

Case Study:

Savings Exceed \$2.5 million in Digital Copiers Auction

Pantellos Dynamic Services delivered dramatic savings on digital copiers for FirstEnergy. The utility realized savings of 43% on its corporate copier contract, involving several hundred copy machines.



Opportunity

Hoping to duplicate its success from previous auctions, FirstEnergy turned to Pantellos Dynamic Services for help in negotiating their procurement contract for supply and maintenance on several hundred digital copiers.

Solution

Pantellos worked with FirstEnergy to determine cost savings objectives and to design a Dynamic Services online auction that would produce the desired results. Pantellos helped FirstEnergy throughout the auction process, including defining requirements, developing an RFQ, assisting in the selection of suppliers to bid in the auction and finally conducting the auction itself.

Results

The copier auction saved FirstEnergy 43% based on the starting reference price. Ten bidders took part in the auction, driving the lowest bid below FirstEnergy's best-case expectations. Furthermore, the entire auction process—from planning and training to conducting the actual event—lasted approximately five weeks from start to finish. The auction itself lasted less than two hours.

"FirstEnergy is committed to deploying the tools needed to maximize our impact on earnings per share. Auctions help us assess current market conditions in real time while reducing our overall bid development and assessment cycle. Used as part of an overall program, auctions are an integral component to our success," said Brad Tobin, Vice President of Supply Chain at FirstEnergy.

FirstEnergy uses online auctions as a regular part of its strategic sourcing plan. Dynamic Services help buyers achieve the best possible market prices on goods and services while reducing procurement cycle time. FirstEnergy has saved millions of dollars by using auctions to source and procure commodities in several different categories.

For More Information:

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