

Guidebook

The Ultimate Guide to Power-Up Sourcing

How to build an enterprise-scale
sourcing function



Introduction

Power-Up Sourcing

Sourcing is evolving from being seen as a ruthless cost-cutting exercise to an enabler of managing spend and risk, meeting ESG and compliance requirements, and providing business resilience and agility to improve competitive advantage.

Procurement teams are in the spotlight like never before.

But with fluctuating inflation, supplier price increases, budget pressures and continuing supply chain disruption due to geopolitical issues. Together with a constant pressure for cost management and digital transformation, the challenges facing CPOs are many.

To provide an enterprise-scale procurement function that can support global scaling, multiple lines of business and accelerated company growth, a robust understanding of the end goal is critical. What processes are missing? What new data points are required? What do 'best practice' organisations do and how do they do it?

That's where this **Ultimate Guide to Power-Up Sourcing** comes in – we've pulled together our top guides and resources to supercharge you to procurement excellence.

Who's it for



Enterprises who need better standardisation of processes and policies to support global scaling and business growth



CPOs with a strong vision for an enterprise-wide, data-driven procurement function



Experienced procurement teams looking to optimise user experience and efficiency of sourcing processes

What's inside

Introduction	2
A Definition	3
Sourcing Methodology	4
Best Practice	5
Multi-Stage RFQs & Advanced Lots	7
Key Features of Market Dojo	8
eAuctions	9
Stakeholder Management	10
Artificial Intelligence	11
About Market Dojo	12

A Definition

Procurement Excellence

What do we mean by procurement excellence?

This table highlights the differences between a world-class digital procurement organisation and a company with immature procurement processes across various key characteristics.

Key characteristics	Company with immature procurement processes	World-class digital procurement organisation
1. Digital transformation	Relies on manual processes with minimal integration of digital tools	Embraces advanced technologies for process optimisation and efficiency
2. Data-driven decision making	Relies on intuition or limited data, lacking analytical capabilities	Makes decisions based on insights derived from robust data analytics
3. End-to-end visibility	Lacks visibility into various stages of procurement activities	Has a comprehensive view of the entire procurement process
4. Strategic sourcing excellence	Primarily engages in transactional activities with little strategic foresight	Focuses on strategic relationships, supplier management, and alignment with business objectives
5. Agile and flexible processes	Struggles to respond rapidly to market dynamics due to rigid processes	Adapts quickly to market changes by having flexible, agile procurement processes
6. Supplier collaboration	Limited engagement with suppliers, transactional relationships	Actively collaborates with suppliers for innovation and shared value
7. Compliance and risk management	Lacks robust processes for compliance and risk management	Prioritises compliance and actively manages risks across the supply chain
8. Talent and skill development	Has a workforce with limited procurement skills and little emphasis on development	Invests in developing a skilled workforce with both technical and strategic capabilities
9. Cost efficiency	Primarily focused on immediate cost savings without long-term strategy	Balances cost reduction with long-term value creation and competitiveness
10. Continuous improvement	Lacks a systematic approach to improving procurement practices	Cultivates a culture of continuous improvement, regularly optimising processes

Sourcing Methodology

Maintain the Momentum

Great! Your organisation is already on the path to formalising its sourcing processes and you have gained wins in many areas. It's likely that you'll have a laundry list of enhancements and next steps that will maintain the momentum on the good work that's been done.

So, what can you do, in the shortest amount of time, to build the greatest amount of value?

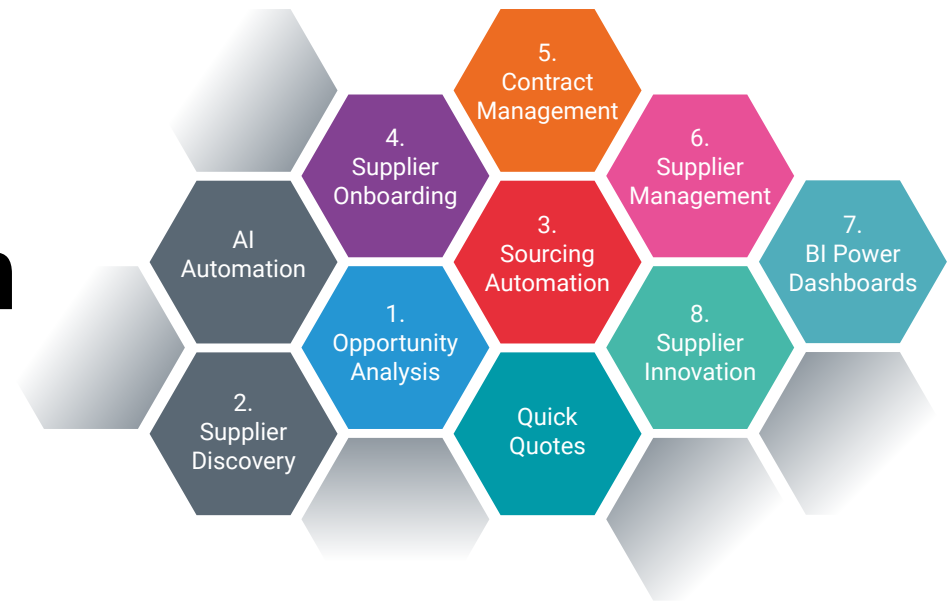
Perhaps you're looking to run more e-auctions but struggling to get stakeholder buy-in.

