



Koe-Meyer Inc. Supplier Rationalization

As Farida Talat, the first ever Chief Procurement Officer of Koe-Meyer, finished her listening tour with senior executives and procurement leaders across the globe, she was shocked by the immaturity of the company's procurement operating model and the lack of consistent processes and technology. Her mentor, Thierry Dunn, worked closely with her to help her think through the challenge and the barriers in front of her.

“What you are about to do is not just upgrade the procurement function but also transform Koe-Meyer's own business processes,” Dunn explained to her. “This is going to be a monumental task, a seemingly mission impossible, but let's consider it as running a marathon rather than a sprint. We are not trying to win just one single battle for Koe-Meyer. Instead, we are sharpening its weapon and enhancing its competitiveness to realize a sustainable success in this ever-changing battlefield.”

What Talat played was not a typical procurement role. Koe-Meyer, one of the world's largest and most diversified professional services companies, had long suffered from a dysfunctional organization structure, lack of procurement expertise, and supplier proliferation. The CPO was brought in to strengthen the company's sourcing and procurement activities, leverage its buying power, professionalize corporate procurement, and more importantly, rationalize the supply base. After building a new operating model and elevating the procurement team, Talat would have to decide the optimal supplier strategy that would maximize the savings opportunity and boost Koe-Meyer's potential growth.

Koe-Meyer Inc. and Its Procurement

Koe-Meyer Inc. was a global professional services and advisory firm operating in more than 50 countries and headquartered in Houston, Texas. The company started its business in the 1990s and continued to expand its global footprint through a series of mergers and acquisitions over the next 20 years. It served customers across a broad spectrum of industries such as consumer goods

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and retail, high tech and information technology, healthcare and life sciences, and aerospace and automotive. It provided a full array of services including strategy and operational consulting, business process outsourcing, real estate advisory services, property and construction management, and technology solutions. Koe-Meyer leveraged its know-how and global size and scale to deliver consistent solutions locally, regionally and globally. By the time of 2019, it had become one of the world's largest and most diversified companies of its kind with \$10 billion annual revenue and 50,000 employees.

As the company grew, so did the complexity of procuring products and services. There were two types of procurement involved in the company. The first was the direct procurement, which was the acquisition of goods and services directly on behalf of the clients who had outsourced the business process to Koe-Meyer. There were multiple sourcing teams of various sizes dedicated to each client depending upon the scale of procurement and complexity of the sourcing requirements, which varied on a client-by-client basis. Each of the sourcing teams worked in their own silos, even though they procured the same products and services from different suppliers. As a result, new suppliers were introduced regularly resulting in a proliferation of suppliers. This operating model then led to operational silos and inefficiency of the sourcing and procurement teams that dealt with the direct procurement on behalf of clients.

The second type was the indirect procurement, which referred to the sourcing and purchasing of products and services for the company's internal operations. At Koe-Meyer, corporate functions managed their own procurement. There was no central procurement team managing the indirect procurement for the company as a whole. There was also a dearth of procurement expertise in dealing with the indirect procurement. Although the company had strong sourcing expertise, there was no category management and lack of thought leadership, vision and broader strategy for procurement function. As a result, the company was overwhelmed not only by the supplier proliferation from its direct procurement, but also by the expertise deficiency in dealing with indirect procurement.

Observing the problem and the potential opportunity this provided, Koe-Meyer's Executive Board and C-Suite decided to bring direct and indirect procurement globally under one single leader. The vision was for the leader to combine the company's sourcing and procurement activities under a center-led team and professionalize the corporate procurement by introducing category expertise, rigorous and standard procurement processes, and common technology. To further crystalize the procurement strategy, they brought in a project sponsor, Thierry Dunn, to conduct a savings opportunity assessment. After collaborating with other Executive Board members and developing a solid business case, Dunn recommended creating a new role of Chief

Procurement Officer (CPO) to leverage the company's overall buying power.

Dunn conducted a global search based on his expectations for the CPO. The optimal candidate should be not just a strong change agent who could lead the massive transformation, but also a team player who could fit in the corporate culture. Standing out from the candidates, Farida Talat was hired as the first ever CPO of Koe-Meyer. She had got several missions on her plate: first of all, she would need to combine the direct procurement teams and fix the operational silos; second, she would have to build a new corporate indirect procurement team and professionalize the procurement function; and third, she would need to rationalize the supply base and maximize the savings opportunity.

Farida Talat's Mission

To better understand the status quo, Talat conducted a listening tour and met with many company senior executives and current procurement leaders. After gathering feedback via a general survey on procurement performance and discussing with Dunn, the CPO set her first priority as to improve the indirect procurement capability. She then looked into Koe-Meyer's business operations across the three regions—Americas, Europe and Asia. Among these, the largest business footprint lay in the Americas and within the Americas, the U.S. was the biggest country and played the most significant role. Based on this information, the U.S. was set to be the initial focus area. Talat built a new global indirect procurement team of 21 global and regional sourcing specialists (Exhibit 1). Within the team, the U.S. segment was further subdivided and specialized to perform more detailed analyses on multiple categories of spend.

In 2019, Koe-Meyer spent \$1 billion on the indirect procurement including HR, IT, Professional Services, Travel, Operations and Marketing. This expenditure was segmented by the company's business regions (Exhibit 2). The total annual spend in the U.S. accounted for 85% in the Americas, which was about \$493 million (Exhibit 3). There were over 10,000 suppliers—a monumental task—on Talat's table to rationalize. Even though there was a focus on suppliers with strategic relationships, there existed a long tail of suppliers with relatively small scale and local presence. The CPO and her team decided to kick off a strategic sourcing initiative to reduce the number of suppliers and deliver savings to Koe-Meyer. They created a strategic matrix based on the company's spend by supplier and the supplier's geographic coverage of business. They also prioritized the initial focus on three categories, Office Supplies, Contingent Labor, and Legal Services, including 248 suppliers and accounting for \$71 million of total third-party spend.

Each of these 248 suppliers was segmented by category and related spend, and scored based on its geographic coverage from local to nationwide on a scale of 1 to 10 (Exhibit 4.1, 4.2, 4.3).

After plotting out the strategic matrix and populating supplier data, the suppliers could be further subdivided into (i) *strategic partnerships*—suppliers who should be properly maintained and strengthened, (ii) *local*—suppliers who might play an important part locally, (iii) *value-added*—suppliers who had a potential to grow further, and (iv) *cut-the-tail*—suppliers who might be terminated and whose spend might be redistributed (Exhibit 5).

