

A checklist

# 10 criteria for selecting the right purchase order system

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# Introduction

As you read this, you've likely felt the challenges of manual procurement procedures, right?

Implementing a purchase order system can bring significant benefits to you and your company, such as improved procurement procedures, better liquidity, and lower costs.

HOWEVER, there are many systems tailored to different purposes and industries. You have the choice between specialized systems and full-scale ERP solutions. Your task is to choose the best solution for your company.

Consider this,

Is the system tailored to your industry? Does it solve the challenges you face? Is it a system you can grow with? Is it something your employees will *actually* use?

As you understand, choosing the right system is absolutely essential, and it's actually not that easy.

That's why we've developed this guide to help you along the way.

In **PWC's Benchmark 2023**, they demonstrate, among other findings, that the top 25% most cost-effective Norwegian businesses exhibit a greater degree of standardized processes. This increases predictability and quality. Additionally, it saves time and resources, and makes the business less dependent on individuals.

By digitizing the procurement process, you can achieve:

- Time savings
- Improved data quality
- Better overall control
- Real-time budget monitoring
- Efficient reporting and budget monitoring
- Searchable archive
- Simplified internal approval
- Better data access and control
- Reduced dependence on individuals

Here are **10 criteria** that you can use to ensure that you choose the right system for your business.

# About the author

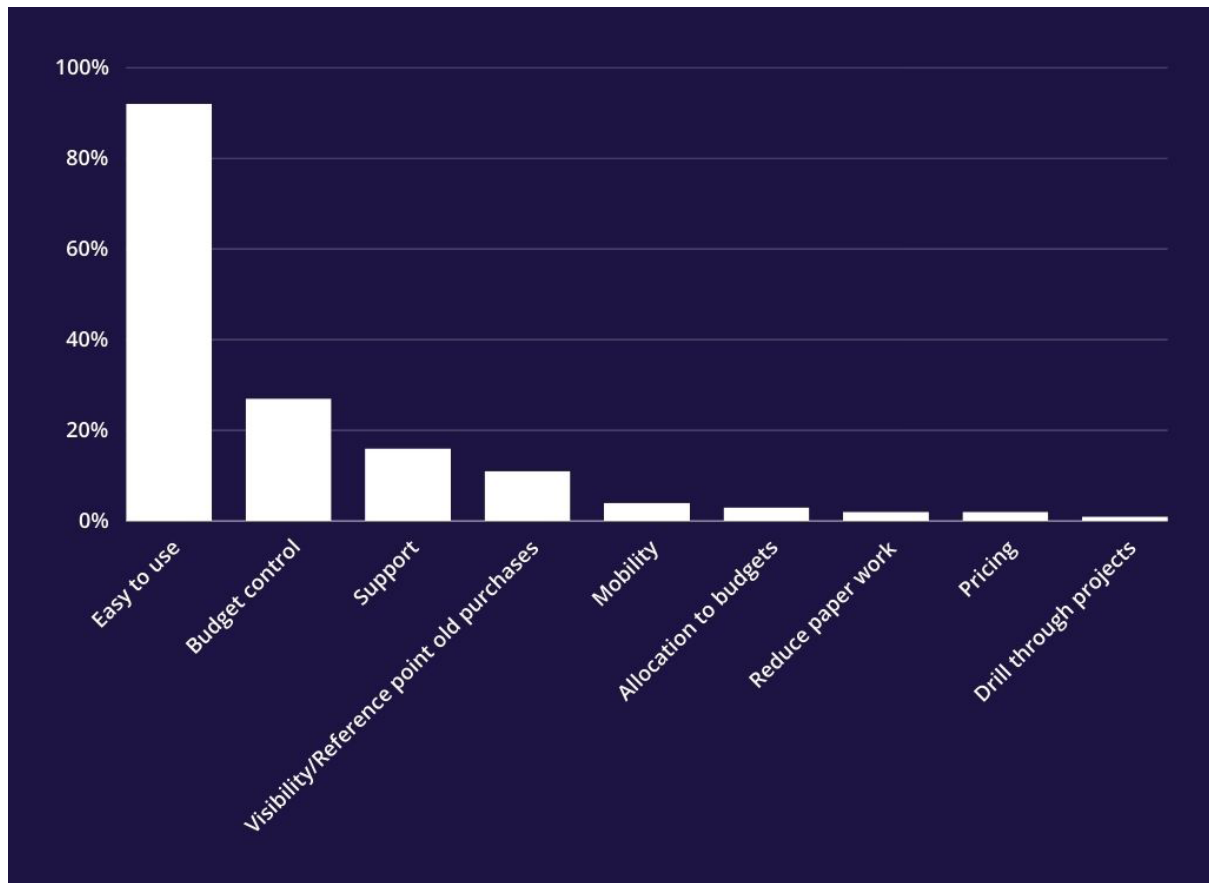
**Tore Andreas Hansen** has a broad experience in economics and procurement from the pharmaceutical and retail industries. His expertise lies in managing large-scale international procurement and financial operations. Through his work at **CostTracker**, he has assisted many clients in streamlining their procurement processes and simplifying cost control by replacing manual and time-consuming routines with more efficient, automated processes.



