

# THE PERIODIC TABLE OF



<sup>126</sup>  
**Ea**uction

<sup>127</sup>  
**Ca**tegories

23.0% <b>Hr</b> HR Services									19.0% <b>H</b> HVAC
16.9% <b>Li</b> Lighting							14.8% <b>C</b> Capex	20.1% <b>O</b> Offices Supplies	20.2% <b>S</b> Scholarships
15.7% <b>Na</b> National Road Freight	20.7% <b>B</b> Bedding						2.7% <b>Al</b> Alcohols	23.2% <b>P</b> Pipes	19.8% <b>Ai</b> Air Freight
8.7% <b>K</b> Kitchen Equipment	19.3% <b>Ca</b> Cables	31.6% <b>V</b> Valves	9.3% <b>Fe</b> Fertilizer	15.6% <b>Co</b> Construction Works	35.0% <b>Ze</b> Zebra Print Consumable	8.6% <b>Ga</b> Golf Cart	6.1% <b>Be</b> Beverages	22.9% <b>Se</b> Sea Freight	
25.9% <b>Ch</b> Chemicals	27.6% <b>Ba</b> Bags	11.0% <b>Y</b> Yoghurts	25.0% <b>Mo</b> Motors	8.9% <b>Rs</b> Retail Supplies	18.2% <b>Pr</b> Printed Materials	16.2% <b>In</b> International Road Freight	1.3% <b>St</b> Stainless Steel	28.0% <b>Xe</b> Xerox Print Management	
15.5% <b>M</b> Meeting & Events	7.4% <b>Ra</b> Raw Materials	14.9% <b>W</b> Waste Management	11.9% <b>R</b> Recruitment	32.5% <b>Au</b> Automotive Parts	19.8% <b>Me</b> Metal Fabrications	10.3% <b>Med</b> Medical Supplies	24.1% <b>Bi</b> Bins	14.9% <b>Re</b> Retail Print Supplies	

AVERAGE SAVINGS →

23.0%

← SYMBOL

CATEGORY →

HR Services



marketdojo

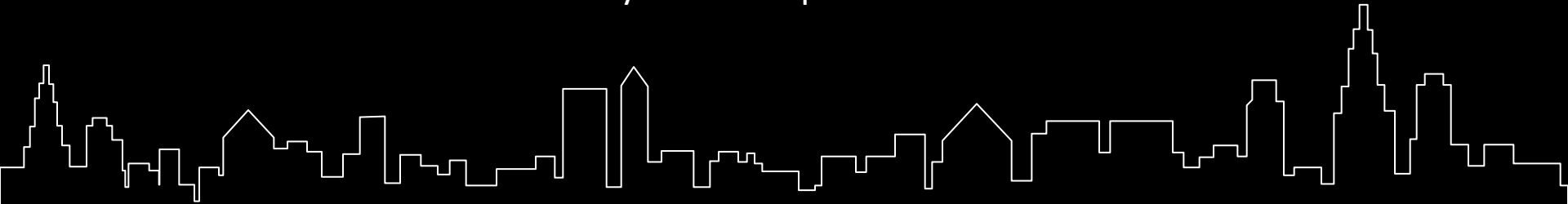
*“Is it time you questioned eAuctions?”*

