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Delivering Cost Savings, Quality and Service -- A Business Priority for 2011

by William Gindlesperger, Chief Executive Officer, e-LYNXX Corporation

Traditional procurement methods have failed to solve the quality – timeliness – cost (“good, fast, and cheap”) dilemma of being able to provide a product or service for a low cost while delivering top quality work on-time. One of the three is always sacrificed... until now.

With new procurement technology, buyers can create a unique competitive bidding environment -- one that breaks the quality – timeliness – cost "iron triangle." Here is how:

First, the buyer qualifies vendors that it wants in its database with the ideal goal of having 14 to 24 vendors in the pool. All must be thoroughly vetted to ensure that regardless of pricing each will deliver quality work on time. Next, the buyer enters detailed job specifications into the computer. The computer, empowered with AVS Technology™, is then instructed to automatically select from the vendor database only those vendors capable of doing the job. This patented* automated vendor selection procedure matches the buyer's job specifications with vendor qualifications and selects only those vendors best qualified to get the job done.

Each selected vendor knows three things: (1) others against which it is competing are likewise qualified, (2) quality and on-time delivery requirements are clearly specified and must be met, and (3) low bid wins since quality and service are a given. In order to compete, each vendor must identify its own otherwise idle production capacity. To fill that open capacity, each vendor must offer deep discounts of 25% to 50% or more from normal pricing. Low pricing varies from vendor to vendor, depending on which vendors have downtime available for any given project to be produced at any given time. Because each vendor has been pre-qualified and each project has been appropriately specified, the buyer does not have to worry about compromising quality or on-time delivery, even though the job is being produced at a deeply discounted price.

This approach is tailor made for ordering custom goods and services, such as print. Custom goods and services must be specification defined when ordered. They are not off-the-shelf and cannot be ordered from a warehouse.

For instance, a transportation/freight services provider procures print for a wide variety of internal and external applications. These include direct mail, marketing and promotional material, manuals, forms and labels and internal publications. Over a period of several months, using AVS Technology, a recommended set of best procurement practices, and a robust communications and workflow management system, the company ordered 54 print jobs for which the average value of each job was \$6,288. Bids from printers for the projects ranged from \$168 to \$154,975. The market savings achieved for this body of work was 37%, comparing the cost using the new procurement approach with what the cost would have been if the buyer had used traditional methods that rely upon negotiated prices with a limited number of vendors.

The average savings for all organizations licensing the patented* automated vendor selection procedure is 42%. AVS Technology by itself does not deliver the 25% to 50% cost reductions. This only occurs when the new technology is used with a series of procurement best practices and a robust communications and workflow system. The buyer also gains total transparency, strengthened quality controls, full reporting and accountability, and complete documentation and archiving of every action from planning through production to on-time delivery and invoicing.

Historically, regardless of the industry involved, every procurement or supply chain solution sought to attract business customers that wanted to achieve the purchasing trifecta of “good, fast, and cheap.” That was impossible because the buyer could only achieve two of these three goals at any one time, not all three simultaneously. Now they can. The benefits are obvious. Buying products and services at a low cost, with top quality results and on-time delivery should be a business priority for all organizations in 2011.

About e-LYNXX Corporation

e-LYNXX Corporation patented the technology integral to e-commerce. Endorsed by Educational & Institutional Cooperative Purchasing (E&I) and Printing Industries of America (PIA), e-LYNXX drives results through its three divisions. ● AVS Technology™ licenses the patented* automated vendor selection procedure used in e-commerce and procurement systems. ● American Print Management provides web-based system, services and patented AVS Technology™ to reduce substantially the procured costs of direct mail, marketing, publications, packaging, labels and other procured print. ● Government Print Management offers effective U.S. GPO bid services and strategies. www.e-LYNXX.com – 888-876-5432

*U. S. Patent No. 6,397,197, Patent No. 7,451,106, post-*Bilski* Patent No. 7,788,143, and Continuing Application 12/855,423 (collectively, the AVS Technology™) – This thicket of patents covers all custom goods and services, not just print. To inquire about licensing, contact Anthony Hawks at 888-876-5432 or Michael Cannata at 905-773-2207.

About the Author



William Gindlesperger, founder, chairman and chief executive officer of e-LYNXX Corporation, is a nationally recognized entrepreneur, inventor, author and consultant. He founded ABC Advisors and its successor, e-LYNXX Corporation, in 1975. Profit, non-profit and government organizations alike have benefited from his strategic insight and innovation that result in measured and substantial cost reduction.

Mr. Gindlesperger's sound advice and counsel have yielded results for those with fiduciary responsibility and the authority to take action to reduce costs. He has directed major initiatives in both the private and public sectors. He has testified before the U. S. Senate Committee on Rules and Administration regarding government print and procurement policy. He has worked directly with numerous Congressional and Senatorial members and staff and has advised Congress on the development, operations and future of government procurement.

He has been a lead fund raiser for senatorial, congressional and gubernatorial elected officials. He was a founder and chairman of Printing Industries of America's (PIA) PrintPAC (political action committee) and has been recognized for his contributions to PIA and services to the printing industry. He was inducted into PIA's Ben Franklin Honor Society of print industry leaders in 2009 for his lifetime contributions to the print industry. *Supply & Demand Chain Executive* honored Mr. Gindlesperger by including him in its 2010 listing of the most influential leaders in the supply and procurement profession in North America.

Mr. Gindlesperger invented the automated vendor selection procedure -- the technology that is integral to e-commerce and optimizes cost reduction in the procurement of all custom and specification-defined goods and services. He has been granted a series of Automated Vendor Selection patents, including Patent No. 6,397,197, Patent No. 7,451,106, post-*Bilski* Patent No. 7,788,143 and Continuing Application 12/855,423 (collectively, the AVS Technology™).

Under Mr. Gindlesperger's leadership, e-LYNXX has grown into the leading print management and procurement licensing firm in North America. e-LYNXX has been exclusively endorsed by Printing Industries of America (PIA) and named PIA's "Best of the Best Workplaces in America". e-LYNXX has also been named one of the top 100 procurement firms in North America by *Supply & Demand Chain Executive* magazine.

His firm handles more than 200 on-going consulting assignments at any given time. Among its contracts is one with Educational & Institutional Cooperative Purchasing to assist colleges, universities and other institutions nationwide with procurement and spend management.

A native of Chambersburg, Pa., Mr. Gindlesperger is a graduate of Dickinson College in Carlisle, Pennsylvania.