



Improving profitability through efficient eSourcing and eProcurement



The Procurement Cycle

Procurement is one of the most complex decisions in any organisation. From day-to-day transactional decisions to crucial, all pervasive supplier relationship management, it's a task that is as daunting as it is complicated.

And then comes the eternal question: how to extract the lowest total cost without compromising on procurement time, delivery schedules and quality? The answer to which, in most likelihood, has you fretting each waking day.

With eBusiness gaining in popularity as the best way of doing business, more and more companies are driven to procuring goods through the web.

Studies have shown that a 5% saving in procurement costs, translates into an effective increase in sales growth of 30%.

Purchased products and services are the single largest expense in most organizations, accounting for 50 to 55 paise of every rupee spent.

Any reduction in procurement costs therefore translates into a direct increase in profits.

But, while eSourcing and eProcurement promise tremendous returns, it raises an interesting question: Who does an organization entrust these functions to? Our solution: An eProcurement partner who offers the most appropriate eSourcing and eProcurement solution and strategy.





Our clients saved between 2% to 22% on their purchases, with average savings of 10% across all product categories.

01markets - Your complete and integrated eSourcing and eProcurement partner

01markets is the strategic eSourcing and eProcurement division of Wipro Infotech. Since the launch of operations, we have added 50 new accounts. We offer services that enable organizations to source and procure at the lowest total cost and reduced cycle time.

Our procurement domain expertise spreads across 65 categories and six verticals:

- Automotive • Steel • Freight and transportation • Hi-tech equipment
- MRO items • Infrastructure and commodities.

This is complemented by an extensive supplier database across these categories. To date, our clients have sourced over Rs. 3.2 billion (as of June 2002) worth of industrial goods, commodities, high-tech goods and office equipment through our marketplace. We estimate that our clients saved between 2% to 22% on their purchases, with average savings of 10% across all product categories.

The strategic sourcing advantage with **01markets**

With its commitment to provide customers the depth and width of eSourcing and eProcurement offerings, 01markets provides eSourcing and eProcurement services, solutions and consultancy globally, leveraging on its technology, procurement domain expertise and customer knowledge.

01markets Service portfolio includes:

Reverse Auctions • Procurement Intranet • Spend Analysis

• Strategic Sourcing Management • Supplier Relationship Management



The 01markets proposition

Consulting: We work with clients to identify the most suitable eProcurement opportunities and evolve an appropriate eProcurement strategy covering procurement business processes as well as technology options. Some of the consulting areas in eProcurement include spend analysis, category analysis and procure to pay process. All of these are built on Six Sigma methodology to ensure defect-free processes.

Services: We help buyers reduce the cost of direct and indirect materials and discover new suppliers through our procurement services. We enable suppliers to acquire new customers and cut their sales and marketing overheads. We use Internet technology to create interactive online Reverse Auctions where buyers can obtain true market pricing from a spectrum of suppliers.

Solutions: Having designed the eProcurement and eSourcing strategy, 01markets designs, develops and implements eSourcing and eProcurement solutions for its clients. This includes solutions for eSourcing (Reverse and Forward Auctions, RFQ bidding, Online negotiations), eProcurement (Catalogs and Workflow), Strategic Sourcing Management (Spend Analysis) and Supplier Relationship Management. Apart from our own solutions, we also implement our partners' solution.



Request for Proposal (RFP)

1. Collection of data from the buyer
2. Supplier identification
3. Supplier qualification
4. Analysis of market and dynamics

Market Making

1. RFQ preparation
2. RFQ sign off with buyer
3. Send RFQ to selected suppliers
4. Compliance statements from suppliers
5. Send consolidated reports to buyer

Online Bid Event

1. Creation of mock event and training suppliers
2. Decisions on auction strategies
3. Creation of actual event
4. Online price bidding
5. Closure of online bidding according to the auction rules

Post Online Bid Event

1. Details of cost break up and bid history analysis
2. Co-ordinating with buyer and winner

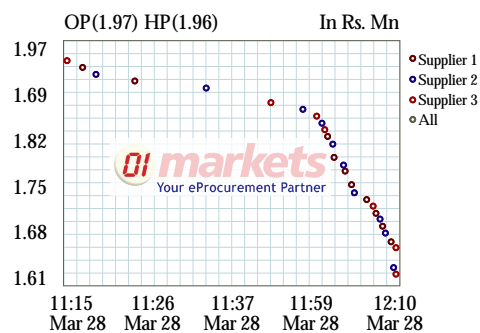
01markets Services

At 01markets, our procurement experts have conducted more than 150 reverse auctions in over 65 categories and a supplier database that's both domestic and international, which has resulted in an average savings of 10 % in costs and up to a few weeks of cycle time reduction.

