

Guidebook

# The Ultimate Sourcing Starter Kit

How to leverage sourcing  
to extract greater business value



## Introduction

# Ultimate Sourcing Starter Kit

Rapidly growing companies, disruptors of industries, businesses with a strong focus on their market space and an uncompromising commitment to their customers must recognise the opportune moment to embark on their procurement journey – or risk building a house of cards.

A substantial surge in revenue, expansive growth or shift in company strategy comes hand-in-hand with:

- a need for 360° spend visibility,
- tightening controls (while retaining autonomy and agility),
- robust supplier communication,
- streamlined sourcing of goods and services.

So, what can businesses do to improve and standardise procurement activities? It starts with understanding your current processes, identifying inefficiencies, and establishing clear objectives. This will empower your team to invest in the right sourcing tools that are user-friendly, rapid to deploy and that will deliver on their promises, fast.

That's where this **Sourcing Starter Kit** comes in – it gives you a run down of our top guides and resources (from real-life procurement pro's just like you) to pave the way for a dynamic and successful procurement experience.

## Who's it for



**Growing companies seeking improved spend visibility and tighter controls**



**New or existing procurement teams aiming to establish standardised procedures**



**C-level executives eager to release untapped business value through best-of-breed tools and processes**

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## A Comparison

# eSourcing or Traditional Methods

For rapidly growing companies, implementing sourcing software is a key milestone which empowers sourcing teams to streamline and maximise value of the entire procurement process.

If you're looking to leverage this collaborative technology, here is a summary of the key benefits of eSourcing compared to traditional procurement methods.

Want to learn more, download:

### 7 Ways eSourcing Can Save Time & Money

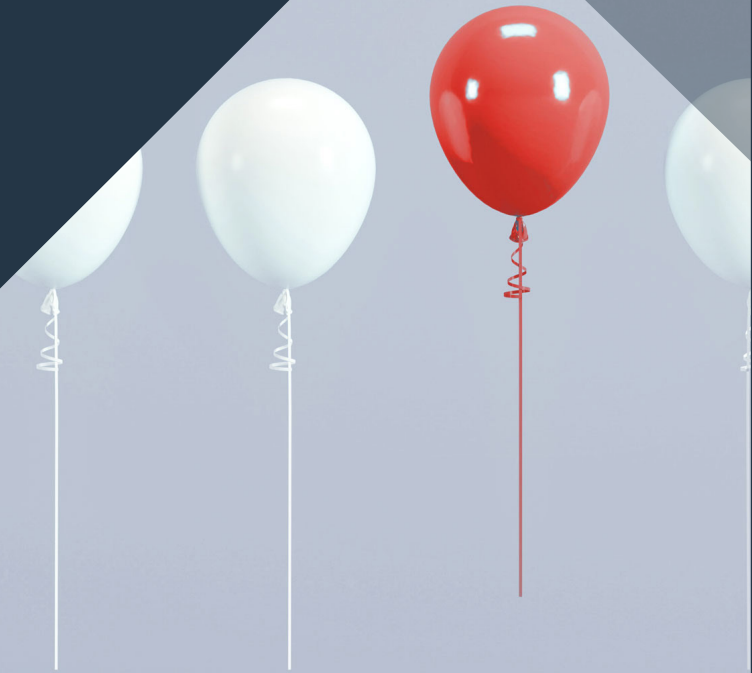
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Key benefits	Traditional sourcing (the old way)	eSourcing (the better way)
1. Automation of repetitive tasks	Relies heavily on manual processes, requiring the creation of new drafts for similar tasks, resulting in time-consuming administrative work that detracts from strategic focus	Allows automation of tasks, saving time and freeing up time and resources to focus on strategic activities
2. Bid award optimisation	Typically involves a prolonged bid selection process through email and collating responses into spreadsheets, leading to delayed decision-making and potentially limiting supplier competition	Enables real-time side-by-side bid comparisons, accelerating bid selection, generating more competition and growing savings with lower bids
3. Reduced sourcing cycle time	Relies on conventional methods, resulting in longer sourcing cycles and limited access to information, hindering the speed and agility of the procurement process	Uses web and collaborative workflow technologies, reducing sourcing cycle times by over 66% in the initial wave and providing incremental time savings in subsequent cycles
4. More investment opportunities	Lack of efficiency often results in sourcing teams being under pressure and 'fire fighting' resulting in a lack of new initiatives and low morale	The time efficiency gained from Sourcing can be reinvested in introducing additional sourcing initiatives, compounding benefits and positively impacting the bottom line
5. Sustained savings	Savings erode rapidly over time due to challenges in monitoring and implementing contract compliance manually. Limited knowledge base produced during process for reuse and to aid future decision-making	Sourcing tools track outlay and compliance, capture and organises information, and provides an audit trail, ensuring that savings are sustained over time and can be replicated in the future
6. Powerful features	Traditional methods lack the functionality of Sourcing tools, potentially resulting in slower and less efficient procurement processes with fewer opportunities for improvements	Offers features like supplier management, RFx templates, and efficient order processing. Empowers teams to go beyond negotiations using data insights to enhance decisions and vendor relations
7. Efficient tendering process	Involves a more time-consuming tendering process limiting the time that teams can allocate to strategic activities such as supplier diversity, mitigating risk and building relationships	Speeds up procurement processes, reducing the time spent on tenders (decreasing costs for both parties), allowing sourcing teams to focus on strategic activities