*Just what are eAuctions and when should you use them?*

Market Dojo Webinar

30th April 2019

Hosted by Alun Rafique & Nick Drewe



# Today's Webinar Agenda

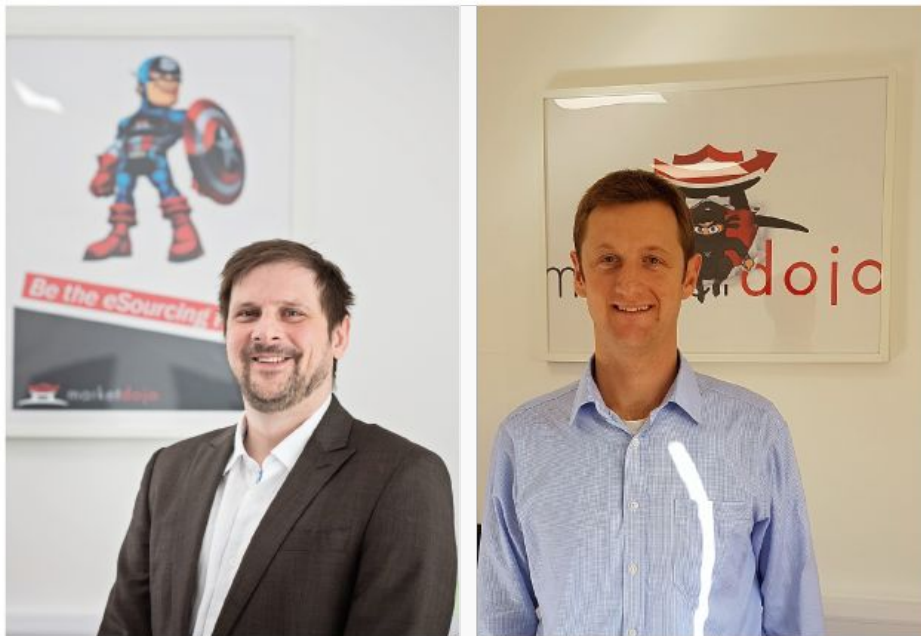
---

- An introduction to Market Dojo and your hosts
- eAuctions
  - What is an eAuction?
  - Why use them?
  - How to run them?
- Live demonstration
- Poll results
- Handouts
- Wrap up

# Meet your hosts

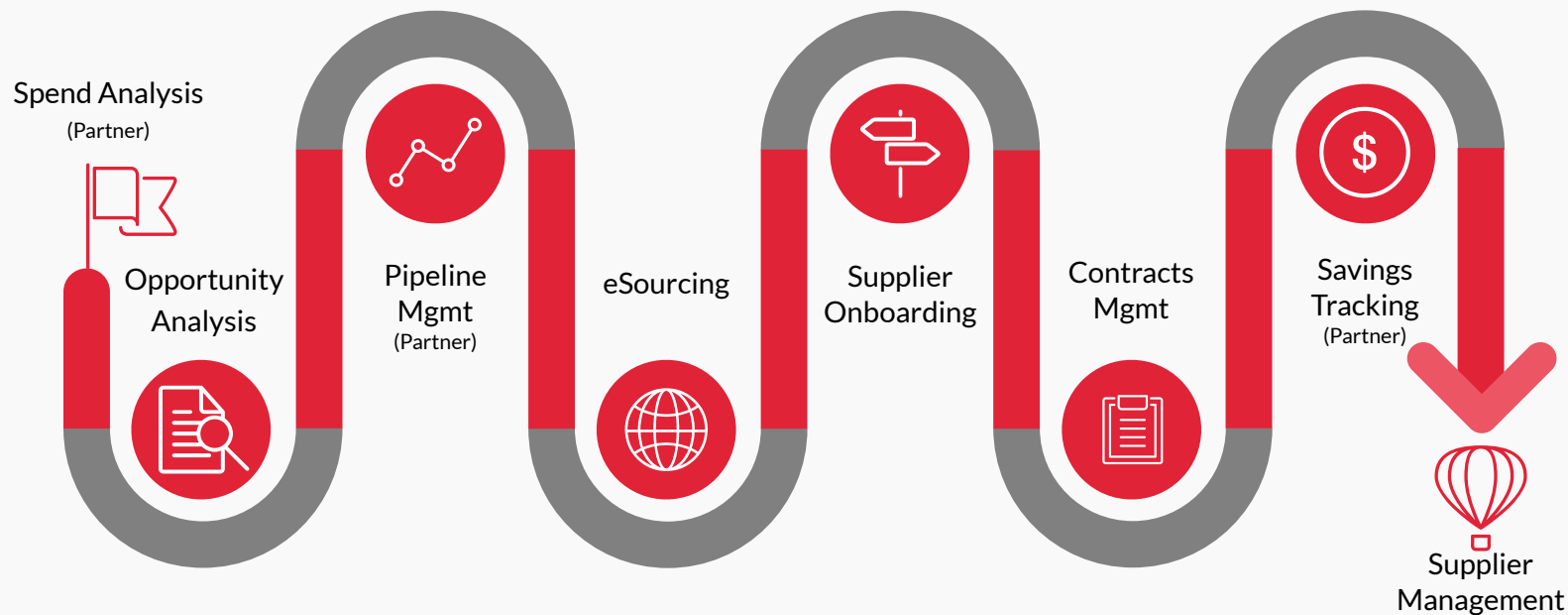
Market Dojo co-founders Alun Rafique and Nick Drewe

