchaser.

Electronic Invoice Process (EIP) - Invoice process where receipt, reconciliation and matching are all electronic.

Electronic Invoice Presentment and Payment (EIPP) - the process by which companies present invoices electronically and make payments to one another for goods and services. EIPP constitutes detailed invoice-level information in an electronic format.

Electronic Marketplace or eMarketplace - This is a virtual area that enables companies and individuals to offer their goods or services for sale and enables people to purchase goods and services electronically. The Electronic Marketplace encompasses every type of purchase, from an individual buying a book, new clothes or a holiday online, to a council or government tender for a new building or motorway. Zanzibar, OPEN and xchangewales are examples of electronic marketplaces.

Electronic Tendering or eTendering - An electronic tendering solution facilitates the complete tendering process from the advertising of the requirement through to the placing of the contract. This includes the exchange of all relevant documents in electronic format.

Electronic Trading - Electronic trading utilises information technology and the internet to bring buyers and sellers together. Traditionally buyers and sellers had to ring up and order, or post or fax purchase orders halfway across the world. Nowadays, commerce can be carried out all over the world, at any time of day or night, thanks to electronic trading.

Electronic Trading Network or Electronic Trading Community - Companies/individuals that make their goods or services available electronically, participating in a marketplace such as Zanzibar.

Enterprise Resource Planning (ERP) - Refers to any software that enables companies/organisations to integrate various functions and programs so that they are all interconnected and have the ability to 'talk' to each other. The ProcServe Trading Network is software agnostic and can integrate with virtually any ERP system (e.g. SAP, Oracle...)

eProcurement or Electronic Procurement - eProcurement is the use of electronic channels to

purchase goods and services which can also provide rich management information on procurement decisions.

ERP - Enterprise Resource Planning systems - An industry term for the broad set of activities supported by multi-module application software that helps a manufacturer or other businesses manage the important parts of their business, including product planning, parts purchasing, maintaining inventories, interacting with suppliers, providing customer service and tracking orders. The ProcServe Trading Network can integrate information into many of these systems.

ERP Order Process - process where an ERP system is used to place an order.

eSourcing - eSourcing is the electronic procurement of products and services. Although purchases have been computerized for decades, eSourcing implies more automatic procedures; especially dealing with contracts and processes that continue to be reviewed and managed entirely by individuals.

EU Directives - A directive is a legislative act of the European Union which requires member states to achieve a particular result without dictating the means of achieving that result. The EU encourages the use of eProcurement. The new EU Consolidated Directives and EU Invoicing Directives make clear provision for the use of electronic tools and techniques, such as Zanzibar, within public sector purchasing across Europe.

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Framework Contract - An agreement awarded to one or more suppliers that sets out the terms and conditions against which the suppliers will provide pre-defined goods and services.

Free Text Items or Free Text Requisitions/Orders - Providing 'free text' capability within a P2P solution equates to writing out a manual purchase order, but on the system. It enables requisitioners to purchase non-catalogue items using the same system, procedures and workflow as for the catalogue purchases.

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Global Location Number (GLN) - The unique identification of physical locations and legal entities. This is a prerequisite for efficient eCommerce between trading partners.

Government eMarketplace - The Government eMarketplace brings together a suite of electronic procurement tools that enables Government Departments to access the centrally managed contracts and transact as necessary. It also offers Departments the opportunity to get quick quotes for low value services (below £100,000), making it easier for them to engage with suppliers, especially SMEs through the use of the **Dynamic Marketplace**. The Government eMarketplace is

delivered on behalf of Government Procurement by the Centre of Excellence and powered by technology provided by ProcServe.

Government Procurement Card (GPC) - A commercial payment card available to all Government Departments and Agencies. Embedded or 'virtual' GPC refers to the use of a GPC account number within an eProcurement system such as [Zanzibar](#).

Government Procurement - Government Procurement, led from the Cabinet Office, will build on existing Government provided operations to deliver sustainable cost savings for Central Government, streamline current procurement processes and invest in Civil Service procurement staff.

