

Glossary

A [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#) [X](#) [Y](#) [Z](#)

A

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.

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 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.)

Buying Solutions - is the trading arm of the Office of Government Commerce, which is itself an office of HM Treasury. It provides public sector procurement professionals with a route to the products and services they need to maximise procurement efficiency and value for money. Its contracts and framework agreements offer substantial savings through significant buying power, economies of scale and strategic partnerships.

Rigorous tendering and evaluation processes ensure that products and services are checked for quality, price competitiveness, fitness for purpose and compliance with statutory requirements. These products and services are available through Buying Solutions framework agreements, managed services and other procurement arrangements.

More details are available on the website: <http://www.buyingsolutions.gov.uk>

[> Back to Top](#)

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 - the complete range of a company's products and services.

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 System to one another, and provide information resources between computer systems and their final users.

Contract - an 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 punch out. See also **XML**

[> Back to Top](#)

D

Digital Signature - Digital signatures are an accepted method or 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 issues, owned and solely maintained by the Dun & Bradstreet Corporation and are used for credit risk management and corporate authentication. The DUNS Number is unique nine-digit identification sequence, which provides unique identifiers of single business entities, while linking corporate family structures together.

[> Back to Top](#)

E

Electronic Auctions or eAuctions - eAuctions are a method of enabling suppliers to compete in real time for contracts and bidding 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 the exchange of documents/information between computers using telephone lines.

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 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.

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.

[> Back to Top](#)

F

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 - 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.

[> Back to Top](#)

G

H

I

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.

Integration - Real-time data transfer between systems

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

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.

[> Back to Top](#)

J

K

L

M

Management Information - 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.

N

O

Office of Government Commerce (OGC) - An independent office of HM Treasury, established to help Government deliver best value from its spending. One of OGC's six key goals is to deliver value for money from third party spend. The management and operational responsibility for the Zanzibar eMarketplace transferred to the [Office of Government Commerce](#) (OGC) with effect from 31 March 2010, this transfer reflects the need to focus on leveraging public sector spend from collaborative procurement initiatives, such as Zanzibar.

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.

Operational Efficiency Programme (OEP) - The Operational Efficiency Programme was launched by the Chief Secretary to the Treasury on 3rd July 2008. The OEP report highlighted the need to improve awareness and uptake throughout the public sector of collaborative strategies, and in Recommendation 2.4, central Whitehall departments and organisations across the wider public sector should make better use of existing investments in eProcurement tools such as Zanzibar. More on [OEP](#).

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

[> Back to Top](#)

P

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.

[> Back to Top](#)

Q

R

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.

S

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.

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.

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.

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.

[> Back to Top](#)

T

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.

[> Back to Top](#)

U

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.

[> Back to Top](#)

V

W

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.

[> Back to Top](#)

Y

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.procserve.com/solutions/zanzibar/>