Networked organisations and governments were one of the strategic objectives of the 6th framework programme of the European Union. This underlines the importance of progress in integrating inter-organisational business processes between enterprises and administrations. Having already put considerable effort into the area of government-to-citizen services, the public administrations now increasingly recognise the importance of developing the government-to-business sector.

In this area, most of the benefits in terms of cost reduction and process efficiency will rely on more than information provision and document exchange and will require the coordination and integration of back-office processes as well. A typical example of such government-to-business interactions is e-Procurement. The panel will discuss challenges and opportunities of e-Procurement from different points of view:

**Helle Zinner Henriksen: e-Procurement - yet another challenge for e-Business/ e-Government: The cross-field between the public sector and private businesses.**

Over the last years private businesses have to a large extent adopted e-business and derived the benefits from the automation of their business processes. The public sector
has also focused on deriving benefits from IT adoption and e-business. This has led to an increased interest in the optimisation of interactions between governmental units and citizens. Co-operation between the public sector and the private businesses, however, is still not sufficiently developed.

The EU has recently suggested that e-Procurement should be given high priority in its member countries. This invites to new interaction between public and private players with respect to electronic marketplaces. This panel on e-Procurement focuses on a number of national examples of cross-field activities between public institutions and private businesses. Based on national experiences from the establishment of public procurement portals the panel invites to a discussion of which strategies governments in Europe have pursued in their adoption of e-Procurement.

**Thomas Renner: e-Procurement as promoter of inter-organizational integration – achievements and challenges**

E-Procurement is being introduced or used by the purchasing departments of all major companies and organizations. Major elements of e-Procurement are catalogue-based desktop purchasing systems, online auctions, and electronic tendering systems. A key element for e-Procurement solutions is the successful integration of business partners from the buy side and the supply side. This comprises the exchange of business documents as well as the smooth combination and adaptation of inter-organizational business processes.

The following position statements are offered for discussion:

- Standardization is a key issue for the success of e-Procurement solutions.
- E-Procurement is only possible with the active participation of the supply side. Necessary know how and IT-technology is often not available on the supply side. This delays the introduction of e-Procurement solutions.
- E-Procurement results in new requirements for the supply side. It will change markets by preferring suppliers, which are “e-ready”.
- The necessary tasks and effort for the communication with and integration of the supply side is often underestimated on the buy side. This not only delays the introduction of e-Procurement but also influences calculations of profitability.
- Business move closer together by tightly integrating their business processes and IT-systems.
- Process models and IT-based solutions have to become more flexible to account for diverse customer requirements.

Integration and standardisation effort for e-Procurement on the European level can be reduced significantly by building business networks, jointly pushing standardisation efforts as well as providing innovative IT-technology and new application solutions.

**Antonis Ramflos: An application framework for e-Procurement**

The implementation of Government-to-Business, (G2B) services, such as public e-Procurement, takes time and is expensive, since it entails complex, laborious and expensive interoperation of interspersed and/or disparate applications, such as ERP systems, ordering, invoicing, billing systems, etc, at both national and international level. Therefore, reduction of development costs and time is a vital prerequisite for the realisation of public e-Procurement services. A second problem is the complexity that
results from the strict regulatory and legal framework that developers of such services should respect. Development of efficient, effective and lawful public e-Procurement services should be based on recognised best practices and EC policies and directives, so that they guarantee non-discriminatory and transparent awarding processes that comply with national and EU regulatory, legal and financial systems.

Available application interoperation architectures have limitations in terms of language and platform independence, as well as in terms of complexity of implementation and use. The technology that promises to provide an easy and inexpensive way to share interspersed and/or disparate applications on the Internet and make them available for interoperation is offered by Web Services. By means of Web Service-based e-Procurement services, public administrations will be able to ‘expose’ any involved public e-Procurement function, process and sub-process to any other entity, such as another business function, an organisation, a particular community, or an end-user. As Web Service-based public e-Procurement processes can be assembled quickly, they can be tailored to the needs of individual recipients with a degree of granularity not previously possible or economically viable.

We envisage a Web Service-based, domain-specific application framework that will enable public/governmental institutions to quickly and easily build and deploy robust, secure, scalable, manageable, interoperable, portable and lawful public e-Procurement applications, which businesses can easily integrate with. The envisaged application framework will help designers deal with complexity and development cost by allowing them to capture the essence of successful patterns, architecture, components, policies, services, and programming mechanisms. As a result, public e-Procurement applications developed by utilising the proposed application framework will be correct, portable, interoperable, efficient, lawful, inexpensive, and will easily integrate with suppliers’ applications. A public institution will develop a public e-Procurement application by composing and extending the components offered in the envisaged application framework. On the other hand, businesses and/or other public/governmental institutions that wish to seamlessly interact with such a public e-Procurement application will be able to easily and cheaply integrate it with their own applications, such as ERP.