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[Leveraged Purchasing Agreements](#)

[Webinar: "Don't Get Boxed In By Your E-sourcing Technology"](#)

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A Note from our Executive Partners

Are there spend categories that your organization is not currently managing or not managing well?

For many Procurement and Sourcing organizations, especially those in mid market companies, involvement in Strategic Sourcing of many indirect spend categories is relatively new. Many of these unaddressed or "non-traditional" categories and the related contracts and prices are negotiated by end user organizations that know what they need but may not know the industry market pricing. They also may not have the necessary Sourcing skills to ensure the best pricing and contract terms.

This newsletter highlights Leveraged Purchase Agreements as one of the tools that can be used by Sourcing. We believe that in many indirect spend categories, leveraged contracts can deliver the best possible value and the quickest time to savings.

Don't be traditional in your thinking related to spend management. Be creative and innovative in the deployment of tools such as LPAs, use outside temporary resources in non-traditional areas where resources and SMEs are needed, and ensure that there are quantifiable measures of success.

The benefits of increasing influence over non-traditional categories and using proven Sourcing and Procurement processes on these categories will be reduced costs, improved profitability, reduced supply risk, increased cash flow, and ultimately increased Shareholder Value.

Paladin Associates can help you increase the spend under management by providing resources, Subject Matter Experts, technology tools, training, and other services to increase the amount and quality of the influence your organization has on non-traditional spend categories.



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LPA Benefits

Best in Class Pricing, Terms,
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Leveraged Purchase Agreements

Paladin's clients can benefit from participation in Leveraged Purchase Agreements through various Group Purchasing Organizations and Buying Consortia.

- Consortia agreements are one of many sourcing tools that should be in every sourcing toolkit.

Professionally Managed
Contracts

National Suppliers

Spend Matters™

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Paladin has seen significant client success when these types of agreements have taken an important position in the hierarchy of tools.

- All consortia are not the same and each has unique areas of competency that can be determined with the proper due diligence.

Spend Categories

Rx Drug Benefits	5% to 15%
Employee Relocation Services	10% to 20%
Dental Insurance	10% to 14%
Vision Insurance	10% to 14%
Global Employee Mobility (Household Goods Moving)	10% to 25%
Small Package Delivery	10% to 25%
Safety Supplies and Services	10% to 20%
Office Supplies & Equipment	10% to 25%

The distinguished industry blog ['Spend Matters'](#) offers insight into this Strategic Sourcing tactic. Paladin is frequently mentioned as one of several recommended partners to companies considering participation in Leveraged Purchase Agreements.

GPOs and Buying Consortiums: Must be on the Radar for 2011-2012

By: Sheena Moore, Editor, Spend Matters, and Keven Gray, Allianza Partners

- "Purchasing consortiums are rapidly establishing themselves as a vital link in today's world-class supply chain strategies, used as a powerful tool to significantly drive down costs by supply chain managers in the most effectively run procurement organizations in corporate America."
- "Consortiums seem to be moving away from significant initial and annual membership fees to concentrate on administration fees (paid by the supplier) to fuel their revenue growth."
- "The number one benefit of consortium purchasing is one we're all hungry for: significant cost savings...another (often overlooked) benefit is working with other leading procurement organizations to benchmark best practices and glean market expertise."
- "There is undeniable evidence that consortiums are bringing significant and immediate value to their members."

Human Resources and Sourcing Turf Wars, HR Departments Lose Their Prescription for Sourcing Immunity

By: Thomas Finn, Editor, Healthcare Matters

- "...predictably, departments that had traditionally managed their own supplier selection processes pushed back hard...legal, HR and accounting departments were horrified by the idea of any third party entering the mix of their long-held relationships."
- "Sourcing optimization tools, aggregated contracts, frame agreements, group purchasing, etc. all present potentially game changing options to HR leaders....allow HR professionals to perform at a higher level and more cost effectively source HR benefits."

Sourcing Rx Benefits: PBM Coalitions offer Low Risk Prescription for Success

By: Thomas Finn, Editor, Healthcare Matters

- "...the direct sourcing of Rx benefits seems like a "no brainer". But it isn't....For starters, the industry's service providers are hugely consolidated."
- "...in the PBM (Pharmacy Benefit Manager) coalition world, the focus is laser sharp. These companies are dedicated to knowing everything there is to know about prescription benefits and they commit their volumes. In short, subject matter expertise when combined with huge committed volumes is a tough combination to beat."
- "...the data suggests that coalitions deliver 5-15% greater savings than most organizations are able to achieve on their own."

Relocation Services Sourcing – Best Practices for 2011 and Beyond

By: Pete Kolp, Advanced Integrated Solutions

- "Can your company reduce its relocation spend while simultaneously improving service levels? The answer is a resounding "yes", but it requires attention to the unique drivers that can influence costs in this spend category."

Optimization Webinar

Paladin/CombineNet Webinar on Optimization (free CombineNet registration required)

"Don't Get Boxed in by Your e-sourcing Technology"



Paladin's Barbara Ardell teams with CombineNet's Greg Holt

Optimization (Bid Options Analysis) allows bidders to quote creatively thereby enhancing the potential value to buyers. It does this while simultaneously streamlining the bid analysis process. Optimization helps to deliver implementable award allocations more quickly. Importantly, the web-based technology platform makes it cost effective for smaller spends.

This webinar uses a recent case study to discuss how certain e-Sourcing technologies can limit one's ability to efficiently and effectively execute the desired sourcing strategy. Further, it identifies best practices and outlines how advanced sourcing and optimization technologies can produce better results more quickly.

As a CombineNet Service Partner, Paladin can conduct complete e-Sourcing projects on either a Performance Fee or Daily Fee basis using CombineNet's ASAP technology.



Gerry Garcia

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Gerry Preece

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Let's Get Personal - Meet our new Associates

Gerry Garcia

Gerry Garcia has joined Paladin Associates as a Vice President focusing on Strategic Sourcing and Cost Reduction programs.

He has over 30 years of experience as a Management Consultant with Archstone Consulting, Ariba, A.T. Kearney and Arthur D. Little.

Gerry has led Procurement Transformation programs in the areas of strategic sourcing, spend management process optimization, supplier collaboration and operations improvement.

[Read More about Gerry Garcia](#)

Gerry Preece

Gerry Preece is a Senior Executive with specific expertise in the Strategic Sourcing of media and marketing expenditures for global businesses.

As a Senior Consultant for External View Consulting Group and Ark Advisors, Executive Director for the Matthew Kelly Foundation and Director of Global/North America Marketing and Media Strategic Sourcing and Operations for Procter & Gamble, he radically improved vendor performance, lowered costs, streamlined processes, improved operating efficiency, delivered stronger controls and improved agency relationships.

[Read More about Gerry Preece](#)

[Read about the Partners, VPs and Senior Associates of the Paladin Team](#)

Technology Partners



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