---



# Our Enterprise Solution

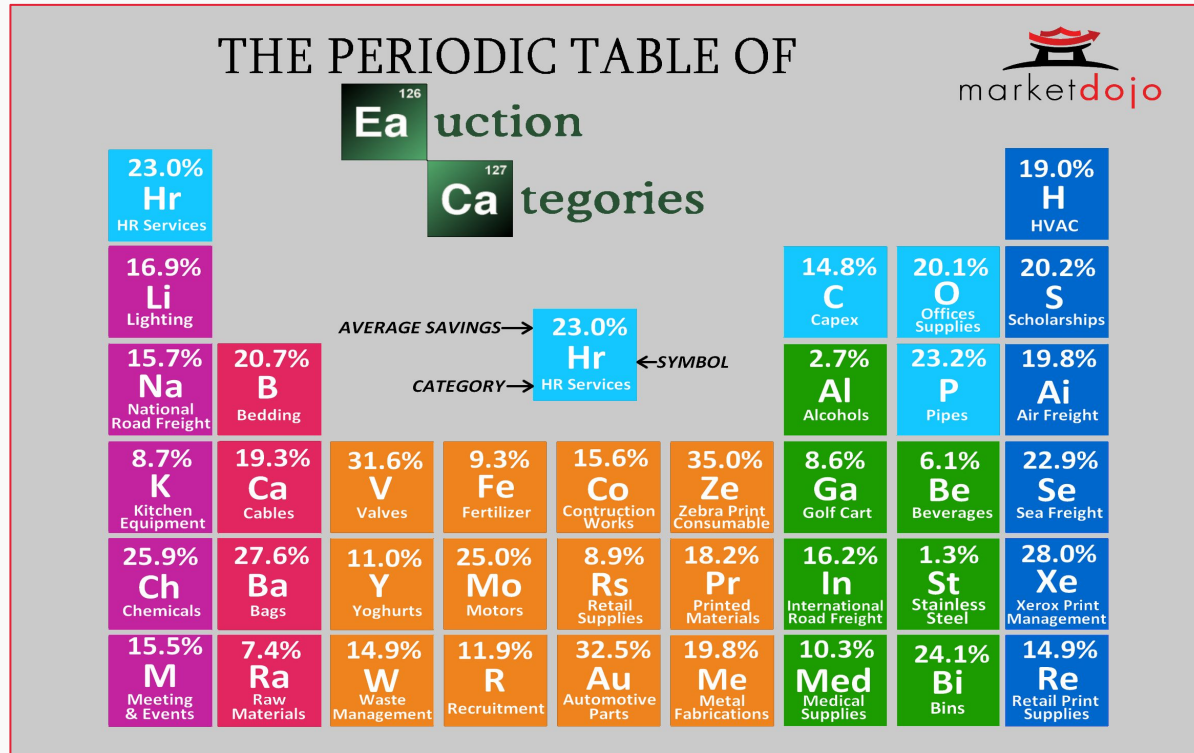
Our end to end enterprise solution

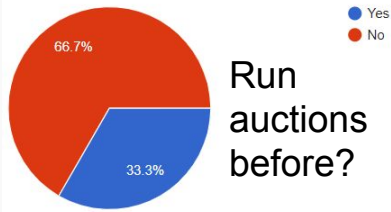


Dedicated Account Management - Seamless Integration - World Class Support - Whitelabelling - Advanced Reporting

# Periodic Chart of eAuctions

A true A-Z of Reverse Auction Categories, as published in Spend Matters





# You asked we answered

What challenges do you see when running an eAuction?