The team also performed analyses on the criticality and the quality of each supplier. Criticality stands for the level of business impact each supplier had on the company, consisting of Available Capacity, Switching Costs, Substitution Options, Savings Opportunity, and Integrated Solution. Quality measures the degree of performance excellence and unique attributes possessed by each supplier, including Leadership, Innovation, Technology, Compliance, and Customer Services (Exhibit 6). Each attribute for criticality and quality was scored from 1 to 10 and assigned percentage weight of importance in Exhibit 7.1, 7.2, 7.3 and Exhibit 8.1, 8.2, 8.3.

Talat and her team further looked into each category. The Office Supplies category represented a simple commodity, set of products where there was limited differentiation across the suppliers, almost all suppliers could provide the supplies needed. Office Supplies supply base was comprised of national suppliers, who could supply across most of the U.S. (e.g. Staples & Schoks); regional suppliers, who provided a multi-state coverage (e.g. Guernsey Best Products); and local suppliers, such as Office Inc located in Houston. Similarly, within the Contingent Labor category, there were national, regional and local suppliers. However, the criticality of the labor type provided by each Contingent Labor supplier was particularly crucial. For example, although MBI Crew was only in one state, it was critical in providing IT staff augmentation in a city of high industry demand, where Koe-Meyer set up its technology shared services operations. There might be competition to MBI Crew, but the quality of technical staff provided by MBI Crew was superior.

Moreover, the category of Legal Services presented an interesting challenge to the CPO. There were a variety of legal service procured—litigation, securities filing, contract law, intellectual property, and immigration support. None of the national law firms provided a full coverage of these legal matters. Only law firms with expertise in different areas of law existed. For instance, Wed Trice was a specialist in contract law, whereas Arnes & Hornburg had a niche in intellectual property. Both of these services were not covered by Axiong, but they were crucial and brought high quality to Koe-Meyer's business.

As Talat embarked on the path to rationalize the supply base, she was intrigued to explore the business benefits and savings opportunities that the suppliers would offer. In their proposal, Staples & Schoks offered a tiered volume discount—each \$2 million increase in the business

would lead to a 5% increase in discount. Staples & Schoks' current pricing reflected a 10% discount off the list price. On the other hand, the pricing provided by Indo-Off. was already at 15% below the list price and no additional discounts were offered. In addition, Guernsey Best Products offered a 30% significant discount for total aggregate business of over \$5 million. Savings was a major driver for Office Supplies. Having all of the data in their hand, the CPO and her team now had to justify the business rationale and reduce the number of suppliers.

The Team's Dilemma

Talat and her team got into a debate about how to rationalize the number of suppliers. Should they invest all of the resources on one single large partner? Could Office Supplies be the category where a single supplier option could lead to greatest savings? If so, which one should they choose and how much savings will be delivered? Or, should they focus on a small number of vital suppliers? Both Contingent Labor and Legal Services were more complex categories with criticality and quality playing a bigger role in supplier rationalization. Then how should they decide the number and criteria for selection? How would one use weighted average scores for Criticality and Quality as additional factors to Total Spend and Geographic Coverage for supplier selection? Moreover, what should they do with the suppliers lying in the cut-the-tail segment but possessing unique features? These questions forced them to think through the comparison between single source strategy and multiple supplier strategy.

Single source strategy, relying on one supplier for all of the demand in the category, brings the benefits of procurement synergy. Bulk purchasing and volume bundling create economies of scale, increasing the company's buying power, gaining deeper discounts and attaining lower unit costs. It also unifies the administrative processes and streamlines the procedures, making it easier to maintain or strengthen the supplier relationship. However, the dependency can introduce high risk in the case of sudden shortage or other emergencies with the supplier.

On the other hand, multiple supplier strategy mitigates this kind of risk by allocating procurement focus onto multiple suppliers. Some suppliers, albeit small and local, provide critical products or services and cannot be replaced by other suppliers. This strategy makes demand fluctuations and supply disruptions more manageable. Additionally, while there is relatively low buying power to be leveraged, there may be some chance to take advantage of the competition among the suppliers. Yet, it requires more overhead and management time and can reduce the overall responsiveness and information sharing.

Talat listed out three sourcing strategy options for each indirect procurement category: (i) centralizing all demand to one single supplier, (ii) relying on a small group of suppliers ranging

from 2 to 10, and (iii) sourcing from a large group of suppliers greater than 10. To select the right sourcing strategy for each category, the team had to plot the position of each supplier onto the strategic matrix, understand the importance of each supplier based on its criticality and quality, and identify the possible supplier candidates to choose and compare. Their decision-making also had to be backed up by the possible financial impact. In the end, the CPO would have to decide the optimal strategy for each category and report to the C-Suite and other executives.

Looking Ahead

Talat realized that what was in front of her, was a massive challenge, but the opportunity and the potential prize were so intriguing and desirable that excited and motivated her to overcome all of the monumental tasks. To come up with the optimal strategy for each indirect procurement category and present her recommendation to the C-Suite and executives, the CPO and her team prepared a list of questions to conduct a thorough supplier rationalization analysis:

Part I Current Status Evaluation

1. For each category (Office Supplies, Contingent Labor, Legal Services), create a bar chart with respect to the total spend by each supplier. What do you observe?
2. For each category (Office Supplies, Contingent Labor, Legal Services), create a strategic matrix plot using geographic coverage against total spend and populate data of the suppliers. What do you find from each plot?
3. Other than geographic coverage, what are the other metrics you would take into consideration in terms of supplier rationalization? Calculate the weighted average score for criticality and quality. For each of these metrics, create a strategic matrix plots against total spend by populating the data. What can you tell from the plots? Create a strategic matrix plot populating criticality against quality for each category. What insights do the plots provide?

Part II Strategy Recommendation and Justification

4. How do different characteristics of the three categories (Office Supplies, Contingent Labor, and Legal Services) influence your viewpoint on supplier rationalization? Compare the categories and discuss the differences.
5. What is the number of suppliers you recommend for each category (1, 2 to 10, or more than 10)? Justify your answer by computing the savings opportunity and/or evaluating the key metrics you use and the pros and cons of your recommendation.