**Tore Andreas Hansen,**  
*co-founder of CostTracker.*

# 1. User experience

User experience/user-friendliness ranks significantly highest among the criteria for what is important in choosing a purchase order system.



Survey based on review of similar systems in the [Capterra](#) portal, conducted in 2018.

The system should be easy to use and adaptable to the unique needs of each user.

- Check if the system you're considering is suitable for the target audience it's intended for.
- Large, complex ERP systems are often very flexible in terms of functionality and customizations. However, the complexity results in rigid requirements for data input, often requiring input that is not natural knowledge for the user
- A complicated system can be overwhelming for end-users who have to handle a large amount of data. Data that may also be irrelevant to their specific tasks.

## A checklist: 10 criteria for selecting the right purchase order system

When choosing a purchase order system, it's wise to consider the different roles of the users and what's important for them to accomplish. By minimizing the number of necessary interactions (buttons, fields, etc.), the value the user gets from the system is maximized. Focus on the essence of what the user needs, **"fit for purpose."** Trim unnecessary data; this makes the system much easier to navigate and use. Reusing data and automating processes in purchase order systems further contribute to a smooth workflow and reduce the time spent on manual tasks.

An intuitive interface, simple navigation, and customization to meet the specific needs of the business are fundamental to ensuring high user-friendliness. Systems that offer different access levels based on the user's role, as well as easy ways to access information, help, and support, set the standard for what modern purchase order systems should offer. Guides and "information bubbles" can enhance understanding and user-friendliness, serving as useful features for new users who want to get started quickly.

User-friendliness isn't just important for your end-users to efficiently perform their tasks;

**it's also essential for the system to be adopted at all.**

Regardless of how good the system looks on paper, if users find it too difficult or cumbersome to use, they will stick to their old routines.

This results in the potential value of the investment being lost.

Therefore, it's critical that you choose a system that your users will actually enjoy working with - especially in larger companies where multiple individuals and departments will be affected by this choice.

Purchase order systems are used by many different functions within a company, not just by those directly involved in accounting.

This places additional demands on the system's user-friendliness, as it must be usable effectively by individuals with varying levels of technical expertise. When choosing a purchase order system, you should therefore conduct a comprehensive assessment of how the system will function in practice for absolutely ALL potential users within the organization.

Think of it like using Gmail when you sign up for websites. You can activate Face ID so you don't have to write down and remember all your passwords. It simply makes life a little easier. Your purchase order system should do the same!

## 2. Integrations

The question of integration with the accounting system is crucial. It's important to consider this carefully as it directly affects how data flows and is managed within the organization. Such integration has many benefits and can significantly improve efficiency in the work process. By integrating the purchase order system with the accounting system, you can achieve a more automated workflow where the same dataset is used across systems. This eliminates the need for manual data input in multiple systems and avoids duplication of work.

