Business Requirements Document (BRD)

The Vendor Payment & Procurement System

Jan 2025

Version: 1.0 (Anonymized Version)

***This document is an anonymized representation of the real project; to comply with non-disclosure policies, all real names, identifiers, and sensitive data have been changed.**

Business Requirements Document

Project Name	The Vendor Payment & Procurement System (VPPS)
Version	1.0 (Anonymized Sample)
Author	Sonal M. Khobragade
Date	Jan 2025
Status	Approved

Table of Content

1.Executive Summary

operates in a dynamic, production-driven business environment where timely procurement and reliable vendor relationships are critical to maintaining operational continuity and cost efficiency. However, prior to this initiative, the organization's procurement and vendor payment operations were entirely manual, fragmented, and largely disconnected from production demand. Core activities such as purchase order management, vendor invoice processing, approval routing, and payment execution relied heavily on emails, spreadsheets, and manual follow-ups, resulting in operational inefficiencies and limited financial visibility.

The finance team spent approximately **120 hours per month** managing vendor invoices, primarily on activities such as matching invoices against purchase orders, identifying discrepancies, chasing approvals, and coordinating payments. Due to the absence of a centralized system, invoices frequently remained unattended in inboxes for **5–7 days**, increasing the risk of duplicate payments, delayed settlements, and strained vendor relationships. Vendors routinely experienced unpredictable payment timelines, often extending **30–60 days beyond agreed terms**, leading to reduced trust and recurring escalations.

From a financial perspective, the organization was incurring measurable opportunity costs. Early payment discount clauses embedded in vendor contracts were consistently missed, not due to cash constraints but due to processing delays and lack of invoice prioritization. Additionally, management lacked real-time visibility into outstanding vendor liabilities, monthly cash outflows, and quarterly payment forecasts, limiting their ability to make informed working capital and cash flow decisions.

A critical structural issue was the disconnection between procurement and production planning. Procurement activities were largely reactive, triggered after demand spikes rather than being proactively aligned with production forecasts. This resulted in missed volume discount opportunities, suboptimal vendor negotiations, and increased exposure to supply chain risks during periods of increased demand.

In response to these challenges, the **Vendor Payment & Procurement System (VPPS)** project was initiated to transform the existing manual and siloed processes into a **centralized, automated, and data-driven platform**. The primary objective of the initiative was to integrate procurement, finance, and production workflows into a single system capable of supporting electronic invoice submission, automated invoice–purchase order matching, intelligent approval workflows, and automated payment execution.

The project was also driven by the need to establish **real-time financial transparency**, enabling management to monitor vendor obligations, forecast cash flows, and evaluate procurement performance with greater accuracy. By embedding early payment discount detection, vendor performance analytics, and demand-driven procurement logic, the solution aimed to shift procurement from a transactional function to a strategic, value-generating capability.

Overall, the VPPS initiative was positioned as a foundational operational improvement program, designed not only to reduce manual effort and processing delays but also to strengthen vendor relationships, improve financial governance, and support Cre8iveSkill’s long-term scalability and growth objectives.

2. Business Background & Context

2.1 Organization Overview

operates in a production-driven business environment where timely procurement of goods and services, effective vendor coordination, and disciplined financial controls are essential to sustaining operational performance. The organization works with multiple vendors across procurement categories, each governed by negotiated pricing, delivery schedules, and payment terms. As production volumes fluctuate based on customer demand, procurement and finance functions play a critical role in ensuring uninterrupted supply while maintaining cost efficiency and cash flow discipline.

Prior to the initiation of this project, ####'s procurement and vendor payment operations evolved organically over time, relying heavily on manual controls, email-based coordination, and spreadsheet tracking. While these methods were initially adequate at smaller scales, increased transaction volumes and growing operational complexity exposed significant limitations in scalability, transparency, and control. Management recognized the need to modernize procurement and vendor payment processes to support continued growth and to align operational execution with strategic financial objectives.

2.2 Current Procurement & Vendor Payment Landscape

At the time of project initiation, procurement and vendor payment activities were managed through a decentralized and largely manual operating model. Purchase orders were raised independently by procurement teams without systematic alignment to production demand forecasts. Vendor invoices were submitted primarily via email

and stored across individual mailboxes, with no centralized repository or standardized intake process.

The finance team manually reviewed invoices, matched them against corresponding purchase orders, and coordinated approvals through email threads. Payment execution was dependent on manual verification and scheduling, with limited visibility into invoice aging, pending approvals, or upcoming payment obligations. Reporting was retrospective in nature and required manual consolidation of data from multiple sources, limiting its usefulness for proactive decision-making.

Critically, procurement, finance, and production systems operated in silos, with minimal data integration. As a result, procurement decisions were often reactive, and financial insights were delayed, incomplete, or inconsistent across departments.

2.3 Key Challenges with the Existing Manual Process

2.3.1 Manual Invoice Handling

Vendor invoices were processed entirely manually, requiring finance personnel to download invoices from emails, validate invoice details, match them to purchase orders, and track approval status using spreadsheets. This process consumed approximately **### hours per month** and was highly dependent on individual follow-ups. Invoices frequently remained unattended for several days, increasing processing time and the risk of payment delays.

2.3.2 Email-Based Approvals

Approval workflows relied on email communications, with no standardized routing or escalation mechanisms. Approvals were often

delayed due to inbox overload, unclear ownership, or absence of approvers. There was no audit trail to track approval timelines or identify bottlenecks, resulting in inconsistent turnaround times and limited accountability.

2.3.3 Poor Vendor Satisfaction

Due to the lack of visibility and predictability in the payment process, vendors frequently experienced delayed or uncertain payment timelines. Despite clearly defined contractual payment terms, vendors often waited **##–## days** for settlement, leading to dissatisfaction, repeated follow-ups, and strained relationships. These issues increased operational friction and posed a risk to long-term vendor partnerships.

2.3.4 Missed Early Payment Discounts

Although several vendor contracts included early payment discount clauses, the organization was unable to capitalize on these opportunities. Delays in invoice intake, validation, and approval meant that invoices were rarely processed within discount eligibility windows. As a result, the organization incurred avoidable financial losses, not due to liquidity constraints but due to process inefficiencies and lack of invoice prioritization.

2.3.5 Lack of Cash Flow Forecasting

Management lacked real-time visibility into outstanding vendor liabilities, upcoming payment obligations, and cash outflows. Financial forecasting relied on historical data and manual estimates, limiting the organization’s ability to accurately plan monthly and quarterly cash requirements. This constrained strategic financial planning and increased reliance on reactive cash management.

2.4 Rationale for Initiating the Project

The cumulative impact of manual processes, delayed payments, limited visibility, and disconnected systems highlighted the need for a comprehensive transformation of procurement and vendor payment operations. Management identified the absence of a centralized, automated system as a critical operational risk and a barrier to scalable growth.

The **Vendor Payment & Procurement System (VPPS)** project was initiated to:

- Eliminate manual, error-prone processes through automation
- Establish standardized, auditable approval workflows
- Improve vendor payment predictability and relationship stability
- Capture early payment discounts and optimize working capital
- Enable real-time cash flow visibility and forecasting
- Align procurement activities with production demand

By addressing these foundational gaps, the organization aimed to transition procurement and vendor payments from a transactional, reactive function to a strategically aligned, data-driven capability supporting long-term operational efficiency and financial governance.

