BUILDING THE BUSINESS CASE
KEY CONSIDERATIONS FOR
MEASURING YOUR ROI

Cost to Serve
Your Stakeholders
Recap on Market Feedback & Solution Scope

Ranked a **value leader** each year since 2017 by procurement industry analysts and customers

Solutions Created for and by Procurement

- Implementation & support delivered by in-house procurement veterans
- 1:1 training with your data by dedicated eSourcing concierge
- Increased efficiency, scalability, and ROI
- Make award decisions in minutes or hours – never days or weeks
- Open API Architecture enables turnkey integrations
- Agile development with enhancements driven by clients
Unique Factors in Your Organization

Every organization we work with has unique factors contributing to the level of impact our solutions return for them. Consider the type of metrics that strategic procurement organizations, those that operate almost as internal consulting and services organization to their business partners, deem important.

How different are they than the metrics a consulting firm must track? Many procurement departments are now looking at their teams’ utilization and success impact rates to better track ROI. To track that ROI, a baseline from which to measure improvement areas is critical.

Developing Your Baseline

Procurement organizations internally track the impact they have in various ways. One way is to track realized savings per project, how that rolls up to savings per sourcing category, savings per directs and indirect spend groups, and even savings at the division, business unit, or location level. They may look at how much spend they currently have under management and how much is available to pursue outside of that. Most strategic organizations also look at how many resources they have deployed against different work areas and how much effort these resources take to accomplish the task(s) at hand. This analysis allows them to optimize their hiring strategy and better forecast (and improve upon) results delivered to the business. Understanding the baseline of savings, resources, or time is critical to measure success from.

Efficiency Gains & Resource Impact

Consulting and procurement services firms also must also develop baselines to measure improvements from as their opportunity for profit and increased earnings depends on it. Measuring utilization, changes in effective rates, or time per workstream allows a consulting firm to understand the impact new technologies, processes, or resources can have on outcomes.

Improvements in efficiency allow a consulting firms an exponential opportunity to drive impact. Consider that they can propose a fixed fee but complete the work in less time...leaving more time available to pursue additional paid projects (and drive more revenue).

In similar fashion, a procurement organization that experiences similar efficiency gains can now deploy resources to other sourcing projects or strategic workstreams that previously might not have happened or that would have taken longer to happen. Getting to the savings later is indeed a lost opportunity each moment that goes by.
**Example Baseline Questions Per Solution**

**EC Spend**

**The Value:** You can’t save what you can’t see. The biggest impact areas for EC Spend come from the identification of ongoing savings opportunities via new sourcing projects & compliance & demand management across contracted suppliers. There are also big opportunities for resource & efficiency gains here.

**Example Questions to Consider:**

- Do you have a current spend analysis process in place today?
- Do you leverage technology for this process today? If yes, what type and how much is that technology?
- How many steps are involved in your process today?
- How long do these steps take your organization to complete today?
- To what extent do acquisitions or changes in the spend profile change this process timeline or resource impact?
- Is your process repeatable to measure spend outliers or maverick spend?
- How many resources are tied up at your organization with this process?
- What other areas could these resources support if not aligned against this?

**EC eSourcing**

**The Value:** The capture of savings and service level improvements is arguably the biggest focus for eSourcing. However, does your organization analyze the resource allocation, timing, and overall level of effort required for the sourcing related workstreams it pursues?

**Example Questions to Consider:**

- What addressable spend is still available to source today?
- Do you have an annual sourcing roadmap completed with a plan and savings estimates across categories to measure from?
- What is required historically to complete sourcing projects regarding average resources and time allocation for that category?
- What constraints exist today in certain categories regarding organizational requirements, stakeholder requirements, etc.
- Are there market volatility factors, such as increases across certain supply indices which are analyzed.
- Do you leverage technology for this process today? If yes, what type and how much is that technology annually?
Example Baseline Questions Per Solution (Continued)

**EC eAuctions**

**The Value:** eAuctions create an opportunity to greatly impact pricing in an incredibly efficient manner. This solution is optimal for multi-item categories and single-item projects alike. The impact available within EC eAuctions depends quite a bit on the current spend profile of the company, the historical use of eAuctions, and also the resource and historical timing for projects in these eAuction categories.

**Example Questions to Consider:**
- What categories and spend would currently be available for eAuction today?
- Do you need help formulating this from a solution like EC Spend?
- What, if any, is the historical experience and impact from eAuctions at your company?
- What, if any, existing eAuction technology has been leveraged at your organization?
- What has been the historical time and resource baseline for running eAuctions at your organization?

