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Spend Management Makes the Wall Street Journal

By Jason Busch

Ariba's and Rearden's PR departments must be doing something right, given that they've both managed to find their way into the *WSJ* recently. Supply Excellence beat me to the punch on covering the story with their recent post highlighting some of the rather self-serving themes of the article (though I'll say anytime you make it into the *Journal*, it's OK to gloat a bit). Supply Excellence calls out, for example, that "PPG trimmed their number of suppliers, negotiated better contracts and wound up saving 15%" and "GlaxoSmithKline cut T&E expenses by rolling out new online tools that show employees their various options for saving money on travel (thus 'encouraging' them to use common sense and save a few bucks on flights and hotels)." In addition, "Diebold's examination of their supply chain found they weren't making use of group purchasing power with their suppliers, which once addressed saved them over 10%."

Some of the other highlights from the story (no registration required) include some quotes from AMR's own Mickey North Rizza who notes that "you can use procurement tools to help you shop around for better prices." Mickey also notes that sourcing tools don't have to cost millions of dollars: "Pricing may range from \$90,000 to \$150,000 a year for an electronic sourcing package ... but prices can swell if users add additional modules to handle chores such as contract management and supplier performance management, with complete procurement packages ranging from \$500,000 to \$750,000." Glaxo's VP of Procurement, Greg Brandyberry, is also quoted in the piece, discussing some of the benefits of Rearden Commerce. He notes that "The great thing now is it takes this idea of 'visual guilt' and puts all that pricing transparency all in front of the traveler ... if the person has all the information, they'll make the right decision for the company." Or we would hope.