3. Business Objectives

The Vendor Payment & Procurement System (VPPS) initiative has been undertaken to address critical operational inefficiencies, financial control gaps, and scalability limitations within Cre8iveSkill's existing procurement and vendor payment processes. The overarching objective of the project is to transform a fragmented, manual operating model into an integrated, automated, and data-driven ecosystem that supports operational excellence, financial governance, and sustainable growth.

The key business objectives of the VPPS initiative are outlined below.

3.1 Automate the End-to-End Vendor Payment and Procurement Lifecycle

Establish a unified platform that supports the complete vendor payment and procurement lifecycle, from purchase requisition and purchase order creation through invoice submission, validation, approval, and payment execution. Automation of these workflows aims to eliminate dependency on manual interventions, email-based coordination, and spreadsheet tracking, thereby improving process consistency, control, and auditability across procurement and finance functions.

This objective ensures standardized execution of procurement and payment activities, reduces process fragmentation, and enables seamless handoffs between stakeholders, resulting in a more resilient and scalable operating model.

3.2 Reduce Invoice Processing Time and Manual Effort

Significantly reduce the time and effort required to process vendor invoices by automating invoice intake, purchase order matching, duplicate detection, and approval routing. The system is intended to minimize repetitive manual tasks currently performed by the finance team, allowing resources to be redirected toward higher-value activities such as financial analysis and vendor management.

By reducing invoice processing cycle times and manual touchpoints, the organization aims to lower operational costs, decrease error rates, and improve overall processing efficiency.

3.3 Improve Vendor Payment Predictability and Trust

Improve the consistency, transparency, and reliability of vendor payments by enforcing structured approval workflows, scheduled payment execution, and real-time visibility into invoice and payment status. Providing predictable payment timelines aligned with contractual terms is expected to strengthen vendor relationships, reduce escalations, and enhance the organization’s reputation as a reliable business partner.

This objective supports long-term vendor engagement, improves negotiation leverage, and contributes to supply chain stability.

3.4 Enable Early Payment Discount Utilization

Enable systematic identification and prioritization of invoices eligible for early payment discounts through automated detection of discount terms and payment deadlines. By ensuring invoices are processed and approved within discount windows, the organization seeks to capture measurable cost savings and improve working capital efficiency.

This objective directly contributes to financial optimization by converting operational efficiency gains into tangible monetary benefits.

3.5 Establish Real-Time Visibility and Decision Support

Provide management with real-time dashboards and reporting capabilities covering vendor liabilities, invoice aging, payment schedules, cash flow forecasts, and procurement performance. This objective ensures that leadership has timely, accurate, and actionable insights to support informed financial and operational decision-making.

Enhanced visibility enables proactive cash management, improved budget forecasting, and stronger governance oversight.

3.6 Support Scalable and Sustainable Operations

Design the VPPS platform to support increasing transaction volumes, vendor expansion, and evolving business needs without proportionate increases in operational effort or cost. This objective ensures that procurement and vendor payment processes remain robust and adaptable as the organization grows.

Business Value Alignment

Collectively, these objectives position the VPPS initiative as a strategic transformation rather than a process automation exercise. By improving efficiency, strengthening vendor relationships, optimizing financial outcomes, and aligning procurement with core business operations, the project supports Cre8iveSkill’s broader goals of operational excellence, financial discipline, and long-term scalability.

4. Project Scope

The scope of the Vendor Payment & Procurement System (VPPS) project defines the functional and operational boundaries of the initiative. This section clearly outlines the components that are included within the project's delivery responsibilities, as well as those explicitly excluded, to ensure a shared understanding among stakeholders and to maintain focus on the defined business objectives.

4.1 In-Scope

The following capabilities and functionalities are included within the scope of the VPPS initiative.

4.1.1 Electronic Vendor Invoice Submission

- Enable vendors to submit invoices electronically through a centralized platform or designated digital channel.
- Support standardized invoice formats to ensure consistency and reduce validation errors.
- Provide acknowledgment of invoice receipt to vendors, improving transparency and reducing follow-up communications.
- Maintain a centralized invoice repository accessible to authorized finance and procurement users.

4.1.2 Automated Invoice–Purchase Order (PO) Matching

- Implement automated matching of vendor invoices against corresponding purchase orders based on predefined matching rules (e.g., invoice number, PO number, quantities, pricing).
- Flag discrepancies and exceptions for review and resolution.
- Enable detection and prevention of duplicate invoice submissions.
- Reduce manual intervention and processing delays associated with invoice validation.

4.1.3 Approval Workflow Automation

- Configure rule-based approval workflows aligned with organizational approval hierarchies and financial thresholds.
- Automate routing of invoices and purchase approvals to designated approvers.
- Provide escalation mechanisms for delayed approvals.
- Maintain a complete audit trail of approval actions, timestamps, and decision history.

4.1.4 Vendor Master Management

- Maintain a centralized and controlled vendor master database.

- Support creation, modification, and deactivation of vendor records based on defined access controls.

- Store key vendor attributes, including payment terms, discount eligibility, and bank details.

- Ensure data consistency across procurement and finance processes.

4.1.5 Payment Execution via Bank Transfer

- Enable automated execution of vendor payments through bank transfer mechanisms.

- Support scheduled payments aligned with agreed vendor payment terms.

- Allow finance users to monitor payment status and completion.

- Record payment transactions for reconciliation, reporting, and audit purposes.

4.1.6 Early Payment Discount Detection

- Automatically identify invoices eligible for early payment discounts based on vendor contractual terms.

- Prioritize eligible invoices within the approval and payment workflow to maximize discount capture.

- Provide visibility into potential and realized discount savings through reporting.

- Support decision-making related to working capital optimization.

4.2 Out-of-Scope

The following items are explicitly excluded from the scope of the VPPS project unless formally approved through a change control process.

4.2.1 Vendor Onboarding and KYC (If External)

- External vendor onboarding processes, including Know Your Customer (KYC) verification and compliance checks, are excluded from this initiative.

- The project assumes that vendors are pre-approved and available within the existing vendor master or through separate onboarding mechanisms.

4.2.2 Tax Compliance Automation (Unless Explicitly Specified)

- Automated tax calculation, statutory tax filing, and regulatory compliance reporting are not included in the project scope.

- Any tax-related validations will be limited to capturing and storing tax information provided on vendor invoices.

4.2.3 International Payment Gateways

- Integration with international payment gateways and support for cross-border payments are excluded.

- The project scope is limited to domestic bank transfer payment mechanisms unless expanded through formal scope change approval.

4.3 Scope Governance and Change Control

Any enhancements or functional additions outside the defined in-scope items will be evaluated through a formal change management process. Impact assessments will be conducted to assess implications on timelines, costs, resources, and business objectives prior to approval.

