



Improving e-Procurement Webinar Series

## HOW TO CREATE AN ONLINE MARKETPLACE THAT EMPLOYEES WANT TO USE



Erika, Alex, Stan & Yasmin control the success  
of your e-Procurement process.

# Your Presenters & Their Goals for Today

- Scott Satchell, Regional Sales Manager, Vinimaya, Inc.
- Jim Beaupre, Director of Sales Engineering, Vinimaya, Inc.

## Goals

1. Help you understand why your existing e-Procurement process isn't delivering the benefits that it could be
2. Describe how you can improve your process – while leveraging your existing technology investments
3. Take you through 4 distinct end-user buying examples in a Marketplace 2.0 platform – an online shopping environment that employees want to use!

 **Increase end-user adoption. More transactions = more savings.**



# e-Procurement Reality Check

**End users control the success – or failure – of your e-Procurement process.**

Erika, Alex, Stan & Yasmin control the success of your e-Procurement process.



Erika	Alex	Stan	Yasmin
Admin, Topeka	Global Real Estate Development, London	Facilities Maintenance, Detroit	Accounts Payable Dept., Phoenix

They all work for a Fortune 500 Global Retailer.

Their needs from an e-Procurement solution are very different.

Some even have different back-end solutions (ERP's).

**But one point remains the same ...**

If they can't find exactly what they are looking for quickly & easily, they will find a way to go around your process!

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# e-Procurement Reality Check

**Your end users live in a Web 2.0 world.**

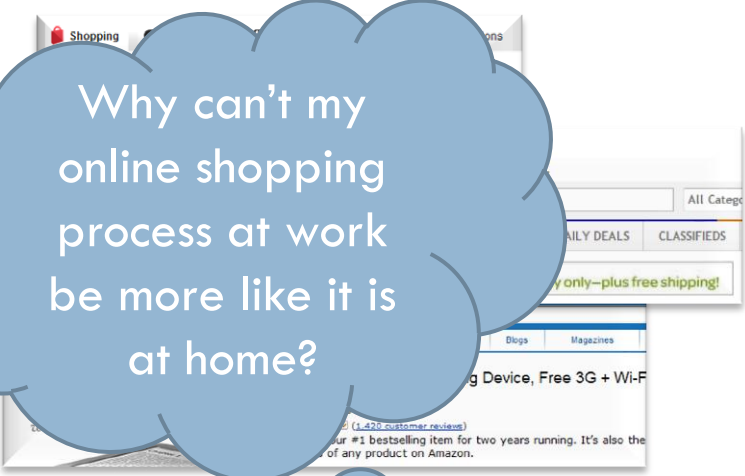
**You need to offer them a Marketplace 2.0 platform to meet their online shopping expectations and increase spend under management.**

# B2C vs. B2B Online Shopping Process

## B2C

- Virtual search at fingertips
- Vast supplier resources within personal compliance
- Minutes to purchase, few days to receipt
- Helpful shopping tools

**FAST, EASY and FROM ANYWHERE!**

A screenshot of an Amazon shopping page is shown in the background. A large blue thought bubble is overlaid on the page, containing the text: "Why can't my online shopping process at work be more like it is at home?". The screenshot shows a search bar, navigation tabs like "All Categories", "DAILY DEALS", and "CLASSIFIEDS", and a product listing for a "Smart Device, Free 3G + Wi-Fi".

Why can't my online shopping process at work be more like it is at home?