Exhibit 1 Indirect Procurement Team Structure

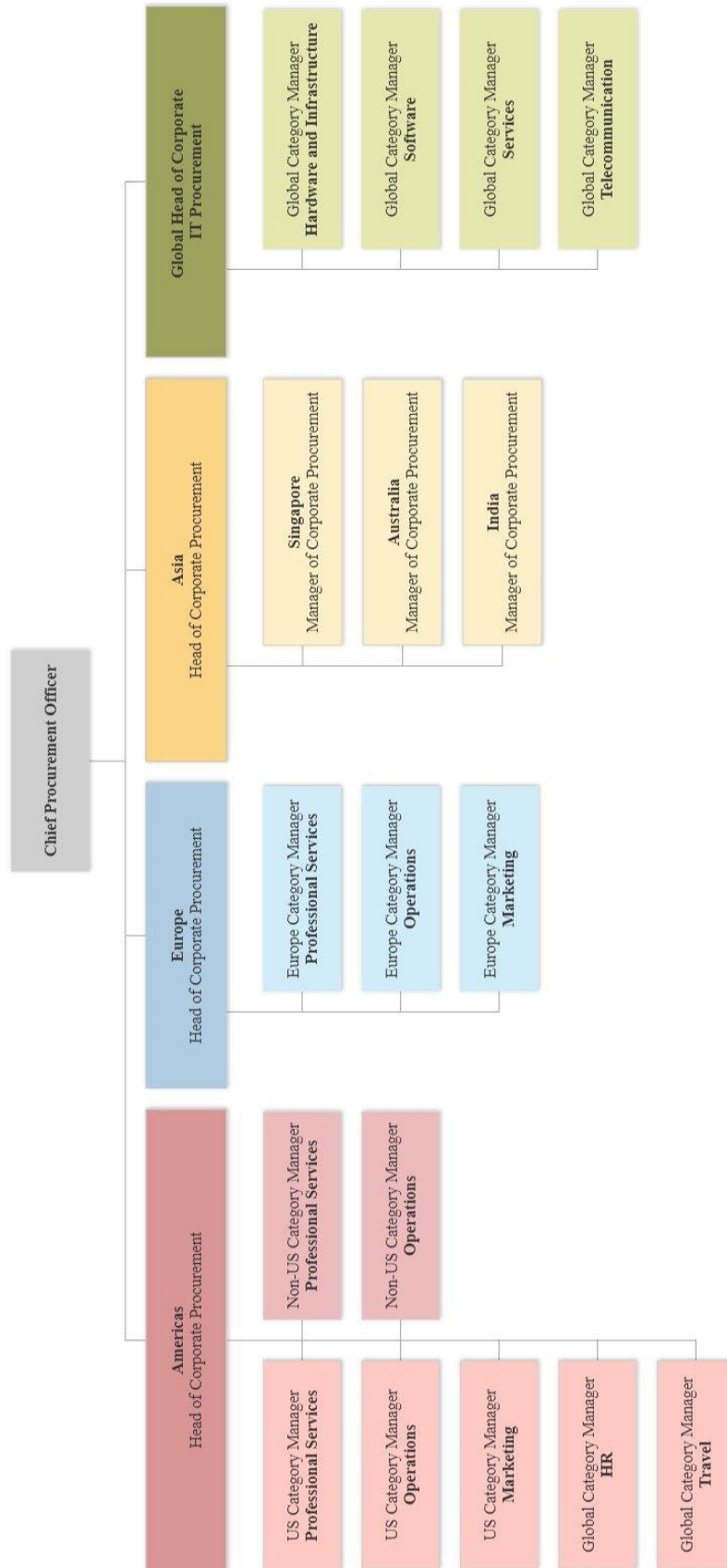


Exhibit 2 2019 Global Indirect Procurement Spending (In Millions)

Region Category	Americas	Europe	Asia	Total
HR	\$ 196	\$ 51	\$ 33	\$ 280
IT	\$ 181	\$ 75	\$ 44	\$ 300
Professional Services	\$ 72	\$ 73	\$ 10	\$ 155
Travel	\$ 65	\$ 19	\$ 21	\$ 105
Operations	\$ 41	\$ 46	\$ 8	\$ 95
Marketing	\$ 25	\$ 31	\$ 9	\$ 65
Total	\$ 580	\$ 125	\$ 295	\$ 1,000

Exhibit 3 2019 Indirect Procurement Spending in the U.S. by Category (In Millions)

HR	
Health and Medical Insurance	\$ 105
Contingent Labor	\$ 50
Permanent Recruitment	\$ 8
Learning and Development	\$ 4
Total	\$ 167
IT	
Hardware and Infrastructure	\$ 57
Software	\$ 47
Services	\$ 29
Telecommunication	\$ 22
Total	\$ 155
Professional Services	
Consulting	\$ 22
Corporate Insurance	\$ 19
Legal Services	\$ 13
Finance and Audit	\$ 6
Total	\$ 60
Travel	
Air Travel	\$ 17
Hotel and Accommodation	\$ 15
Subsistence	\$ 7
Other Travel	\$ 6
Ground Travel	\$ 5
Total	\$ 50
Operations	
Office Supplies	\$ 8
Fleet Management	\$ 7
Information and Market data	\$ 7
MFD's (Photocopiers)	\$ 6
Office Furniture and Equipment	\$ 6
Café, Vending and Hospitality	\$ 4
Total	\$ 38
Marketing	
Advertising	\$ 7
E-Marketing	\$ 4
Conferences	\$ 3
Design and Creative	\$ 3
External Meetings	\$ 3
Public Relations	\$ 2
Signage	\$ 1
Total	\$ 23

Exhibit 4.1 Office Supplies Total Spend and Supplier Geographic Coverage

No.	Supplier	Total Spend	Geographic Coverage
1	OFFICE INC	\$ 2,072,047	1
2	STAPLES & SCHOKS	\$ 1,340,109	8
3	INDO-OFF	\$ 1,306,916	3
4	TWIST & SHINE PRODUCTS	\$ 390,824	9
5	GUERNSEY BEST PRODUCTS	\$ 359,192	8
6	MY OFFICE	\$ 313,967	4
7	OFFICE OFFICE	\$ 227,992	1
8	GREEN OFFICE	\$ 188,284	3
9	OFFICE ADVANTAGE	\$ 164,066	3
10	GRAND	\$ 144,255	4
11	CRUMB	\$ 134,738	4
12	BINDING AND PRINTING	\$ 118,897	3
13	RELY SALES	\$ 111,400	8
14	SPIRAL	\$ 111,359	9
15	LINE	\$ 85,876	6
16	Y MARKETPLACE	\$ 77,938	7
17	MASON	\$ 75,292	9
18	GARVEYS OFFICE	\$ 62,728	5
19	UPM	\$ 59,365	8
20	TEJAS PRODUCTS	\$ 50,547	3
21	CPI POINT	\$ 49,397	2
22	OEDGE	\$ 40,505	8
23	RIOT IMAGING	\$ 39,824	10
24	POSTER CENTER	\$ 39,406	5
25	OFFICE SYSTEMS	\$ 34,108	9
26	CONNOR	\$ 33,003	8
27	HUMANS	\$ 32,078	10
28	MAC SOLUTIONS	\$ 25,773	7
29	RUSHK	\$ 24,789	1
30	EXCE	\$ 23,639	3
31	PROST	\$ 22,190	10
32	CORPORATE PRINTING	\$ 22,051	3
33	BUCKLEY	\$ 19,037	10
34	TSERVICES	\$ 17,760	6
35	REGENCY PRODUCTS	\$ 17,265	7
36	CYMBA	\$ 16,821	10
37	VILL PARK	\$ 16,791	10
38	OFFIC IMAG	\$ 15,067	10
39	HEADSE	\$ 12,053	10
40	OFFICE DEPOT	\$ 12,021	6
41	GREENWOOD	\$ 6,981	4
42	BINDINGS	\$ 6,770	5
43	SOURCE INC	\$ 6,749	1
44	WAYFA	\$ 6,640	2
45	HIGHTO	\$ 6,619	1
46	CLEANING	\$ 6,222	1
47	DELU	\$ 5,932	6
48	CALIFORNIA COMMERCE	\$ 4,918	6
49	SOUTHPAW	\$ 4,743	5
50	PROJECTOR	\$ 2,915	10

