

# Sourcing Innovation

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*your #1 independent source for supply management insight by the doctor*

## Intelligent Sourcing through Intesource

**F**ounded in 1999, Intesource is another player in the e-Sourcing / e-Negotiation space, but one with a bit of a twist. Whereas most SaaS providers are trying to sell you the all-powerful self-service fluffy magic box cloud solution, Intesource is still focused on providing a full-service offering. Specifically, while you are given full access to the platform, their sourcing experts, who have conducted tens of thousands of events for hundreds of companies with a combined supply base that consists of over 10,000 companies, handle all of the event details for you which frees your organization to focus on high-level strategy and analysis. (Of course, if you need guidance in that respect, their sourcing experts are willing to work with you to identify the categories that are likely to generate the greatest ROI.) This approach has proved very successful for them and their customer base, and they typically drive an ROI of 10x for their clients within one year.

In addition to their sourcing expertise, they also have the ability to deliver a customized platform, as they built their entire solution in-house. This customization can go beyond just look and feel and include integration to external systems or new functionality and customized workflows based on organizational processes and best practices.

Platform-wise, they have a fully featured e-Negotiation platform with extensive RFX, Auction, Supplier Information Management

(SIM), and document/contract management capabilities, which integrates with Microsoft Sharepoint for those who want a (collaborative) contract and document authoring solution in addition to the ability to track contracts and associated meta-data. And while the platform is not multi-lingual, it is multi-currency and they are integrated with multiple currency exchange data feeds. As a result, up-to-date currency conversions are always available.

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With respect to e-Negotiation, or the RFX and Auction component, a buyer can use a templated workflow, capture as much cost and supplier information as they need to, and iterate through as many rounds as required. Plus, there are thousands of templates available to choose from for just about every category imaginable, built up by the Intesource sourcing team over the last decade as they captured the knowledge and best practices that materialized from the

tens of thousands of events they ran, many with the global sourcing teams of some of the largest food, beverage, and retail companies in North America (which are the verticals they have particular expertise in). These templates contain complete workflows, customized RFIs, and customized bid templates with all of the relevant cost components. This allows bids to be broken down into unit cost, transport cost, duties & tariffs, utilization costs, warranty costs, etc. And, of course, the auction functionality is full featured and permits suppliers to be ranked against each item, group, or total award; the auction to be automatically extended based on last bid time; and bids to require a minimum decrement.

With respect to Supplier Information Management (SIM), you can capture all of the basic overview, classification, financial, product, service, and catalogue information associated with a company and augment it with feeds from D&B that include risk indicators and MWBE information. You can augment this with your own categories and fields of interest, and collect the data with the built in RFI capabilities. You can also get current marketing pricing on a wide range of commodities, as they have integrated data feeds from over 160 market exchanges.

The document / contract management module is a straightforward repository-based solution that lets you manage as many documents, and as many kinds of documents, as you want with meta-data indexing and search. Creation capabilities are available through Sharepoint integration.

Based on their extensive workflow capabilities, which supports the hundreds of customized templates that are available across hundreds of categories, they have built a solid e-Sourcing Project Management Module that allows you to not only track your progress, but build your own customized workflows and category templates which can capture a significant amount of detailed information with respect to each task.

Finally, Intesource has an extensive SaaS interface for the supplier as well as the buyer, where the home-page dashboard -- which shows current events, previous events, offered awards, accepted awards, pending tasks, etc. -- can be customized for each supplier as well as the buyer.

Posted by the doctor at 6/7/2010 6:00 AM

## **About Sourcing Innovation**

Sourcing Innovation is a resource for sourcing, procurement, and supply chain professionals who are interested in improving themselves and the overall performance of their organizations. Sourcing Innovation is education about, and in-depth analysis of, technologies and approaches that can have a profound impact on the way you do business. The editor believes that the more you know, the better your chances of success.

Sourcing Innovation, started in June of 2006, is authored and edited by Michael Lamoureux, aka the doctor, a Computer Science PhD who has been heavily involved in the Sourcing and Supply Chain Space since 2000 and the e-Commerce space since 1997. With particular expertise in analytics, modeling, and optimization, the doctor is able to dive much deeper into technology and core issues than the average blogger (who tends to come from a business background in marketing, management, solutions consulting, or system implementation, and is therefore unable to comment credibly on technology).

A second primary goal of this blog to raise awareness of innovative best practices and technologies that are relatively unknown but that could be used by a large number of organizations to elevate their performance as a whole. When one combines the impending talent crunch with the rapid rise of developing nations like China and India, innovation takes on a whole new importance, since it might be the only way North America, Western Europe, and other developed nations will be able to compete in the coming decades. Furthermore, the rapid fall of the US dollar in 2007 and the rapid rise in energy and raw material prices globally since 2006 indicate that global business is reaching a fork in the road, and only the organizations that continually innovate will be able to find the path that leads to continued success.