**EC Optimize**

**The Value:** Incorporating operational and scenario factors into your award analysis can help you determine the best outcome for the company. This can be the increased cost savings, better service, or perhaps most valuable, the impact of certain supplier dimensions such as payment terms, risk, diversity status, or CSR & Safety factors.

**Example Questions to Consider:**
- What is your process for award scenarios today?
- How does this differ by category?
- Where has this been applied across the spend and organization to date?
- What has been the resource impact and timing allocated to this analysis work historically?
- What areas are still available for award analysis today?
- What non-price factors are important to the organization in its awards?
- How much are these non-price factors worth to the organization in terms of their value and impact?
- What risks are currently measured today and how are those incorporated into the award analysis?
- How much do consideration of the above risks impact award decisions today?
**Example Baseline Questions Per Solution (Continued)**

**EC Supplier**

**The Value:** EC Supplier saves organizations both time and resources in its digitization of supplier registration, onboarding, and management. It also can help drive visibility to costly supplier dimensions such as compliance with requirements, documents, and certifications. There is also a significant risk mitigation regarding communication given that one of the top risk areas for all organizations is communication of confidential information via email.

**Example Questions to Consider:**

• What is your current volume of suppliers today?
• What is the current process for onboarding today?
• How long does this process take per supplier on average?
• What is the current process for communication with suppliers today?
• How many resources on average are aligned against onboarding and supplier management processes?
• What is the process for measuring compliance to supplier requirements today?

**EC Contracts**

**The Value:** Visibility to contract expirations can allow procurement to be more strategic and judicious with their valuable time. There is a fixed number of new sourcing projects or new spend that a procurement organization can take on per year and any time that can be afforded to transfer tactical activities to that type of work is key. Digitizing your contracts can also allow for insights to measure compliance against contract. The opportunities are significant.

**Example Questions to Consider:**

• How do you achieve visibility to all contracts across the organization today?
• What types of data elements are analyzed today?
• What types of data elements would you like to track insights on which are not included today in addition to expiration dates?
• How many resources currently are aligned to contracts outside of legal in terms of database management, digitization, discovery, or review today?
• How long does this review take prior to sourcing today per contract?
• How long does analysis take of contracts following sourcing activity?
• What technologies, if any, are currently leveraged for your contract management today?
• Do you have a contract respository? Use SharePoint?
• How do you communicate around contracts today? Just email?
EC Workflow  
**The Value:** EC Workflow allows your organization an opportunity to digitize any process and project management steps into an easy-to-use SaaS solution. EC Workflow can be utilized to digitize an approval process, a review step, a complete functions tasks. It can be leveraged within any EC Sourcing Group application or even integrated via our API technology to communicate with internal data systems.

**Example Questions to Consider:**
- What current processes today would you like to consider applying EC Workflow to?
- How many stakeholders are involved in that process today?
- How many steps are involved in that process today?
- What is the timeline on average to complete each of those steps?
- Has this process been digitized before or is it mostly manual?
- Has the organization used any workflow technologies previously to this effort?
- What is the process for measuring compliance to supplier requirements today?

EC Insights  
**The Value:** EC Insights delivers executive and project leader-level insights and reporting via completely customizable dashboards, charts, and analytics. The ROI and impact for this module comes from time and resources saved as well as increased speed to impact in terms of providing actionable insights that can be worked to drive ROI. This module can also help increase influence across functional business leaders or even within one specific area of the company.

**Example Questions to Consider:**
- What KPIs are most important to the organization today?
- How are those KPIs tracked today?
- How many resources are devoted to managing the analysis and tracking of these KPIs?
- What technologies, if any, are used today to support his process?
- How much time is dedicated per above resource to creating the necessary reporting and analytics for the organization?
- What other stakeholders are involved in receiving or reviewing these insights?
- How much time is spent reviewing these insights and how is that information delivered to the various parties today?
"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 who supported our team knew procurement and understood our needs first-hand.

Even today, we still have our dedicated account manager who supports our global team and is available to answer any question, provide on-going RFP support, share recommendations and lead training. We have a true partner with EC Sourcing Group."

**VP, Global Procurement**
$4B Holding Company in 60+ Countries

"I’ve used at least 4 systems for on-line e-sourcing / e-auctions, and I can say that EC’s is easier to use and less intimidating than other systems. The instructions alone for some of the other systems were cumbersome and intimidating, and that added to the stress of the actual bid process. Compared to the 3 other systems I’ve had to use, theirs was certainly the most user-friendly."

**VP National Accounts**
Supplier

"I believe one of the main reasons (EC Sourcing) stands out above the rest is because it was created by former procurement people instead of technology professionals.

EC Sourcing understands what you need and how you want to receive it because they've lived in your world."

**Director Sourcing Analytics**
Sourcing & Procurement Services Firm