Exhibit 4.1 Office Supplies Total Spend and Supplier Geographic Coverage (Cont'd)

No.	Supplier	Total Spend	Geographic Coverage
51	COUNTY TV	\$ 2,317	9
52	SAMS CLUB DIRECT	\$ 2,216	8
53	GATEWAY PRINTING	\$ 1,896	4
54	EVEY VALUE	\$ 1,872	5
55	SOLAR	\$ 1,813	4
56	PITTSBURGH	\$ 1,777	9
57	PLOTTER TECH	\$ 1,567	10
58	JUDKIS	\$ 1,428	7
59	HARITAN	\$ 1,413	2
60	ONTA INC	\$ 1,389	3
61	HEALTHCARE MANAGEMENT	\$ 1,371	3
62	JONES DISTRIBUTOR	\$ 1,321	5
63	SKYLINE	\$ 1,294	3
64	NEO	\$ 1,155	7
65	VALERO COMPANY	\$ 1,099	1
66	GREENERY	\$ 1,054	4
67	ZEE SERVICE	\$ 1,048	7
68	RKNAPP	\$ 1,022	5
69	BRAIN PRINT	\$ 992	6
70	GREEN BOX	\$ 746	6
71	JOHNS SUPPLY	\$ 722	10
72	PAYMENT ADJUSTMENT	\$ 696	9
73	UNIBIN	\$ 678	3
74	GONZALEZ	\$ 654	1
75	ARC	\$ 601	5

*Note: Names and scores of the suppliers have been adjusted for case design purposes.

Exhibit 4.2 Contingent Labor Total Spend and Supplier Geographic Coverage

No.	Supplier	Total Spend	Geographic Coverage
1	MBI CREW	\$ 18,425,169	5
2	EK DATA	\$ 9,282,431	4
3	INCREDIBLE OUTSOURCING	\$ 4,725,430	4
4	INFO RESOURCES	\$ 3,343,565	8
5	MODE	\$ 2,549,287	7
6	MICROCODE	\$ 2,079,285	5
7	SOFT SPECIALTIES	\$ 1,952,643	6
8	PROM TECH	\$ 1,614,016	7
9	SPR	\$ 1,430,862	10
10	COGNIZANT SOLUTIONS	\$ 1,202,096	5
11	FLEXAGE	\$ 266,956	9
12	METASYS	\$ 240,447	6
13	ADVIZ	\$ 222,138	5
14	HARMAN	\$ 219,994	7
15	CULURE	\$ 217,226	9
16	XCHANG	\$ 207,471	6
17	EXCEL	\$ 180,009	8
18	ADIA	\$ 167,841	6
19	BIWIS	\$ 161,719	9
20	GOLDEN	\$ 153,262	8
21	INFTECH	\$ 146,031	8
22	TEK-GLOBAL	\$ 135,897	2
23	LOGANBRIT	\$ 132,977	4
24	SYMBI	\$ 120,549	7
25	HYRAN	\$ 96,821	8
26	GEOCOMMUN	\$ 94,882	3
27	EXCEE	\$ 76,219	2
28	INTEGRA	\$ 71,421	4
29	SYLVAR	\$ 60,966	3
30	CLOUDWIC	\$ 45,398	8
31	KFORC	\$ 42,651	9
32	B TECHNOLOGY	\$ 38,092	9
33	COXUS	\$ 35,111	8
34	ESSEN	\$ 34,801	8
35	PMG	\$ 33,792	4
36	ISG INFORMATION	\$ 33,568	8
37	SOLJIT	\$ 27,545	3
38	GEOSYNER	\$ 22,707	4
39	RAG COM	\$ 22,461	7
40	DELOIT BUSINESS	\$ 19,117	10
41	VAK SOFTWARE	\$ 14,114	10
42	MEDI	\$ 11,985	8
43	TRAUBE	\$ 7,216	9
44	FACTOR	\$ 6,564	8
45	TIERPOIN	\$ 5,405	8
46	TRANERFECT	\$ 4,305	1
47	RACSPACE	\$ 3,751	1
48	KTECH	\$ 2,871	2
49	EMTEC	\$ 2,677	7
50	POWELL	\$ 2,389	5

Exhibit 4.2 Contingent Labor Total Spend and Supplier Geographic Coverage (Cont'd)

No.	Supplier	Total Spend	Geographic Coverage
51	KENMITH	\$ 1,480	8
52	TMD TERVICES	\$ 1,432	9
53	MOBY VIEW	\$ 1,234	6
54	UNIVERSITY OF DALLAS	\$ 740	5
55	MCVEIGH	\$ 456	1
56	NEURON SERVICES	\$ 271	10
57	FOLEY	\$ 257	4

*Note: Names and scores of the suppliers have been adjusted for case design purposes.