Integration was previously associated with significant investments, but now plug-and-play integrations that work with various accounting systems are becoming increasingly common, leading to reduced costs for users. Integration minimizes the time and resources required to set up the system and ensures a simple implementation process.

Consider whether you want a system like **CostTracker** and similar systems that are integration-friendly or if you prefer standalone versions.

The integration process can vary from simple "plug and play" solutions to complex API integrations for customized projects. This means that you have the flexibility to choose an integration method that best meets your specific needs. The benefits of integrating include data reuse, providing a single entry point for master data across all systems. This streamlines workflow by avoiding duplication of work and errors that can occur with manual data entry.

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Choosing not to integrate or opting for a complicated integration process that requires an extensive project can incur significant costs. Project-based integrations, therefore, require careful consideration of whether the potential benefits justify the extra effort and expenses.

Ultimately, the choice to integrate the purchase order system with the accounting system is a crucial strategic decision. Each business must make decisions based on their unique needs, workflow, and future growth plans. A successful integration can lead to significant improvements in your efficiency, greater accuracy in data management, and even better financial control and decision-making.



## 3. Functionality

The assessment of the functionality of a purchase order system should balance between complexity and user-friendliness.

Increased functionality offers many opportunities and benefits but can also come at the expense of simplicity in use, by appearing overwhelming and less intuitive for end-users. Therefore, the key to a successful system is to find a balance that offers exactly the functions your business needs. Not more, not less. This achieves optimal user experience while addressing all necessary requirements.

When choosing a purchase order system, start by identifying the specific problems and needs that the system should address.

This can range from:

- digital approval of documents
- receipt control
- budget and cost control

To more advanced features such as:

- three-way matching
- invoice handling
- reporting for cash flow
- financial management

The ideal solution is designed to meet these needs precisely, without unnecessary features that complicate the process.

It can be wise to create a bullet-point list of desired functionality, preferably with two sections: “must-have” and “nice-to-have.” This way, you can easily prioritize what’s important to you and make it simpler for the supplier to respond to what they have or don’t have in their system.

Evaluate the functions offered and how they can help address the challenges your business faces.

Ask yourself questions such as:

*“Does the system have capabilities for digital approval that simplify approval processes?”*

or

*“Does it offer detailed budget management and three-way matching to streamline invoice handling?”*

This can help in the evaluation process. Other considerations to take into account are the system’s ability to produce standardized reports and meet specific reporting requirements.

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Evaluate how the system's functionality can be adapted over time to meet growing or changing needs. Do you have plans to expand? The optimal purchase order system should not only address current challenges but should also be scalable and adaptable to future needs WITHOUT losing its basic user-friendliness.

Functionality versus user-friendliness doesn't necessarily have to be an either-or situation. By focusing on the specific needs of your business, you can carefully assess the different systems. This way, you can choose a purchase order system that is powerful enough to handle everything you need while being intuitive and easy to use for everyone in your organization.



## 4. Cost control and budget management

Some purchase order systems are built to provide you with cost and budget control, while others are designed more as ordering tools. What you need to figure out is what you require, which systems can best solve your challenges, and seize your opportunities. For a project-based company, it's crucial to have control over its direct purchases, and in that case, cost and budget control are essential to deliver profitability.

Cost control and budget control are two important criteria for you to consider. As you know, these elements are crucial for maintaining financial discipline and ensuring profitability across your projects and overall business operations.

The unique aspect of a purchase order system is that it gives you the opportunity to take control of costs BEFORE committing the company (preventing later inability to influence costs).

### Cost control

It refers to the system's ability to track and manage expenses in real-time, providing your business with a unique opportunity to monitor expenses early in the process, far ahead of what a traditional accounting system can offer. Purchase order systems help you gain control over future costs by using information from the point of order. This helps you identify potential overspending earlier, allowing you to keep track of costs in your project.

## Budget control

It involves the system's capacity to adjust and maintain expenses within predefined budgetary limits. This includes functionality for budget allocation, monitoring expenses against the budget, and warning about potential overspending. Budget control ensures that each project or department operates within its financial constraints, contributing to better financial planning and predictability.