Perhaps you need to drive more ESG initiatives. Or you're interested in using AI-enabled autonomous sourcing processes.

Perhaps your data insights are lacking in... well, insight! As a result, you feel that opportunities are being missed.

At Market Dojo, we believe that if you want procurement tools to be used, start simple, deliver and prove the value, and only build complexity as your maturity and demands grow.

Our Strategic Sourcing Methodology is designed as a tessellated structure that can be used to build out your procurement strategy in the areas you need the most, or from any stage of maturity.



Step 1 – Evaluate your sourcing strategy to define market risk and opportunity with **MD Opportunity Analysis**

Step 2 – Access competitive markets with MD's integrated best-of-breed partner marketplace for **Supplier Discovery**

Step 3 – Rapidly Go-To-Market, ensure the best price and drive adoption. Leverage intuitive AI driven tenders, **eAuctions and Quick Quotes with MD Sourcing**

Step 4 – Seamlessly onboard suppliers fast to accelerate time to value and robustly screen for compliance and ESG with **MD Supplier Onboarding**

Step 5 – Effortlessly manage your contract lifecycles, align policy and ensure opportunity value is not missed with **MD Contract Management**

Step 6 – Centralise and maintain data integrity. Track supplier performance and risk whilst ensuring resilience, diversity and ESG success with **MD Supplier Management**

Step 7 – Evaluate savings and performance - leverage predictive analytics and powerful actionable data to make smarter, faster decisions

Step 8 – Collaborate to innovate. Refine, enhance and respond to the ever-changing markets with **MD Supplier Innovation**

Best Practice

What Best Looks Like

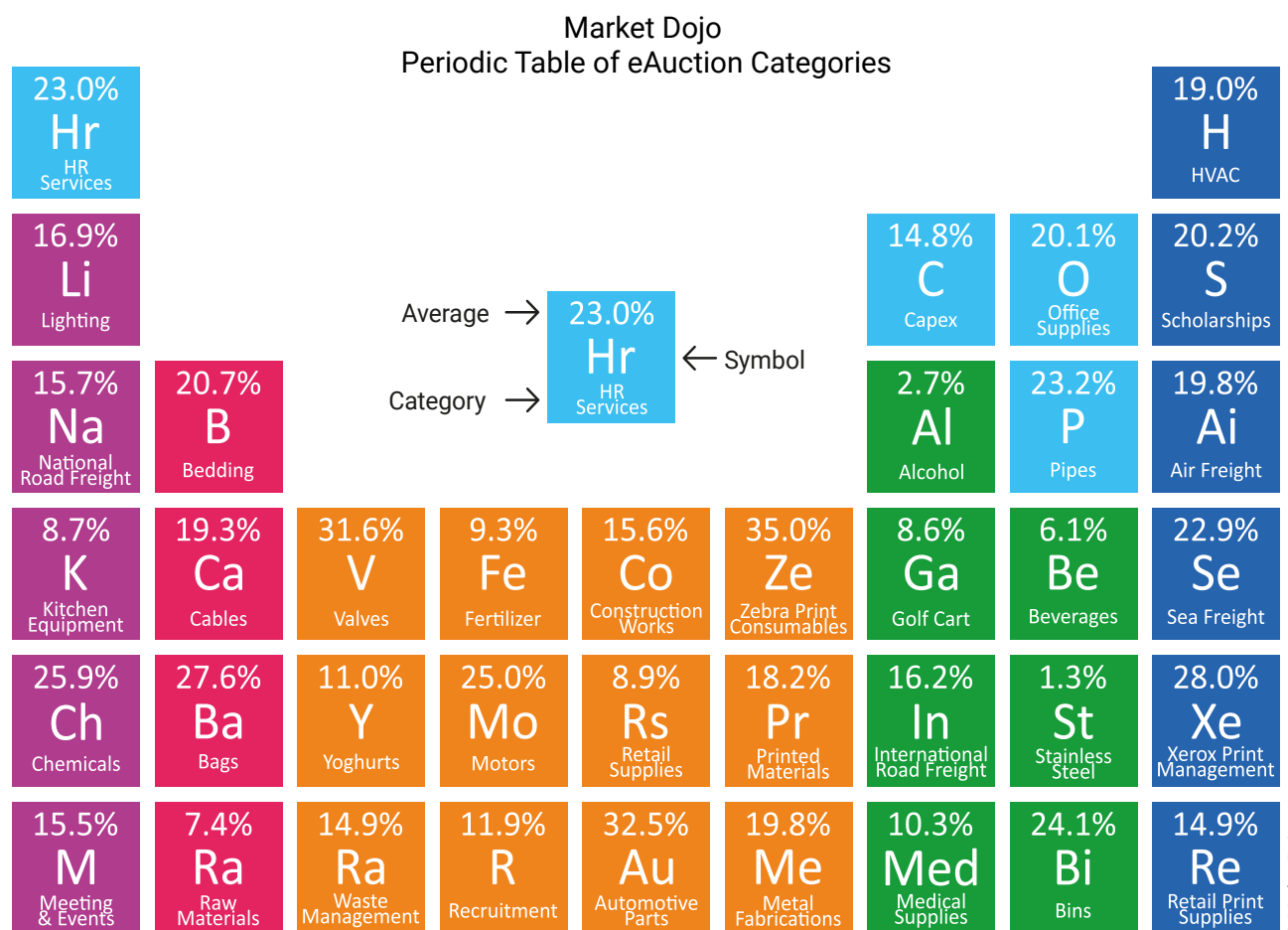
Sourcing is undeniably important for global organisations managing complex supply chains with large spend volumes. And, at Market Dojo, we are firm believers that any company will find significant savings in just about any category of product or service.