Exhibit 4.3 Legal Services Total Spend and Supplier Geographic Coverage

No.	Supplier	Total Spend	Geographic Coverage
1	AXIONG	\$ 3,371,502	10
2	RESMITH	\$ 1,102,100	9
3	ARNES & HORNBURG	\$ 936,958	1
4	LEWIS BOCKIUS	\$ 822,345	9
5	WED TRICE	\$ 770,647	3
6	COX CASTLE	\$ 672,770	10
7	SLATE MEAGHER	\$ 396,488	2
8	LITTLER	\$ 392,813	3
9	MCKENZIE	\$ 385,638	2
10	KILMER WALKER	\$ 340,864	3
11	ALSTON	\$ 294,034	9
12	GOMEN	\$ 280,242	9
13	LEGAL COST	\$ 181,235	4
14	DONELSON	\$ 153,972	6
15	COLLE	\$ 127,849	10
16	SCHHARDIN	\$ 118,019	10
17	CONNELL	\$ 112,778	5
18	KATTEN ROSENMAN	\$ 108,954	9
19	ALVIN BROWN	\$ 106,115	7
20	MAYNARD GALE	\$ 102,222	10
21	MORRIS MARTIN	\$ 101,600	5
22	CLAUSEN	\$ 93,973	4
23	LICHTEN	\$ 87,395	4
24	AKERMA	\$ 80,037	10
25	DEBOSKEY	\$ 78,838	4
26	SLOVACEK	\$ 78,736	7
27	FRESH TRUST	\$ 76,710	6
28	TROUTMAN	\$ 69,261	6
29	CEMARK	\$ 69,193	4
30	VISUAL LLC	\$ 59,678	7
31	BOWAN	\$ 59,227	9
32	F AND H	\$ 58,137	6
33	HART LLP	\$ 56,013	10
34	TRUSTEES	\$ 54,208	3
35	LATHAM	\$ 53,866	6
36	SRS CRESA	\$ 52,716	4
37	DAVIS	\$ 49,564	8
38	WELCH C	\$ 46,386	8
39	T PARTNERS	\$ 46,169	9
40	KRONISCH	\$ 44,389	6
41	SEYFARTH	\$ 42,923	3
42	ROTHSCHILD	\$ 42,685	9
43	HIRSCH	\$ 42,049	9
44	WEITZEL	\$ 39,644	5
45	FORD HARRISON	\$ 36,403	6
46	KNEPPERS	\$ 35,396	8
47	BOSCO	\$ 35,188	5
48	COZEN	\$ 34,287	8
49	HAZLEWOOD	\$ 31,548	4
50	GONZALES	\$ 29,377	8

Exhibit 4.3 Legal Services Total Spend and Supplier Geographic Coverage (Cont'd)

No.	Supplier	Total Spend	Geographic Coverage
51	COGNITION	\$ 27,740	3
52	GUNSTER	\$ 26,389	2
53	L DANIELS	\$ 23,295	8
54	KALER GRIMES	\$ 22,809	8
55	AXIOM	\$ 21,994	8
56	FARZAM	\$ 21,836	7
57	PRI	\$ 21,268	3
58	HAIGHT STEEL	\$ 21,159	2
59	KELLEYWARREN	\$ 21,005	5
60	LATHROP	\$ 20,623	3
61	EVANS LAW	\$ 20,022	8
62	FOERSTER	\$ 19,107	5
63	HAYNES	\$ 18,969	7
64	LOTZ GIANNUARIO	\$ 18,217	3
65	EMOND	\$ 10,763	8
66	BCF LAW	\$ 10,637	5
67	JAMS INC	\$ 10,560	5
68	OLAGUES	\$ 10,228	6
69	CORBIN AND LEVER	\$ 10,224	6
70	HUNTON	\$ 8,802	7
71	ARGUS	\$ 8,759	5
72	NATIONAL PLANNING	\$ 8,262	3
73	POLSINELLI	\$ 7,679	5
74	GRAFF	\$ 7,677	2
75	KOLLER	\$ 7,568	6
76	IAN BLANT	\$ 7,476	7
77	AMIR KIA	\$ 7,129	5
78	CARLTON	\$ 7,084	3
79	HENDERSON	\$ 6,285	8
80	CORE LEGAL	\$ 6,035	2
81	DUNBAR	\$ 5,902	5
82	CUNINGHAM	\$ 5,114	9
83	MINORITY ASSOCIATION	\$ 5,114	3
84	OF DELAWARE	\$ 5,038	3
85	PUGH JOHNSON	\$ 4,993	4
86	BADLEY SPELLMAN	\$ 4,907	2
87	HOGAN LLP	\$ 4,809	7
88	KRAVITZ SCHNITZER	\$ 4,735	5
89	LEXISNEXIS	\$ 4,706	3
90	NOLLAND	\$ 3,324	7
91	WOLCOTT	\$ 3,221	5
92	BISHOP AND SHERMAN	\$ 3,103	9
93	ANI	\$ 3,063	2
94	YACOBONI	\$ 2,914	2
95	H WILSEY	\$ 2,914	6
96	S BURGESS	\$ 2,914	2
97	A CAZA	\$ 2,914	3
98	KENTUCKY APPRAISERS	\$ 2,610	3
99	PARISE ASSOCIATES	\$ 2,445	7
100	BUREAU OF APPRAISERS	\$ 2,418	2

Exhibit 4.3 Legal Services Total Spend and Supplier Geographic Coverage (Cont'd)

No.	Supplier	Total Spend	Geographic Coverage
101	N RIVERS	\$ 2,406	7
102	BRUCH OFFICES	\$ 2,291	4
103	KPMG	\$ 2,122	7
104	LAKE LLC	\$ 2,045	9
105	D WILSON	\$ 2,045	5
106	SPARKS LEVY	\$ 2,021	7
107	WOOLF	\$ 1,800	2
108	JAMES F	\$ 1,779	6
109	AIKINS	\$ 1,758	4
110	LAFLEUR HENDERSON	\$ 454	4
111	NAILAH K BYRD	\$ 375	3
112	OF VIRGINIA	\$ 368	7
113	FACILITY SERVICES	\$ 192	6
114	NATHANSON	\$ 152	1
115	FARABOW GARRETT	\$ 149	7
116	PATRICK	\$ 143	7

*Note: Names and scores of the suppliers have been adjusted for case design purposes.