5. Stakeholders Analysis

Stakeholder Group	Role	Key Interests
Finance Team	Invoice & payment processing	Accuracy, speed, compliance
Procurement Team	PO creation & vendor negotiation	Cost optimization
Vendors	Invoice submission & payments	Timely, predictable payments
Management	Decision-making	Cash flow visibility
IT / Vendor Team	DA_Nebula (Redacted Data Specialist)	Clear, stable requirements
Major Client Representatives	ClientA, ClientB (anonymized)	

6. Current State Analysis (AS-IS)

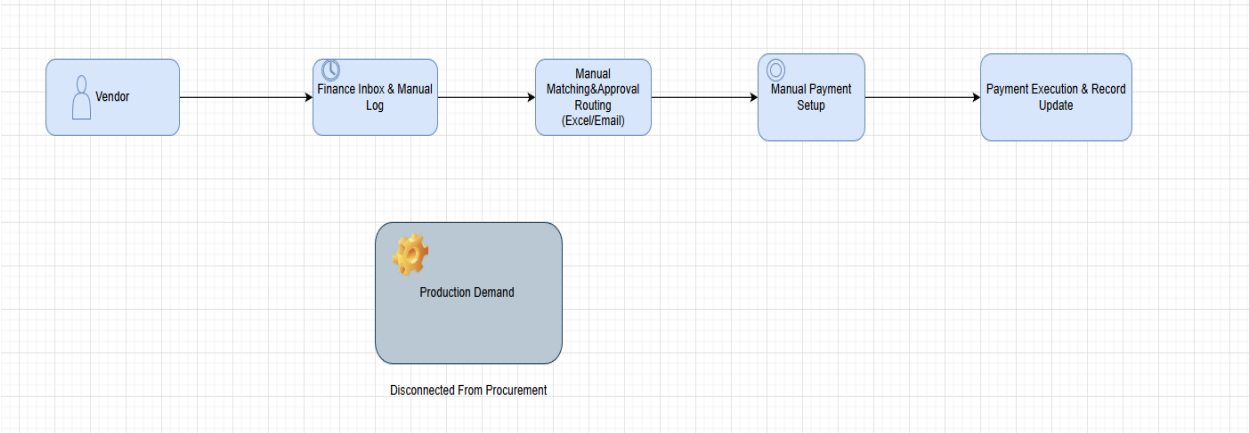
6.1 AS-IS Process Overview

At the time of initiating the Vendor Payment & Procurement System (VPPS) project, ####'s procurement and vendor payment operations were executed through a **manual, decentralized, and email-driven operating model**. There was no single system governing the end-to-end lifecycle from production demand to vendor payment.

Procurement, finance, and production functions operated in silos, with limited system integration or standardized workflows. Core activities such as purchase order creation, invoice submission, approval routing, payment scheduling, and vendor communication relied heavily on emails, spreadsheets, and individual follow-ups. As transaction volumes increased, this operating model became increasingly inefficient, error-prone, and difficult to scale.

The absence of centralized visibility and automation resulted in delayed invoice processing, inconsistent payment timelines, missed financial opportunities, and strained vendor relationships. Management lacked real-time insights into vendor liabilities and cash flow exposure, limiting proactive financial planning and decision-making.

6.2 Detailed AS-IS Process Flow



Step 1: Vendor Invoice Submission

Actor: Vendor

Vendors initiate the payment process by submitting invoices via email. Invoices are sent directly to the finance team without any standardized submission channel or system-based validation. Invoice formats vary by vendor, and no automated acknowledgment is provided upon receipt.

Diagram Reference:
Vendor → Finance Inbox & Manual Log

Step 2: Finance Inbox Receipt & Manual Logging

Actor: Finance Team

Invoices received from vendors are stored in individual or shared finance inboxes. Finance personnel manually download invoices and log them into spreadsheets or local trackers for record-keeping and

follow-up. At this stage, invoices may remain unattended for several days due to workload constraints and lack of prioritization mechanisms.

There is no centralized invoice repository, automated tracking, or real-time visibility into pending invoices.

Diagram Reference:
Finance Inbox & Manual Log

Step 3: Manual Matching and Approval Routing

Actor: Finance Team / Approvers

Finance manually matches invoice details against available purchase orders using spreadsheets. Line-item verification, quantity checks, and price validations are performed manually. Any discrepancies are resolved through email communication with procurement teams or vendors.

Once validated, invoices are routed for approval via email. Approval timelines depend entirely on individual responsiveness, with no predefined workflow, service-level agreement (SLA), or escalation mechanism. Approval status is tracked manually, and no audit trail is maintained.

Diagram Reference:
Manual Matching & Approval Routing (Excel / Email)

Step 4: Manual Payment Setup

Actor: Finance Team

After approvals are obtained, finance manually prepares payment instructions. Payment prioritization is based on urgency, availability of

funds, or vendor follow-ups rather than contractual payment terms or early discount opportunities. Payment schedules are maintained separately in spreadsheets.

There is no consolidated view of upcoming payment obligations or cash flow impact.

Diagram Reference:
Manual Payment Setup

Step 5: Payment Execution and Record Update

Actor: Finance Team

Payments are executed manually through bank portals. Transaction details are then recorded manually for reconciliation and reporting purposes. Confirmation of payment completion is not system-driven and requires manual verification.

Vendors often follow up separately to confirm payment status, increasing operational overhead.

Diagram Reference:
Payment Execution & Record Update

Parallel Context: Production Demand (Disconnected Process)

Production demand is identified independently based on customer orders or operational requirements. However, this information is not systematically shared with procurement or finance. As a result, procurement activities are reactive, and vendor payments are processed without visibility into future production needs or consolidated demand planning.

This disconnect limits the organization’s ability to:

- Plan procurement proactively
- Leverage volume-based negotiations
- Forecast vendor payment obligations accurately

Diagram Reference:
Production Demand – Disconnected from Procurement

7. Future State Vision (TO-BE)

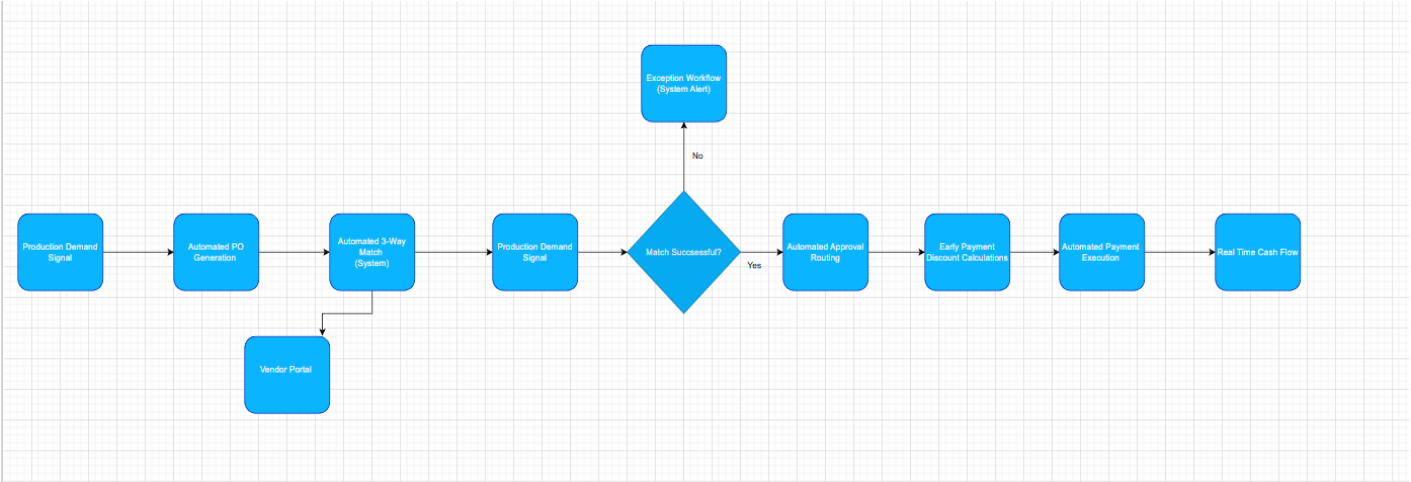
7.1 TO-BE Process Overview

The future-state vision for the Vendor Payment & Procurement System (VPPS) is to establish a **fully automated, rule-driven, and system-integrated procurement and vendor payment workflow** that seamlessly connects **production demand, procurement execution, invoice processing, approvals, and payment settlement**.