Market Dojo's Periodic Table of eAuction Categories shows the wide variety of categories that can benefit from online negotiation events and importantly the **savings that have been realised by our customers.**

Did you know?

Our free sandpit allows you to create test sourcing events as a host, and experience events as a supplier, so you can see how simple and powerful the tool can be before you take the first important steps.

[Learn more](#)





IMPERIAL
BRANDS

Customer Success Story

Imperial Brands, a global FMCG company, wanted to transform their previous Source to Contract process to a 'demand to enablement' focused process. There was also a need to deliver more with less addressing speed, cost and risk.

Imperial Brands' incumbent 'top-right quadrant' Source to Contract (S2C) solution was poorly adopted leading to poor results within the procurement function.

Particular pain points included:

- Existing Source to Contract process was accounting for 20% of all issues documented
- Limited reporting meant leadership was hampered in identifying issues and opportunities to steer the procurement function
- A dis-unification of data, poor planning and a failure to develop templates drove a low 25% adoption of sourcing with less than 200 eRFx events per annum

Following an internal assessment, the Head of Global Procurement established a rigorous process for requirements gathering which enabled Imperial Brands to look beyond the top-right quadrant providers to find a solution that would best fit their needs.

"We approached the project by asking ourselves how we can use a tool to make things better and were focused on the end result, not just that we wanted a new tool."

Ciaran Owens, Imperial Brands.

Market Dojo's strategic sourcing technology was a perfect fit to be able to provide agility, flexibility and usability to accommodate Imperial Brands' specific requirements and to enable them to overcome their pain points.

From the award of contract to going live it took less than six weeks and to date has achieved savings of more than £7.6m, equating to over 6,000% ROI. Or in Ciaran's own words, *"From awarding Market Dojo the contract, the solution was implemented within a six week timeframe which, compared to what was proposed by other solution providers, was very swift."*

[Read full story](#)



Multi-Stage RFQs and Advanced Lots

Adopting a Flexible Approach

Multi-stage RFQs

Multi-Stage RFQs differ from normal RFQs in that you configure

- The bid deadline for each new round
- Whether participants can view their rank as it was at the end of the previous round
- Which participants to include in each round

But how do you know when to run a Multi-Stage RFQ?

In the real world of sourcing, requirements change, no matter how planned out a project may be, and there is always scope for dynamic improvement or adjustment.

Market Dojo's Sourcing software is designed with this viewpoint in mind. Instead of declaring up-front that you will proceed with a Multi-Stage RFQ, you can start with a single-round RFQ and react to the received bids by adding another round or two after the fact.

Advanced Lots

Another useful tool for sourcing professionals is the ability to create a pricing matrix consisting of multiple variables – we call this Advanced Lots.

For complex projects, with complex specifications, Advanced Lots are a fantastic way to gather detailed quotations from your supply-chain.