Stakeholder buy in,  
positioning auction to  
be attractive to  
bidders

Which products &  
service categories are  
most suitable for an  
auction

Having very detailed  
specifications for the  
items/services in scope

Supplier  
training

Advantages of  
eAuctions?

Coordinating  
supplier  
availability

Ensuring sufficient  
competition to start  
the bidding-war.

Choosing the right auction  
strategy to match  
said category.

Avoid driving price  
down below best  
value

How to Avoid  
alienating  
suppliers

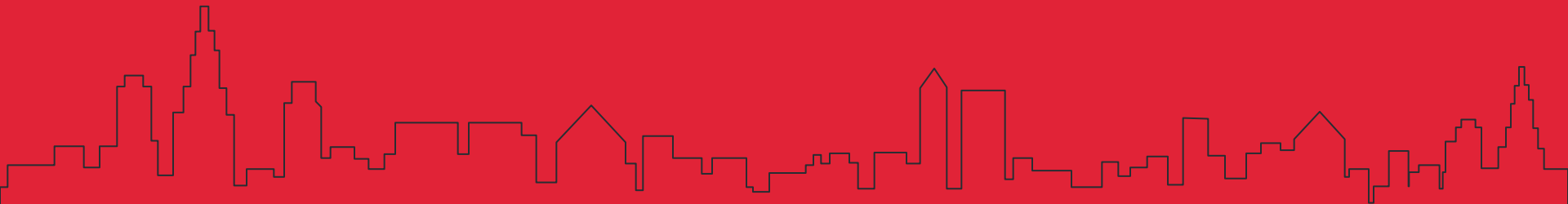
Avoid encouraging  
suppliers to  
underprice and then  
struggle to deliver

Framing terms clearly to  
minimise questions  
during the eAuction?

# Introduction to eAuctions

Quick tour of what they are, when best used, pros & cons, examples

---

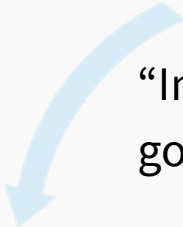




# What is a Reverse Auction?


The basics

---



“In a reverse auction sellers compete for a contract to supply goods or services and the price decreases over time.”

“In a forward auction buyers compete to purchase assets and the price increases over time.”



# What does the data say?

Statistics found from our own data



7/10

Auctions are ranked

23%

Saving in ranked auction

30 mins

Average auction selection

25%

Bids are placed in dynamic close

# History of eAuctions

How they came into being

---

**500 BC** Babylon, it was considered illegal to allow a daughter to be sold outside of the auction method

**193 AD** Romans used auctions to sell off spoils of war

**193 AD** Entire Roman Empire was put on the auction block!

**16th Century** Auction by Candle

**18th Century** Auctions held in Taverns and coffeehouses to sell art

# History of eAuctions

How they came into being

---

**1990** Emergence of internet-based online auction tools

**1995** FreeMarkets, founded by former McKinsey consultant and GE exec Glen Meakem

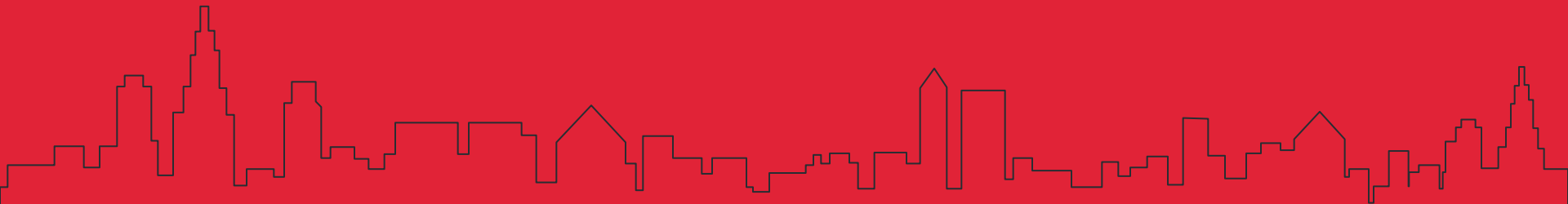
**Dot Com** Growth of many competing reverse auction service providers

**2004** Ariba announced its purchase of FreeMarkets for \$493 million

**Today** Mainstream reverse auction sites for services, e.g. van hire, car insurance, legal

# Why?

---



# Drivers to reduce costs

Why should organisations focus on cost reduction?

