

# The eSourcing Buyers' Guide

**10 critical considerations for  
selecting the right eSourcing  
partner for your business**



# Introduction

## **An eSourcing solution can be a key tool in your supply chain strategy – and a transformative tool for many businesses.**

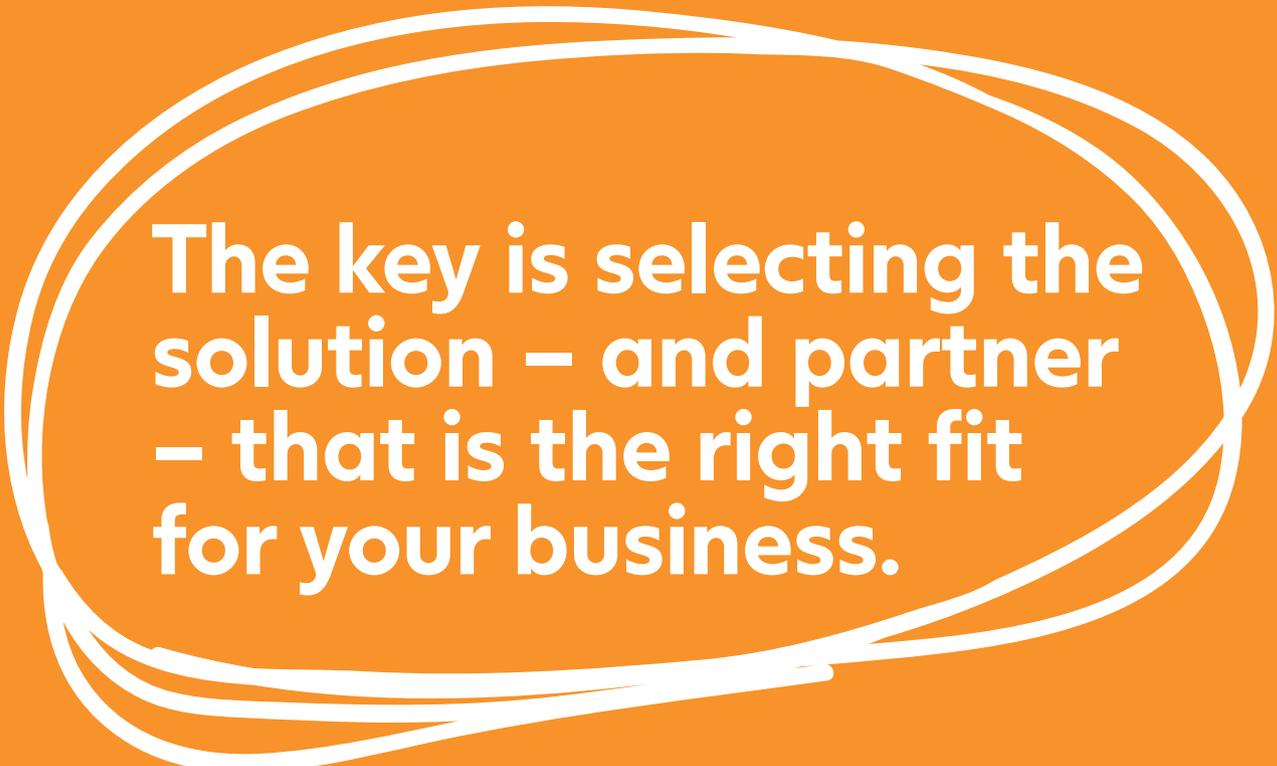


An eSourcing solution can be a key tool in your supply chain strategy – and a transformative tool for many businesses. It empowers organizations to:

- ④ Achieve new levels of transparency.
- ④ Uncover new sources of innovation, value, and savings.
- ④ Drive meaningful improvements in process efficiencies.

eSourcing has the potential to positively impact every corner of your business – but not all eSourcing solutions will have the ability to deliver the results you want.

The eSourcing market is crowded and confusing, with countless vendors offering unique combinations of capabilities, features, expertise, and experiences.



**The key is selecting the solution – and partner – that is the right fit for your business.**

The first step – even before you start evaluating your eSourcing options – is to look at your business and identify and document your sourcing and procurement goals, challenges, financial metrics, and operational objectives that matter the most to your organization.

Exploring these considerations beforehand will help guide conversations with potential partners. To get you thinking through all the possible angles that will help you get to the right partner, here are 10 areas that you'll want to take into account before you select your sourcing partner.

# 1. Experience in your specific industry

Every industry has nuances that shape its supply chain landscape and present a unique set of sourcing and procurement challenges.

---

For example, the franchising model of many restaurant chains can impact an organization's purchasing power, whereas the increased commoditization of certain goods in grocery and retail can make it tough to continually secure new savings. Similarly, chain stores with hundreds of locations create an additional layer of complexity.

