



eSourcing in Action

An on-going series of real life case studies

FlexRFP™ Corporate Center Renovation Case Study

Background:

Recently, a manufacturing client needed to expand their operations due to revenue growth and increased production demand. They set out to expand the footprint of an existing facility and renovate the original floor plan at the same time. Already a seasoned user of our FlexRFP™ strategic sourcing solution for the negotiation of production-related items, they wanted to achieve the same hard dollar savings and control over the negotiation process while trying to select a construction contractor.

The Project:

- Project Components: Buyer General conditions, Site Work, Concrete, Masonry, Carpentry (including steel studs and drywall), Structural steel, Misc. steel, Rubber membrane roof, Storefront frames and glazing, Doors/frames/hardware, finishes, specialties, millwork, performance bond, plumbing/fire protection, mechanical, electrical
- The project was configured as a market basket of bid components around the project components shown above.
- FlexRFP™'s Request for Proposal (RFI), Request for Pricing (RFP) and Reverse Auction modules were employed to complete the bidding process.

⇒ Preliminary supplier submissions to Architect:	\$ 3.3 Million
⇒ Number of participating suppliers:	7

The Savings:

RFP projected savings:	\$422,000 (12.9%)
Incremental auction savings:	<u>\$126,000 (3.8%)</u>
Total projected savings:	\$548,000 (16.7%)

Additional Benefits:

- Using FlexRFP, the cycle time for this project was only **20 days** from first supplier notification e-mail to last auction session.
 - ⇒ With 7 suppliers, the amount of time required to compile, structure and analyze that much information in Excel or Word would have been significant.
 - ⇒ FlexRFP's fluid approach and real-time analysis tools dramatically reduce the strategic sourcing process
- During the course of the project, the RFP bids of 3 separate suppliers needed correction.
 - ⇒ Because FlexRFP allows your team real-time access to the data, these issues were corrected immediately, before the RFP due date.
 - ⇒ If the bids were received on their due date as Excel documents sent over email, it would have taken some time for the mistakes to be uncovered and then those suppliers would have had to resend their bids for correction, further delaying the process.
- Throughout the course of the RFP and Reverse Auction, the suppliers sent 4 bid-specific questions and 18 emails for clarification purposes.
 - ⇒ FlexRFP's extensive communications module allowed the Buyer's team to quickly and efficiently review the questions and broadcast answers to all suppliers to ensure a complete and fair process.
 - ⇒ Handling this number of supplier questions in regular email or voicemail in this period of time would have been difficult administratively without the assistance of FlexRFP.
- All project details are archived:
 - ⇒ For point-and-click reuse the next time desktop PC's are negotiated.
 - ⇒ Available for audit and future reference purposes.
- Project success solidified the FlexRFP™ process as a *Best Practice* for the future.



EC Sourcing Group, Inc.

18 Cattano Ave., Unit 2B
Morristown, NJ 07960

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.

Contact Us:

Toll Free: (866) FLEX - RFP
(866) 353 - 9737
E-Mail: sales@ec sourcing.com
Visit Us: www.ecsourcinggroup.com