- Economic pressure
- Global competition
- To increase profits
- Optimisation and efficiency

**Can e-Auctions  
help?**



# Challenges

What challenges eAuctions consistently face

- Price focused
- Hurts relationships
- Confidence
- Incentives
- Security

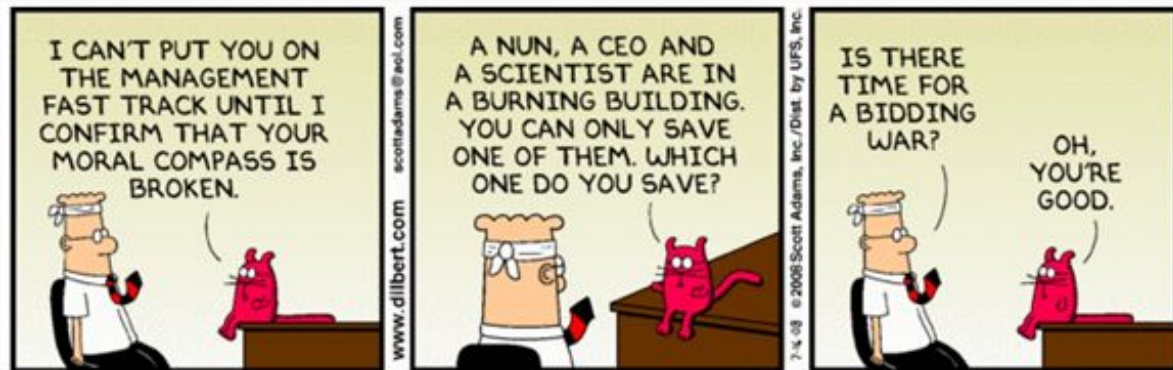


Barriers to eAuctions infographic

# Benefits

Why eAuctions are considered

- Efficiency
- No geographical constraints
- Intensity of social interactions
- Market Price
- Transparent Process





# Benefits for Suppliers

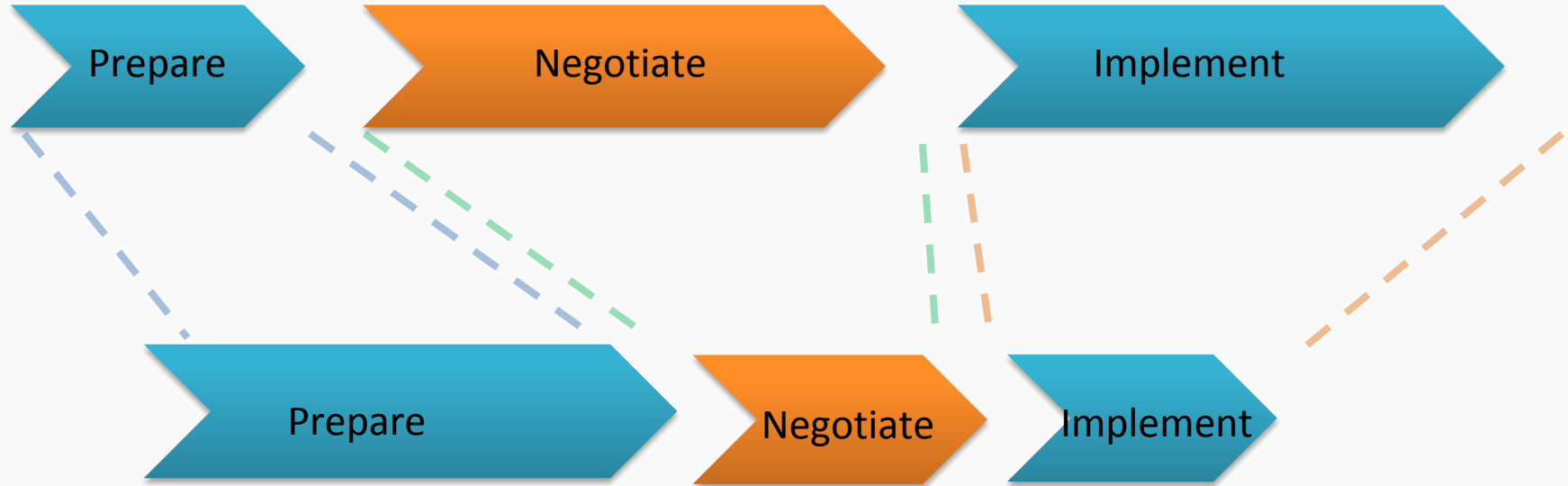
Why eAuctions can be a valuable tool for Suppliers