As depicted in the TO-BE process flow diagram, the VPPS solution transforms the organization from a **manual, finance-dependent, and reactive model** into a **system-orchestrated, exception-based operating model**. In this state, core activities such as purchase order creation, invoice matching, approval routing, discount calculation, and payment execution are handled automatically by the system, with human intervention limited to genuine exceptions.

The VPPS platform acts as a **single source of truth** and execution engine, ensuring consistency, speed, auditability, and real-time visibility across procurement, finance, and management.

7.2 Automated End-to-End Workflow (Diagram-Aligned Description)



Step 1: Production Demand Signal

Actor: Production System

The process begins with a system-generated production demand signal. Demand data is captured directly from the production system and fed into VPPS in real time, ensuring procurement activities are aligned with actual and forecasted production needs.

Workflow Improvement:

- Shifts procurement from reactive to demand-driven
- Enables early visibility into volume requirements

Step 2: Automated Purchase Order Generation

Actor: VPPS System

Based on production demand signals and predefined procurement rules, the system automatically generates purchase orders. This

ensures that procurement volumes are consolidated and aligned with demand, enabling the organization to leverage **volume-based pricing and discounts**.

Diagram Note: *Demand-driven: Captures volume discounts*

Workflow Improvement:

- Eliminates manual PO creation
- Improves cost optimization and supplier negotiation

Step 3: Vendor E-Invoice Submission

Actor: Vendor / VPPS System

Vendors submit invoices through a dedicated vendor portal or API-enabled e-invoicing channel. Invoice data is validated at the point of submission to ensure completeness and accuracy.

Workflow Improvement:

- Removes dependency on finance inboxes
- Standardizes invoice intake and reduces errors

Step 4: Automated 3-Way Matching

Actor: VPPS System

The system performs an automated three-way match between the **purchase order, goods/services receipt (where applicable), and vendor invoice**. Matching is executed instantly without manual effort.

Diagram Note: *Instant match, no manual effort*

Workflow Improvement:

- Eliminates manual invoice–PO matching
- Significantly reduces processing time

Step 5: Duplicate Detection & Validation

Actor: VPPS System

Invoices are automatically checked for duplicates and validated against system rules. This step prevents duplicate payments and ensures data integrity before approval processing.

Workflow Improvement:

- Reduces financial risk
- Improves accuracy and control

Step 6: System Decision – Match Successful?

Actor: VPPS System

- **If Yes:** The invoice proceeds automatically to approval routing.
- **If No:** The invoice is routed to an **exception workflow**.

This decision point ensures that only valid, compliant invoices move forward automatically, while exceptions are isolated for targeted review.

Step 7: Exception Workflow (System Alert)

Actor: VPPS System / Finance

Invoices that fail matching or validation are routed to an exception workflow. System alerts notify relevant users, enabling focused resolution without disrupting the standard processing flow.

Workflow Improvement:

- Prevents bottlenecks in the main workflow
- Enables faster exception handling

Step 8: Automated Approval Routing (Rules-Based)

Actor: VPPS System

Invoices that successfully pass validation are routed through **rules-based approval workflows** defined by amount thresholds, cost centers, and approval hierarchies. Approvals are fast, consistent, and fully auditable.

Diagram Note: *Fast, rules-based approvals*

Workflow Improvement:

- Eliminates email-based approvals
- Ensures SLA-driven, predictable turnaround

Step 9: Early Payment Discount Calculation

Actor: VPPS System

The system automatically identifies invoices eligible for early payment discounts and calculates the potential savings. Eligible invoices are prioritized within the payment queue.

Diagram Note: *Auto-captures early payment discounts*

Workflow Improvement:

- Converts process efficiency into direct financial gains
- Improves working capital optimization

Step 10: Automated Payment Execution

Actor: VPPS System

Payments are executed automatically via secure bank APIs based on approved schedules and vendor terms. This ensures consistent, on-time payments without manual intervention.

Diagram Note: *Consistent, on-time payments*

Workflow Improvement:

- Reduces payment delays and errors
- Improves vendor trust and reliability

Step 11: Real-Time Cash Flow & Records Update

Actor: VPPS System / ERP / Dashboard

Payment execution triggers automatic updates to financial records, dashboards, and cash flow reports. Management gains real-time visibility into vendor liabilities, cash outflows, and financial exposure.

Workflow Improvement:

- Enables proactive cash flow forecasting
- Strengthens financial governance and reporting

7.3 TO-BE Vision Summary

The future-state VPPS solution establishes a **highly automated, scalable, and resilient procurement and vendor payment ecosystem**. By integrating production demand, procurement execution, invoice automation, and payment processing into a single system-driven workflow, the TO-BE state delivers measurable efficiency gains, financial optimization, and improved vendor relationships. This future-state vision positions #### for sustainable growth, stronger governance, and operational excellence.

8. Business Requirements

8.1 Functional Requirements

The VPPS solution shall support the following functional capabilities to enable a fully automated, integrated, and scalable vendor payment and procurement workflow.

8.1.1 Production Demand Integration

- The system shall ingest production demand signals from the production platform in real time or near real time.
- The system shall store historical and forecasted demand data for procurement planning.
- The system shall enable demand-driven triggers for purchase order generation.
- The system shall provide visibility of demand data to procurement and finance users.

8.1.2 Automated Purchase Order (PO) Generation

- The system shall automatically generate purchase orders based on production demand and predefined procurement rules.
- The system shall support PO creation thresholds, minimum order quantities, and vendor-specific pricing rules.

- The system shall maintain a centralized repository of all purchase orders with lifecycle status tracking.

- The system shall support PO amendments and version control with full audit trails.

8.1.3 Vendor Portal and Electronic Invoice Submission

- The system shall provide a secure vendor portal and/or API-based interface for electronic invoice submission.

- The system shall validate mandatory invoice fields at the point of submission.

- The system shall acknowledge invoice receipt automatically to vendors.

- The system shall prevent submission of invoices for inactive or invalid purchase orders.

8.1.4 Automated Three-Way Matching

- The system shall perform automated three-way matching between purchase orders, invoices, and goods/service receipt (where applicable).

- The system shall support configurable matching tolerances for quantity and price variances.

- The system shall automatically flag mismatches for exception handling.

- The system shall complete successful matches without manual intervention.

8.1.5 Duplicate Invoice Detection and Validation

- The system shall detect duplicate invoices based on invoice number, vendor, amount, and date.

- The system shall prevent duplicate invoices from proceeding to approval or payment.

- The system shall notify finance users of detected duplicates.

8.1.6 Rules-Based Approval Workflow

- The system shall route invoices through configurable, role-based approval workflows.

- The system shall support approval rules based on invoice amount, cost center, vendor category, and risk level.

- The system shall enforce approval SLAs and escalation paths.

- The system shall maintain a complete audit trail of approval actions.

8.1.7 Exception Workflow Management

- The system shall route failed matches or validation issues to an exception workflow.
- The system shall generate system alerts for pending exceptions.
- The system shall allow authorized users to resolve, reject, or reprocess exceptions.
- The system shall track exception resolution time and outcomes.