## B2B

- Non user friendly workflow, search, and purchase abilities
- Supplier content not up to date (and a challenge to maintain)
- Lacks robust shopping tools
- Requires training to use – not intuitive
- Encourages maverick spend

**SLOW, INTERNALLY FOCUSED, COSTLY**



# e-Procurement Reality Check

**You are not alone.**

**The majority of procurement professionals report that their e-Procurement solution(s) are under-performing vs. their expectations.**

# Analyst Research Shows B2B Slow to Adopt to B2C Trends

## B2B e-Procurement Enterprise-Centric NOT Value Driven!

- IT Investments are Enterprise-Centric : Internal Use, Costly to Implement & Maintain
- Enterprise enabled/managed supplier product content: Costly for enterprise
- Punch-out to supplier's web catalog, search at site, & return to e-Procurement shopping cart

### WHAT DOES THIS REALLY MEAN?

**68% of buyers are not satisfied with B2B e-Procurement experience**

**60% of content management solution buyers have NOT moved past content management**

**28% of e-Procurement executives report gaps in the performance of the technology, the business process, & end-user satisfaction**

**Enterprise:** Slower user adoption, costly to maintain, limited one-time choices

**Suppliers:** Slower time to value, new products introduced late

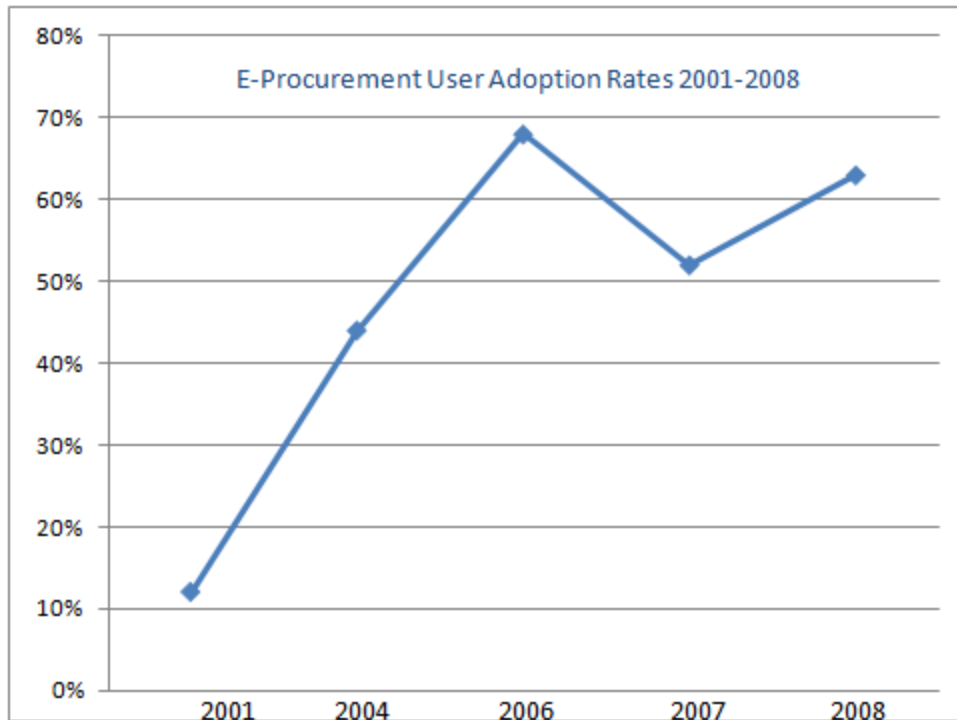
**Gartner**<sup>®</sup>

# e-Procurement Reality Check

**End users aren't the only stakeholders struggling with your current solution.**

**Supplier enablement and content management present ongoing challenges for your team and for many suppliers.**

# Content and Supplier Enablement Challenges Remain Barriers to User Adoption



## Industry Averages:

Suppliers Enabled	29%
Spend Under Mgmt.	53%
Supplier On-board Cycle	18 Days
Punch-out Impl. Cycle	43 Days

## Best Practice Strategies

*“Ignore the 80/20 rule to enable a greater percentage of the supply base.”*

*“Enterprises should utilize online, self-service collaboration tools which outsource supplier-related data collection to the supplier.”*

*“End users revealed that punch-out catalogs drive greater user adoption than internally hosted catalogs that are manually updated and cleansed by the buying enterprise.”*

Aberdeen *Group*

Source: Aberdeen Group: “E-Procurement Benchmark Report: Driving Year Over Year Superior Performance”, “Supplier Enablement”; “E-Procurement: Trials and Triumphs”

