



eSourcing in Action

An on-going series of real life case studies

FlexRFP™ Office Supplies Case Study

Background:

A financial services Client wanted to leverage their company-wide expenditures for office supplies and consolidate their spend with one vendor. They were seeking to receive line item pricing across over 750 line items as well as run a reverse auction on a market basket of their largest spend items.

Project Goals:

1. Consolidate and leverage office supplies spend
2. Use their criteria to rank suppliers
3. Create a competitive bidding environment to obtain the best pricing
4. Award based on their total vision

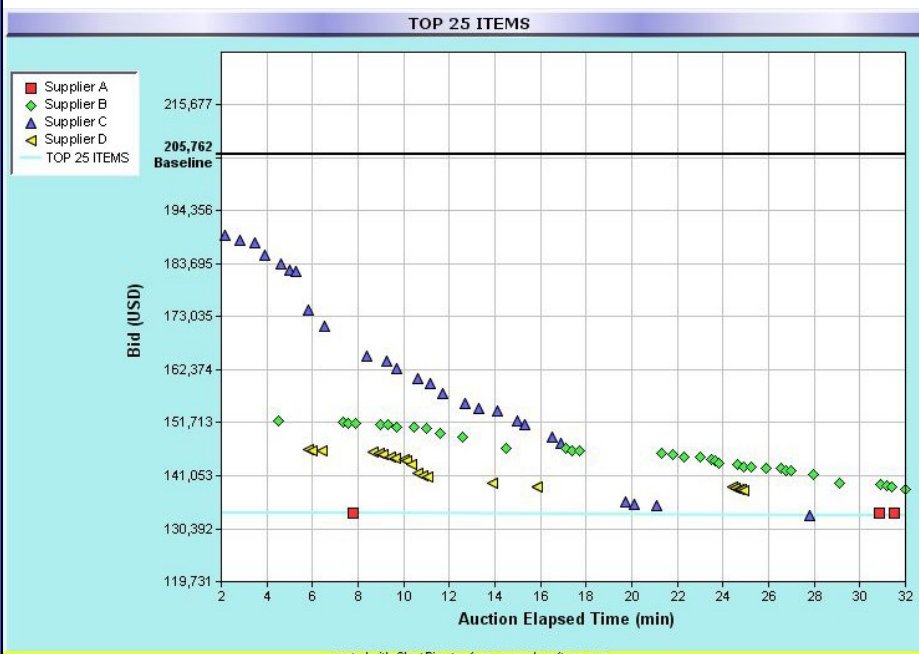
Execution Strategy:

- Invited 4 tier 1 suppliers to participate
- A 30 question RFI was developed to qualitatively rank suppliers on their criteria
- FlexRFP™ auto-score functionality used to quickly rank RFI submissions (RFI Scorecard)
- Setup over 750 items for bid using upload from excel feature
- Suppliers compiled their bids in Excel and then uploaded them into FlexRFP™.
- FlexRFP™ analysis and reporting module was used to analyze suppliers' bid performance
- Supplier invitations to auction based on team review of RFI rankings and RFP submissions
- Reverse auction completed
- Team used RFI rankings combined with RFP/auctions results to determine preferred supplier (winner).

Results:

- 30% savings was achieved ...across the RFP and auction process
- Only suppliers meeting team criteria for doing business were invited to auction
- Auction drove all auction participants to lower their prices to market levels
- A 750 line item sourcing project from RFI to award decision was completed entirely within FlexRFP™ in only a few weeks.

Auction Graph:



Additional Benefits:

- All project details are archived:
 - ⇒ For point-and-click reuse the next time office supplies is negotiated.
 - ⇒ Available for audit and future reference purposes.
- Project success solidified this as a *Best Practice* for the future.



EC Sourcing Group, Inc.

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About EC Sourcing Group

One of the most important things to know about EC Sourcing as a company and its philosophy of doing business is to understand the backgrounds of our company's principals & founders. We previously held positions similar to most of our clients, directing the Strategic Sourcing efforts of a well-known Fortune 500 company. This means we grasp the practical and everyday requirements of the supply management solution you seek.

We began by extensively reviewing the current solutions in the marketplace, and we liked the overall concept of applying a technology tool to the Sourcing process. However, we found that the tools available fell short in several key areas important to everyday sourcing professionals like:

1. Most were designed by IT people, not for Sourcing, Purchasing or Procurement viewpoints
2. Most were too complex for the average user (both, buyer & supplier) and did not address the day-to-day realities of what actually occurs when doing the work
3. Most required too much training and therefore don't even get used once their purchased
4. Most were inflexible "you have to do it their way" or "you can't do that in the system"
5. Most were too auction-focused, & sometimes take an adversarial approach towards suppliers

Our Unique Differences

- Founded by Strategic Sourcing Professionals with a focus on developing tools & services that are:
 - Flexible to meet the unique needs of each client
 - Easiest-to-use, taking less than 3 hours to learn, so they get used & stay in use
 - Familiar by capturing & managing data your way without requiring you to change your current process
 - IT friendly, thereby requiring no IT involvement
 - Supplier-friendly to insure their willing participation
- We believe software companies shouldn't be telling you what's important to your business or how to organize and manage your sourcing data.
- We offer many easy ways to do business with us, including flexible zero-risk payment Options and understand that your ROI defines our success.
- Above all else, we value our clients; therefore, we understand the importance of follow-up, and follow thru in every aspect of our service and support.

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