8.1.8 Early Payment Discount Identification

- The system shall automatically identify invoices eligible for early payment discounts.
- The system shall calculate potential savings based on discount terms.
- The system shall prioritize eligible invoices within approval and payment queues.
- The system shall report on realized and missed discount opportunities.

8.1.9 Automated Payment Scheduling and Execution

- The system shall automatically schedule payments based on vendor terms, approval status, and discount eligibility.

- The system shall execute payments via secure bank API integrations.

- The system shall support configurable payment calendars and blackout dates.

- The system shall record payment confirmation and transaction details automatically.

8.1.10 Financial Records Update and Reconciliation

- The system shall update financial records and ledgers upon payment execution.

- The system shall support automated reconciliation with bank statements.

- The system shall maintain transaction history for audit and compliance purposes.

8.1.11 Reporting and Dashboards

- The system shall provide real-time dashboards for:
    - Invoice aging
    - Vendor payment status
    - Cash flow forecasts
    - Early payment discount savings

8.2 Non-Functional Requirements

The non-functional requirements define the quality attributes, operational constraints, and compliance expectations for the Vendor Payment & Procurement System (VPPS). These requirements ensure that the solution not only meets functional needs but also delivers reliability, security, scalability, and regulatory compliance appropriate for a financial and procurement platform.

8.2.1 Performance and Scalability

- The system shall process electronic invoice submissions and validations in near real time.

- Automated invoice–PO matching shall be completed within defined system response thresholds under normal operating loads.

- Approval workflow routing shall occur immediately upon completion of prerequisite steps without manual triggers.

- Payment scheduling and execution requests shall be processed without perceptible delay to end users

Scalability Requirements

- **The system shall support growth in:**
    - Number of vendors
    - Invoice volume

    - Purchase orders
    - Concurrent users

- The system architecture shall scale horizontally or vertically without major redesign.
- Performance shall not degrade significantly during peak processing periods such as month-end or quarter-end financial closures.
- The system shall support onboarding of additional business units or geographies (within scope) without impacting existing operations.

8.2.2 Data Security and Access Control

Security Requirements

- The system shall protect sensitive financial and vendor data using industry-standard encryption mechanisms for data at rest and in transit.
- The system shall prevent unauthorized access to invoices, payment details, and banking information.
- Vendor data shall be logically segregated to prevent cross-vendor data exposure.

Access Control Requirements

- The system shall enforce **role-based access control (RBAC)** across all modules.
- Access privileges shall be configurable based on user roles such as:
    - Finance user
    - Procurement user
    - Approver
    - Administrator
    - Vendor user
- The system shall restrict access to critical actions such as payment execution, approval overrides, and master data changes.
- User authentication shall comply with organizational security standards (e.g., password policies, session timeouts).

8.2.3 Audit Trails and Compliance

Auditability Requirements

- The system shall maintain a complete and immutable audit trail for:
    - Invoice submission and modification
    - Automated matching results
    - Approval actions and timestamps
    - Exception handling and resolutions
    - Payment execution and confirmation
- Audit logs shall capture user ID, date/time, action performed, and system decision outcomes.

Compliance Requirements

- The system shall support compliance with internal financial controls and audit policies.
- Audit data shall be easily retrievable for internal audits, external audits, and regulatory reviews.
- The system shall prevent deletion of critical transactional records without appropriate authorization.
- Changes to approval rules, payment logic, and master data shall be logged and auditable.

Compliance Requirements

- The system shall support compliance with internal financial controls and audit policies.

- Audit data shall be easily retrievable for internal audits, external audits, and regulatory reviews.

- The system shall prevent deletion of critical transactional records without appropriate authorization.

- Changes to approval rules, payment logic, and master data shall be logged and auditable.

8.2.4 Availability and Uptime

Availability Requirements

- The system shall meet defined availability targets aligned with business operating hours.

- Core functions such as invoice submission, approvals, and payment scheduling shall be available during standard business hours.

- Scheduled maintenance windows shall be communicated in advance to relevant stakeholders.

Reliability and Recovery Requirements

- The system shall support automated recovery mechanisms in case of system failure.

- Transaction integrity shall be maintained in the event of partial failures (e.g., payment execution interruptions).

- The system shall ensure that no invoice or payment transaction is lost or duplicated due to outages.

- Backup and recovery mechanisms shall be in place to restore system data within acceptable recovery time objectives (RTO).

8.2.5 Data Integrity and Consistency

- The system shall enforce data validation rules at all critical process stages.

- Data consistency shall be maintained across integrated systems (production, banking, ERP).

- The system shall prevent inconsistent states (e.g., paid invoices marked as unpaid).

- Reconciliation mechanisms shall be available to identify and resolve data mismatches.

8.2.6 Usability and Operational Efficiency

- The system shall provide intuitive and role-specific user interfaces.
- The number of manual data entry steps shall be minimized.
- System notifications and alerts shall be clear, actionable, and timely.
- The system shall support operational monitoring dashboards for finance and administrators.

8.2.7 Integration and Interoperability

- The system shall integrate reliably with:
    - Production systems
    - Banking/payment gateways
    - ERP or financial systems
- Integration failures shall be logged and retried automatically where applicable.
- The system shall provide error handling and notification mechanisms for integration issues.

9. Data Requirements

The Vendor Payment & Procurement System (VPPS) relies on accurate, consistent, and well-governed data to support automated workflows, financial controls, and real-time visibility. This section defines the **key data entities**, their purpose, and how they support the end-to-end procurement and vendor payment lifecycle.

9.1 Vendor Master Data

Vendor master data serves as the foundational dataset for all procurement, invoicing, and payment activities.

- Vendor master data
- Purchase order data
- Invoice data
- Payment transactions
- Discount terms
- Production demand inputs

Data Requirements

- Vendor master data shall be centrally maintained and controlled.
- Only authorized users shall be allowed to create or modify vendor records.

- Changes to vendor bank or payment details shall be logged and auditable.

- Inactive vendors shall not be eligible for invoice submission or payment processing.

Business Value

- Ensures consistency across procurement and finance processes

- Reduces payment errors and fraud risk

- Enables automated validation during invoice and payment processing

9.2 Purchase Order (PO) Data

Purchase order data represents approved procurement commitments and acts as a key control point for invoice validation.

Data Elements

- PO number (unique)

- PO creation date

- Linked production demand reference

- Vendor ID

- Item/service details

- Quantities and unit prices
- Total PO value
- Delivery or service period
- PO status (Open / Partially Fulfilled / Closed)
- Approval history

Data Requirements

- Purchase orders shall be system-generated or system-recorded.
- PO data shall be version-controlled to track amendments.
- Only approved POs shall be eligible for invoice matching.
- PO data shall be available for automated three-way matching.

Business Value

- Enables automated invoice validation
- Improves procurement traceability and governance
- Supports demand-driven procurement planning

9.3 Invoice Data

Invoice data captures vendor billing information and drives approval and payment workflows.

Data Elements

- Invoice number
- Invoice date
- Vendor ID
- Associated PO number(s)
- Line-item details
- Invoice amount (gross and net)
- Tax details (if applicable)
- Payment due date
- Early payment discount terms (if applicable)
- Invoice status (Submitted / Matched / Approved / Paid / Rejected)

Data Requirements

- Invoices shall be submitted electronically through a standardized channel.
- Mandatory invoice fields shall be validated at submission.
- Duplicate invoice detection shall be performed using key identifiers.