Typically, it can be difficult to push these type of RFQs forward to a full auction due to the size of the required submission.

In this case, Multi-Stage RFQs are an effective way of generating additional savings, and clarifications, without the use of an auction.

To learn more, schedule a demo with our sourcing specialists.

Request demo

Key Features of Market Dojo

Software Built for Sourcing

Advanced sourcing functionality

Perform all tender activities in one simple-to-use platform. Run RFIs, RFPs and RFQs, event weighting, document uploads and advanced pricing tables. Capture everything you would have done in a traditional spreadsheet and more whilst transforming static, siloed information into centralised, compliant, collaborative, decision ready data.

Autonomous e-auctions

One of the most easy-to-use auction tools on the market, from simple lots to an advanced lot matrix, run Open, Ranked or Japanese forward and reverse auctions with our AI, automated features and guided support be confident in securing the best possible performance.

Multi-stage RFQs & RFx multiscoring

Easy to configure participant inclusion and bid deadlines for every round, with optional visibility for real-time bid ranking. Run complex weighted events with multiscoring, simply automate the process or allow users and groups to score for enhanced, collaborative outcomes.

Event cloning & templates

The simple template system avoids lengthy set-up times and allows consistent formats throughout all events. Replicate part, or the entirety of, a previous event for rapid deployment.

Excel import & export

Enable participants to bid through spreadsheets thanks to Excel integration for event creation. Hosts are also able to export detailed summaries to produce post-event reports or import to other systems.

AI powered questionnaires

Specifying requirements and requesting supplier information has never been easier. Create weighted questionnaires with different question types, tables and document uploads powered by generative AI. Automatic and manual scoring ensures a robust sourcing process, consistently formatted answers and centralised data.

Single source of truth

Capture all supplier information and tender activities within one platform. The centralised data is fully auditable and can be easily exported as a spreadsheet for reporting and post-event reviews.

Transformational reporting

The powerful analytics solution and tailored dashboards help businesses transform raw spend data into actionable insights to enable better business decisions for Procurement, Finance and beyond.

Seamless integrations

Connect with existing systems or as part of our modular, integrated best-of-breed solutions, from opportunity and spend analysis to supplier management, contract lifecycle and AP. Our tools are better connected, enabling one single source of truth throughout your organisation for smarter collaboration and insight across S2P.

Fully on demand

Accelerate transformation and build the business case for positive change. The only platform that allows you to start with just a one month licence. We help you demonstrate the value and ROI, you're in complete control.

eAuctions

Prioritise Rapid Savings

To meet today's (and tomorrow's) challenges, procurement must embrace competition. There is a tendency to stay with existing suppliers and renew existing contracts. But this approach just won't cut it.

To ensure the best market-value contracts, procurement must leverage competition within its supplier base and a great way to do this is e-auctions.

In our New Rules of Procurement Engagement thought leadership series we spoke to Jacob Gorm Larsen, founder of Moneyball CPH and author of 'A Practical Guide to E-auctions' on the importance of e-auctions.

"If we really want to drive a professional process and get the optimal deal for our company, especially in these times, we need to leverage competition. I am a strong advocate for a market-driven negotiation process in the shape of e-auctions. With inflation increases and recession everybody is focusing on cost, and there is simply no more efficient way to claw back cost savings and find the right market level than e-auctions." Jacob Gorm Larsen

But not everyone is an e-auction 'superfan'! Read on for tips on how to manage stakeholder apprehension and resistance.

To learn how Market Dojo can work for your business, schedule a personal demo with one of our sourcing specialists.

[Request demo](#)

"There is simply no more efficient way to claw back cost savings and find the right market level than e-auctions."

Jacob Gorm Larsen

Founder and CEO
Moneyball CPH

Encourage eAuction Evangelists

Often procurement teams experience objections (or perceived objections) to using eAuctions from their stakeholders. So, based on over 12 years of helping customers successfully run e-auctions, here are practical ways to address common concerns.

Addressing stakeholder apprehension

Concerns about incumbents

- Solution: Ensure transparency by jointly creating detailed specifications upfront, allowing incumbents to understand the process and fostering fair treatment.
- Additional measure: Implement a multi-stage process starting with RFIs or market pre-analysis.

Risk of incumbent disruption

- Solution: Clearly communicate the benefits and purpose of the auction process.
- Mitigation: Include clauses in documentation emphasising that the lead participant isn't guaranteed the contract, fostering competition.

Limited supplier pool

- Solution: Employ tactics and various auction types to engage suppliers effectively.

