



Expanding The Horizons Of The Traditional Procurement Process



Why Prorizon?

CASE STUDY

Taking Control of IT Purchases at ChoicePoint

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Prorizon Foundational Pillars

- ❖ Control
- ❖ Accountability
- ❖ Visibility
- ❖ Standardization

ChoicePoint

ChoicePoint provides one of the most sophisticated technologies available in the marketplace for helping businesses and non-profit organizations reduce financial fraud and mitigate risk. Last year the company began a campaign around spend management and their internal process for procuring technology infrastructure. Taking advantage of a unique software-as-a-service e-procurement solution, ChoicePoint is reducing costs by gaining greater visibility into its technology spend and taking a more strategic approach to its IT purchases.

Alpharetta, Ga.-based ChoicePoint provides decision-making technology and information services for risk management and fraud prevention, offering such solutions as Business Credentialing and Research, Employment Screening and Identity Risk Management, among others. The company reported total revenues for 2007 of about \$1 billion, and it employs approximately 5,000 people in nearly 50 locations.

Business Situation

Like many businesses that have grown rapidly, both organically and through acquisition, ChoicePoint largely relied on a combination of manual and automated processes for purchasing. The company uses an OEM backend financial and human resource system, but lacked a fully functional procurement system. As a result, says Carter Johnson, Assistant Vice President of Technology Finance at ChoicePoint, the company sought a tool to better manage its substantial IT expenditures for everything from servers and PCs, to storage and network, to software and peripherals.

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Search For A Solution

With an eye toward better managing this critical category of spend, ChoicePoint began looking for a solution that would both automate its IT procurement workflow and provide the visibility that it wanted into its purchases. In Johnson's first month on the job in the fall of 2006, he met with a provider called Prorizon, a procurement services firm also local to the Atlanta area. Prorizon offers a Procurement Partnering (staff augmentation) model and a software-as-a-service procure-to-pay solution as a platform for all spend categories including IT procurement.

Johnson says that while ChoicePoint considered many other options to meet its procurement needs – including enterprise resource planning and other best-of-breed solutions – the Prorizon offering met the company's need for a "full-fledged solution" with a more rapid implementation time than ERP-based solutions (a few months versus a year or more) and at a very attractive price point (about one-tenth the cost, based on Prorizon's per month service charge). "Prorizon was the only logical solution when compared to others," Johnson adds, "and they essentially were offering to become an extension of our purchasing staff."

In addition, Prorizon had a unique partnership with an OEM technology provider, which already accounted for a significant portion of ChoicePoint's IT dollars. By channeling its spend through its relationship with Prorizon, ChoicePoint could help meet its commitments for volume with the procurement solution provider while at the same time seeing a portion of that spend pay for the cost of the services that Prorizon was providing. "We identified very quickly that if we routed purchases using a direct model through Prorizon, we could possibly save as much as 10 percent immediately," Johnson says, "in reality, we were able to exceed this very quickly."



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From Selection To Implementation

ChoicePoint signed an agreement with Prorizon in June 2007 and began a pilot program at the end of that year that encompassed about 400 users. Between inking the deal and starting the pilot, Johnson and his team did a considerable amount of outreach to end users and other constituencies – including senior management – across different business units to explain why and how the company was moving its IT procurement to Prorizon. "A project like this includes several stakeholders – and every one of them are equally important," Johnson notes, adding that his team worked closely with Prorizon staff to incorporate end user concerns into the solution that was rolled out for the pilot and, within a matter of 6 weeks, to the company's entire user base of 5,000 associates, which exceeded our expectations.

Some of the modifications in the final solution were conforming to ChoicePoint's existing systems and processes. For example, ChoicePoint already had a service request management system that would schedule software and technology installations upon arrival. "We re-engineered our process and automated the workflow to initiate the service request through the Prorizon system. It was critical for their system to generate the service ticket and notification upon final approval," Johnson explains. Incorporating these customizations into the system helped end users adapt to the new process with less disruption to their routine, and it eased the transition for the traditional support teams.

Prorizon used online web seminars as the primary training tool to educate end users on the system during the rollout – conducting two to as many as four sessions a week at the height of the implementation. The on-demand format of the online seminars allowed employees to train on their own time schedule, although Prorizon also provided on-site training sessions. Being a technologically astute organization was an advantage in ChoicePoint's favor as it moved to the new Procurement Partnering model. The company and its associates were accustomed to working with technology. "We do this all the time," Johnson says, "automating processes and working with external customers and providers."

Now, when a ChoicePoint employee goes into the Prorizon system and places an order for IT equipment or software, the request is channeled through approvals in a similar way as paper-based orders, only the system handles the process electronically. Johnson says that the company's Purchasing organization initially expressed concerns about losing some degree of control over IT purchases – instead the Prorizon system deployed at ChoicePoint included a check

in the workflow to give Purchasing the final release of a PO. This assured Purchasing the ability to retain control. And the system offered significant potential for increasing the ability for the entire organization to better manage technology expenses thanks to increased visibility.

Benefits

ChoicePoint achieved its savings targets for the technology expenses since implementing the system, according to Johnson, who adds that the company continues to learn how best to make use of the now readily available information the Prorizon system offers. "We are definitely seeing benefits from the visibility, which is allowing us to target cost more effectively -- we achieved a real ROI in less than eight months," he says. That visibility, for example, is allowing the company to better understand opportunities for savings from its current set of resellers and OEM providers. In the future, ChoicePoint will look to take the information it can glean from the new procurement system and analyze where it can improve its own processes around IT procurement for additional savings.

Conclusion

Some challenges remain a year after initially moving to the Prorizon system. A few units continued to use other tools until they could make the transition. Ultimately, this is a corporate standard and everyone is going to use it.

Reflecting on best practices for moving to this type of procurement solution, Johnson suggests having a single point of contact as the interface with the solution provider to keep the project focused and on schedule. He adds that Prorizon's leadership was "hands-on" in leading the implementation. "It was [Prorizon CEO] Norman Conway and his top lieutenants managing the whole process. They were in the thick of it, making it happen – it was clear they had skin in the game when they sat at the table with us."

Johnson also advises mapping out your "as is" systems and processes, and ensuring that any solution provider have a full grasp of how their technology will map onto the current or proposed "to be" process. Finally, he counsels to promote the project extensively in-house. "Make sure you get the word out and you really do talk with everybody who might have insight or interest – there is too much at stake and you need to account for all interests.

After all, Johnson concludes, "You can never have too much support when trying to implement a corporate wide solution."

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