Government Procurement Service - Formerly Buying Solutions, Government Procurement Service, an executive agency of the Cabinet Office, is the delivery arm of Government Procurement. Our overall priority is to provide procurement savings for central government, health and organisations across the UK public sector. Our main focus is to deliver these savings through expert sourcing, category and centralised data management. By centralising, standardising and aggregating spend on common goods and services we deliver significant, sustainable cost reductions to Government.

For more information, please visit <http://www.buyingsolutions.gov.uk/>

Government Secure Intranet (GSI) - The system for managing secure access to email and other services for Government Departments in the UK. Zanzibar connects to the GSI which increases security and allows faster data flow between Zanzibar's eMarketplace and its users back office systems. [Read more...](#)

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I

Integration - Real-time data transfer between systems.

Interface - Connections between two systems (e.g., system-to-system).

Integrated/Embedded Procurement Card - order process using a virtual procurement card for payment.

Interoperability - System interoperability is the smooth transition of data between systems internally within an organisation, e.g. between an eProcurement system and a finance system, and externally, e.g. between a buyer's eProcurement system and supplier's eCommerce system.

Invoice - An invoice or bill is a commercial document issued by a seller to the buyer, indicating the products, quantities, and agreed prices for products or services the seller has provided the buyer.

Invoice Matching - This is a three-way matching process generally applied to invoices received. If the supplier, quantity, items and prices on the invoice match up with the purchase order and the goods receipt note, payment maybe automatically generated. Two-way matching is an alternative and refers to the matching of purchase order with invoice.

Invitation to Tender (ITT) - A package of documents issued to potential contractors, inviting bids for the supply of goods or services against a defined set of terms and conditions and technical specifications.

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L

Leverage - the aggregation of individual purchases to gain the benefits of bulk-buying.

M

Maintenance, Repair and Operations (MRO) - the fixing of any sort of mechanical or electrical device should it get out of order or broken as well as performing the routine actions that keep the device in working order.

Management Information (MI) - In the procurement world, [Management Information](#) is the collection and provision in various reports of the underlying Spend Data for an organisation. The ProcServe Management Information solution includes pre-built and custom reports in an easy-to-use interface to provide purchasing teams with insightful data on spending patterns and cycle time.

Manual Order Process - Order process where all steps are conducted manually.

Matching - the activity of comparing purchase orders, receipts and invoices to ensure compliance.

Maverick Spend - spend committed with a non-contracted supplier where a contract exists with another supplier for the goods and services required.

N

O

Online Catalogue - an online catalogue is a database of suppliers' products and services available to buy online.

Open Catalogue Interface (OCI) - the xml format that SAP supports for PunchOut to catalogues.

Oracle Application Group (OAG) - the xml format that Oracle systems support.

Oracle Call Interface (OCI) - a set of application programme interfaces to perform Oracle database operations (e.g. log on, execute, fetch records).

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Paper Invoice Process (PIP) - invoice process where all steps are conducted manually.

ProcServe - ProcServe provides hosted managed solutions and services that enable customers to buy more effectively from their suppliers and suppliers to trade more efficiently with their customers. We deliver leading edge spend management, eProcurement and supply chain solutions that offer more flexible ways to deliver savings to a company's bottom line and gain control of all procurable spend.

ProcServe Catalogue Builder (PCB) - The PCB is a Microsoft Excel spreadsheet used to contain data that defines catalogues and catalogue item data. A macro (Check Data) can be run to check that the data is correctly formatted. Once data has been checked, a BMECat file (q.v.) can be generated.

ProcServe Catalogue Manager (PCM) - The ProcServe Catalogue Manager is an application into which the BMEcat file is imported for the creation, management and approval of supplier catalogues. Catalogues are exported from the PCM to the ProcServe Catalogue Search.

ProcServe Catalogue Search - The ProcServe Catalogue Search is an application into which catalogues are imported from the ProcServe Catalogue Manager, which are hosted for P2P and ERP systems to access.

ProcServe Trading Network - ProcServe provides of a portfolio of solutions and services that can be tailored to meet the needs of our customers. Whether you are looking to improve your procurement performance or enhance your customer facing supply chain, we can provide solutions that integrate with and add value to your existing investments and build your electronic trading network. The ProcServe Trading Network is a hosted Network for the connectivity of buyers and suppliers, the exchange of their transaction documents, and catalogue content.