- Low sales cost
- Instant market feedback
- Efficiency and transparency



# The Procurement cycle

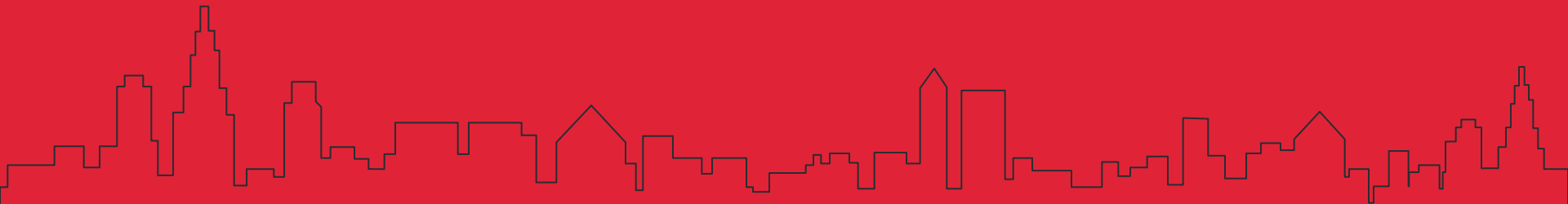
## Traditional RFQ process



## Typical e-Auction Process

# How?

---



# Reverse Auction process

**1. Category Selection**

**2. RFQ Pack**

**3. Supplier Search**

**4. Qualification Bids**

**5. Run Auction**

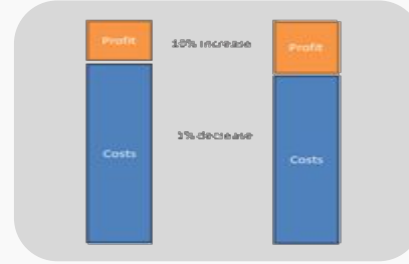
**6. Award Contract**



# 1. Category Selection



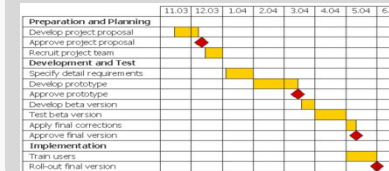
Definition



Savings potential



Liquidity

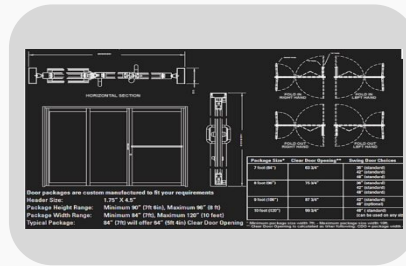


Scheduling

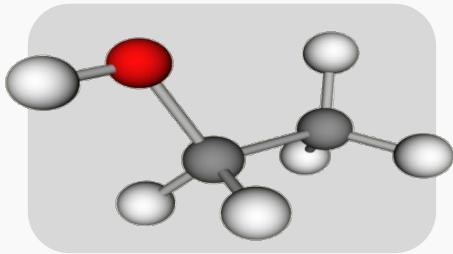
## 2. RFQ Pack



Spend value



Specifications

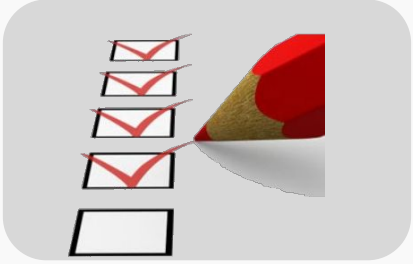


Lot structure

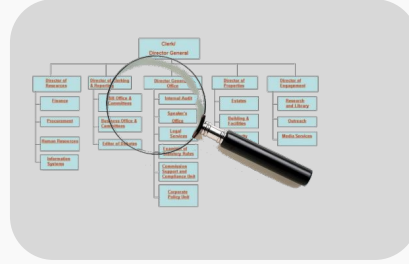


Service Levels ...

### 3. Supplier Search



Define Criteria



Ask your colleagues

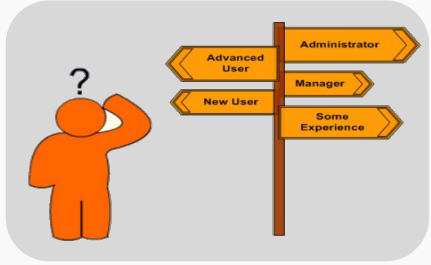


Internet / Specialists



Referrals?

## 4. Qualification Bids



Understood ?



Initial savings



Lot structure?