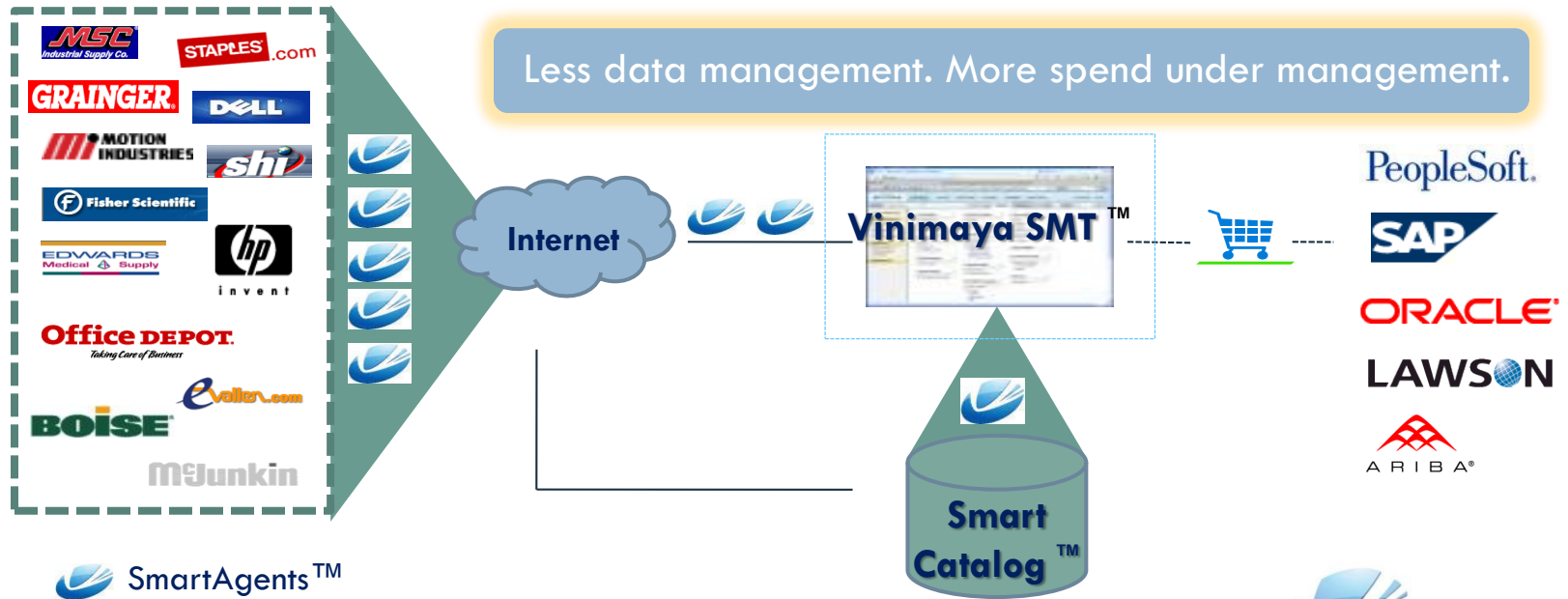
So what is a Marketplace 2.0?

**And how can it help?**

# A Marketplace 2.0 platform is a graceful solution to your end-user adoption and supplier data mgt. challenges

## Vinimaya Smart Marketplace Technology™ provides a private, customized marketplace

SmartAgents™ enable B2B shoppers to have a simple B2C shopping experience – across multiple catalogs – regardless of their backend e-Procurement system or ERP. This is accomplished within the controls and supplier base defined by the organization.



- SaaS deployed and 100% portable
- Companies can change systems without retraining or loss of data

# What's unique about Vinimaya Smart Marketplace Technology™?

- Federated Searching across catalogs with aggregated Search Results
- Very familiar B2C-like shopping tools and experience to all Buy-Side specific catalogs
- Can be enabled from any catalog source
  - Online
  - Supplier Hosted (Punch-out, OCI, Transactive Websites)
  - Locally stored content
- Outsourced Punch-out Implementation and Management



What does the end-user experience look like?