Top procurement functions are operating at

**21% lower cost**

drive nearly 2x the savings  
earn a 2.4x higher ROI.<sup>1</sup>



## Choosing the Right Tools

# Take Control of Your Sourcing Process

OK, you're ready to formalise your sourcing processes.

Maybe you've been using spreadsheets and emails predominantly for managing suppliers, bids, contracts and ongoing relationships.

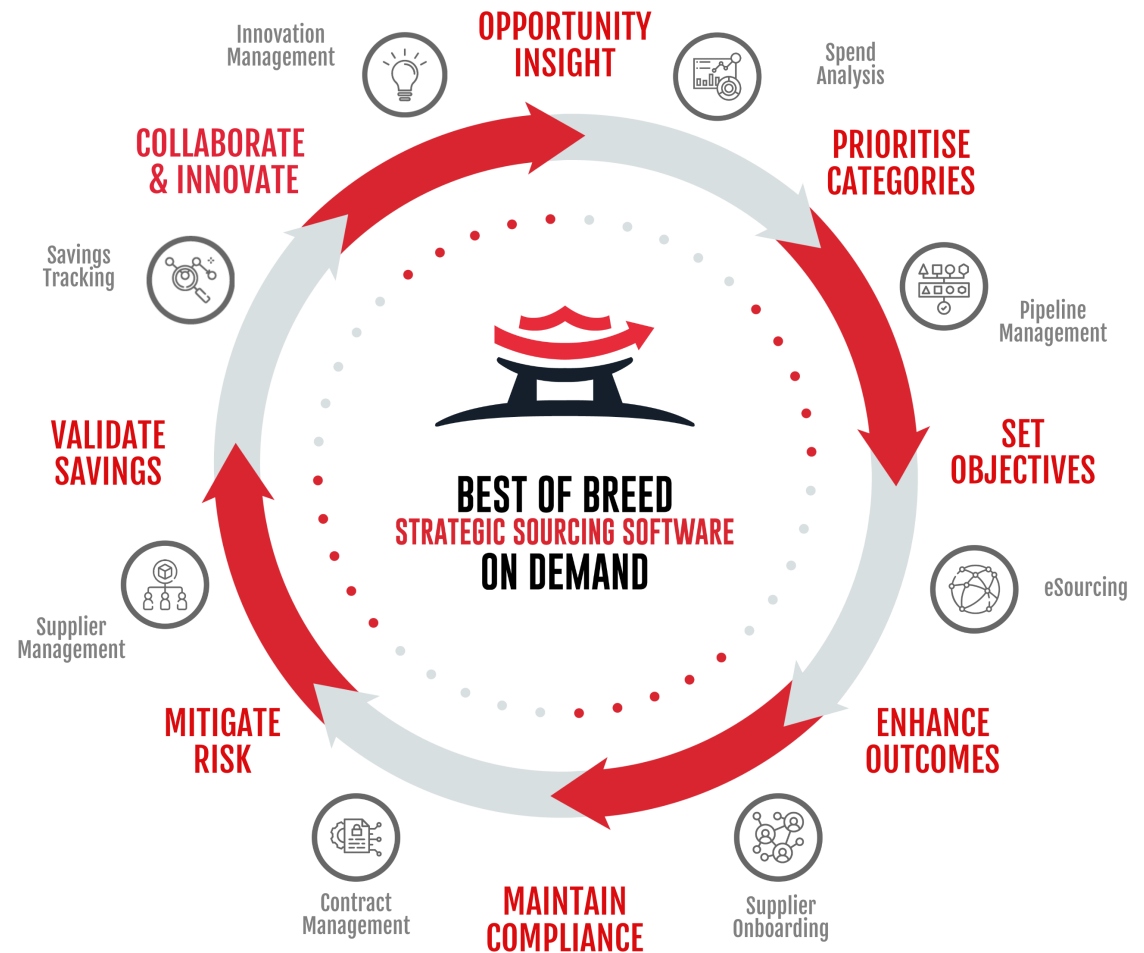
Maybe you've looked into sourcing platforms or even an ERP system.

