

FlexRFP™ Case Study—PC Reverse Auction

Using EC Sourcing Group’s technology suite to maximize savings

Background:

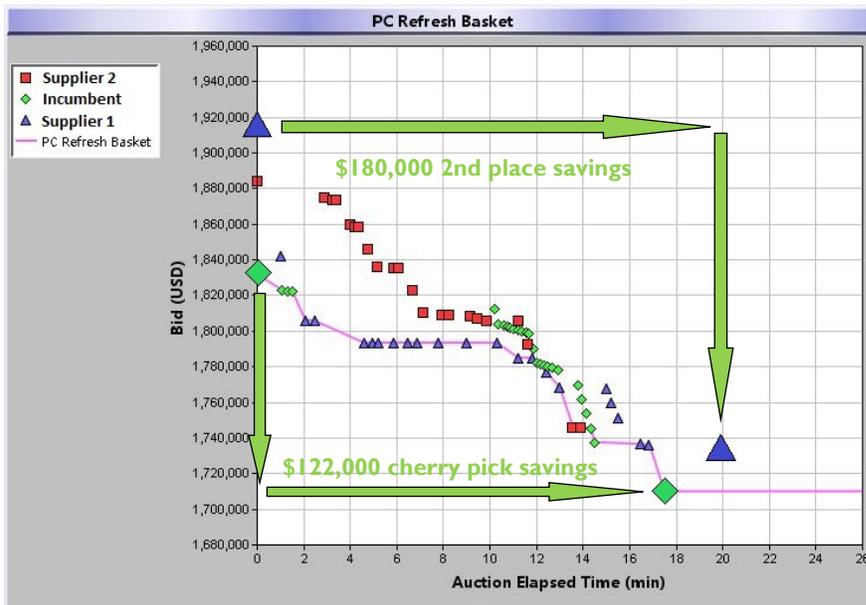
A not-for-profit health services corporation’s existing PC contract was due to expire in December 2014. With contract expiration approaching, the purchasing department saw a great opportunity to go out to bid to attain lower rates for the upcoming years.

The Process:

First, a preliminary RFP was issued to evaluate all invited suppliers. After reviewing initial supplier responses, purchasing narrowed the supplier pool down to three finalists. These three finalists were then invited to participate in a live reverse auction. The auction consisted of three line items (Laptops, Desktops, Tablets) and was scheduled to last 20 minutes. Each supplier’s starting bid was the same as their RFP bid submission, serving as a ceiling price.

Purchasing set the auction up to include the three items in a basket—so that each line item total rolled up into a sum of all three items—which, in turn, was used to indicate supplier rank during the auction.

PC Basket Graph



Laptop Bid History (1 item)

Bidder	Auction Bid Price (USD)	Auction Bid Time (US/Eastern)
Incumbent	\$ 1,150.00	10:17 AM
Supplier 1	\$ 1,179.00	10:16 AM
Supplier 1	\$ 1,189.80	10:15 AM
Supplier 1	\$ 1,195.78	10:15 AM
Incumbent	\$ 1,170.12	10:14 AM
Incumbent	\$ 1,176.00	10:14 AM
Incumbent	\$ 1,181.91	10:14 AM
Incumbent	\$ 1,187.85	10:13 AM
Incumbent	\$ 1,193.82	10:13 AM
Supplier 2	\$ 1,171.00	10:13 AM
Supplier 1	\$ 1,201.79	10:12 AM
Supplier 1	\$ 1,207.83	10:12 AM
Incumbent	\$ 1,199.82	10:12 AM
Incumbent	\$ 1,205.85	10:11 AM
Supplier 2	\$ 1,205.00	10:11 AM
Supplier 1	\$ 1,213.90	10:11 AM
Incumbent	\$ 1,211.91	10:10 AM
Incumbent	\$ 1,218.00	10:10 AM
Supplier 2	\$ 1,215.00	10:07 AM
Supplier 2	\$ 1,224.00	10:06 AM
Supplier 2	\$ 1,233.00	10:05 AM
Supplier 2	\$ 1,240.00	10:04 AM
Supplier 1	\$ 1,220.00	10:04 AM
Supplier 2	\$ 1,249.00	10:03 AM
Supplier 2	\$ 1,259.00	10:02 AM
Incumbent	\$ 1,225.00	10:01 AM
Supplier 1	\$ 1,229.00	10:01 AM

The Results:

- Total Project Savings = \$780,105 (31.3%).
 - The preliminary RFP achieved over \$650,000 (26%) of savings against current pricing.
 - The reverse auction generated an additional \$122,000 (5%) of cherry pick savings.
 - Resulted in all three suppliers being within \$35k of each other, offering the team 3 attractive award options.
- 70 supplier bids in under 20 minutes.
- Locked pricing for the next 3 years at a lower rate than they were currently paying.

Your roadmap to Easier, Faster, and Improved Sourcing

About EC Sourcing Group

While there are other eSourcing solutions from which to choose, why should you choose **FlexRFP™** from EC Sourcing? Very simply, because we understand what you do. We are former Fortune 500 sourcing professionals. We know exactly the kind of day-to-day sourcing issues you deal with and have developed a powerful, elegant solution that makes your job easier, faster, more efficient and more profitable.

Guided by our vast sourcing experience, we've designed our product around your needs.

OUR SOLUTION:

- Is Easy to Learn and Use
- Reflects Your Day-To-Day Reality
- Is a Faster, Easier Start-up – resulting in faster ROI
- Increases Buyer Acceptance – leading to more spend under management
- Requires No Training for Suppliers – making it easier for suppliers makes it easier for you
- Seamlessly integrates with your chosen process

Trust Our Experience and Expertise

Because we're managed and staffed solely by expert **sourcing professionals**, you can count on EC Sourcing to deliver and support a solution that is right on target – and right on the money. Our solutions are **affordably priced** and feature a host of logical acquisition options that allow you to get the feature-rich solution you've been looking for.

Our view on eSolutions

Our decades of experience have taught us that companies have unique sourcing needs and processes. With that in mind, we've built a solution that features flexible implementation options that can accommodate the unique needs of our clients. Our solutions generate a real, lasting ROI and are:

1. Flexible and ready to accommodate your current process, rather than dictating it.
2. Easy to learn and use for all buyer users. Your self-sufficiency and confidence are critical to long-term use and ROI. If it is too complex or hard to use, most users will go back to using emails, spreadsheets and Word® documents.
3. Effortless to use – requiring no training for buyers or suppliers. Our solutions are designed to be enjoyable to use – encouraging collaboration between you and your suppliers.
4. Easy to navigate – featuring a clean, uncluttered interface that makes it easy for beginners or advanced users.

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