- Invoice status shall be updated automatically as it progresses through the workflow.

Business Value

- Reduces manual invoice handling
- Improves processing speed and accuracy
- Enhances vendor transparency and trust

9.4 Payment Transaction Data

Payment transaction data records the execution and confirmation of vendor payments.

Data Elements

- Payment transaction ID
- Invoice reference
- Vendor ID
- Payment amount
- Payment date
- Payment method (Bank Transfer)
- Bank reference number

- Payment status (Scheduled / Executed / Failed)
- Reconciliation status

Data Requirements

- Payment data shall be generated automatically upon execution.
- Payment records shall be immutable once completed.
- Failed or reversed transactions shall be clearly identified and logged.
- Payment data shall integrate with financial and ERP systems.

Business Value

- Ensures accurate financial reporting
- Supports reconciliation and audits
- Provides visibility into cash outflows

9.5 Discount Terms Data

Discount terms data enables identification and utilization of early payment discounts.

Data Elements

- Vendor ID
- Discount type (Early payment)

- Discount percentage or amount
- Discount eligibility window
- Applicable invoice or PO references
- Discount captured (Yes/No)
- Discount value realized

Data Requirements

- Discount terms shall be stored at vendor and/or invoice level.
- The system shall automatically evaluate discount eligibility.
- Discount data shall be used to prioritize invoice approvals and payments.
- Realized and missed discounts shall be reportable.

Business Value

- Converts operational efficiency into financial savings
- Improves working capital optimization
- Provides measurable ROI for the VPPS initiative

9.6 Data Relationships and Dependencies

- Vendor master data shall be linked to purchase orders, invoices, payments, and discount terms.

- Purchase orders shall act as the primary reference for invoice validation.
- Invoice data shall drive approval workflows and payment execution.
- Payment transaction data shall update financial records and dashboards.
- Discount terms shall influence approval prioritization and payment scheduling.

9.7 Data Quality, Governance, and Controls

- Data accuracy and completeness shall be enforced through system validations.
- Role-based access shall control data creation, modification, and viewing.
- All critical data changes shall be logged and auditable.
- Data retention policies shall comply with organizational and regulatory requirements.

9.8 Data Requirements Summary

The defined data requirements establish a **robust, governed, and integrated data foundation** for the VPPS platform. By standardizing vendor, procurement, invoice, payment, and discount data, the system enables automation, improves financial control, and supports real-time decision-making across procurement and finance functions.

10. Integration Requirements

The Vendor Payment & Procurement System (VPPS) must integrate seamlessly with existing enterprise systems to enable end-to-end automation, data consistency, and real-time visibility across production, finance, and banking functions. This section defines the integration requirements necessary to support the future-state operating model.

10.1 Production Platform Integration

Purpose

Integrate VPPS with the production platform to ensure procurement planning and purchase order generation are driven by actual and forecasted production demand.

Integration Scope

- Capture production demand signals and forecasts.
- Enable demand-driven procurement decisions.
- Maintain traceability between production demand and purchase orders.

Data Exchange Requirements

- Production demand identifiers
- Product or service requirements
- Quantities and timelines
- Forecast and actual demand indicators

Functional Integration Requirements

- VPPS shall receive production demand data automatically from the production platform.
- VPPS shall use demand data to trigger or recommend purchase order creation.
- Changes in production demand shall be reflected in procurement planning in near real time.
- VPPS shall store references linking production demand to corresponding purchase orders.

Non-Functional Integration Requirements

- Integration shall support secure, API-based data exchange.
- Data transmission shall be reliable and fault-tolerant.
- Integration failures shall generate alerts and logs for investigation.

Business Value

- Enables proactive, demand-driven procurement
- Improves volume consolidation and cost optimization
- Reduces supply chain risks

10.2 Banking / Payment Gateway Integration

Purpose

Integrate VPPS with banking systems to enable automated, secure, and auditable vendor payment execution.

Integration Scope

- Execute vendor payments via bank transfer.
- Receive payment confirmation and status updates.
- Support reconciliation and audit reporting.

Data Exchange Requirements

- Vendor bank account references
- Payment amount and currency
- Payment execution date
- Transaction reference numbers
- Payment status updates

Functional Integration Requirements

- VPPS shall initiate payment instructions automatically based on approved invoices.

- VPPS shall transmit payment requests securely to the banking or payment gateway system.
- VPPS shall receive payment confirmation and failure notifications.
- VPPS shall update payment status and transaction records automatically upon response.

Non-Functional Integration Requirements

- Integration shall comply with banking security standards.
- Sensitive payment data shall be encrypted in transit.
- Payment execution failures shall trigger retries and alerts.
- Duplicate payment prevention mechanisms shall be enforced.

Business Value

- Ensures consistent and timely vendor payments
- Reduces manual errors and operational risk
- Improves vendor trust and reliability

10.3 Accounting / Finance Systems Integration

Purpose

Integrate VPPS with accounting and finance systems to maintain accurate financial records, enable reconciliation, and support reporting and compliance.

Integration Scope

- Post financial transactions related to procurement and payments.
- Update ledgers and financial records.
- Enable cash flow and liability reporting.

Data Exchange Requirements

- Invoice accounting entries
- Payment transaction details
- Vendor balances and liabilities
- Discount captured or missed
- Posting and reconciliation status

Functional Integration Requirements

- VPPS shall post approved invoice and payment transactions to the accounting system.

- VPPS shall update financial ledgers automatically upon payment execution.

- VPPS shall support automated reconciliation between VPPS and accounting records.

- Adjustments and reversals shall be reflected consistently across systems.

Non-Functional Integration Requirements

- Integration shall ensure data consistency and transactional integrity.

- Posting failures shall be logged and retried.

- Integration shall support financial close activities without disruption.

Business Value

- Ensures accurate and timely financial reporting

- Supports audit readiness and compliance

- Improves cash flow forecasting and governance

10.4 Integration Governance and Controls

- All integrations shall be governed through defined interface specifications.

- Integration access shall be secured using authentication and authorization mechanisms.

- Data mappings and transformations shall be documented and version-controlled.

- Integration logs shall be retained for audit and troubleshooting purposes.

- Changes to integration logic shall follow formal change management procedures.

10.5 Integration Requirements Summary

The defined integration requirements ensure that VPPS functions as a **connected enterprise platform**, rather than a standalone system. By integrating production, banking, and finance systems, VPPS enables automated execution, real-time visibility, and strong financial governance—critical to achieving the project's business objectives.

10. Reporting & Analytics Requirements

The Vendor Payment & Procurement System (VPPS) shall provide comprehensive reporting and analytics capabilities to deliver real-time visibility, operational insights, and financial intelligence across vendor management, procurement execution, invoice processing, payment performance, and discount utilization.

The reporting layer shall support both operational users (finance and procurement) and management stakeholders, enabling proactive decision-making and continuous process optimization.

