

PowerChain Solutions Case Study e-Sourcing For National Retail Outlet Expansion

Overview

One of our clients is a large retail-outlet design consultant representing numerous national and international clients. For one major client going through a multi-year expansion plan, the consultant wishes to convert a paper-based project quoting system to a modern, state-of-the-art web-based ASP model.

Goals

- a) Migrate from paper-based to paper-less sourcing and contracting for multiple project bids.
- b) Run multiple (20 or more), automated, request for quote events at any one time (1 event per project with each event project representing a new store build-out).
- c) Each event may contain 100 or more individual lots or components that need to be bid on.
- d) Provide a solution for suppliers to register, login securely, and place quotes for each lot within each project event.
- e) Provide a way to include/exclude suppliers from quoting on specific projects.
- f) Provide a way for suppliers to be categorized by industry for easier selection for project bidding inclusion.
- g) Need a secure online application service provider.
- h) Brand the software solution with client's own logo for easy identification by all suppliers.
- i) Leverage the software by dividing the roles of multiple users, enabling each to login separately and securely in order to run requests for quotes for specific clients of the consultant.
- j) Produce electronic Requests for Information requiring suppliers to fill out and return electronic questionnaire as to their fit for inclusion in project bidding.
- k) Produce automatic "Event Report" spreadsheets detailing all bids and information as to average quote, mean quote, low quote, cost avoidance, and cost reduction.
- l) Once a project event is created, have the ability to copy the event to another event without having to go through the process of re-entering every field.
- m) Have the ability to upload any type of file (Cad/Cam, spreadsheets, pdf, word documents) in order for event suppliers to download specifications for review.
- n) A solution that charges no fees or commissions to suppliers.

Solution

With PowerChain Solutions, each of these goals has been met. For a major national retail client, the consultant is able to produce multiple project events, with each event representing the build out of a retail store in various parts of the country. Each project event contains over 100 lots, and each event with 10-30 suppliers bidding. The consultant either invites pre-qualified suppliers or issues a request for information (RFI) to

suppliers. Each supplier gets their own login information in order to sign on to the system and place quotes securely and privately. The consultant is able to communicate with suppliers by issuing event notes at any time for supplier review and printing. The contractor also uploads numerous documents containing project specifications for suppliers to download and review. When the end time for a project event is reached, no more bids are accepted. The contractor may then evaluate the best quotes for inclusion in the project. In addition, the contractor has multiple sub-users who work on various event projects for various clients.

Results

- 1) Substantial productivity savings in time and energy for the contractor. Less paperwork, mailings, and waiting time in order to secure project bids. Although the typical project event duration is 3-4 weeks, the bids can start to come in to the system on the first day. Changes in some project terms or conditions can be issued to suppliers immediately, rather than creating mass mailing and sent through regular postal mail services.
- 2) Secure electronic transfer of information resulting in potentially more accurate and lower bids.
- 3) With orderly posting of quotes, the contractor can make better selection judgments of suppliers and their quotes based on lots resulting in potentially lower overall costs. These advantages not only benefit the client in a lower cost project, but also can add substantially to the profit margin of the contractor.
- 4) Increase in competitive advantage over other contractors who do not have the benefit of the online software.
- 5) Time is money. By receiving project bids on a timelier basis, project start delays may be reduced.
- 6) Contractor stands out with respect to their client. The contractor's retail client is served more efficiently and informatively, thus the contractor stands out among other potential competitors.

Conclusion

By using PowerChain Solutions, this client has successfully transformed their paper-based, antiquated project sourcing processes into a streamlined, modern, state-of-the-art e-Sourcing ASP model for the future. Their productivity savings, coupled with superior competitive advantage has enabled them to reap increased profit margins. Along with these savings, their ability to run a more efficient sourcing system will attract more clients now and in the future. Return on Investment is immediate and substantial. Contact PowerChain Solutions and register for a free 10-day trial.