Exhibit 5 Strategic Matrix Plot

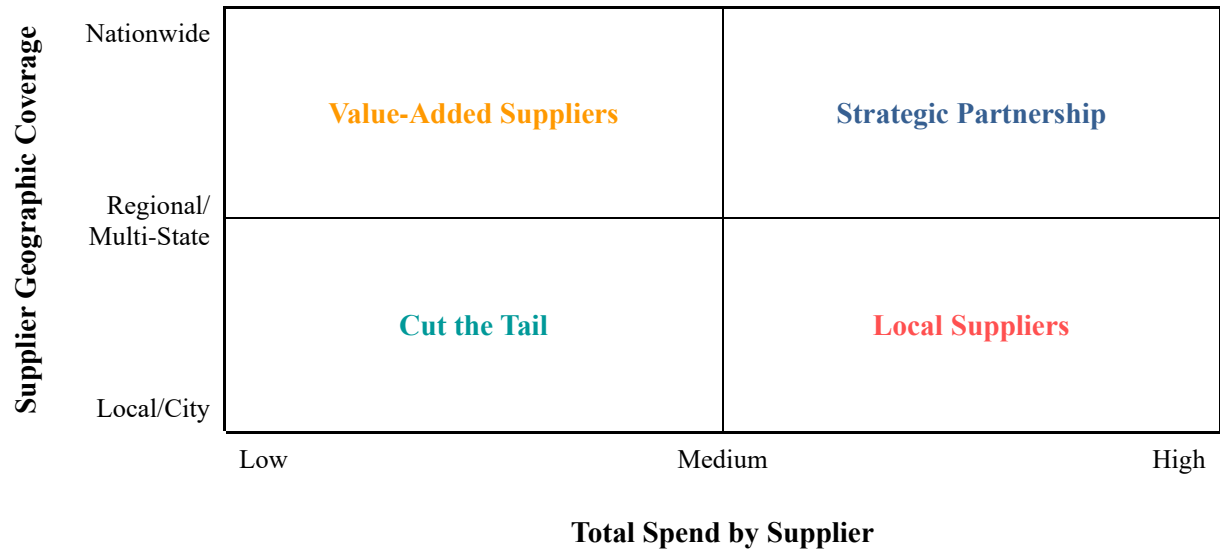


Exhibit 6 Elements in Criticality and Quality

Criticality	
Available Capacity	How much capacity does the supplier have to grow with the company as the business expands? A score of 10 means the supplier has very high capacity to grow with the company and thus is critical to the company.
Switching Costs	How hard is it for the company to switch from one supplier to another? A score of 10 means the supplier is irreplaceable and thus critical to the company.
Substitution Options	How many options does the company have to substitute the supplier with another? A score of 10 means there is no alternative suppliers and thus the supplier is critical to the company.
Savings opportunity	How well does the supplier bring in savings for the company? A score of 10 means the supplier provides a great chance of savings and thus is critical to the company.
Integrated Solution	How well does the supplier integrate its technology into the company's systems? A score of 10 means the supplier technology is fully integrated and thus the supplier is critical.
Quality	
Leadership	How well does the supplier's leadership address needs and solve problems? A score of 10 means the supplier has outstanding leadership.
Innovation	How well does the supplier bring in new ideas and increase efficiency? A score of 10 means the supplier is very innovative and proactive on introducing new ideas.
Technology	How well does the supplier's technology increase the company's efficiency? A score of 10 means the supplier's technology is critical to improve the company's efficiency.
Compliance	How well does the supplier comply with the regulations and related requirements? A score of 10 means the supplier meets all of the compliance thresholds and requirements.
Customer services	How good is the supplier in addressing and solving the company's needs and requirements? A score of 10 means the supplier proactively provides quality services and creates good customer experience.

Exhibit 7.1 Office Supplies Supplier Criticality

Supplier No.	Available Capacity (20%)	Switching Costs (25%)	Substitution Options (15%)	Savings opportunity (30%)	Integrated Solution (10%)
1	5	5	6	2	5
2	9	6	10	10	4
3	2	3	5	4	6
4	3	8	7	7	3
5	4	6	3	2	5
6	9	10	3	4	2
7	6	2	9	7	8
8	9	2	7	1	3
9	7	5	2	7	4
10	6	5	3	3	5
11	2	4	2	6	1
12	10	3	5	7	10
13	10	1	3	9	2
14	6	5	3	1	10
15	4	5	6	4	6
16	1	3	5	9	9
17	6	4	5	3	4
18	7	4	8	10	10
19	7	7	8	1	9
20	6	2	5	3	4
21	4	9	5	2	8
22	7	4	10	7	2
23	9	3	2	1	1
24	4	7	6	1	1
25	8	7	3	4	1
26	6	10	9	2	8
27	5	10	4	3	5
28	6	1	9	3	5
29	2	9	10	5	4
30	8	8	4	7	3
31	2	5	9	2	9
32	7	7	7	6	2
33	3	2	2	5	2
34	5	4	8	6	9
35	7	10	1	10	4
36	2	2	7	3	3
37	2	7	7	10	4
38	1	4	9	3	4
39	10	8	1	2	10
40	9	8	6	5	8
41	5	1	9	8	1
42	4	9	9	6	5
43	2	6	9	10	7
44	7	7	4	7	10
45	7	1	3	1	4
46	6	5	8	6	8
47	6	6	7	7	6

Exhibit 7.1 Office Supplies Supplier Criticality (Cont'd)

Supplier No.	Available Capacity (20%)	Switching Costs (25%)	Substitution Options (15%)	Savings opportunity (30%)	Integrated Solution (10%)
48	1	8	4	3	6
49	1	7	8	2	5
50	7	10	1	9	4
51	8	5	9	9	9
52	9	10	3	1	8
53	4	9	6	5	9
54	5	3	9	7	5
55	5	5	10	4	8
56	1	7	10	7	4
57	2	2	8	1	10
58	2	10	7	2	8
59	5	6	1	4	7
60	9	6	4	6	3
61	10	9	8	2	9
62	3	8	6	10	4
63	8	6	8	9	5
64	1	5	2	7	6
65	9	10	5	6	7
66	6	3	1	4	10
67	10	6	6	2	7
68	6	3	4	5	9
69	8	6	4	7	9
70	2	4	8	9	10
71	1	3	5	5	3
72	2	5	8	1	4
73	10	3	9	2	9
74	3	1	5	8	7
75	10	5	2	2	4

*The Supplier No. refers to the No. in Exhibit 4.1.

Exhibit 7.2 Contingent Labor Supplier Criticality

Supplier No.	Available Capacity (20%)	Switching Costs (25%)	Substitution Options (15%)	Savings opportunity (30%)	Integrated Solution (10%)
1	8	6	7	7	9
2	8	8	7	9	6
3	7	10	6	7	3
4	5	9	7	8	8
5	7	8	9	10	7
6	6	2	6	2	8
7	6	7	10	9	4
8	7	10	1	9	6
9	5	7	8	9	2
10	1	8	5	5	3
11	9	9	6	4	8
12	3	6	4	5	7
13	2	9	3	8	1
14	1	9	4	2	2
15	2	7	6	2	7
16	4	7	8	3	3
17	7	9	10	2	6
18	3	5	5	8	6
19	5	2	4	5	2
20	6	3	5	9	1
21	4	2	6	2	3
22	4	4	1	7	5
23	7	10	8	4	9
24	9	9	1	1	2
25	6	7	1	1	5
26	6	2	10	4	9
27	10	7	6	3	4
28	3	7	7	1	10
29	5	8	7	7	10
30	7	3	9	2	9
31	6	9	9	9	4
32	8	10	6	1	9
33	3	8	4	7	5
34	2	4	9	9	7
35	7	9	7	4	6
36	7	6	5	1	6
37	6	10	10	2	8
38	9	2	1	3	3
39	2	10	6	6	9
40	9	6	8	9	3
41	4	8	6	1	10
42	8	8	9	7	7
43	10	3	1	8	1
44	9	1	4	7	4
45	1	4	9	5	10
46	8	5	6	5	2
47	2	5	1	4	2

Exhibit 7.2 Contingent Labor Supplier Criticality (Cont'd)

Supplier No.	Available Capacity (20%)	Switching Costs (25%)	Substitution Options (15%)	Savings opportunity (30%)	Integrated Solution (10%)
48	3	5	3	6	3
49	1	10	9	5	6
50	6	6	8	9	3
51	4	9	2	8	3
52	6	7	10	4	7
53	8	8	9	6	2
54	7	7	7	8	6
55	5	6	7	8	5
56	3	4	5	5	5
57	3	7	4	6	4

*The Supplier No. refers to the No. in Exhibit 4.2.