Maybe you've had a few sales demos, tried to get a breakdown on prices, started having doubts due to lengthy implementation times. Likely you're wondering what software do you *really* need, and how *quickly* can you expect to see a ROI?

We'll answer these questions over the next few pages.

First, it's good to understand the key stages in sourcing – this takes you from 'purchasing what you need', to *strategically sourcing* the right suppliers and the right goods/services.

The graphic shows the main phases in the strategic sourcing process, and the tools that are used at each stage. Think of this as your sourcing 'blueprint'.



## Measuring the ROI

# Maximise Your Investment

In terms of measuring ROI, this will vary greatly from company to company, but we are firm believers in starting with cost savings (and, let's be honest, this is the main measure of sourcing initiatives).

As with other software platforms, a ROI of 5 to 10X's is generally expected.

This is fairly easy maths, but the question is how quickly do you need to see a return... and we're guessing the answer is as soon as possible!

Our flagship product, **Market Dojo Sourcing**, enables you to embark on your digital procurement journey with extremely low barriers to entry. The unique **on-demand model allows you to run a sourcing event for as little as £500**. And implementation and training times are among the shortest and most accessible on the market.

Now consider this, on average our customers **save 20% on market price** and approximately **realise 30% time savings** compared to traditional methods. We think this is a compelling ROI.

**To learn how Market Dojo can work for your business, schedule a personal demo with one of our sourcing specialists.**

[Request demo](#)



**“The thing I like about Market Dojo is that it’s easy to get started – and it’s rare to get something that is licensed per event.”**

Chris Gormley

Co-founder and CEO of SubPop Health

[Read full story](#)



## Customer Success Story

CommerceHub, an eCommerce services company, quickly and easily deployed its first ever RFP process using Market Dojo Sourcing. Prior to implementing the software, the company relied on spreadsheets and emails to manage its RFP process, resulting in a lack of efficiency and cost savings.

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.

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

*"From the time we bought our Market Dojo 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."* Sören Petsch, CommerceHub

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

On the RFPs that were put through Market Dojo's software, the impact to the business was between 30-40% discount. Or to put it another way, Sören says, *"What we have saved is between 20 and 50 times the cost of Market Dojo. Ultimately, you guys pay for yourself numerous times over."*

[Read full story](#)



## eAuctions

# The Secret Ingredient for Your Sourcing

A great place to get started with sourcing software is by using an online auction or e-auction tool. This section covers the main types of e-auctions and how to know which is best for your situation. Auctions can generate huge savings on market prices, yet not all procurement professionals fully use them. The complexity of some sourcing tools can add to the confusion so let us demystify the topic of eAuctions.

### **Forward auction**

In simple terms, a forward auction is where buyers compete to purchase assets and the price increases over time (think eBay).

### **Reverse auction**

In a reverse auction, vendors compete for contracts and the price decreases over time (think Upwork or Fiverr).