Addressing category resistance

Perceived unsuitability of categories

- Approach: Start with less complex categories like office suppliers to demonstrate success, then move to more challenging categories.
- Supporting evidence: Use case studies to showcase successful outcomes in similar categories and communicate these successes internally.

Managing change resistance

Fear of change

- Approach: Communicate benefits, provide support, and include key stakeholders from the beginning.
- Training: Hold regular training sessions to build confidence and familiarity with the auction process.

Feeling exposed to past inefficiencies

- Solution: Emphasise that adopting new methods demonstrates a more proactive and transparent approach.
- Additional Benefits: Highlight non-monetary benefits like compliance and transparency achieved through eAuctions.

Preservation of negotiation expertise

- Clarification: Emphasise that negotiation skills remain crucial, and technology enhances rather than replaces expertise.
- Demonstration: Showcase how technology streamlines processes, allowing for more strategic negotiation in certain categories.

Want more tips?

Download our free guide:

The Do's, Don'ts and Not Allowed of eAuctions

Download guide

Users of Market Dojo Sourcing

eAuction Successes

Here's a run down of some of the most successful eAuctions that our customers have experienced.



An OEM manufacturer invested £500 on a single user licence and saved **£40 million over a 5 year contract** for non-metallic fasteners for the automotive industry.



A premium property developer in Dubai ran over 30 eAuctions over one month and **saved £1.5 million in total**.



A consultancy company ran a 60 minute auction and **saved 60% on their annual stationery spend, equating to over £200,000**.



US-based for-profit, global thrift retailer Savers have run 120 eSourcing events including 54 reverse auctions with an **average saving of 18.8%**.



And not forgetting the homeless charity that **saved an incredible 60% on the first ever eAuction**.



Or Cancer Research that averaged an **annual saving of 28%** that they re-directed to valuable research.



Artificial Intelligence

Autonomous Sourcing is Now

There's no doubt that AI and machine learning capabilities have caused a huge buzz in many industries including sourcing. But with any new technology it's important to separate the hype from the reality.

The use cases of autonomous sourcing are well documented from AI generated customer support to predictive analytics that provide decision-ready insights at a click of a button.

At Market Dojo, we have advanced our user-guided, intuitive functionality by integrating AI within Market Dojo Sourcing's supplier questionnaire functionality. This enables dynamic questionnaires, hassle-free question creation and in the near future smart supplier selection.

- **Dynamic Questionnaires:** The AI-powered feature centralises questions, generates ideal questionnaire formats, and streamlines the process, saving time and tailoring the questionnaire to specific needs, ensuring best-in-class practices are followed.
- **Hassle-Free Question Creation:** AI functionality allows users to specify key topics, and the tool generates and integrates relevant questions, eliminating the need for manual question formulation and enhancing the efficiency of the procurement process.

- **Smart Supplier Selection:** in the near future AI algorithms will aid in meticulous supplier selection for eAuctions based on a comprehensive array of criteria, ensuring only the most qualified suppliers are invited to participate, thus increasing the likelihood of securing advantageous procurement deals.

To find out more watch our AI product update.

Watch video

More Resources

Esker eBook: How Can AI Help You?

Transforming Customer Service with Esker's AI-driven solution suite

Esker OnAir Podcast

Human & Artificial Intelligence: Finding the Right Balance

Take the Next Step

About Market Dojo

Market Dojo is a global procurement software provider built to solve inefficient sourcing and supplier management processes by digitising and automating activities quickly and easily to unlock strategic value for Procurement and Finance professionals.

Its on demand, best-of-breed solutions incorporate technologies like Artificial Intelligence (AI) to control costs, drive increased productivity, enhance visibility, reduce risk, and improve collaboration with customers, suppliers and internally.

Market Dojo operates worldwide with headquarters in Stonehouse, UK and is 51% owned by Esker a global cloud platform with headquarters in Lyon, France.

Transforming Procurement.
On Demand.

Start today

FAVOURABLE REVIEW

Gartner.
Peer Insights™

5.0 ★★★★★

Market Dojo: Simplifying sourcing with intuitive tools and outstanding customer support

"Having used, deployed and administered Market Dojo Sourcing at several organisations, it is by far the best e-sourcing tool that I've come across so far, especially for small to medium sized enterprises.

It not only offers a range of sourcing methods (Request for Quotes, auctions and quick quotes) but is also easy to use (for non-procurement users, too) and easy to deploy, which leads to user adoption and makes for a good return on investment.

To top it off, the Market Dojo team are outstanding, from onboarding to troubleshooting, they are quick to provide support and are genuinely open to feedback."

Gartner.
Peer Insights™
★★★★★ 4.7

Capterra 4.7
★★★★★





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