

Customer Success Story

ESKER

At a glance

CommerceHub



eCommerce services



\$50+ billion annual GMV



400+ employees



Headquarters: Latham New York, United States



Established: 1997



eSourcing maturity: **Emails and spreadsheets**



Challenges

Streamline sourcing activities

With no sourcing software in place and a reliance on spreadsheets and emails, CommerceHub's formal RFP process was almost non-existent. Typically, departments evaluated only one or two vendors before presenting a 'vetted' solution to the procurement team.

However, with a new Director of Procurement in place, the main focus was to streamline CommerceHub's sourcing activities and help reduce costs. In addition, the new automated processes would need to be fast, easy to understand, and easy to use so that the procurement function would be seen as an enabler, not a blocker, within the organisation.

To understand how the company was able to rapidly adopt and deploy an entirely new RFP process using Esker Sourcing by, we asked CommerceHub's Director of Procurement, Sören Petsch, to share his experiences.

It started with the Green Monster!

As is common, CommerceHub had previously relied on sending emails to suppliers with all renewal information kept in a spreadsheet that they called 'The Green Monster'. The spreadsheet was not accurate or consistent in terms of data points, it truly was a case of garbage in, garbage out!

With a MBA from the University of Chicago and 20 years business experience, of which 12+ years have been spent in procurement roles within retail, banking, consulting, Sören is more than acquainted with eSourcing solutions including SAP Ariba.

At CommerceHub, Sören's key objective was automating existing processes to make them faster and more efficient.

As a true professional, Sören researched eSourcing vendors on g2.com, made initial contact with each supplier, then ran a formal RFP with those short-listed.

Requirements



Cloud-based RFP software



Low barrier to entry



Speed of deployment



Minimal training overhead

Solution

Why Esker Sourcing?

When selecting suppliers for the RFP, Sören remembered, more than a year ago, hearing a podcast with a Esker customer who spoke very highly about Sourcing and how easy it was to use.

He also recalled the company being featured on Dr. Elouise Epstein's Spider Map as a 'quick sourcing' platform.

This made Sören want to find out more. His main requirements for a RFP tool were as follows:

- No lengthy system integration
- Easy to execute as he had only one other team member
- Easy to learn due to the limited experience within the company of running RFPs through a tool

So, did the solution deliver on this? In a word, yes!

"From the time we bought our Sourcing licence, to the time we had the RFP up and running, it was 24 hours. Then it was launched externally within another 24 hours. I couldn't imagine doing anything faster than that." says Sören.

He goes on to say, "Both how the data came back and the platform functionality, with the message board, were super easy. Also, the testing capabilities, for example driving the data from different user profiles, was just fantastic."

"What we can save is between 20 and 50 times the cost of Esker Sourcing. Ultimately, you guys pay for yourself numerous times over."

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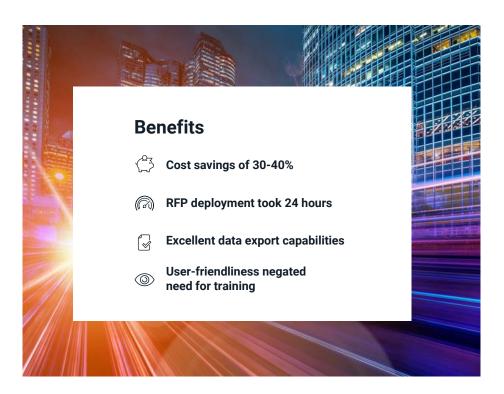
Results

The impact of eSourcing to CommerceHub

Cost savings were undeniably the immediate tangible benefit and, for CommerceHub, the pay-as-you-go option is perfect.

On the RFPs that had run at the time of this case study, the impact to the business was between 30-40% discount. Or to put it another way, Sören says, "What we can save is between 20 and 50 times the cost of Esker Sourcing. Ultimately, you guys pay for yourself numerous times over."

Aside from these benefits, Sören likes the software's ease of use and that the RFP data can be downloaded in a clean, well-formatted Excel file that he can share easily with stakeholders.



Does size matter?

Having previously led procurement teams of 28 people—eight direct reports and 20 consultants—Sören now has a team of two, himself included. Moreover, his other team member had no previous background in procurement and as a result had never used a REP tool

But it's true what they say, size doesn't matter as Sören believes that with Esker Sourcing his team of two get just as much done in the same amount of time, if not more.

"No training was needed [to use Sourcing], even for my team member, who was able to build a RFP and jumpstart her experience," says Sören. "I think that's truly fantastic."

Is it a viable alternative to SAP Ariba?

During his 12+ years of using other procurement tools, including SAP Ariba, and running RFPs, RFQs and RFIs, Sören has not found any functionality in these alternatives that is missing from Esker Sourcing. All the functionality that he would expect is there and it's incredibly easy to use.

He goes on to say, "In 10+ years of using Ariba, I have not once been able to build my own RFP. With Esker Sourcing I could do it."

Sören regularly recommends the solution to other procurement professionals and those who have historically worked with SAP Ariba have a hard time believing that Sourcing has so much functionality.

"When I recommend Esker Sourcing to other procurement professionals they don't believe me about how easy it is," says Sören.

How does Sören rate the company's software and customer service? "10 out of 10! You get five stars out of five," answers Sören.



Sören Petsch
Director of Procurement, CommerceHub

Esker Sourcing

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