Often a reverse auction is carried out on 'buyers choice' meaning that the buyer has the freedom to award any one of the suppliers the business, based on other factors, such as service levels, quality and so on.

Both types of auctions can be run in one of the following ways.

### **Open**

Allows suppliers to see competitors' bids, fostering an open playing field.

### **Ranked**

Assigns suppliers a rank based on bid comparison, encouraging competitive bidding.

### **Japanese**

Operates as an elimination process led by the buyer, with suppliers matching an increasing/decreasing sum until a single bidder remains.

### **Weighted**

Another nuance is that while auctions aim for the best price, weighting can influence the ultimate choice of supplier. You should communicate that the contract won't automatically go to the highest/lowest bidder, emphasising the importance of other factors such as contract terms, quality, service levels and ESG compliance.

Reverse auctions are a powerful tool in the hands of a sourcing professional. To help you decide on the best e-auction for your needs, download our handy printable **Which Reverse Auction Should I Use?**

[Download guide](#)



## Multi-Stage RFQs and Advanced Lots

# Adopting a Flexible Approach

### **Multi-stage RFQs**

For those sourcing events that don't seem right for an e-auction, there is another option – Multi-Stage RFQs.

Multi-Stage RFQs differ from normal RFQs in that you configure

- The bid deadline for each new round
- Whether participants can view their rank as it was at the end of the previous round
- Which participants to include in each round

But how do you know when to run a Multi-Stage RFQ?

In the real world of sourcing, requirements change, no matter how planned out a project may be, and there is always scope for dynamic improvement or adjustment.

Market Dojo's Sourcing software is designed with this viewpoint in mind. Instead of declaring up-front that you will proceed with a Multi-Stage RFQ, you can start with a single-round RFQ and react to the received bids by adding another round or two after the fact.

### **Advanced Lots**

Another useful tool for sourcing professionals is the ability to create a pricing matrix consisting of multiple variables – we call this Advanced Lots.

For complex projects, with complex specifications, Advanced Lots are a fantastic way to gather detailed quotations from your supply-chain.

Typically, it can be difficult to push these type of RFQs forward to a full auction due to the size of the required submission.

In this case, Multi-Stage RFQs are an effective way of generating additional savings, and clarifications, without the use of an auction.

**To learn more, schedule a demo with our sourcing specialists.**

[Request demo](#)

## Key Features of Market Dojo

# Software Built for Sourcing

### Advanced sourcing functionality

Perform all tender activities in one simple-to-use platform. Run RFIs, RFPs and RFQs, event weighting, document uploads and advanced pricing tables. Capture everything you would have done in a traditional spreadsheet and more whilst transforming static, siloed information into centralised, compliant, collaborative, decision ready data.

### Autonomous e-auctions

One of the most easy-to-use auction tools on the market, from simple lots to an advanced lot matrix, run Open, Ranked or Japanese forward and reverse auctions with our AI, automated features and guided support be confident in securing the best possible performance.

### Multi-stage RFQs & RFx multiscoring

Easy to configure participant inclusion and bid deadlines for every round, with optional visibility for real-time bid ranking. Run complex weighted events with multiscoring, simply automate the process or allow users and groups to score for enhanced, collaborative outcomes.

### Event cloning & templates

The simple template system avoids lengthy set-up times and allows consistent formats throughout all events. Replicate part, or the entirety of, a previous event for rapid deployment.

### Excel import & export

Enable participants to bid through spreadsheets thanks to Excel integration for event creation. Hosts are also able to export detailed summaries to produce post-event reports or import to other systems.

### AI powered questionnaires

Specifying requirements and requesting supplier information has never been easier. Create weighted questionnaires with different question types, tables and document uploads powered by generative AI. Automatic and manual scoring ensures a robust sourcing process, consistently formatted answers and centralised data.

### Single source of truth

Capture all supplier information and tender activities within one platform. The centralised data is fully auditable and can be easily exported as a spreadsheet for reporting and post-event reviews.

### Transformational reporting

The powerful analytics solution and tailored dashboards help businesses transform raw spend data into actionable insights to enable better business decisions for Procurement, Finance and beyond.

