

## 8 improve profitability and speed time to market

### Reduce cost and risk through sourcing

Economic pressure and a growing focus on cost containment have contributed to a growing trend toward outsourcing. Since up to seventy percent of a product's cost is typically determined during the design phase, opportunities for savings occur in the definition of products and their components. Even small cost reductions during sourcing can yield substantial reductions in the end cost of a product or service.

Sourcing technology offers an opportunity to reduce costs and improve negotiation cycle times. Profits can often be diluted by overhead costs, cost of sale, and profit margins, but reductions in procurement costs translate to dollar-for-dollar increases in profits. Sourcing solutions can represent the best investment for simultaneously reducing cost and risk, while enhancing customer satisfaction and business profitability.

### Sourcing can help

Sourcing, a component of Supplier Relationship Management, is a complete solution for all your sourcing needs — direct, indirect, capital goods and services. It helps companies determine the best mix of supplier quotes to achieve the lowest total cost. And it facilitates supplier assessments, RFQ management, allocation and optimisation of purchasing volume, and awarding of contracts to suppliers.

Sourcing provides an automated solution to manage the entire purchasing process and help organisations achieve the lowest total cost. It works in coordination with eProcurement and your ERP system to provide a unified view of requirements, goods and suppliers — resulting in improved visibility and ultimately better purchasing decisions.

Take a closer look at how this solution can make a critical difference in your organisation.

### Increase savings through total cost analysis

Sourcing addresses the entire span of business processes within sourcing and provides links to back-end ERP systems to aggregate demand, import product information, publish contracts and even purchase orders with delivery schedules. Rules-based what-if scenarios, multi-attribute comparisons, and multi-round negotiations can help ensure that sourcing decisions are made on the basis of total cost instead of traditional purchase price methods — resulting in increased savings.

### Manage allocation and optimisation of goods with suppliers

Sourcing allows you to evaluate potential new suppliers on price and non-price attributes, audit existing suppliers with scheduled assessments and import vendor rating information and pricing from your backend systems.

### Automate RFx management from distribution to final contract

With our sourcing solution, you can create multi-variable RFx's. It also allows you to share RFx's for internal approvals and input, distribute approved RFx's to potential and existing suppliers and track the entire process with graphical display.

**Sourcing** lowers costs, improves visibility and speeds sourcing cycles.



# supplier relationship management

## 8 sourcing

### Manage supplier negotiation through reverse auctions

Use Sourcing to conduct auctions on multiple lines and attributes (i.e. English decreasing).

### Decision Support provides total cost analysis

Sourcing supports buyers' need to manage complex sourcing processes by capturing the cost structure of the supplier's proposed products or services. It also provides multi-attribute decision making models and what-if scenarios to evaluate complex factors and support total cost negotiations.

### Improve negotiating ability with suppliers

We offer capabilities to support supplier relationships including: one-to-one negotiations, bidding rooms or marketplace publishing and supplier cost templates. The functionality follows the entire cycle of sourcing from the ability to propose offers to countering and tracking negotiation details.

### Facilitate management and routing of contracts

Use Sourcing to create contracts based on bid awards and share contracts internally and externally to obtain necessary approvals. Complete the contract cycle by publishing contracts to your back-end system and monitor consumption and expiry.

### Make it Pay.

Sourcing helps improve the quality of work and collaboration, which allows commodity managers and buyers to concentrate on supplier research and negotiation to improve quality, cost and overall business performance.

Organisations using Sourcing can expect to:

- Decrease sourcing cycle length
- Reduce time of product introduction cycles
- Improve collaboration with suppliers
- Lower supply chain and material costs
- Gain spend visibility and economies of scale across

the enterprise

- Reduce administrative overhead within purchasing organisations

When your enterprise won't wait for better, more cost-effective sourcing, move forward faster with SSA Sourcing.

### About PRO INITIATIVE.

Pro Initiative distributes the SSA Global product range throughout the Pacific Region. Pro Initiative was formed by a consortium of former SSA Global staff and Business Process Outsourcing specialists. To meet the changing demands of business today PRO INITIATIVE delivers solutions to clients based on traditional in-house deployments as well as via ASP and BPO, this provides clients the ability to focus on your clients and not worry about IT infrastructure.

For additional information on PRO INITIATIVE and the innovative range of products and services please call us on +61 2 9460 9799 or email [info@proinitiative.com.au](mailto:info@proinitiative.com.au)

Pro Initiative Pty Ltd  
Suite 15, Level 3  
30 Atchison St  
St Leonards NSW 2065  
Australia

T +61 2 9460 9799  
F +61 2 9460 8577

[www.proinitiative.com.au](http://www.proinitiative.com.au)

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