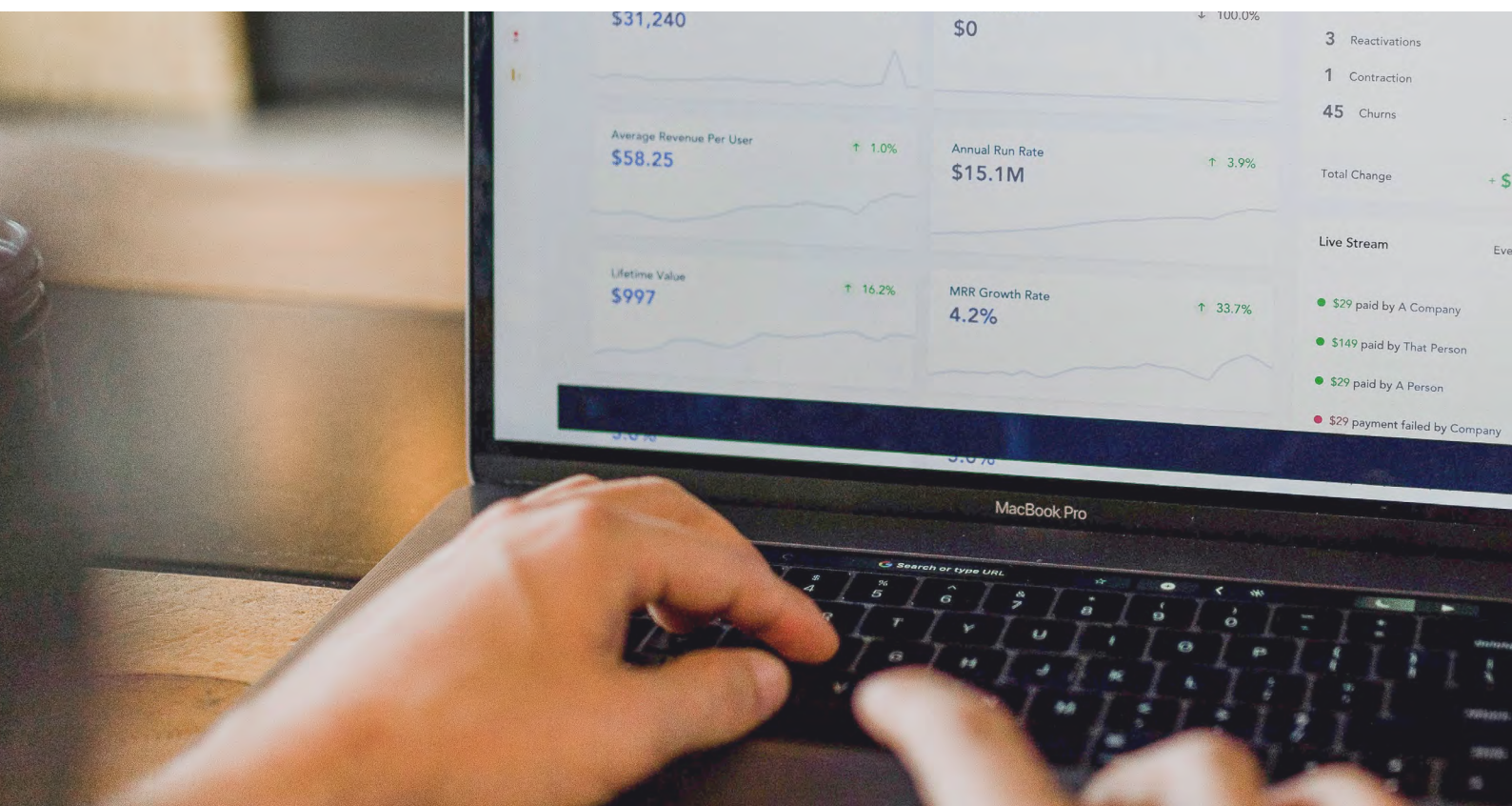
A purchase order system should not only be evaluated based on its ability to handle transactions but also its capacity to provide deep insights and control over the company's costs. By selecting a system that balances these needs, you can achieve both short-term and long-term financial goals while maintaining or even improving your operational efficiency.



