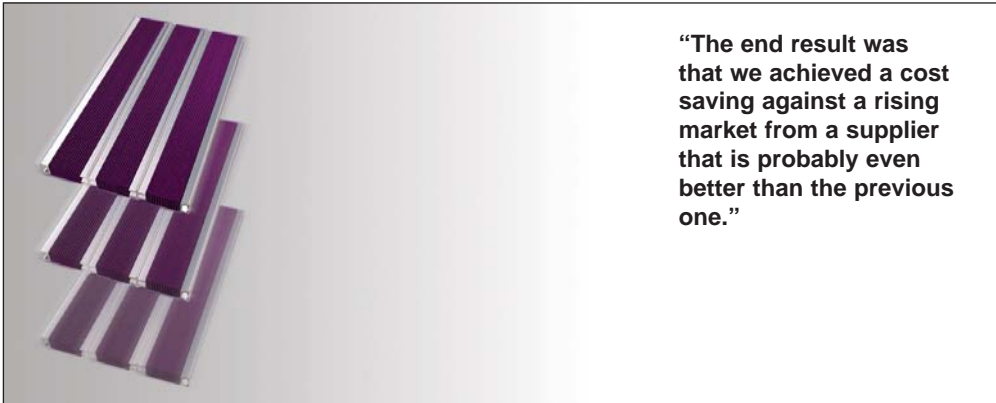


Against the tide



“The end result was that we achieved a cost saving against a rising market from a supplier that is probably even better than the previous one.”

For Bonar Floors the rising price of Aluminium that has been seen in recent times created the risk and pressure of increasing costs for one of their important purchases, Aluminium extrusions. The question this posed was, is the price rise inevitable? If every possible supplier was equally busy and had exactly the same cost structure then the answer would be “yes”. However, markets are not perfect. Companies’ costs do vary as does their spare capacity and efficiency. The only way of taking advantage of this fact is to locate the lower cost suppliers with spare capacity and the highest efficiencies. This is not easy and can be very time consuming, but is exactly what Bonar Floors did for 13 extrusion profiles worth over £500,000 GBP by engaging Vendigital’s services.

352 potential extrusion suppliers were contacted by Vendigital’s project team. After a robust tendering exercise, the most qualified five suppliers ultimately bid for the contract via an online negotiation. Was the result worth the search? The business moved to a new supplier for a price reduction approaching 10%!

Bob Morrow Purchasing Manager at Bonar Floors, **“Some people in our organisation were very concerned. The incumbent supplier was reliable, their quality was good and their prices were historically better than a few other known suppliers. The fear was that a good supplier was going to be replaced with a cheap, unknown supplier. Vendigital’s approach obviously ensured that these concerns were unfounded. The end result was that we achieved a cost saving against a rising market from a supplier that is probably even better than the previous one.”**

Andy Hall Operations Director at Bonar Floors **“The tools and processes available through companies like Vendigital make the concept of market purchasing possible. The market potential that comes to light in dealing with supply markets and not just a few possible suppliers is exciting and presents many additional business opportunities.”**