## **4 End-User Scenarios**

# End User #1: Erika



Erika

- Works for a Fortune 500 Global Retailer
- Admin from the company's U.S. HQ in Topeka
- She needs office supplies
- Her division's back-end system is Ariba Buyer



→ How Erika uses Vinimaya Smart Marketplace Technology™ →



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## End User #2: Alex



Alex

- Works for a Fortune 500 Global Retailer
- Runs Global Real Estate Development out of the London office
- His group needs signage for a new store
- Their division's back-end system is SAP



→ How Alex uses Vinimaya Smart Marketplace Technology™ →

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# End User #3: Stan



Stan

- Works for a Fortune 500 Global Retailer
- In charge of a facilities maintenance crew at a building in Detroit
- His team needs a new cordless drill
- His division's back-end system is Ariba Buyer



→ How Stan uses Vinimaya Smart Marketplace Technology™ →

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## End User #4: Yasmin



Yasmin



- Works for a Fortune 500 Global Retailer
  - Staff member in the Accounts Payable Department in Phoenix
  - She needs 4 temporary accounting clerks (levels 1, 2, and 4) for a payables audit
  - Wants to check on the buyers in the system to monitor contracted vs. off-contract purchases
  - Like Alex, her division's back-end system is SAP
- How Yasmin uses Vinimaya Smart Marketplace Technology™ →

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# Make it

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- ✓ **For End Users to shop for what they need**
- ✓ **For Procurement to onboard suppliers and have 'touchless', dynamic content management**
- ✓ **For Suppliers to join your own virtual, private marketplace without incurring transaction fees or costly technical connections**

**Achieve Marketplace 2.0 with  
Vinimaya Smart Marketplace Technology™**



What results can you expect to achieve?

**Case Study: Large Telecommunications Customer**

# Case Study: Large Telecommunications Customer – Results Achieved with Vinimaya SMT™

- **Integration completed in 8 weeks!**
  - Partnership with Vinimaya Technical Team
- **Instant Spend Visibility & Control**
  - In conjunction with electronic transactions
- **Immediate Reduction in Transaction Costs**
  - In conjunction with electronic transactions/portal
  - Eliminated supplier-dependant sites
    - Office Supplies, Marketing, IT, Sales
  - Maximized Procurement resources



*“Our Suppliers really appreciate Vinimaya SMT; it’s the key to less on-boarding tasks for them and more transactions from us.”*

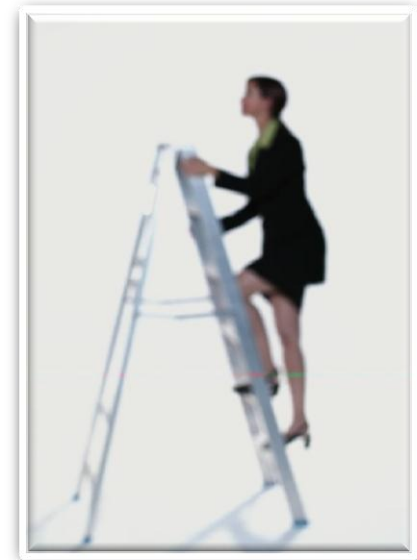
*-Procurement Project Executive  
Team Member*



