

»» During the first year we targeted a payback equal to the investment of the solution. Now, eleven months later, the tool has paid back 10 times the investment. ««

Raffaele Sanna
IMS Purchasing Director, Prysmian Group

Efficient
Purchasing

IBX[®]

International purchasing challenges at Prysmian



An efficient purchasing success story



Dealing successfully with **international purchasing** challenges

Three years ago, the Pirelli Group decided to sell Pirelli Systems & Cables (now Prysmian Group). Backed by the new ownership, the new purchasing organization at Prysmian set out to upgrade their sourcing processes. During the past year IBX eSourcing has been rolled-out in five markets throughout Europe. With a tenfold ROI in just 11 months, Prysmian is now looking to take eSourcing to the next level.

Solution:

- IBX eSourcing

Value delivered:

- A user-friendly tool for both users and suppliers
- Increased competitiveness
- Price reductions in purchased material

Success factors:

- IBX' expertise in purchasing
- On-demand delivery of technology enables the organization to focus on core issues
- An experienced organization that contributed to a smooth roll-out

Initial Situation

Three years ago, Raffaele Sanna was newly appointed IMS Purchasing Director at the Prysmian Group (formerly PIRELLI Systems & Cables), an international player in high-technology cables and systems for energy and telecommunications, with head office in Milan, Italy.

"Until then we had been owned by the Pirelli Group and used other suppliers of purchasing systems. The new situation, with new owners, gave us the opportunity to change solution provider and choose a new partner in the purchasing area", says **Raffaele Sanna**.

His first task at Prysmian was to set a new organisation and look for a solution provider with strategic competence and a tool for efficient purchasing process into the group's 27 markets worldwide.

"We were looking for a new provider of a RFO-tool and eAuctions when we meet IBX and found out about their e-Sourcing solution", Sanna continues.

The Key Challenge

Prysmian had a long experience of using high tech and modern ways of working in the purchasing process and they were well aware of the advantages that such a system could deliver. The main goal was to further reduce prices on purchased material.

The Solution

The partnership with IBX started with the strategic planning at a joint workshop. Seven countries on a European level got involved in order to create the full analysis on organisation, technology and performance. Three weeks later a second meeting was held at the Prysmian head office, in order to evaluate the analysis. IBX led the workshop and used the results as background information for further recommendations and a business proposal.

Implemented in five countries

Today the IBX eSourcing solution has been up and running for a year and the companies have signed a five-year frame agreement. During the first year, Prysmian implemented the solution in Brazil, UK, Italy, France and the Netherlands. During the following year Prysmian plans to implement the solution in 22 markets worldwide.



IBX eSourcing is an on-demand delivered Internet solution, so there was no need for installation and implementation. Prysmian used the solution's RFQ-tool for tender rounds to gather information. They then used the eAuction functionality to secure market price.

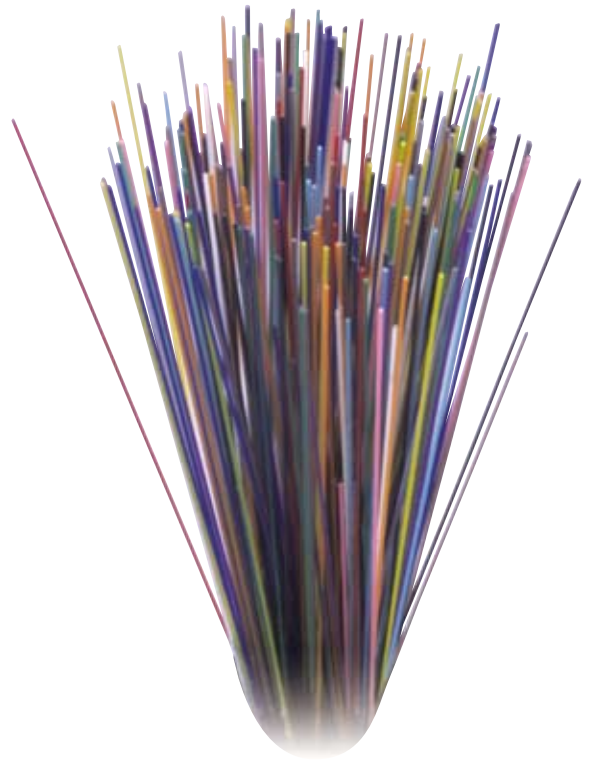
"We have a very pragmatic approach to the roll-out process, and since similar solutions has been used within the company before it was not such a big change for us", says Sanna.

IBX has supported users in different countries by practical training. Usually each country selected a tender where the tool could be used in an appropriate way, usually complex tenders with many questions and multiple suppliers. Prysmian priority was to get the maximum effect out off the tool, so they created success stories which were communicated to the organization. Step-by-step the new system was fully accepted and is now used in every country.

"Compared to other suppliers on the market, IBX consultants are truly experts with a very high competence in purchasing. It is definitely an added value to us compared to other supplier, Sanna says.

"Paid back 10 times the investment"

"During the first year we targeted a payback equal to the investment of the solution. Now, eleven months later, the tool has paid back 10 times the investment. The next step is to explore other possible areas for further cooperation with IBX. I hope they can follow us to markets outside Europe," Sanna concludes.



A leading player in the industry of high-tech cables and systems for the energy and telecommunication industries. With sales exceeding 5 billion Euro in 2006, the Prysmian Group is a truly global company, with subsidiaries in 35 countries, 55 plants in 20 countries, 7 research & development centres and over 12,000 employees..

The IBX advantage

IBX delivers a complete set of services and solutions for efficient purchasing, providing support for the entire source-to-pay process. Our services and solutions couples the power, speed and agility of a state-of-the-art online purchasing solution with expert strategic knowledge, operational excellence and technical assistance.

IBX is Europe's leading provider of efficient purchasing solutions. IBX provides purchasing expertise, scalable on-demand software and managed services for sourcing and procurement that increase spend under management and improve compliance to generate bottom line results.

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