

Consortium Agreements?

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Consortium Agreements and Group Purchasing Organizations (GPOs) are one of many sourcing tools that should be in every sourcing toolkit. In many cases these types of agreements should take a much higher position in the hierarchy of tools.

These agreements provide 'Fortune 100' prices and contract terms to businesses and provide built in commodity experts and contract management services.

- Many companies no longer have the internal resources, experience, or expertise to focus on certain categories of spend.
- In some companies, these spend areas would go unaddressed without pre-negotiated 'consortium' agreements.
- Often even when companies have the resources, experience and expertise to drive the best possible contract based on their specific buying power the volume and leverage of a consortium will simply get them better pricing and terms.

To be certain, all consortiums are not the same and each have unique areas of competency that can be flushed out with the proper due diligence. This topic has been under-developed by analysts, procurement subject matter experts, and trade publications for some time.

Consortium agreements don't work for every category in every company (and generally are most effective in indirect categories) but where specific consortium categories match categories of opportunity they can produce great benefits.

Paladin Associates Inc. has invested time and resources researching and benchmarking Group Purchasing Organizations (GPOs) and other consortium-like cooperative buying groups.

Partnering with GPOs and consortiums since 2005, we can extend best in class, high volume, deep discounted, leveraged purchase agreements to our clients through our Leveraged Sourcing Practice.

Categories of Leveraged Agreements

Office Solutions	Copiers/Fax/Printers
Indirect Supplies	Office Equipment & Furniture
Industrial Supplies	Energy
Promotional Items	Conferencing
Telecommunications	Safety Supplies
Staffing	Moving & Relocation
RX Drug Benefits	Drug and Background Checks

- Significant savings and EBITDA improvements have been obtained by individual businesses and portfolio companies of Private Equity Company firms.
- The impact of these cost reductions on the stockholder value of companies has been very significant.

Combining contingency consulting and leveraged contracts brings the best possible value to our clients and we see it happen time after time.

Paladin Associates Inc., a Sourcing Cost Reduction firm, offers strategic sourcing expertise for multiple commodities to secure “fast track” quantifiable savings and long term cost reduction programs.

We can help you with technology implementations such as spend analysis and eSourcing as well as sourcing process improvements, skill training and staff development while delivering bottom line savings with a guaranteed ROI.

For more complete information, visit: <http://www.PaladinAssociatesInc.com>