10.1 Reporting Objectives

The reporting and analytics capabilities of VPPS shall aim to:

- Provide real-time visibility into vendor liabilities and payment obligations
- Monitor procurement commitments and purchase order utilization
- Track invoice processing efficiency and bottlenecks
- Measure vendor payment performance and reliability
- Identify and quantify early payment discount opportunities and savings

- Support cash flow forecasting and financial planning
- Enable audit, compliance, and management oversight

10.2 Vendor Master Data Reports

Vendor Profile & Status Report

- Vendor ID and name
- Vendor category/type
- Payment terms
- Discount eligibility
- Vendor status (Active / Inactive)
- Bank detail change history (masked)

Purpose:

- Supports vendor governance and master data control
- Identifies inactive or high-risk vendors

Vendor Performance Report

- Number of invoices submitted
- Average approval time
- On-time payment percentage
- Number of escalations or exceptions
- Payment delays by vendor

Purpose:

- Enables vendor performance evaluation
- Supports renegotiation and vendor rationalization decisions

10.3 Purchase Order (PO) Reports

Purchase Order Summary Report

- PO number
- Vendor
- PO value
- Consumed vs. remaining PO amount
- PO status (Open / Closed / Amended)

- Linked production demand reference

Purpose:

- Tracks procurement commitments
- Improves PO utilization visibility

Demand vs. Procurement Alignment Report

- Production demand quantity
- Procured quantity
- Variance analysis
- Volume consolidation opportunities

Purpose:

- Ensures procurement alignment with production demand
- Supports cost optimization and negotiation strategies

Demand vs. Procurement Alignment Report

- Production demand quantity
- Procured quantity

- Variance analysis
- Volume consolidation opportunities

Purpose:

- Ensures procurement alignment with production demand
- Supports cost optimization and negotiation strategies

10.4 Invoice Processing Reports

Invoice Aging Report

- Invoice number
- Vendor
- Invoice amount
- Invoice date
- Aging buckets (0–15, 16–30, 31–60, >60 days)
- Invoice status

Purpose:

- Identifies processing delays
- Supports prioritization of pending invoices

Invoice Processing Efficiency Report

- Average invoice processing time
- Manual vs. automated processing ratio
- Number of exceptions
- Exception resolution time

Purpose:

- Measures operational efficiency
- Identifies process bottlenecks

10.5 Payment Transaction Reports

Payment Status & History Report

- Payment transaction ID
- Invoice reference
- Vendor
- Payment amount
- Scheduled vs. actual payment date

- Payment status

Purpose:

- Provides transparency into payment execution
- Reduces vendor follow-ups and escalations

Cash Outflow & Payment Forecast Report

- Upcoming payment obligations
- Daily / weekly / monthly cash outflows
- Vendor-wise payment forecasts

Purpose:

- Supports cash flow planning
- Enables proactive financial management

10.6 Discount Terms & Savings Reports

Early Payment Discount Eligibility Report

- Vendor
- Invoice reference

- Discount percentage
- Discount window
- Eligible amount

Purpose:

- Highlights discount opportunities
- Drives prioritization of invoice approvals

Discount Realization Report

- Total discounts captured
- Discounts missed
- Savings by vendor
- Savings trend over time

Purpose:

- Quantifies financial benefits of VPPS
- Supports ROI measurement and reporting

10.7 Dashboards and Visual Analytics

Executive Dashboard

- Total outstanding vendor liabilities
- Cash flow forecast
- On-time payment performance
- Discounts captured vs. missed
- High-risk vendors and overdue invoices

Audience: Senior management, finance leadership

Operational Dashboard

- Invoices pending approval
- Exception queue
- Payments scheduled for execution
- SLA breaches and escalations

Audience: Finance and procurement teams

10.8 Reporting Capabilities & Controls

- Reports shall be available in real time or near real time.
- Users shall be able to filter reports by date, vendor, status, and amount.
- Reports shall support export to standard formats (e.g., Excel, PDF).
- Access to reports shall be governed by role-based access control.
- Historical data shall be retained for trend analysis and audits.

10.9 Audit and Compliance Reporting

- Approval audit trail reports
- Payment execution logs
- Vendor master data change logs
- Exception handling reports

Purpose:

- Supports internal and external audits
- Ensures regulatory and policy compliance

10.10 Reporting & Analytics Summary

The reporting and analytics capabilities of VPPS transform raw transactional data into **actionable insights**, enabling improved financial governance, operational efficiency, vendor performance management, and strategic decision-making. These capabilities ensure transparency, accountability, and measurable business value from the VPPS initiative.

11.Assumptions & Constraints

This section documents the key assumptions and constraints identified at the time of initiating the Vendor Payment & Procurement System (VPPS) project. These factors form the baseline for solution design, planning, and delivery and are critical for managing stakeholder expectations and project risks.

11.1 Assumptions

The following assumptions are considered valid for the successful delivery and operation of the VPPS solution. Any deviation from these assumptions may require reassessment of scope, timelines, or solution design.

11.1.1 Vendor System Readiness

- Vendors are assumed to have the capability to submit invoices electronically via a portal, email-to-system interface, or API.
- Vendors will adhere to standardized invoice formats and mandatory data requirements defined by the organization.
- Vendors will provide accurate and up-to-date banking and payment-related information.

11.1.2 Bank Integration Availability

- Banking partners are assumed to support secure API-based or file-based integration for payment execution and status confirmation.

- Required access credentials and technical documentation for bank integrations will be made available in a timely manner.

- Bank systems are assumed to be stable and available during defined payment processing windows.

11.1.3 Production System Data Availability

- Production systems are assumed to provide reliable and timely demand data for integration with VPPS.

- Production demand data is assumed to be accurate and approved prior to driving procurement activities.

- Any required data mapping between production systems and VPPS will be supported by the IT team.

11.1.4 Stakeholder Availability and Engagement

- Business stakeholders from finance, procurement, and production will be available for requirement validation, UAT, and sign-offs.

- Decision-makers will provide timely approvals to prevent project delays.

- Change management and training support will be provided to drive user adoption.

11.1.5 Data Quality and Master Data Readiness

- Existing vendor master data is assumed to be largely accurate and cleansed prior to migration.

- Historical data required for reporting and analytics will be available and usable.

- Data governance policies will be followed during data migration and maintenance.

11.2 Constraints

The following constraints define the boundaries within which the VPPS project must be delivered.

11.2.1 Budget Constraints

- The project must be delivered within the approved budget allocated by management.

- Cost overruns related to licensing, integrations, or infrastructure may require re-approval.

- Solution design decisions must balance functionality with cost efficiency.

11.2.2 Timeline Constraints

- The project is constrained by a fixed delivery timeline aligned with business priorities.

- Key milestones such as UAT, go-live, and financial period closures must be accommodated.

- Delays in vendor onboarding, integrations, or approvals may impact the overall schedule.

11.2.3 Regulatory and Compliance Constraints

- The solution must comply with applicable financial regulations, audit requirements, and internal control policies.

- Data retention and access must align with statutory and organizational compliance guidelines.

- Any regulatory changes during the project lifecycle may require design adjustments.

11.2.4 Technology Constraints

- The solution must integrate with existing production systems, ERP platforms, and banking interfaces.

- Technology choices may be constrained by existing enterprise architecture standards.

- Legacy system limitations may restrict real-time integration in certain areas.

11.2.5 Change Management Constraints

- User adoption may be constrained by resistance to change from manual or legacy processes.

- Training time and resource availability may limit the pace of rollout.

- Initial implementation may require phased deployment to manage operational risk.

11.3 Assumptions & Constraints Summary

The assumptions and constraints outlined above provide the foundational parameters for the VPPS initiative. While assumptions represent conditions expected to hold true, constraints define the limits within which the solution must be designed and delivered. These factors will be reviewed periodically, and any significant changes will be addressed through formal change management and governance processes.