How does the 01markets Reverse Auction process work?

Our process is rigorous and ensures capture of all technical and commercial aspects of the client's purchase. This helps us to get all suppliers and buyers on the same wavelength. We identify suppliers, contact them, familiarize them with the RFP and train them on bidding and rules of the auction. Our procurement experts along with the buyer, decide on the auction parameters such as opening price, reserve price, structuring of lots and rules of the auction event. The actual Reverse Auction event is run by the procurement experts along with the operations and technology teams of 01markets. Throughout the real time event, we monitor the activity and ensure that we are constantly in touch with the suppliers to enable them to bid and respond to clarifications. In short, we do all that is required to make the auction a success.

Sample Bid History - Category : Stationary





01markets Solutions

Sourcing is one of the last completely unautomated functions in the contemporary organization. Most companies have already automated many of the critical processes in finance, manufacturing, sales, marketing and human resources, but sourcing has remained by and large, a manual process.

Strategic Sourcing applications provide critical decision-support functionality to purchasing departments and decision makers within the supply chain. They aid companies in choosing suppliers, allocating volumes among suppliers, managing supply risk and optimizing the supplier base performance.

The Strategic Sourcing framework consists of three comprehensive modules.

Strategic Sourcing Management

- Sourcing Strategy Planning
- Spend Analysis
- Supplier Risk Analysis
- Supply Allocation Analysis

Supplier Relationship Management

- Contract Management
- Supplier Performance Analysis

Procurement Management

- Pre-negotiation Tools
- Price Clearing Tools
- Transaction Automation

01markets eSourcing and eProcurement solutions offer multiple benefits:

- Cuts down cycle time of the procure-to-pay process
- Reduces transaction costs
- Enhances productivity
- Reduces maverick purchases
- Improves contract compliance
- Provides a framework for best practices
- Efficient inventory management

01markets Consultancy

Our consultants combine procurement expertise with knowledge of best processes and practices to offer clients an optimum eProcurement and eSourcing strategy.

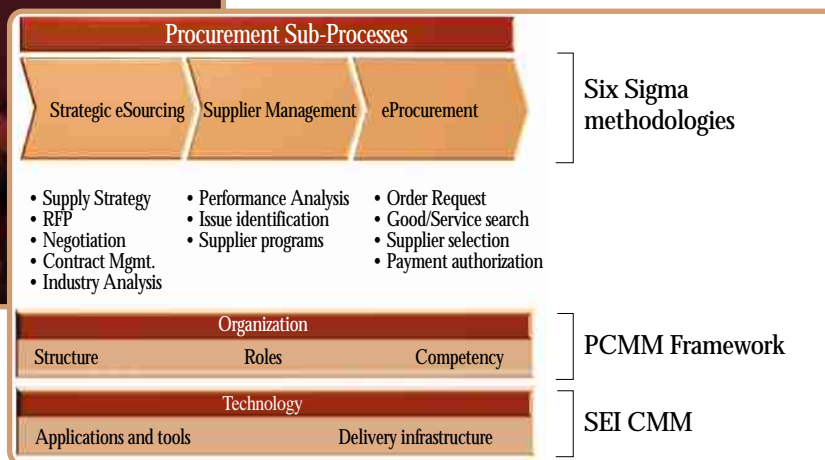
Our consulting strengths hinges on our people who have an in depth knowledge and domain expertise and are CPM and APP certified. Certified Purchasing Manager (CPM) and Accredited Purchasing Practitioner (APP) are internationally recognized certifications for procurement professionals awarded by the US-based Institute for Supply Management (ISM).

Added to this, is our process strength built on Six Sigma and PCMM methodologies. The Six Sigma approach to quality is a disciplined, data driven methodology that eliminates defects in any process from manufacturing and services. A quality level of Six Sigma means not more than 3.4 defects in a million opportunities. PCMM is a conceptual model based on state-of-the-art workforce practices. It helps organizations develop the workforce required to execute business strategy, characterize maturity of workforce practices, set priorities for improving workforce capability and integrate improvements in process and workforce.

This powerful combination of procurement consultants, Six Sigma and PCMM methodologies allows us to provide the best consulting solutions for customers.

Our consulting proposition provides focused benefits of:

- Reduced material cost
- Accelerate time to market
- Improve quality
- Reduce process cost
- Simplifying complex procurement
- Standardization









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