**Your ideal sourcing partner will know your specific industry inside and out**, and will be able to share valuable insights that lead to stronger results, including:

- ① Knowledge of the marketplace, and the best potential suppliers to match your specific needs.
- ① The top categories – as well as unexpected categories – that offer the best potential savings.
- ① Market trends and behaviors that impact the timing and scope of sourcing projects.

## 2. Proven success

**Every industry has nuances that shape its supply chain landscape and present a unique set of sourcing and procurement challenges.**



**Customer testimonials are critical for vetting potential eSourcing partners.** In addition to showcasing results and past success, you'll be able to get a feel of which types of companies – including their size, revenue, and rate of growth – work best with particular eSourcing solutions and partners.

# 3. Knowledge of top suppliers in your space

For Procurement professionals, supplier relationships are very important.

---

In fact, concerns about eSourcing's impact on long-standing, carefully nurtured supplier relationships is one of the top roadblocks to eSourcing adoption.

But the truth is – no matter how strong your relationship with key suppliers is, there's almost always additional savings and value to be found. In fact, **incumbent suppliers lower their prices 55 percent of the time** when taken to a competitive bid – and more than 40 percent of the time, prices are lowered by at least 15 percent, according to Proactis data.

Additionally, introducing more suppliers into an event opens up opportunities to find sources of unique products that can differentiate your brand and increase customer satisfaction. But they need to be the right suppliers –

**trustworthy, experienced, and high-quality.**

It's also important to consider how well your partner and platform works for suppliers. Is it simple and easy to use, or is it so frustrating that participating in an event isn't worth a key supplier's time, or so confusing that suppliers bloat their price to prepare for the unknown?

For many businesses, suppliers are the lifeblood of the company – and it's critical to ensure that you continue to treat them as a partner, and not just another vendor. One way to accomplish this is ensuring that the **negotiation process is fair and equitable for all participants**, which ultimately drives better terms and stronger supplier relationships.

## 4. Platform and solution flexibility

**In addition to the industry characteristics that define your procurement landscape, your business has its own set of unique needs, goals, and challenges.**

---

The right eSourcing solution will be able to help you achieve those goals, without any compromising on your part.

As mentioned earlier, eSourcing has the potential to deliver significant benefits to all corners of your business. With so much at stake, your eSourcing partner should be flexible and capable enough to fit your exact needs – not the other way around.

For instance, how easily will a solution integrate into your current systems and workflows? Or maybe you're most interested in finding new sources of innovative supply – does the platform make it easy to find and vet new suppliers?

---

**Proactis extends in-house buyer expertise for both direct and indirect spend, with complementary category sourcing experience, recommendations on suppliers to invite to bid, fast and easy supplier communication, and the most effective structure for every category – even for the most unconventional reverse auction events. The process drives operational efficiencies and additional value from the existing team, freeing up staff to focus on more strategic initiatives.**

---

# 5. Ability to source both direct and indirect categories

**Supply chain savings can be found across your entire organization, from the merchandise that sits on your shelves, to the printer paper in the back office, to the expert that provides HR consulting.**



In fact, many unexpected categories hold the highest potential for savings. For example, a Proactis study found that strategically sourcing facility maintenance services such as floor care, store cleaning, and snow removal yielded average savings of 22 percent.

The best providers go beyond the basics and can probably eSource more than you think – indirect, direct, and complex spend categories. If you provide specifications, your provider should be able to source it – even for the most unconventional reverse auction events. And in some cases where you think a category is much too complicated for eSourcing, your provider should be able to provide a creative solution.

# 6. Technology adoption and implementation

**One of the keys to a successful eSourcing implementation is the buy-in from the purchasing team; if your buyers don't believe in the eSourcing process and strategy, your results are likely to suffer.**



Ensuring that the tools your team uses perform as expected and that your team is properly trained goes a long way in ensuring that your buyers are on board with the process.

That's why it's important not to have to spend weeks learning a new technology. **Implementation should be quick and easy** – and your strategic sourcing vendor should be available to provide support when needed.

# 7. Exceptional customer service and consultative approach

To be successful, you need more than a tool, you need a partner.

---

One that guides your team with tried-and-tested strategies and category expertise every step of the way. Whether you need help defining product specifications, turning complex categories into productive events, determining which categories to take to auction, which suppliers to invite to bid, or even extra resources to set up an event, a full-service, managed sourcing approach can **extend your buying expertise** for both direct and indirect categories.

When choosing an eSourcing partner, look for a custom-created managed service that **integrates with your current business processes**. Full-service support should include all aspects of running sourcing events, while ensuring the internal Procurement team maintains control. Whether you need new sources of supply, RFI assistance, event setup or strategy suggestions, event execution, or supplier training, your partner should do it all, and work by your side, all while leveraging your internal knowledge and expertise.

