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New Methodology Strengthens Risk Management/Quality Control

Benefits include quality assurance, improved efficiencies and greater transparency

by William Gindlesperger, chairman and chief executive officer, e-LYNXX Corporation

Every project has a beginning and an end. The Project Management Institute likes to say that "a project is a finite endeavor (having specific start and completion dates) undertaken to create a unique product or service which brings about beneficial change or added value."

To ensure that a beneficial change does occur or that value is added, controls must be established up front to minimize risks... or prevent failure. A new business methodology, one that was patented less than a year ago, should interest risk and project managers, because, when applied with a computerized communications and workflow system, it offers quality assurances, improves administrative and operational efficiencies and strengthens transparency -- all ingredients for success. The new approach sets up controls throughout the life of the project. At the very beginning before any production ever begins, project specifications are defined and suppliers are identified and vetted.

Identifying and prequalifying suppliers is critical, because you only want suppliers in your database that you know can deliver a quality product or service on time and for the right price. Anything less can jeopardize your business. You want firsthand knowledge of each supplier's capabilities. With the new methodology, you set up a supplier database with information about each supplier being as detailed as possible. Similar information is entered for each supplier. These details include everything from where the supplier is located to the type of equipment that it has to the number of shifts it works to whether it is minority owned or environmentally friendly. Whatever the parameters, you set them to create the computerized database that will establish your first quality control checkpoint.

The next step is determining specifications for your project. Let's use print as an example. You will want to specify the type of paper, size, ink colors, quantity, coatings, folds, binding, die cuts, packaging and every other detail that a supplier would need to determine whether it can do the work for you. The details have to be precise, and that is the second quality control checkpoint.

Once your handpicked list of suppliers is in the computer database and once all specifications for the project have been carefully defined and entered into the computer as well, you are ready for the computer and the new methodology to go to work. Because detailed information is in the computer about the suppliers and about project specifications, the computer is able to pull from your supplier database only those suppliers capable of doing the job. It is a matching process made possible by your input -- quality in, quality out.

After the matching is completed, a request for bids goes out to only those suppliers identified as being qualified to do the work. This is where the new methodology encourages pricing that can save you 30% to 40%, and sometimes as much as 60%. The new methodology creates an environment in which suppliers feel comfortable submitting low bids or not bidding at all, knowing that you and all suppliers in the database understand that pricing on one project does not influence future bid prices. You will not expect the same supplier to make a low bid for each and every project because you know that to offer low pricing the supplier is more than likely filling downtime to complete your work. Since suppliers of customized goods and services typically operate with about 30% downtime to fill, they welcome projects that will keep the staff busy, equipment running and revenue flowing. Suppliers that are filling downtime with projects won through the new methodology are increasing bottom lines by 10% to 15% of revenues.

Once the bids are received and the supplier is selected, this is where the robust communications and workflow system in which you have entered supplier information and project specifications is essential. This is one of the most important quality control/risk management benefits associated with the new methodology. It allows you to track every aspect of the project from conception with the project specifications to awarding the job to the right supplier to modifying requirements to tracking individual progress reviews to every step through production to packaging, delivery and invoice payment. This tool is designed to identify problems before they occur. It also provides total transparency so that you know when comments are made and by whom. The same is true for changes, reports and approvals.

This process obviously does not run itself. It must be supported by a knowledgeable and experienced staff -- one that can spot red flags before you do and one that works as an extension of your staff, most often your procurement and/or marketing department.

This process is repeated project after project. You will want to keep your supplier database current, but you will not have to recreate it for every project. Because you have an adequate number of suppliers in your database with a broad range of capabilities, you can easily manage a wide range of projects.

When all of this is tied together it is known as The Gindlesperger Method. Today, this new approach is benefiting organizations in the utility, parcel delivery, printing/publishing, computer (hardware), heavy equipment, health care, insurance, financial, food processing and association sectors. Not only are they reducing their procurement costs, they are better managing risk and project quality controls.

About William Gindlesperger

William Gindlesperger is a nationally recognized entrepreneur, inventor, author and consultant in print and procurement. He founded ABC Advisors and its successor, e-LYNXX Corporation, in 1975. Under Mr. Gindlesperger's leadership the firm has grown into the recognized profit enhancement leader. Print buyers and suppliers alike have benefited from his insight and innovation.



Mr. Gindlesperger has directed major in-plant studies in both the private and public sectors and he is highly regarded for his knowledge, advice and work on behalf of firms in matters pertaining to the U. S. Government Printing Office (GPO). He has testified before the U. S. Senate Committee on Rules and Administration regarding government print and procurement policy. He also has worked directly with numerous Congressional and Senatorial members and staff and has advised Congress on the development, operations and future of GPO print procurement and the federal print program in general. He was founder and the first chairman of Printing Industries of America's (PIA) PrintPAC (political action committee), and he has been recognized for his contributions to PIA and services to the printing industry.

Mr. Gindlesperger invented the methodology that optimizes cost reduction in the procurement of specification-defined goods and services. He has been granted two separate business method patents by the U. S. Patent Office, first for the competitive procurement of print and then for the competitive procurement of *all* specification-defined goods and services.

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

About e-LYNXX Corporation

e-LYNXX Corporation, the North American procurement authority, is exclusively endorsed by *Printing Industries of America (PIA)* and *Educational and Institutional Cooperative Purchasing (E&I)* and recognized as a top 100 procurement firm by *Supply & Demand Chain Executive*. Founded in 1975, e-LYNXX has three divisions. ● American Print Management provides enterprise print procurement solutions and patented competitive methods to reduce costs for direct mail, marketing materials, packaging and other procured print. Results include enhanced quality and service levels, efficiencies, process control, transparency and procured print cost reduction of 25% to 50%. ● Patented Procurement Method grants patent licenses for supply chain optimization. Results include substantial reduction in existing costs of competitively procured goods and services. ● Government Print Management offers U.S. GPO bid services, access and assistance. Results include filled downtime, operational stability, improved cash flows and increased profitability. www.e-LYNXX.com – 888-876-5432