Procurement - Procurement is the process of obtaining the right goods or services at the right time at the right price. Procurement is usually carried out by organisations as a contract, and can be for small items that are bought regularly, such as stationery, or for long term partnerships such as a building project, or to implement a government policy.

Procurement Card (Pcard) - A corporate charge card used for purchasing non personal goods and services. Procurement cards can deliver e-payments for low value, high volume purchases.

Procure to Pay - is typically the name given to eProcurement Software that is used by an organisation to purchase their Goods and Services. In most cases a P2P System will utilise Purchase Orders and Invoices to take the process of purchasing up to the point of payment at which point there would exist some form of integration with a Finance System.

Procurement Outsourcing - is the transfer of specified key procurement activities relating to sourcing and supplier management to a third party - perhaps to reduce overall costs or maybe to tighten the company's focus on its core competencies. Procurement categorisation and vendor management of indirect materials and services are typically the most popular outsourced.

Professional Buying Organisation (PBO) - An organisation within the public sector whose primary purpose is to buy goods and services, or put in place commercial arrangements, on behalf of, or for use by, other organisations created to provide outsourced procurement services for their "owning" public sector organisation.

PunchOut (Including Double PunchOut) - PunchOut is the term used to describe access to a supplier's website directly from the buyer's P2P system without the need to re-enter a user name and password. PunchOut allows a requisitioner to search for goods and services on a supplier site, then add them to a shopping basket and process the order on the buyer's own system. Double PunchOut gives buyers access to a suppliers website from the Marketplace and lets you bring back your shopping basket.

Purchase to Pay - Purchase to Pay (P2P) is the term used to describe using internet based technology to pay for goods and services. It is the process of enabling buyers and suppliers in the electronic marketplace to take advantage of technology such as [eProcurement](#) and [eInvoicing](#) to make the buying and supplying processes more cost and time efficient.

Purchasing Card or P-cards - Purchasing cards are similar in principle to charge cards using by consumers, but with extra features which make them more suitable for business-to-business purchasing.

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R

Receipt - a document that quantifies the product or service received.

Remittance Advice (RA) - an advice note sent from a buyer to inform a supplier that payment has been processed against a specific invoice.

Request for Quotation (RFQ) - is a standard business process whose purpose is to invite suppliers into a bidding process to bid on specific products or services. An RFQ typically involves more than the price per item. Information like payment terms, quality level per item or contract

length are possible to be requested during the bidding process. In eProcurement an RFQ tool would allow for this process to be automated.

Request for Information (RFI) - is a standard business process whose purpose is to collect written information about the capabilities of various suppliers. Normally it follows a format that can be used for comparative purposes. An RFI is primarily used to gather information to help make a decision on what steps to take next. RFIs are therefore seldom the final stage and are instead often used in combination with the following: request for proposal (RFP), request for tender (RFT), and request for quotation (RFQ).

Request for Proposal (RFP) - is an invitation for suppliers, often through a bidding process, to submit a proposal on a specific commodity or service. A bidding process is one of the best methods for leveraging a company's negotiating ability and purchasing power with suppliers. The RFP process brings structure to the procurement decision and allows the risks and benefits to be identified clearly upfront. The RFP purchase process is lengthier than others, so it is used only where its many advantages outweigh any disadvantages and delays caused.

Requisition - A Requisition is a written order or a formal demand by the user(s) of a good or service (which is not made available without a specific request) to the organisation's purchase (or stores) department. It generally includes the brand and model name or number, description, quantity, and the required delivery date. Also called purchase requisition.

Reverse Auction - a type of auction in which the role of the buyer and seller are reversed, with the primary objective being to drive purchase prices down. In an ordinary auction, buyers compete for the right to obtain products/services. In a reverse auction, sellers compete for the right to provide these products/services.

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Schema - a scheme provides a means for defining the structure, content and to some extent the semantics of XML documents.

