



eSourcing in Action

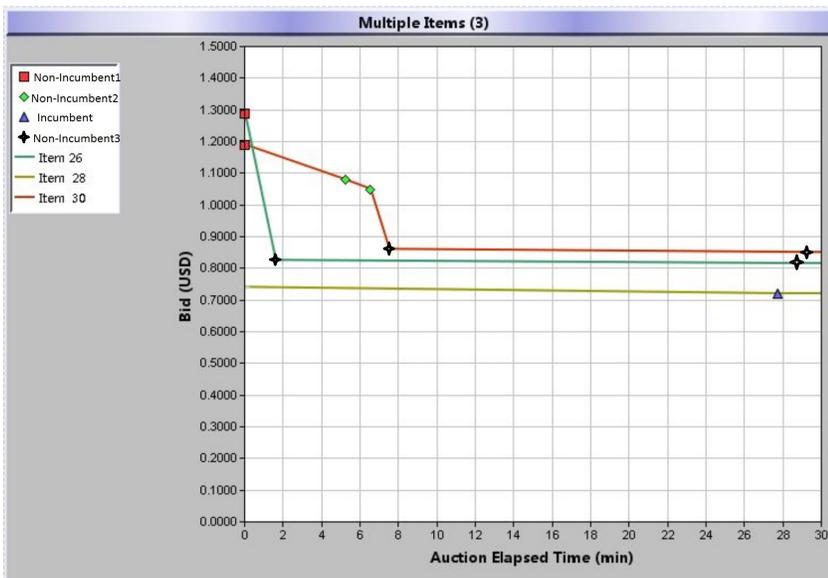
Using EC eSourcing to Streamline & Automate the Impossible

Background:

A multi-billion dollar packaged foods company was searching for ways to increase competition between incumbents and non-incumbents after a new company policy defined the cost of switching suppliers as \$50,000 per item. The flexibility of EC eSourcing allowed the company to include this switching cost in auction rankings so non-incumbent suppliers could more easily see the amount of price reduction required to win the business.

Project Details:

Category: Phosphates
Suppliers Participating: 4
Number of Items: 3
Goal: To lower item costs while meeting company price adjustment requirements.
Savings: Total procurement savings of \$230,047 (or 23.4%) and total savings less price adjustment of \$130,047 (or 13.4%).



Procurement Savings (USD)		
Starting Bid	Auction	Total
-3,476	233,523	230,047
-0.4%	23.7%	23.4%

Savings less Price Adjustment (USD)		
Starting Bid	Auction	Total
-3,476	133,523	130,047
-0.4%	13.7%	13.4%

Summary:

By utilizing EC eSourcing's *Price Adjustment* feature during a reverse auction, the company was able to enter a switching cost of \$50k (per item). This meant that the incumbent remained in first place until a non-incumbent's overall extended cost per item was less than the incumbents' extended cost by \$50k. This feature kept all participants aggressive in their bidding, and a non-incumbent was awarded business for two of the three items. Both Procurement and Finance leadership gave the project high praise.

Sourcing. Simplified.



“After implementing and using EC Sourcing in North America, we expanded the system to Europe, LATAM and APAC. Global implementation was extremely successful because our dedicated account manager knew procurement and understood our needs first-hand.”

*Vice President Global Procurement
 \$4B Diversified Holding Company*

Our Solutions & Approach

EC Sourcing Group offers robust yet easy to use technology for today's strategic sourcing & procurement professional. Created for and by industry procurement and sourcing veterans, EC Sourcing Group's solutions are engineered completely with procurement leaders & sourcing practitioners like you in mind. We understand exactly the kind of day-to-day data and stakeholder-management issues you deal with and have developed a suite of powerful, elegant solutions that makes your job easier, faster, more efficient and more profitable.

We offer the following modules in our solution:

- ⇒ [EC eSourcing \(eRFI, eRFX, eAuctions\)](#)
- ⇒ [EC Optimize \(Bid-Scenario & Award Optimization\)](#)
- ⇒ [EC Supplier \(Supplier Management\)](#)
- ⇒ [EC Spend \(Spend Analysis & Category Analytics\)](#)
- ⇒ [EC Contracts \(Contract Visibility & Management\)](#)
- ⇒ [EC Workflow \(Project Workflow\)](#)
- ⇒ [EC Insights \(Decision Support Insights for Leadership\)](#)

In addition, each customer has a dedicated account manager that is a former sourcing & procurement professional who will train your team during actual events. Having worked with hundreds of procurement leaders across thousands of sourcing & procurement project scenarios, we can also offer ad-hoc sourcing advice or be a sounding board for idea generation and innovations as well.

READ OUR CUSTOMER REVIEWS HERE:

<https://www.ecsourcinggroup.com/category/user-reviews/>

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

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