## 5. Pricing

Det essensielle punktet her er **kostnad** versus **nytte**. Ved å vurdere både kostnaden for innføring og drift av systemet opp mot de økonomiske og operasjonelle fordelene det gir, kan du ta et informert valg. Vurderingen bør inkludere alle aspekter ved systemet - fra ren pris til nødvendigheten av tilpasning, support, og opplæring, samt eventuelle volumbaserte prisingsmodeller eller begrensninger som kan påvirke den totale kostnaden over tid.

Det finnes systemer som tilbyr en "rett-ut-av-boksen"-løsning som krever minimal tilpasning, mens andre systemer kan kreve betydelige ressurser for å tilpasse og integrere med eksisterende IT-infrastruktur. Support og onboarding er også kritiske faktorer som kan påvirke både den kortsiktige og langsiktige verdien av systemet for organisasjonen. En effektiv implementering og bruk av systemet kan gi deg betydelige besparelser og effektiviseringer, som i sin tur kan rettferdiggjøre investeringen.



## 6. Security

Security is a fundamental aspect in an era where digitization and cloud-based solutions are becoming increasingly common. Security in purchase order systems includes everything from data security to user identification and access control.

To ensure that data is handled in a safe and secure manner, it's essential that the system you choose holds the necessary security certifications and is hosted via reputable providers, such as Amazon Web Services, which can guarantee high standards of data security.

Privacy and the processing of personal data should be handled with great care. There should be a data processing agreement in place that clearly defines responsibilities and security procedures for data handling. It's also important to be aware of where data is stored, both to ensure compliance with local regulations and to minimize the risk of unauthorized access.

Role-based access control is another important security mechanism. It ensures that sensitive information is only accessible to those who need to see it. The system should prevent internal and external data leaks and ensure data integrity is maintained.

Also, check if the system offers two-factor authentication.

Backup procedures and regular security testing are crucial to ensure the system's resilience against data breaches and loss. Best practice involves regularly conducting security tests, preferably by a third-party security expert, to identify and address potential security vulnerabilities before they can be exploited.

By ensuring that these elements are in place, you can feel more confident that your chosen purchase order system not only supports your operational needs but also maintains a strong defense against the increasing threats associated with a digital workflow. The security of your purchase order system should always be part of the assessment when choosing a solution. This ensures that both your company's and customers' data are protected to the best possible extent.



## 7. Scalability

Being able to grow alongside the system, without being hindered by it, is crucial. It ensures long-term success and operational flexibility by avoiding hindrances.

During the early stages of a company, it can be challenging to predict exactly which functionalities will be necessary in the future. However, with the right system, a business can ensure that it has the flexibility to adapt and grow. This includes the ability to add new features, support more users, and handle an increasing volume of transactions without sacrificing performance or user-friendliness.

Cloud-based solutions offer particularly good scalability, partly because they allow businesses to pay for the capacity they need, when they need it, without the need for significant investments in physical infrastructure. These solutions can be easily customized to meet both current and future needs. This makes them an ideal partner on the journey of growth.

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For growing businesses, it's essential to think ahead and consider potential future requirements. These could range from advanced reporting and data analysis to integrations with new systems or expansions into new geographic markets.

A scalable purchase order system will be able to accommodate these needs without significant additional costs or extensive system overhauls.

### **A key point here:**

Scalability in a purchase order system isn't just about technical capacity. It's also about the system's ability to adapt to changing business processes. As well as the growing complexity of the organization's procurement needs.

This includes everything from handling a larger volume of suppliers and contracts to providing more detailed control and approval processes for purchases.

Choosing a scalable purchase order system should be seen as an investment in the future. It ensures that your company can continue to grow and evolve, with a solid and supportive system as its foundation. This eliminates the need for costly and time-consuming system switches or upgrades later on. It allows your company to focus on growth and development without worrying about whether its operational systems can keep up.