Self-billing - some organisations now automatically generate a payment to their suppliers on delivery of the ordered goods or service. Notification is sent to the supplier to inform them that payment has been made.

Senior Responsible Officer (SRO) - the member of the Government Department ultimately responsible for the delivery of a project to the business.

Shared Services - refers to the provision of a service by one part of an organization or group where that service had previously been found in more than one part of the organisation or group. The key is the idea of 'sharing' within an organisation or group. Shared Services is similar to collaboration which might take place between different organizations such as a Hospital Trust or a

Police Force. For example adjacent Health Trusts might decide to collaborate by merging their HR or IT functions.

Shopping Basket - Requisitioners buying online use the 'shopping basket' function to select goods and services prior to completing the online purchase.

Small to Medium Enterprise (SME) - An SME is a company with a head count of less than 250 and a maximum turnover of circa £43m.

Sourcing - refers to a number of procurement practices, aimed at finding, evaluating and engaging suppliers of goods and services.

Spend Analysis - the starting point of any eProcurement programme should be an analysis of current spending patterns to identify who is buying what goods and services, from which suppliers, at what total cost, and with what frequency.

Strategic Sourcing - is an institutional procurement process that continuously improves and re-evaluates the purchasing activities of a company. It is one component of supply chain management.

Subscribing Buying Organisation (SBO) - a public sector organisation that has joined the Zanzibar Managed Service.

Suppliers - A vendor, or a supplier, is a supply chain management term meaning anyone who provides goods or services to a company. A vendor often manufactures inventoriable items, and sells those items to a customer.

Supplier Adoption - the process of registering a supplier for electronic trading with a buyer. Also referred to as Supplier Enablement.

Supplier Enablement - the process of enabling a supplier to fully transact electronically with buyers, including providing of content, and integrate systems. The processes involved in Supplier Enablement are also used in Supply Chain Management.

Supplier Portal - The Supplier Portal is a secure, password protected access point that provides allows suppliers on the ProcServe Trading Network to view transactional documents from their customers. From the Supplier Portal suppliers are also able to return eInvoices and Credit Notes as well maintain their customer relationships, user accounts and organisation details.

Supply Chain Management - the management of a network of interconnected suppliers for the provision of end products or services for customers. Supply Chain Management allows buyers to effectively manage and assess the performance of their suppliers.

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Three Way Match Process - Invoice process where an order, receipt and invoice are matched before payment is made to a supplier.

Trading Hubs - Trading Hubs, also known as Online Exchanges are websites where buyers and suppliers buy and sell goods and services online. Trading Hubs can be likened to an online shopping centre. They vary in size depending on the number of buyers and suppliers using them, and the products traded.

Two Way Match Process - Invoice process where an order is matched against an invoice before payment is made to a supplier.

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U

User Acceptance Testing (UAT) - A process during system implementation when users test the system functionality.

UNSPSC - United Nations Standard Products and Services Code - A United Nations global standard that classifies products and services. This is the preferred classification code of the OGC and the mandatory classification system for the ProcServe Trading Network.

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Value for Money - the effective cost-to-return ratio underpinning all public sector purchasing activity.

W

Workflow - the routing of data from one part of the procurement process to the next.

X

xchangewales - The xchangewales (cyfnewidcymru in Welsh) programme, delivered by ProcServe and based on the Zanzibar Managed Service, will provide an all-Wales system that will allow every Welsh public sector organisation to find suppliers and order and pay for goods at a click of a button using eProcurement.

XML- eXtensible Mark-up Language - A language used to create syntaxes used as an international standard for passing data between applications, particularly those that communicate across the Internet.

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Z

Zanzibar - Zanzibar Managed Service is the preferred UK public sector eProcurement solution. It is available under a framework agreement to all English, Wales and Northern Irish public sector organisations. For more information, please visit <http://www.procsolve.com/solutions/zanzibar/>.

Zanzibar Enabled - any supplier who is 'registered' on the Zanzibar eMarketplace and is 'enabled' to transact with public sector organisations.

Zanzibar Registered - any supplier who is 'registered' in the Zanzibar eMarketplace but may not yet be 'enabled' to transact.