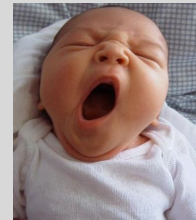
Strategy



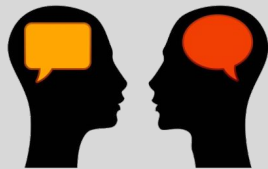
## 5. Run Auction



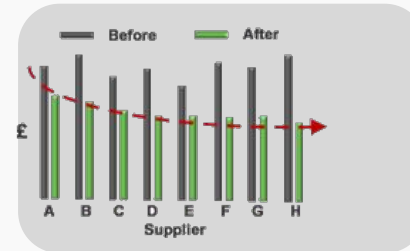
Contingencies



Keep it short

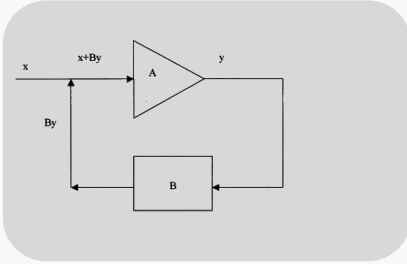


Communication

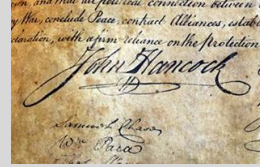


Price Compression

## 6. Award Contract



Feedback



Signed Bids



Sign Contract



Implementation

# Putting this into practice

---

We will now demonstrate how to run an event using Market Dojo

# Some of Our Biggest Fans

Don't just take our word for it - some of the world's biggest brands trust Market Dojo

The logo for Aggreko, featuring the word "aggreko" in a bold, orange, lowercase sans-serif font.

**Travis Perkins**

The logo for Logitech, featuring the word "logitech" in a black, lowercase sans-serif font with a registered trademark symbol.

Owner of the Burj Khalifa in Dubai

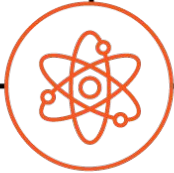
The logo for Paddy Power, featuring the word "PADDYPOWER" in a bold, white, uppercase sans-serif font on a dark green rectangular background.