**There should be no learning or adoption curve, only results.**

## 8. Pricing model and clarity

**Even if a particular vendor can deliver above-average savings and efficiencies, the wrong pricing structure can put a big dent in your overall ROI and the effectiveness of your sourcing initiative.**

---

The eSourcing industry has a number of different pricing methods – gain share models, subscription-based, charge per event and/or seat license, to name a few – **and it's important to make sure that your vendor's model is a fit for your business.** That means taking into consideration the frequency and size of your sourcing projects, as well as the expected savings, the size of your team, and the product features your initiative will require to be successful.

But above all – **transparency is key.** While an organization can likely adjust to a particular pricing model, unexpected fees and other costs can quickly and easily sink the value of your sourcing initiative. Before choosing a vendor, make sure you're 100 percent clear on what the price will be – and what features and support you'll get for your money.

## 9. Project timeline

With any investment, executives always ask the same question: How long will this project take to deliver on corporate goals and objectives?

---

**For the best eSourcing vendors, the results will be immediate.** In fact, the top eSourcing solutions will deliver double-digit percentage savings during their initial pilot events – in both direct and indirect categories. The average turn time for setting up and running a **typical eSourcing project should be less than two weeks.**

# 10. Availability of trial pilots

**Turning over any aspect of category management to an outside party can feel risky. This is especially true for sourcing partnerships, where you're spending money to save money.**



And in today's market, most eSourcing vendors promise huge savings and process efficiencies – making it hard to sort through marketing hype and reality. But if they're truly confident in their abilities, they should be happy to offer a couple of trial events. If you don't save money instantly, the pitch should stop there.

That's why Proactis offers a paid pilot (trial) program. We're certain that our enterprise wide, full-service, managed sourcing model will deliver the best ROI of any solution.

**Sign up for a trial today:**  
[proactis.com/contact-proactis](https://proactis.com/contact-proactis)

# Asking the right questions

**The right eSourcing partner can be the difference between a successful or failed strategic sourcing initiative.**



The strength of your supply chain is too important to leave any uncertainty. With so many vendors, promises, and expert opinions in the market, the decision-making process can be overwhelming. But by honing in on the goals and challenges that are most important to you and your businesses – and asking the right questions – it's possible for a clear answer to emerge.

# Key questions to find the right eSourcing solution for you:

## Experience in your specific industry:

---

- ① How much experience does the vendor have in your industry?
- ① Can the provider answer questions specific to categories unique to your space?

## Proven successes:

---

- ① Can the vendor demonstrate past success with similar companies?
- ① Are they able to provide several reference that are genuinely excited about the process, technology, support, and results?
- ① Does the provider help foster a customer community to bolster the success of – and innovation with – your program?

## Knowledge of top suppliers in your space:

---

- 🕒 Can the vendor ensure that all the strongest suppliers for a particular category will be invited to bid?
- 🕒 Will your stakeholder's have assistance finding potential qualified suppliers?
- 🕒 Will there be any indication as to suppliers' past performance on the platform?
- 🕒 Does the vendor ensure supplier participants are trained and prepared for your live bid?
- 🕒 Does the vendor have tools to support your supplier quality assurance process?

## Platform and solution flexibility:

---

- 🕒 Is the solution capable of delivering on your identified corporate goals and objectives?
- 🕒 Does the solution provider have the ability to enhance their technology to support your unique requirements, if necessary?
- 🕒 How has the provider delivered on similar goals and objectives with past and current customers?
- 🕒 Does the provider have documented project plans available to work from?

## Ability to source both direct and indirect categories:

---

- ④ Will the vendor be able to run eSourcing events for direct items as well as indirect?
- ④ What experience do they have with direct items?
- ④ To what extent will they work with your stakeholders to determine the best strategy?
- ④ Will they help identify new categories to consider sourcing?
- ④ Will they tell you when a category is not a good fit for eSourcing?

## Technology adoption and implementation:

---

- ④ What is the expected time and learning curve for implementation – and what will the provider do to ensure the process is as painless and successful as possible?
- ④ Does the vendor offer on-going training and education?
- ④ Is the vendor available to discuss challenges, solutions, and potential enhancements to the service, as well as issues that may arise during live bids?

## Consulting and customer service:

---

- ① What consulting and support services are available? Are they included or offered at an add-on fee?
- ① Will support staff be dedicated to your account (i.e. familiar with your business processes, program goals, and internal challenges)?
- ① How do the provider's support services complement your existing team? Are they able to fill the gaps? Enhance your team's strengths?

## Pricing model / clarity and project timeline:

---

- ① What kind of pricing model does the vendor offer?
- ① Does the pricing prohibit you from getting the full benefits of the tool and services?
- ① How open and honest is the vendor about additional fees and total cost of the program?
- ① Can the vendor deliver fast – and significant – results?

**Contact us to find out  
what you can achieve  
with Proactis Managed  
Sourcing Services:**

**Visit** [proactis.com/contact](https://proactis.com/contact)

**Call** (757) 283-9797

