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Procurement Gains Status as a Result of the Great Recession
by William Gindlesperger, Chief Executive Officer, e-LYNXX Corporation

More than 70 percent of purchasing functions now report directly to boards of directors and more than a quarter report directly to chief executive officers, according to the 2010 Global Chief Procurement Officer Survey by Capgemini Consulting. This is not surprising because the Great Recession, while wreaking havoc on the economy, has elevated the status of procurement in organizations. That's because procurement is one of the last remaining areas where an organization can find substantial savings.

With the rise in procurement's status, two procurement practices are being replaced -- decentralized buying and low-technology/no-tech operations. Centralization is occurring to gain economy-of-scale buying advantages and procurement technology innovation is being adopted to streamline the procurement process. Both contribute to more spend control and greater savings.

When organizations allowed individual departments to manage their own buying, no one really knew what was being spent for various non-line items. Take printing as an example. One department could be getting a great deal on printing from a printer, while another department could be paying an exorbitant amount for similar work through another printer. Channeling both jobs and all other printing through one procurement point not only keeps this type of inefficiency and waste from occurring it also establishes a corporate buying authority and a repository for archives. Being able to analyze past purchases is important when considering future projects and determining how a print job can be done for the lowest price without compromising quality or on-time delivery.

Procurement professionals have often been reluctant to embrace centralized purchasing because they have been comfortable with the status quo, preferring negotiated contracts with a few select vendors and protecting their control of departmental buying. It is not unheard of for business to be awarded based on perks that buyers may have been receiving from key vendors. That does not contribute to corporate savings.

While procurement technology seemingly has been slow to catch up with other 21st Century technology, recent advances have been made to strengthen centralized buying, reduce costs and improve transparency - all necessary ingredients for maximizing savings and quality.

An innovation that is catching the attention of bottom-line decision makers in the United States is the Automated Vendor Selection (AVS) Technology™, a unique way of consistently computer matching a buyer's job specifications with only those pre-qualified vendors (vetted and chosen by the buyer) capable of doing the work. This new approach creates a competitive bidding environment in which vendors bid low to fill production downtime, without fear of setting a future price precedent, all of which results in the buyer saving a measurable 25% to 50% compared to prior history. The vendor improves its bottom line, too, even with its deeply discounted pricing, since it is winning work for a time when it had none.

The communications and workflow system that is at the heart of the Automated Vendor Selection (AVS) Technology™ is a web-based (no e-mails) platform that tracks every step of the procurement process, from project conceptualization to design changes to production, packaging, delivery and invoicing. Both the buyer and the vendor determine who has access and when, adding to the system's security and assignment of accountability. Every comment from those involved is recorded for future reference. Complete transparency, indelible entries and reporting, process control and streamlined activities are assured by the system's elegance.

The Automated Vendor Selection (AVS) Technology™ was created and patented for the purchase of customized goods and services, such as specialty manufacturing, temporary staffing, construction services and printing (direct mail, marketing materials, commercial print, truck wraps, promotional items, packaging, labeling, or anything where an image is placed on paper, plastic, metal, textiles or other substrate). The AVS Technology is applicable to the procurement of all goods and services that require precise specifications when ordered. The AVS Technology is currently being used by major organizations in the parcel delivery, utility, health care, construction materials manufacturing, heavy equipment manufacturing, food processing, financial services, association and numerous other sectors that depend on direct mail and print marketing.

Predictability, transparency, documentation, controls, security, automation and extreme savings are factors that raise the status of procurement from a behind-the-scenes function to a valued contributor to the bottom-line.

About e-LYNXX Corporation

e-LYNXX Corporation developed the patented 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. • Patented Procurement Method licenses the Automated Vendor Selection Technology (AVS Technology™) used in e-commerce and procurement systems. • American Print Management provides systems, services and the patented AVS Technology™ to reduce substantially the procured costs of direct mail, marketing materials, labels, packaging and other procured print. • Government Print Management offers effective U.S. GPO bid services and strategies. www.e-LYNXX.com – 888-876-5432

About the Author



William Gindlesperger 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 Technology™ -- the technology that is integral to e-commerce and optimizes cost reduction in the procurement of *all* customized 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, and post-Bilski Patent No. 7,788,143 (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 has 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.