# Why Choose Us?

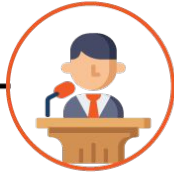
## We're Effective



**Procurement  
Experts**

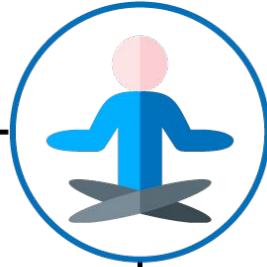


**Advanced  
Capabilities**



**Customer  
Success**

## We're Flexible

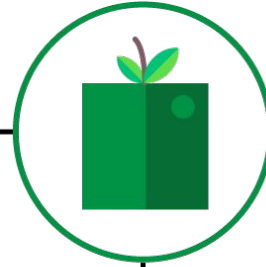


**On-demand:  
-Self service**



**Enterprise:  
-Best of breed**

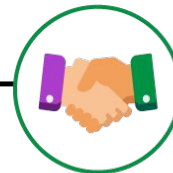
## We're Different



**Free  
Sandpit**



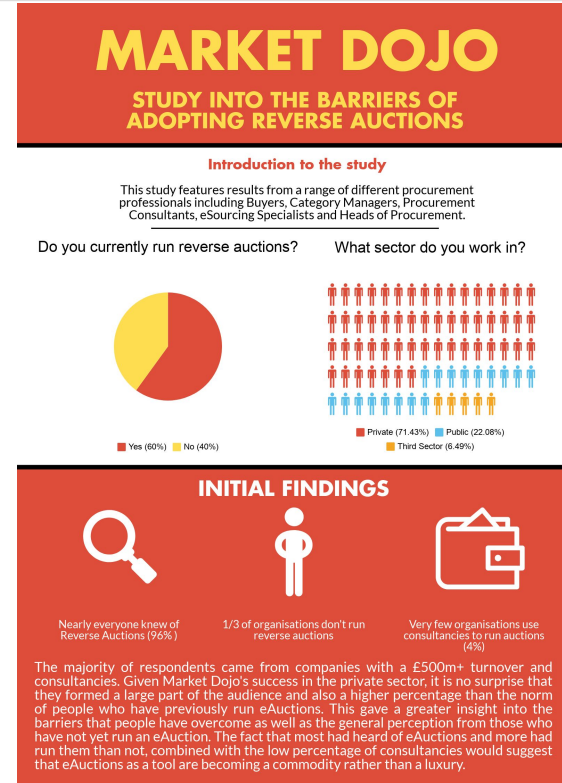
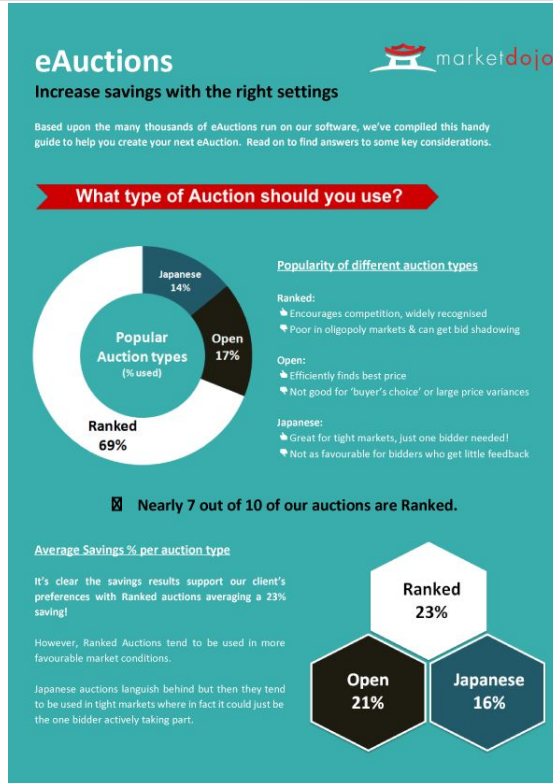
**Clear  
Pricing**



**Personal  
Touch**

# Our Market Dojo Infographics

Please check the attachments in your GoToWebinar widget for your copy of our infographics



# JOIN US FOR OUR NEXT WEBINAR

---



*Hosted by Guest Speaker Jon Hansen, discussing :*

***How Procurement departments can evolve using Digital Tools***

**Thursday 21st May - 3:15pm BST**