## 8. User reviews and references

When choosing a system, make sure to rely on references and user reviews as a crucial checkpoint. You can gain insights into how the system performs in practice and the value it provides to similar businesses. Examining these reviews can give you a better understanding of the system's strengths and weaknesses, directly from the users themselves.

Product databases, industry forums, and review platforms are valuable resources. Here, you can find detailed user reviews and experiences. These sources can reveal how the system has met the specific needs of different types of businesses, as well as the support and service the supplier offers after the sale.

If you can't find reviews from companies relevant to your industry or size, you can directly request references from the supplier from similar businesses. Examining user reviews and obtaining references is also an important step in validating the suppliers claims about the system's functionality and performance.

It provides an extra dimension of trust and confidence in the decision-making process by basing the choice on real experiences and results rather than just marketing materials.



## 9. Training and support

A good purchase order system should provide training resources and responsive customer support to ensure your team can quickly get started and effectively use the system.

### **Training and onboarding:**

The first step to a successful implementation of a purchase order system is ensuring that all users understand how the system works. This includes basic training and an onboarding process tailored to meet the specific needs of each user. It is important to inquire whether training and onboarding are included in the price or if they come at an additional cost. Effective training ensures that users feel comfortable with the system from the outset, promoting a quicker and more efficient implementation process.

### **Continuous support:**

After the system is implemented, it's crucial for users to have access to ongoing support to address any questions or challenges that arise. Support services can range from chat and email to phone support and video conferences. It's worth investigating whether the provider offers a dedicated support person or support team familiar with your specific setup and needs. A dedicated contact, often referred to as a "Customer Success Manager," can provide more personalized and effective assistance compared to standardized ticket-based support.



**Access to resources:**

Some systems, such as **CostTracker**, offer a comprehensive knowledge base, frequently asked questions (FAQs), and easy access to information guides and other resources as part of their service package. These resources can be invaluable for users who want to troubleshoot minor issues on their own or learn more about advanced features in the system.

Overall, the quality of training and support is a critical factor that can influence how quickly and effectively your organization can benefit from a new purchase order system. By choosing a provider that offers comprehensive and accessible training and support, you can ensure that the system becomes a valuable resource for your business, rather than a source of frustration or delays.

## 10. Bonus point: Try before you buy

Have you reviewed all these **10 criteria**, but still feel uncertain if you've found the perfect system for your business? That's completely understandable because understanding how something functions in practice can be challenging until you've had hands-on experience with it.

HOWEVER,

There's a way to mitigate some of the risk. Several purchase order systems offer the opportunity to "try before you buy." You get the chance to test the system's functionalities in a free trial period. This way, you can see how it fits your specific needs BEFORE you make a financial commitment. This is something we offer at **CostTracker**.

Be aware that while many suppliers offer trial periods, not all do so with the same degree of flexibility and customization. By offering a demo before the trial period, we enable you, as a potential customer, to gain a more hands-on understanding of the system. This is a valuable opportunity to see the system in action and ask questions. You can also customize the system to some extent to better reflect the actual business processes it will support.

The ability to set up a customized system that integrates with existing processes and technologies means that you can get a realistic sense of how the system will function in daily operations. This provides you with a great opportunity to identify any challenges or customization needs early in the evaluation process. It also contributes to a more informed and confident decision-making.



# Conclusion

Selecting the most fitting purchase order system, whether A, B, or C, depends on your unique needs. By considering these **10 criteria**, you can make an informed decision that ensures your business achieves better procurement practices, improved liquidity, and lower costs. **CostTracker** and similar systems offer tailored solutions that can be customized to meet your specific requirements to optimize the procurement process.

Remember, choosing a purchase order system is more than just a technical decision; it's a strategic investment in the future of your business. Choosing a system that meets your current needs and is also scalable and flexible enough to grow and adapt with your business ensures long-term value from the investment.

Feel free to reach out to us. Let's discuss how we can assist your business in navigating the selection of a purchase order system. Explore how **CostTracker** or similar systems can help transform your procurement processes for improved efficiency, cost control, and strategic value.

