

## What you measure today will differ from what you need tomorrow

### *Procurement Analysis Solution Aimed at Reducing Corporate Expenditures*

Bianix's procurement analysis solution rapidly identifies opportunities to reduce costs and improve purchasing efficiencies.

*According to Manufacturing Systems magazine, "while trading exchanges that support indirect materials procurement have enjoyed early success, they only scratch the surface when it comes to cost benefits. Direct procurement accounts for 66 percent of procurement transactions, and analysts project that **business intelligence applications can reduce costs by as much as 14 percent.**"*

**How does Bianix help reduce costs?** Bianix provides out-of-the-box business metrics based on industry leading practices, in addition to pre-built optimization algorithms that clients use to effectively measure their business procurement processes. Bianix enables companies to make informed decisions by providing answers to questions such as:

- Where are my purchasing dollars being spent?
- Are my suppliers' service levels meeting internal targets?
- What percentage of goods is defective?
- In what areas can purchasing costs be decreased?
- What is the extent of spot purchasing and should contracts be negotiated?
- Should suppliers be consolidated?

Bianix's turnkey procurement data mart is faster, easier and more cost effective to implement than most other solutions in the marketplace. With built-in intelligence and pre-defined business requirements, Bianix delivers rapid return on investment (ROI) to its clients.

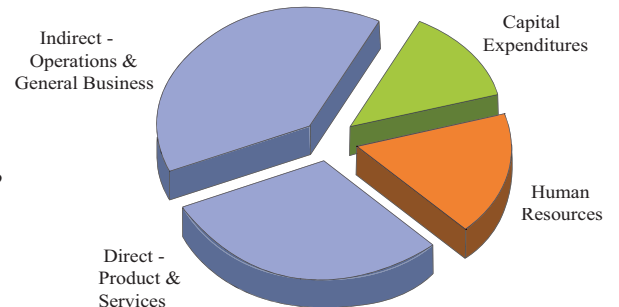
Bianix's procurement application, *Source-i*, utilizes best-in-class technology from its partners in the industry to integrate, analyze, and report purchasing information. The Bianix solution also includes three additional intelligence modules, *Plan-i*, *Make-i* and *Deliver-i*, that expose valuable supply chain information that translates into increased savings and profitability.

Bianix uses other analytics to analyze the supply chain such as:

- Where are the supply chain cycle time bottlenecks across sourcing, manufacturing and distribution?
- What opportunities exist in the supply chain to save on the bottom line?
- Where can supply chain capabilities be leveraged to improve market share?
- How closely aligned is the organization to both suppliers and customers?
- How are raw materials inventory levels fluctuating?

For more detailed product information or to schedule a demonstration please contact Bianix.

Bianix Technology, 866.879.5488



**Source Material and Services Impact  
70% of Typical Company Costs**

# Bianix Source-i Procurement Analytics

## Spend Analysis

### Coverage

Examining the distribution of corporate-wide spending for all approved purchase orders

### Metrics

Average Purchase Price  
 Receive to Pay Cycle Time  
 % Purchases via EDI, Auctions  
 Spend by Industry  
 Purchase Dollars as % of Sales

### Business Questions

Is spending outpacing sales?  
 What is the distribution of purchasing dollars across the organization?  
 Who are the key suppliers by volume and dollar amount?  
 What is the ratio of budget vs. actual spend?  
 What is the cost of spending purchasing dollars to the organization?

## Contract Analysis

### Coverage

Examining purchase orders and their related requisitions for cost savings opportunities

### Metrics

PO Average Cycle Time  
 Savings Opportunities  
 Average Number of Requisitions  
 Buyer Performance Scorecard  
 % of Purchase Dollars Spent under Contract

### Business Questions

How much can be saved by eliminating spot / maverick purchasing?  
 What contracts are underutilized - are those discounts at risk?  
 Which contracts should be leveraged to negotiate price savings?  
 What are the savings generated from existing contracts?  
 Which buyer groups are not performing against targets?

## Supplier Scorecard Analysis

### Coverage

Examining business metrics to provide a 360-degree view of supplier performance

### Metrics

Order to Receive Cycle Time  
 Past-Delivery Percentage  
 Receive to Reject Percentage  
 Invoice Price Variance  
 Total, Delivery, Price and Quality Consolidated Savings

### Business Questions

Who are the top performing suppliers?  
 What is the cost of returning goods?  
 What are the savings between different grade products?  
 What products have too many or too few suppliers?  
 Which is the supplier of choice based on volume, cost and service - how much can be saved by consolidating to that supplier?

## Inventory Analysis

### Coverage

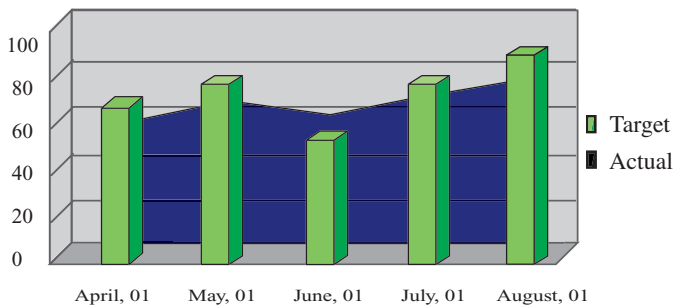
Examining the effectiveness of inventory management

### Metrics

On-hand Quantity  
 WIP, NCM Quantity  
 Inventory Velocity  
 Surplus, Obsolete Inventory Value

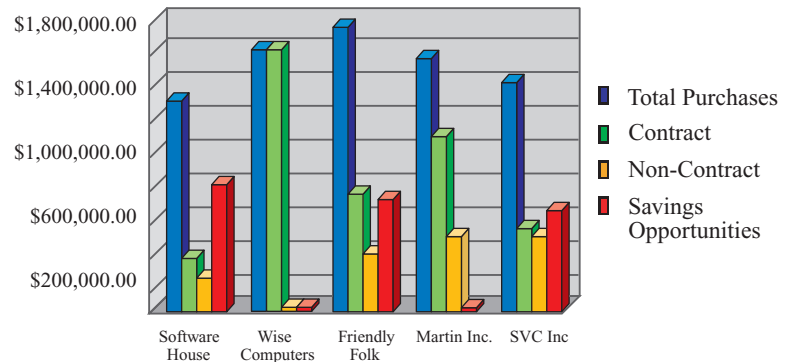
### Business Questions

What are the carrying costs of obsolete inventory?  
 What commodities are fluctuating above target thresholds?  
 What percentage of inventory is managed by external suppliers?  
 What is the inventory velocity - what is the value of slow-moving inventory?



### Inventory Velocity Report

Compares actual to target inventory velocity



### Contract Analysis Report

Measures savings opportunities across suppliers

### Note

Bianix Source-i metrics can be viewed by sample dimensions such as:  
 Supplier / Geography  
 Commodity / Product  
 Buyer / Product  
 Dun & Bradstreet / UN/SPSC  
 Time / Currency  
 Inventory Location  
 Shipment Method

### Note

Bianix Source-i analytics are not limited to the sample metrics, business questions dimensions and reports listed in the above sections

### BIANIX TECHNOLOGY, INC

Headquarters:  
 33 Delisle Avenue, Suite 305  
 Toronto, Ontario  
 M4V3C7, Canada  
 T:416.721.3826, F: 416.787.9566

Optimizing Every Link In The Supply Chain