### Seamless integrations

Connect with existing systems or as part of our modular, integrated best-of-breed solutions, from opportunity and spend analysis to supplier management, contract lifecycle and AP. Our tools are better connected, enabling one single source of truth throughout your organisation for smarter collaboration and insight across S2P.

### Fully on demand

Accelerate transformation and build the business case for positive change. The only platform that allows you to start with just a one month licence. We help you demonstrate the value and ROI, you're in complete control.

## More Resources

# Glossary

We believe that procurement teams should leave behind the acronyms and speak the language of the entire business. However, here are key sourcing terms that are useful to know.

**CPO** - Chief Procurement Officer

**CSR** or Corporate Social Responsibility – an organisational sustainability framework aimed at having a positive global impact through business strategy, operations and supply chains

**Direct procurement** - the purchase of an input (such as raw material) that a company needs to produce its end product

**eAuction** - covers reverse and forward auctions, open, ranked, Japanese and weighted auctions. See page 8 for a further explanation of the different types

**eProcurement** - software system that covers all phases in the procurement cycle from contract award to asset management

**ESG** or Environmental, Social, and Governance - a measurable company-wide sustainability assessment, similar to CSR

**Forward auction** - type of eAuction where buyers compete to purchase assets and the price increases over time

**Indirect procurement** - a service or input that's not directly used in producing the corporation's product but is vital for their everyday operations

**Japanese auction** - type of eAuction that operates as an elimination process led by the buyer, with suppliers matching an increasing/decreasing sum until a single bidder remains

**Open auction** - type of eAuction where suppliers see competitors' bids, fostering an open playing field

**Pareto Principle** - similar to the 80/20 rule, the Pareto principle states that approximately 80% of the effects of a thing come from 20% of the causes

**Ranked auction** - type of eAuction that assigns suppliers a rank based on bid comparison, encouraging competitive bidding

**Reverse auction** - type of eAuction where vendors compete for contracts, and the price decreases over time

**RFx** - includes a buyer's Request for Proposal (RFP), Request for Quotation (RFQ), or Request for Information (RFI) from selected suppliers

**Sourcing event** - see eAuction

**Tailspend** - the bottom 20% of a company's spend, which usually accounts for 80% of its suppliers, made up of low-value, one-off purchases

**TCO** or Total Cost of Ownership - the purchase price of an asset plus the operation costs, representing the complete cost through its entire life cycle

**Weighted auction** - type of eAuction where certain attributes, such as quality or delivery lead times, are given a priority score which results in the winning bid not always being the vendor with the cheapest price

# Trend Reports

## Procurement Pathfinder

Your practical guide to navigating the key threats and opportunities facing procurement professionals

## CPO Rising

Ardent Partners' annual report captures the experience, performance, perspective, and intentions of CPOs and other procurement executives

Take the Next Step

# About Market Dojo

Market Dojo is a global procurement software provider built to solve inefficient sourcing and supplier management processes by digitising and automating activities quickly and easily to unlock strategic value for Procurement and Finance professionals.

Its on demand, best-of-breed solutions incorporate technologies like Artificial Intelligence (AI) to control costs, drive increased productivity, enhance visibility, reduce risk, and improve collaboration with customers, suppliers and internally.

Market Dojo operates worldwide with headquarters in Stonehouse, UK and is 51% owned by Esker a global cloud platform with headquarters in Lyon, France.

Transforming Procurement.  
On Demand.

Start today

FAVOURABLE REVIEW

Gartner  
Peer Insights™

5.0 ★★★★★

**Market Dojo: Simplifying sourcing with intuitive tools and outstanding customer support**

“Having used, deployed and administered Market Dojo Sourcing at several organisations, it is by far the best e-sourcing tool that I’ve come across so far, especially for small to medium sized enterprises.

It not only offers a range of sourcing methods (Request for Quotes, auctions and quick quotes) but is also easy to use (for non-procurement users, too) and easy to deploy, which leads to user adoption and makes for a good return on investment.

To top it off, the Market Dojo team are outstanding, from onboarding to troubleshooting, they are quick to provide support and are genuinely open to feedback.”

Gartner  
Peer Insights™  
★★★★★ 4.7

Capterra 4.7  
★★★★★





[marketdojo.com](http://marketdojo.com)

