



Case Study of The County of Santa Clara Procurement Department: Using Procurement Research to Save Time and Money

The County of Santa Clara used IBISWorld's Procurement reports as a source of incisive intelligence to cut costs and reduce sourcing lead time



Sourcing lead time reduced significantly



Savings: up to \$380,000

"The useful content and complex research that IBISWorld provides in their reports have proven them to be a valuable and reliable research tool" – Santa Clara County buyer

Profile

The Procurement Department of Santa Clara County, California is tasked with aiding all of the county's branches in the purchase of necessary goods and services. It strives not only to uphold the high ethical and professional standards of their community, but also to provide timely and cost-effective service. That's why Santa Clara's Procurement Department is always looking for ways to improve their processes and why they recently sought out research from IBISWorld. The Procurement Department has 13 users in its IT and facilities sourcing groups utilizing IBISWorld's online procurement research library, helping it cut costs and save time across its operations.

Challenges

When Santa Clara's Procurement Department came to IBISWorld, it had

some pretty lofty goals. First, it was out to reduce its sourcing lead time by a margin of 30% to 50% for specific items. It also needed help identifying vendors and negotiating contract terms, especially in unfamiliar markets. Lastly, the Procurement Department wanted to create more effective RFPs and address past inefficiencies with vendor and client communication. To accomplish these goals, the Procurement Department knew it would need a central source of timely and incisive intelligence on the products and services it was sourcing.

Solution

The Procurement Department found just what it was looking for in IBISWorld's online library of procurement research reports, which provides convenient access to up-to-date, high-value information on 1,000 different markets.

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About IBISWorld Inc.

Recognized as the nation's most trusted independent source of market research, IBISWorld offers a comprehensive database of unique information and analysis on hundreds of procurement categories. With an extensive online portfolio, valued for its depth and scope, the company equips clients with the insight necessary to make better business and purchasing decisions while saving time and money. Headquartered in Los Angeles, IBISWorld serves hundreds of businesses, nonprofit organizations, government entities and academic institutions of all sizes.

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Santa Clara's Procurement Department could easily find and compare suppliers using the list of major players in each IBISWorld market report. Researchers have also been able to utilize the reports' market-specific negotiation questions to help guide talks with potential vendors, as well as the buyer power score discussed at the beginning of each report to give them an idea of where they stand in a market prior to entering into negotiations. Moreover, the Key RFP Elements section of the report has helped the team create more informed and effective solicitations, and users have gained valuable insight from the Product Characteristics chapter, specifically the subsections Related Goods, Product Specialization, Total Cost of Ownership, Regulation and Quality Control. With the right report available, the Procurement Department's researchers have saved countless hours that would have otherwise been spent scouring the Internet and corresponding with vendors and clients to obtain the necessary data.

Results

By cutting out the middleman and limiting researchers' dependence upon lengthy and possibly biased vendor and client communication, IBISWorld was able to shorten the Procurement Department's sourcing lead time by as much as 50% per project. Some users saved weeks of research, while others reported a reduction of as much as seven months in their average 12-month sourcing process.

In one instance, a Santa Clara buyer saved \$380,000 by incorporating analysis from an IBISWorld report into their process. He started by utilizing data from the Quality Control and other Product Characteristics sections of the report to add more detailed specifications

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National Association of State Procurement Officials
United States Postal Service
Army and Air Force Exchange Service
Port Authority of New York
City of Santa Monica

and key performance indicators to his RFP. With these details in mind, vendors were able to offer more accurate price quotes for their services. He also learned from the Competitive Environment section of IBISWorld analysis that the Procurement Department's current supplier controlled the majority of the market share. With this in mind, the buyer made the current vendor aware that the Procurement Department was putting this service out to bid, pressuring its existing provider to lower prices in order to keep their business.

The Procurement Department has since incorporated IBISWorld reports into a wide range of its procurement activities. One branch of the Procurement Department, the decentralized procurement team, uses the reports in training presentations for anyone outside of the Procurement Department who must create RFPs to demonstrate how to properly conduct market research, giving employees an idea of what they should focus on when starting a sourcing event.

One Santa Clara County buyer commented, "The useful content and complex research that IBISWorld provides in their reports have proven them to be a valuable and reliable research tool." IBISWorld research has helped the Procurement Department of the County of Santa Clara capitalize on available opportunities, increase efficiency, and drive the internal value of the procurement function.