12. User Acceptance Testing (UAT) Strategy

12.1 UAT Overview

User Acceptance Testing (UAT) for the Vendor Payment & Procurement System (VPPS) will validate that the delivered solution meets approved business requirements and is fit for use in a production environment. UAT will focus on ensuring that end-to-end procurement and vendor payment workflows function as expected, including integrations, approvals, exception handling, and reporting.

The UAT phase will be business-driven and executed by key stakeholders from **finance, procurement, and operations**, with support from the project team. Successful completion of UAT is a mandatory prerequisite for production deployment.

12.2 UAT Scope

In-Scope for UAT

- End-to-end procurement and vendor payment workflows
- Production demand integration and demand-driven PO creation
- Vendor electronic invoice submission
- Automated invoice–PO matching and duplicate detection
- Approval workflows and escalation handling
- Early payment discount identification and prioritization

- Automated payment scheduling and execution
- Exception handling and resolution
- Reporting and dashboards for finance and management
- Security and role-based access validation

Out-of-Scope for UAT

- Performance and load testing (covered under system testing)
- External vendor KYC verification
- International payment scenarios (if excluded from scope)
- Historical data migration validation beyond agreed samples

12.3 Key UAT Test Scenarios

The following high-level test scenarios will be executed to validate business readiness:

Procurement & Demand Integration

- Validate automatic PO generation based on production demand
- Verify correct vendor selection and pricing application

Invoice Processing

- Submit electronic invoices and validate intake controls
- Verify automated three-way matching behavior
- Test duplicate invoice detection

Approval Workflow

- Validate rule-based approval routing by amount and role
- Test approval SLAs and escalation paths
- Validate audit trail capture for approvals

Exception Handling

- Trigger invoice mismatches and validate exception workflows
- Validate alerts and resolution actions
- Verify exception reprocessing

Discount Management

- Validate identification of early payment discount eligibility
- Verify prioritization of discount-eligible invoices
- Confirm discount savings calculations

Payment Execution

- Validate automated payment scheduling
- Execute bank transfer scenarios (mock or test environment)
- Verify payment status updates and confirmations

Reporting & Dashboards

- Validate invoice aging reports
- Validate cash flow forecast dashboards
- Verify vendor payment performance metrics

Security & Access Control

- Validate role-based access restrictions
- Ensure unauthorized actions are blocked

12.4 Acceptance Criteria

The VPPS solution shall be considered acceptable when the following criteria are met:

- All critical and high-severity defects are resolved or formally accepted

- End-to-end business workflows execute successfully without manual workarounds
- Automated matching and approval workflows function as designed
- Payment execution and status updates are accurate and reliable
- Reporting outputs are accurate and align with business expectations
- Security and access controls operate as defined
- UAT stakeholders confirm readiness for production use

12.5 UAT Entry and Exit Criteria

UAT Entry Criteria

- Approved business requirements and design documents
- Completion of system and integration testing
- Stable UAT environment and test data availability
- UAT test cases reviewed and approved

UAT Exit Criteria

- Successful execution of planned UAT test cases

- Defect resolution completed or approved for deferment
- Formal business sign-off obtained

12.6 UAT Sign-Off Approach

- UAT sign-off will be provided jointly by:
    - Finance Lead
    - Procurement Lead
    - Business Sponsor
- Sign-off will confirm that the solution meets agreed business requirements and is ready for production deployment.
- Any known issues at sign-off will be documented along with agreed mitigation or post-go-live resolution plans.

12.7 UAT Governance and Communication

- UAT progress will be tracked through regular status updates and defect reviews.
- Defects will be logged, prioritized, and tracked to closure.
- Escalations will follow defined project governance channels.

13. Change Management & Training

13.1 Stakeholder Communication Plan

A structured communication plan will be implemented to keep all stakeholders informed, engaged, and aligned throughout the transition.

Key Stakeholder Groups

- Finance Team
- Procurement Team
- Production Team
- Vendors
- Senior Management

Communication Objectives

- Communicate the purpose and benefits of VPPS
- Set clear expectations regarding process changes
- Provide visibility into timelines and milestones
- Address concerns and resistance proactively

Communication Channels

- Email communications and newsletters
- Stakeholder workshops and town halls
- Project status updates and dashboards
- Targeted briefings for leadership

Communication Timeline

- **Pre-Go-Live:** Awareness sessions and change impact briefings
- **Go-Live:** System availability announcements and support details
- **Post-Go-Live:** Adoption progress updates and feedback collection

14. Change Management & Training

14.1 Approval Responsibilities

The following stakeholders are responsible for providing final approval of the BRD:

- **Business Sponsor** – Confirms strategic alignment, business value, and funding authorization
- **Finance Head** – Confirms accuracy and completeness of financial, payment, and compliance requirements
- **Procurement Head** – Confirms alignment with procurement processes, vendor management, and sourcing objectives

14.2 Approval Statement

By signing below, the approvers acknowledge that:

The business requirements documented in this BRD accurately reflect the agreed business needs

The scope, assumptions, and constraints are clearly understood

The solution described supports operational efficiency, financial governance, and vendor management objectives

The project is authorized to proceed to design, development, and subsequent phases

14.3 Change Control Acknowledgement

Following approval, this BRD shall serve as the **baseline requirements document** for the VPPS project. Any modifications to the approved requirements must be formally reviewed, assessed for impact, and approved through the project's change management and governance process prior to implementation.

14.4 Final Sign-Off Summary

Formal approval of this BRD signifies organizational commitment to the Vendor Payment & Procurement System (VPPS) initiative and confirms readiness to proceed with solution delivery. This sign-off ensures accountability, alignment, and governance across all business functions involved.

13. Stakeholder Approval.

Role	Name	Title	Signature	Date
Executive Sponsor	Exec_01	Redacted Sponsor Role	……	……

Programme Manager	PM_Alpha	Redacted Programme Lead	……	……
Product Owner	PO_Xen	Redacted Product Owner Role	……	……
Business Analyst	Sonal Khobragade	Business Analyst	……..	……..
Quality Analyst	QA_Tau	Redacted Quality Analyst	……	……..

14. Glossary of Terms.

Term	Definition
AS-IS Process	The current state of business processes as they exist prior to implementation of the VPPS solution, characterized by manual, email-driven

	workflows.
Vendor Payment & Procurement System (VPPS)	The centralized platform designed to automate procurement, invoice processing, approvals, and vendor payments.
Vendor Master Data	Core data set containing vendor details such as identity, payment terms, bank information, and status used across procurement and finance processes.
Purchase Order (PO)	A formal document generated by procurement authorizing the purchase of goods or services from a vendor under agreed terms.
Production Demand	Forecasted or actual demand generated by production systems that drives procurement planning and purchase order creation.
Invoice	A financial document submitted by a vendor requesting payment for goods or services delivered under a purchase order.
Three-Way Matching	Automated validation process comparing purchase order, invoice, and goods/service receipt to ensure accuracy before approval and payment.
REST API	Representational State Transfer - architectural style for web services enabling system integration
Duplicate Invoice Detection	System control that identifies and prevents processing of duplicate vendor invoices to avoid overpayment.
Approval Workflow	A rule-based sequence of authorization steps required to approve invoices or payments before execution.
TLS	Transport Layer Security
UX	User Experience
XML	Extensible Markup Language