

Vendigital demonstrates the power of e-sourcing at AP Hydraulics by achieving 21% cost saving

Vendigital, e-sourcing specialist, has announced the results of its latest project with brake specialist company AP Hydraulics Ltd. The eight week search for suitable suppliers across Europe and the Far East culminated in a series of on line auctions that demonstrated the cost saving potential that e-sourcing offers companies.

Over 300 companies were contacted of which 20 companies came to the final auctions to bid for parts of the business. This level of interest demonstrates the power of e-sourcing. "We are a business that needs to make sure that the products we make are the highest quality," commented David Nesbitt, managing director of AP Hydraulics. "they are safety critical components. Costs aren't the only issue for us. We need suppliers that are able to meet our quality and delivery needs first."

"The auctions have proved to us that they are very effective in the first stages of the process. They open the gates to potential global suppliers who we wouldn't normally get the opportunity to find. We don't have the manpower required to go out and check the credentials on hundreds of businesses – it wouldn't be a cost effective method for any business. What the auctions have done, is all the initial searching and ground work, and from here my buyers will check out the best quotes."

E-sourcing projects and online auctions are most effective when used as tools within the framework of a good purchasing strategy. AP Hydraulics has been working closely with Vendigital through purchasing workshops to evaluate its purchasing and "make vs buy" strategies.

Adrian Griffiths, business director at Vendigital comments, "e-sourcing puts deals on the table that cannot be ignored, but the numbers in an auction mean nothing until a company implements the results. That's when it makes a difference to the bottom line. Projects work best when the implementation issues and strategic aims are all considered right at the start."