Exhibit 7.3 Legal Services Supplier Criticality

Supplier No.	Available Capacity (20%)	Switching Costs (25%)	Substitution Options (15%)	Savings opportunity (30%)	Integrated Solution (10%)
1	6	2	1	4	2
2	8	8	9	9	8
3	7	8	7	9	5
4	6	8	8	8	10
5	8	9	7	8	6
6	9	9	6	8	8
7	10	10	9	8	10
8	8	9	8	10	5
9	10	10	5	8	4
10	10	10	1	8	9
11	10	10	9	8	7
12	10	10	9	6	10
13	6	8	10	2	6
14	10	10	5	6	8
15	4	5	7	7	4
16	4	3	5	1	5
17	9	10	7	4	8
18	9	6	6	3	10
19	10	4	10	6	1
20	2	6	6	4	7
21	9	3	3	9	3
22	7	10	10	5	7
23	6	6	7	5	2
24	9	10	1	4	7
25	3	8	8	4	10
26	1	1	3	10	5
27	5	7	4	5	6
28	7	2	3	1	8
29	7	9	8	2	2
30	7	8	8	8	1
31	7	4	6	3	1
32	9	5	4	6	6
33	5	9	5	6	3
34	4	3	2	6	9
35	8	3	3	6	5
36	1	9	5	3	2
37	6	10	2	8	10
38	6	8	4	5	5
39	9	2	5	9	9
40	5	6	1	4	4
41	9	8	7	1	9
42	4	1	5	10	6
43	10	7	8	8	2
44	4	2	6	2	7
45	3	2	9	3	5
46	7	10	9	1	7
47	3	4	9	6	8

Exhibit 7.3 Legal Services Supplier Criticality (Cont'd)

Supplier No.	Available Capacity (20%)	Switching Costs (25%)	Substitution Options (15%)	Savings opportunity (30%)	Integrated Solution (10%)
48	4	6	8	7	4
49	5	5	4	10	7
50	8	4	8	3	6
51	9	4	6	9	3
52	1	5	5	4	10
53	10	3	8	7	9
54	6	10	1	4	3
55	10	3	7	9	2
56	9	8	8	3	7
57	1	1	9	8	2
58	3	7	9	1	4
59	2	5	10	1	3
60	9	2	6	8	7
61	7	6	10	10	7
62	9	1	2	4	5
63	2	3	7	4	8
64	8	7	8	2	7
65	5	7	6	2	6
66	2	3	2	4	1
67	8	6	7	4	9
68	6	8	4	10	5
69	10	5	2	9	5
70	5	1	3	5	4
71	7	6	7	8	2
72	4	7	1	6	7
73	2	4	2	1	6
74	3	6	2	1	10
75	2	10	3	10	6
76	4	9	3	9	6
77	10	4	4	5	7
78	7	1	4	9	5
79	9	7	4	10	1
80	4	6	5	9	10
81	8	8	3	3	9
82	4	10	3	1	10
83	1	9	10	9	5
84	6	4	2	3	2
85	7	8	7	6	2
86	2	4	5	5	4
87	2	7	1	5	5
88	10	1	4	1	3
89	7	8	9	8	1
90	7	7	4	3	2
91	8	9	1	3	6
92	6	7	7	5	5
93	6	3	6	5	2
94	2	9	4	10	6

Exhibit 7.3 Legal Services Supplier Criticality (Cont'd)

Supplier No.	Available Capacity (20%)	Switching Costs (25%)	Substitution Options (15%)	Savings opportunity (30%)	Integrated Solution (10%)
95	5	8	5	10	9
96	6	2	4	9	2
97	4	8	8	2	5
98	3	9	7	9	7
99	3	3	8	10	8
100	5	2	2	8	8
101	2	6	2	2	5
102	5	10	6	7	6
103	3	3	10	2	9
104	5	2	10	4	3
105	8	3	4	8	2
106	7	10	5	9	1
107	5	2	4	2	3
108	9	7	2	1	7
109	5	7	1	1	10
110	8	1	1	5	2
111	10	1	4	9	1
112	7	4	10	7	8
113	6	8	2	7	7
114	5	5	2	4	3
115	3	10	10	2	3
116	4	4	6	2	6

*The Supplier No. refers to the No. in Exhibit 4.3.

Exhibit 8.1 Office Supplies Supplier Quality

Supplier No.	Leadership (10%)	Innovation (35%)	Technology (20%)	Compliance (10%)	Customer Service (25%)
1	8	5	5	6	6
2	9	10	9	10	7
3	7	6	6	5	4
4	6	3	7	3	1
5	3	2	4	5	4
6	3	3	9	4	10
7	9	9	1	10	5
8	10	9	4	4	7
9	9	9	10	10	1
10	8	6	6	8	5
11	9	1	3	9	7
12	5	10	1	10	2
13	9	9	2	9	1
14	8	9	8	2	9
15	2	3	7	10	3
16	1	7	4	7	7
17	6	5	8	8	2
18	8	8	7	8	6
19	7	1	8	3	1
20	5	1	6	2	8
21	7	7	3	5	6
22	9	3	10	4	2
23	7	9	4	3	3
24	3	10	5	6	1
25	4	7	8	5	4
26	10	7	4	10	7
27	8	10	1	3	6
28	6	3	3	9	10
29	1	7	10	8	9
30	3	2	6	3	9
31	3	9	9	8	10
32	8	10	3	3	1
33	6	10	1	5	5
34	7	6	7	7	1
35	2	1	7	10	3
36	4	4	4	6	6
37	9	4	2	5	9
38	4	1	5	6	5
39	10	5	3	5	10
40	3	9	6	9	8
41	1	10	1	9	3
42	3	2	1	3	8
43	8	3	2	1	2
44	6	1	2	6	6
45	10	1	8	10	8
46	2	4	4	6	3
47	1	4	3	6	8

Exhibit 8.1 Office Supplies Supplier Quality (Cont'd)

Supplier No.	Leadership (10%)	Innovation (35%)	Technology (20%)	Compliance (10%)	Customer Service (25%)
48	3	3	3	6	8
49	1	10	3	2	8
50	1	2	1	3	5
51	2	6	2	7	3
52	1	9	3	4	8
53	6	10	8	7	1
54	4	5	2	1	4
55	7	6	8	2	6
56	2	4	1	9	3
57	2	3	3	3	4
58	2	4	3	4	8
59	9	9	4	5	9
60	6	10	2	7	5
61	2	4	7	7	2
62	9	9	9	9	2
63	9	10	2	3	8
64	1	5	2	2	9
65	9	6	9	3	9
66	5	1	8	8	3
67	2	6	6	10	4
68	9	1	5	8	4
69	2	7	4	3	10
70	1	4	5	6	1
71	8	6	9	6	1
72	2	6	7	8	3
73	6	6	5	4	5
74	4	8	3	6	8
75	4	6	7	2	7

*The Supplier No. refers to the No. in Exhibit 4.1.

