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Sample Supplier Profile: Procurement Outsourcing (PO)

2009

Procurement Outsourcing (PO) supplier profile

Company A



EVEREST
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Company profile: Established in 2000, Company A provides adaptable and flexible global collaboration models to suit Fortune 100 companies in Aerospace, Oil & Gas, Consumer Package Goods (CPG), Discrete Manufacturing and Pharmaceutical sectors. Company A focuses on both direct as well as indirect procurement, providing a completely managed “Source-to-Pay” solution to its clients

Web site: www.Company A.com

Key PO leaders: John Smith (President & CEO); Susan Black (Vice President and COO)

Recent PO contracts:

- August 2007: Leading Oil and Gas Equipments Manufacturing Company
- September 2007: Cigarette Manufacturing Company
- October 2007: (F&A Services) Oil and Gas Equipment Mfg Co.
- November 2007: Defense Contractor
- December 2007: World's Leading Suppliers of Jet Engine Thrust Reversers
- January 2008: Leading Diesel Engine Manufacturing Company
- March 2008: Leading Supplier of Integrated Products and Services To Defense
- May 2008: Aircraft Engine Manufacturer (Renewal of Contract)
- June 2008: Global Biopharmaceutical and Health Care Products Company

PO service suite: Source-to-Pay services for non-core categories (direct and indirect), Procurement Helpdesk

Sourcing-related services: Buying, contract administration, value engineering, product quality engineering, IPO using LCCS Advantage™, spend analytics, and eProcurement services

Transactional procurement services: F&A services (accounts payable/receivable, invoice processing, vendor services helpdesk, etc.)

Category expertise: Security, landscaping, freight, telecom, office supplies, hardware, insurance, MRO, recruitment services, mail and courier, legal, advertising, marketing, consulting, contract labor, travel, janitorial, etc.

Locations catering to PO: Dayton, Evendale, Cincinnati, OH; Richmond, VA; Bridgeport, CT; Boston, MA; St. Louis, MO; Houston, TX; Jacksonville, Orlando, FL; Durham, NC; Princeton, NJ Delhi NCR (2 centers), Berkshire (UK)

Everest assessment: Company A is an offshore-based PO player with offerings across both direct and indirect procurement categories

	2007
Overall revenue	Not disclosed
Overall BPO revenue	Not disclosed
PO as a % of overall revenues	60%
Spend managed for external clients	~US\$5 billion

PO revenue geography mix: 60-70% North America, 30-40% Asia-Pacific

PO revenue vertical mix: 65-70% Manufacturing, 10-15% Hi-Tech and Telecom, 10-15% Others

PO revenue buyer segment mix: 20-25% between US\$1-5 billion, 75-80% between US\$10-50 billion

Technology capability:

- **ERP experience:** SAP, Oracle, Microsoft Great Plains, BAAN and Client-Owned Legacy Systems
- **Third-party technology partnerships:** Ramco, Ketera and Procuri

Major investments in PO (acquisitions, partnerships, internal investments):

- April, 2007: Ketera – optimizing S2P services
- Oct, 2007: Ramco – improving supply chain management
- Investment in the MRO space

Other major PO partnerships and Alliances: Microsoft, Oracle
Warehousing: Cressent Park and BVQi

	Offshore (India + China + S.E. Asia)	Near Shore (Eastern Europe + Latin America)	Onsite (U.S. + Western Europe)
PO FTEs			
Sourcing/category experts	50	7	12
Transactional/P2P FTE	247	50	12

Sources: Everest Research Institute (2008); supplier inputs; public disclosures. (Last update: October 2008)

Contact us to better understand how we can best assist you



Everest Research Institute uses its deep expertise and understanding of suppliers to provide you with:

- Comprehensive capability profiles for leading suppliers
- An extensive directory of suppliers spanning multiple functions, industries and geographies
- Fact-based and practical assistance with short-listing of suppliers
- Framework for optimizing and rationalizing supplier portfolios

Everest Research Institute has been designed to meet the specific needs of your organization. Whether it be published or custom research, actionable tools, or even one-to-one interaction, we can develop a solution that applies to your particular scenario.

For more information about the Institute or to find out how we can assist you please contact us:
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Get the answers today that lead to tomorrow's success



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Everest Research Institute has the resources, experience, and capabilities to provide companies with the strategic intelligence, analysis, and insight that are crucial to making the right decisions in today's outsourcing marketplace.

With the vision of our leadership team, the personal commitment, and indeed, the passion of our professionals to deliver real value to our clients, our organization is unsurpassed in its ability to guide your company's future success.

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