



→ **FINREF**

**FINANCIAL MANAGEMENT**

**REFORM**

## **ESA Supplier Business Changes**

- Background – Why FINREF?
- FINREF impact on suppliers
- Procure to pay overall flow
- Accessing the Supplier Portal
- Contact point for further information

## External Drivers

- **Member States expectations and constraints** regarding the resources they attribute to ESA programmes;
- **Scrutiny from external Audit bodies**, highlighting the need to comply with recognised financial management and accounting standards (i.e.: IPSAS);
- **Diversification of the Agency's sources of funding** – developing relationship with the European Commission as a funding partner

## Financial Management Reform

## Internal Drivers

- **Improvement in the governance of the Agency** enhanced performance management and ability to demonstrate “value-for-money” to stakeholders;
- **Improvement and integration of business processes** to maximise the use of resources for delivering world-class Programmes/Projects/Activities and Internal Support Services;
- **Endorsement of a shared corporate identity – ‘one ESA’** – with a strong cost management culture

# Background – Why FINREF?



The new Financial Management Model will equip the Agency with a mechanism, which provides for Dependable planning, Predictable funding & Reliable execution. The model will cover **four areas**:

- 1. Budgetary & Planning Model;** will include financial planning & execution mechanisms that help translate programmes into financial realisation
- 2. Accounting Model;** will follow the principles of Accrual Accounting according to International Public Sector Accounting Standards (IPSAS)
- 3. Cost Management Model;** aims to provide greater transparency, responsibility and cost awareness by allocating the costs as directly as possible
- 4. Controlling Model;** allows for simplified & more effective controlling / monitoring mechanisms



## Suppliers



### Main Changes:

- EFIS invoicing system will be replaced with a new SAP application (esa-p)
- The SAP application will provide access to a dedicated Supplier Portal
- The creation of a confirmation (MAC) is mandatory (Due to accrual accounting requirements)
- Each invoice must be accompanied by a confirmation
- Procurement business conventions will be changed
  - Contract and supplier numbering will not be using the current coding convention
  - Old contract and supplier numbers will be available in a text field
- Suppliers to provide invoices mapped to the new and old numbering for the transition period

## Suppliers

- **Contract/ purchase order** – Suppliers will refer to the PO numbers to be used for creating online confirmations and invoices
- **Confirmations** – All milestone achievements need to be approved before final check can be completed for payment
- **Invoices** – all online submitted invoices need to be linked to a milestone and a valid PO/Contract

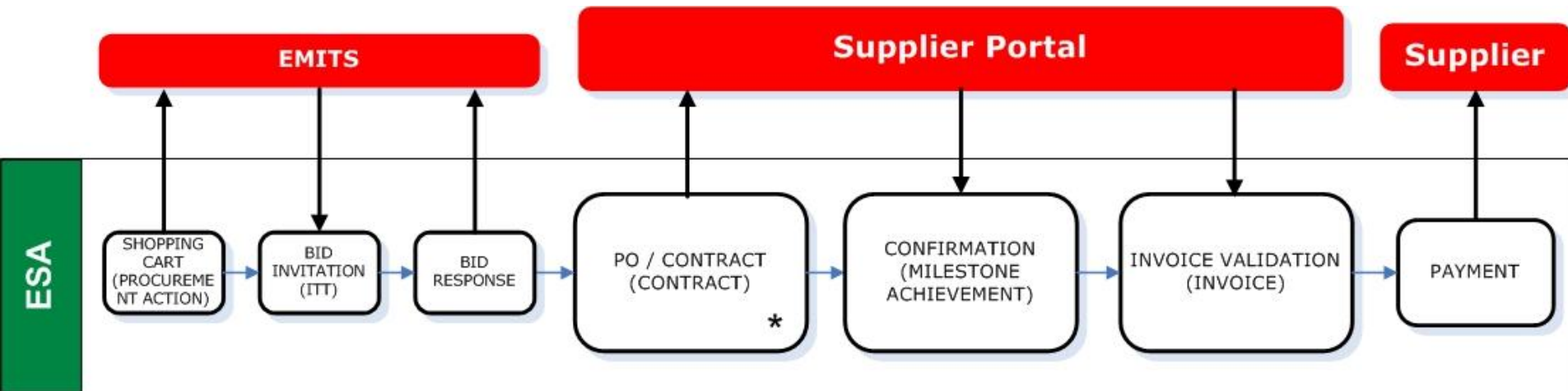
## Financial Management Reform

## ESA

- **Issue contract/ purchase order** – Suppliers will access online PO numbers which they need to create online confirmations and invoices
- **Verify confirmations with invoices** – ESA will check if both confirmation and invoice have been submitted
- **Payment** – Suppliers will receive their payment according to contract terms once both confirmation and invoice are received

Suppliers are key actors within the ESA procurement process

# Procure to pay overall flow



- Procurement flow starts with the Shopping Cart creation
- After the Shopping Cart approval, the tendering process starts in EMITS
- Once the tendering process has finished and the negotiation phase is achieved, a contract or purchase order will be posted in the Supplier Portal
- Confirmations (MACs) and invoices are posted in the Supplier Portal against the contracts or purchase orders of the previous step
- Confirmations & invoices are created by industry and may exceptionally be created by ESA staff
- As previously, electronic confirmations and invoices will provide for secure and swift payment
- \* Upon mutual agreement with ESA, Prime suppliers may also perform obligation administration

# Accessing and navigating on the Supplier Portal



1 User enters direct URL or connects through ESA Homepage for Industry to the Supplier Portal.



2 Existing user name and user id will provide access to the new Supplier Portal

ESA Login  
Please Login

Please enter your username and password and then click on Login.

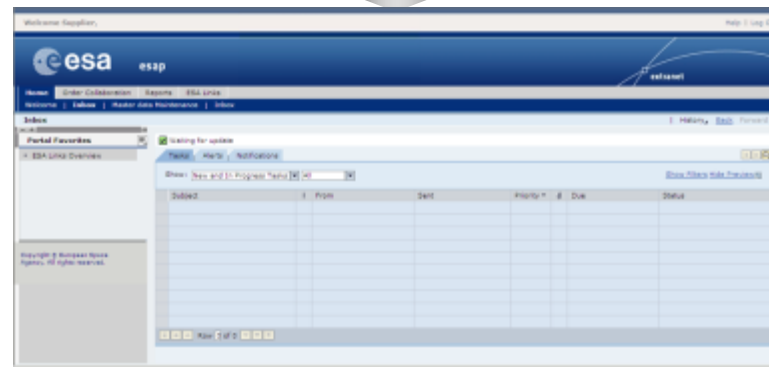
Username:

Password:

Change password

To register as a user, please send an e-mail message to [IDHelp@esa.int](mailto:IDHelp@esa.int)

3 Logged onto SAP Portal





## Online assistance

Available supporting documents

- Online help within SAP
- Job Aid
- Online CBT on Supplier Portal
- FAQ
- Online SAP glossary of terms



## Contact Service Desk (FASP)

For supplier portal issues

Via e-mail

- [fasp.helpdesk@esa.int](mailto:fasp.helpdesk@esa.int) until 28/02/2009
- [idhelp@esa.int](mailto:idhelp@esa.int) from 01/03/2009

Via telephone (08:00 – 18:00 CET)

- +34 918131500 until 28/02/2009
- +39 0694180700 from 01/03/2009