Exhibit 8.2 Contingent Labor Supplier Quality

Supplier No.	Leadership (10%)	Innovation (35%)	Technology (20%)	Compliance (10%)	Customer Service (25%)
1	9	9	1	9	4
2	9	2	10	7	6
3	8	8	10	9	2
4	3	10	5	4	8
5	2	9	5	4	7
6	7	1	7	1	9
7	6	7	6	7	7
8	5	7	7	8	6
9	1	9	10	6	6
10	6	4	9	2	4
11	4	4	4	6	5
12	1	2	7	2	2
13	7	7	5	4	9
14	9	7	6	5	7
15	2	4	8	5	5
16	7	5	3	10	5
17	6	4	2	5	4
18	1	3	6	4	2
19	2	7	7	7	5
20	2	4	5	4	9
21	7	4	2	3	5
22	9	5	8	6	2
23	9	5	3	3	7
24	10	2	3	9	6
25	6	6	1	10	1
26	4	7	9	2	9
27	7	4	4	1	7
28	5	10	7	6	5
29	4	1	5	5	5
30	5	9	5	6	8
31	2	1	4	9	10
32	8	6	10	2	1
33	10	8	4	1	9
34	1	5	10	5	5
35	5	7	4	8	1
36	5	7	7	4	8
37	2	6	7	3	5
38	2	7	3	6	5
39	7	1	7	3	4
40	5	6	3	3	5
41	10	5	5	6	9
42	1	6	3	2	3
43	3	4	7	5	4
44	8	1	10	6	7
45	2	6	10	5	4
46	5	9	5	2	4
47	4	5	3	3	6

Exhibit 8.2 Contingent Labor Supplier Quality (Cont'd)

Supplier No.	Leadership (10%)	Innovation (35%)	Technology (20%)	Compliance (10%)	Customer Service (25%)
48	2	5	8	2	7
49	6	3	4	4	6
50	8	5	3	8	4
51	10	5	1	6	9
52	7	1	4	8	7
53	8	4	3	10	6
54	5	4	4	6	3
55	5	6	2	7	7
56	3	7	10	5	3
57	8	8	2	7	6

*The Supplier No. refers to the No. in Exhibit 4.2.

Exhibit 8.3 Legal Services Supplier Quality

Supplier No.	Leadership (10%)	Innovation (35%)	Technology (20%)	Compliance (10%)	Customer Service (25%)
1	9	6	7	9	7
2	1	9	10	9	9
3	7	8	8	6	9
4	10	10	9	8	5
5	9	10	10	3	4
6	4	10	10	4	8
7	1	9	8	2	8
8	5	9	8	7	8
9	5	10	10	6	7
10	4	9	5	10	8
11	8	8	6	6	7
12	9	9	7	3	2
13	2	3	9	1	9
14	3	3	5	4	1
15	3	10	10	1	5
16	4	3	9	4	5
17	9	3	10	4	3
18	5	3	6	8	5
19	8	10	7	4	5
20	9	10	1	2	10
21	8	9	5	9	9
22	9	2	3	6	2
23	10	1	5	5	7
24	6	9	6	9	3
25	4	5	2	8	10
26	1	6	7	10	3
27	6	5	5	10	5
28	7	1	10	9	2
29	6	3	10	7	5
30	1	5	9	6	2
31	4	3	9	8	8
32	3	2	6	8	10
33	5	1	10	3	1
34	10	4	1	8	7
35	5	2	7	7	2
36	9	6	6	6	9
37	10	7	8	5	6
38	1	7	6	10	4
39	8	10	5	9	2
40	3	9	5	9	5
41	2	1	6	4	10
42	6	6	9	2	6
43	10	6	10	3	5
44	2	3	1	6	2
45	10	8	4	5	8
46	1	8	3	3	5
47	10	3	8	6	9

Exhibit 8.3 Legal Services Supplier Quality (Cont'd)

Supplier No.	Leadership (10%)	Innovation (35%)	Technology (20%)	Compliance (10%)	Customer Service (25%)
48	1	3	2	4	3
49	9	1	8	6	8
50	5	4	5	2	5
51	2	6	10	3	3
52	3	8	7	7	3
53	7	4	6	6	4
54	5	6	3	2	1
55	3	10	3	1	9
56	6	10	7	6	3
57	4	2	2	4	8
58	10	4	2	9	4
59	1	5	9	3	7
60	2	1	3	2	2
61	4	7	2	1	10
62	5	6	3	2	4
63	2	4	2	6	8
64	3	6	8	9	7
65	9	8	9	6	1
66	5	8	2	4	7
67	4	3	3	3	1
68	4	1	7	7	6
69	6	6	6	7	7
70	8	3	1	3	2
71	2	10	8	6	7
72	2	6	7	5	1
73	6	1	7	7	9
74	10	4	4	2	4
75	6	5	8	5	6
76	9	9	2	9	7
77	8	7	4	9	10
78	8	5	2	7	6
79	4	2	7	7	10
80	2	2	8	7	1
81	1	1	5	8	9
82	1	1	10	3	4
83	3	5	1	10	5
84	6	4	10	3	2
85	8	2	9	3	1
86	9	5	6	1	8
87	7	1	8	9	6
88	9	4	3	3	1
89	8	8	3	1	5
90	8	1	2	6	10
91	8	1	4	5	7
92	6	1	6	1	7
93	4	1	3	4	4
94	4	2	1	9	2

Exhibit 8.3 Legal Services Supplier Quality (Cont'd)

Supplier No.	Leadership (10%)	Innovation (35%)	Technology (20%)	Compliance (10%)	Customer Service (25%)
95	7	1	8	4	5
96	4	10	3	10	8
97	5	4	3	4	5
98	5	1	4	8	7
99	6	5	5	6	4
100	8	5	5	3	1
101	2	7	6	8	6
102	10	2	4	2	2
103	10	10	1	2	10
104	9	5	5	2	9
105	4	8	3	4	8
106	7	5	7	4	9
107	6	4	3	2	2
108	4	2	1	5	3
109	10	6	7	3	4
110	5	5	8	9	5
111	10	8	5	5	10
112	8	5	2	6	5
113	3	2	2	3	3
114	8	1	8	1	2
115	7	1	8	9	7
116	4	8	4	6	7

*The Supplier No. refers to the No. in Exhibit 4.3.