



CASE STUDY Manufacturing

eSOURCING

A PROMINENT OFFICE SUPPLY MANUFACTURER ACHIEVES IMMEDIATE COST SAVINGS & PROCESS EFFICIENCY WITH REVAMPED RFQ PROCESS & REVERSE AUCTIONS

ABOUT THE CLIENT

This organization is a major division of a prominent holding company, housing seven distinct brands that collectively serve a wide range of organizational needs. Their product portfolio is extensive, featuring essential office supplies like file folders, notebooks, binders, and index cards. Boasting a substantial workforce and an expansive distribution network across North America, the company prides itself on a long-standing tradition of innovation spanning more than a hundred years.

THE SITUATION

The client encountered significant hurdles stemming from reliance on manual, spreadsheet-based processes. These outdated methods hindered efficiency and posed challenges in adapting to evolving market dynamics. The procurement team, primarily responsible for managing supplier relationships and negotiations, found themselves constrained by antiquated workflows that lacked the agility and dynamism required to navigate modern procurement challenges.

Specifically, the client faced the following obstacles:

● Inefficient Processes:

Manual spreadsheet-based processes hindered the team's ability to swiftly respond to negotiation

outcomes and capitalize on opportunities for cost savings and efficiency gains. Additionally, while the procurement team was highly skilled in managing supplier relationships and negotiations, they did not directly handle product purchases. This gap in direct procurement efficiency limited their ability to drive optimal outcomes and maximize savings.

● Time-Consuming RFQ's:

The manual, back-and-forth nature of the Request for Quotation (RFQ) process consumed valuable time and resources. This traditional approach lacked the dynamism and competitive tension necessary to secure the best possible pricing and terms from suppliers.

● Market Dynamics Post-COVID-19:

The upheaval caused by COVID-19 introduced new challenges, including material shortages and price increases, further complicating the procurement landscape. In response, the client sought tools to enhance their procurement processes, including reverse auctions, to drive cost reductions and maintain competitiveness in a rapidly changing market.

These challenges underscored an urgent need for the client to modernize its procurement practices and leverage innovative solutions to improve efficiency and achieve sustainable cost savings.

SIMFONI'S APPROACH

The client started tackling their procurement challenges with the implementation of Simfoni's eSourcing solution and reverse auction technologies, coupled with exceptional "white glove" service from its customer success team. Simfoni's digital platform is designed to automate and enhance the RFQ process, facilitating a smooth transition from spreadsheet-based processes to a more efficient, transparent, and competitive online environment. By issuing RFQs electronically, the client could collect responses in a standardized format, significantly reducing the time and effort required to manage RFQs while improving the accuracy of supplier comparisons. This advancement ensured that more informed procurement decisions could be made in a timely manner.

The introduction of reverse auctions accelerated the procurement process by eliminating human biases and tedious manual negotiations. Guided by Simfoni's expert-led customer success team, the client was provided with continuous training and hands on support with their new technology. This has helped ensure all end-users are not only comfortable using the tool, but able to leverage it to its full potential. This dedicated support has been instrumental, especially when navigating the complexities of aligning late auction schedules with international suppliers. Simfoni played a pivotal role in facilitating a seamless transition to the new platform, fostering a collaborative atmosphere. As a result, the client witnessed substantial improvements to its procurement operations, which has translated into enhanced business outcomes and a faster-than-anticipated return on investment.

RESULTS



\$400,000

Immediate savings from first sourcing event



20%

Reduction in category spend

"The size of the savings far exceeded our expectations. This tool is able to extract best case scenario pricing for us, something that we have not been able to do with any of our suppliers."

-VP of Materials Management

CONCLUSION

The successful engagement with Simfoni has positioned their client to further integrate Simfoni's solutions into their procurement processes. Plans include fully utilizing Simfoni for all RFQ processes and expanding the use of the platform to include onboarding of suppliers and potentially other procurement areas within the organization. **The ability to streamline operations and achieve significant cost savings has validated the decision to partner with Simfoni, making it a crucial component of the clients procurement strategy moving forward.**

Simfoni's best of breed eSourcing technology, paired with white-glove service delivered by experienced procurement professionals, empowered the client to navigate the transition to modern procurement practices with ease. This approach allowed for a more analytical, transparent, and competitive procurement process.



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