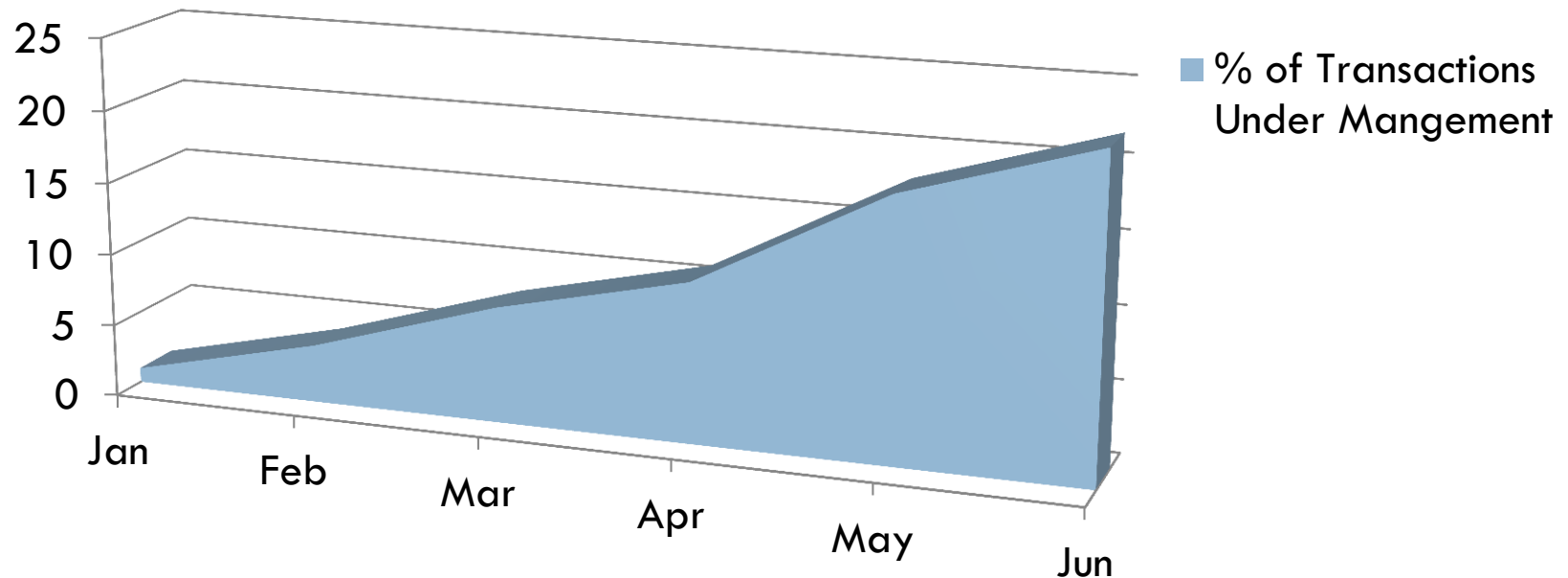
# Case Study: Large Telecommunications Customer - Results Achieved

## Key Data & Performance Indicators

- 88% of Marketplace Indirect Spend is now conducted via punch-outs to suppliers that contain their contracted rates for goods and services
  - No further time, cost, or effort for Procurement resources to handle supplier catalog data
- Rapid increase in spend under management
- Within 6 months, 22% of all PO's now flow through the Marketplace – significant transaction cost savings
  - Goal is 60% by Dec. 2010



# Case Study: Large Telecommunications Customer Rapid User Adoption



## Transaction Costs Reduced by:

- Comparison Searching
- No need for quotes
- No need to maintain approvals/accounting/product catalogs on separate suppliers sites
- No punch-out management costs

# Case Study: Large Telecommunication Customer – Keys to Success / Key Learning

- **User adoption is paramount**
  - Must make it easy for users
  - Capture the user ‘eyeball’, then use the tool to influence
- **Leave punch-out to the experts**
  - Many organizations struggle with this connection when trying to manage internally
  - Allows Procurement resources to focus on strategic, rather than tactical opportunities
- **Dynamic content is better than internal catalogs**
  - With proper pricing controls via Vinimaya SmartAudit™, punch-outs provide a richer user experience, and greatly reduce the required Procurement resources to manage content



# Q&A

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# Next Steps / Achieving Your Own Marketplace 2.0



- Contact Vinimaya, Inc. to schedule a demo of our latest Smart Marketplace Technology™ release, Version 5.3
- [Sales@Vinimaya.com](mailto:Sales@Vinimaya.com)
- (888) 618-8634



Thank You!