



Session Code: JJ
Have Data: Will Benchmark
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Director of Executive Programs
CAPS: Center for Strategic Supply
Research
Wednesday, May 10, 2006
8:00 am - 9:00 am



CAPS Research

Benchmarking Activities/Outcomes

of interest to
Purchasing and Supply Management
Practitioners

May 10, 2006



Jointly sponsored by the Institute for Supply Management
and W. P. Carey School of Business

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CAPS Benchmarking Activities

	CY 2004	CY 2005	CY 2006*
Reports completed:	16	14	8
Reports in progress:			15
Total survey responses:	510	623	717
Avg number of participants/report:	32	45	90
eC3 (Collect, Compare, Collaborate)	4	4	1

* Ytd 4/15/2006

Key Benchmarking Activities Include:



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Measuring Supplier Diversity Spend

- **Total Revenue** (reported):

Total	\$	1,209,778,178,450		
Average	\$	12,097,871,178		
Range	\$	5,000,000	to	\$142,000,000,000

- **Total Spend** (reported):

Total	\$	358,987,830,059	=	29.7% of revenue totals
Average	\$	3,589,878,301	=	29.7% of average revenue
Range	\$	1,000,000	to	\$34,500,000,000

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Measuring Supplier Diversity Spend

- **Total U.S. Spend** (reported):

Total	\$	216,166,462,435		
Average	\$	2,251,733,984		
Range	\$	283,800	to	\$15,525,000,000

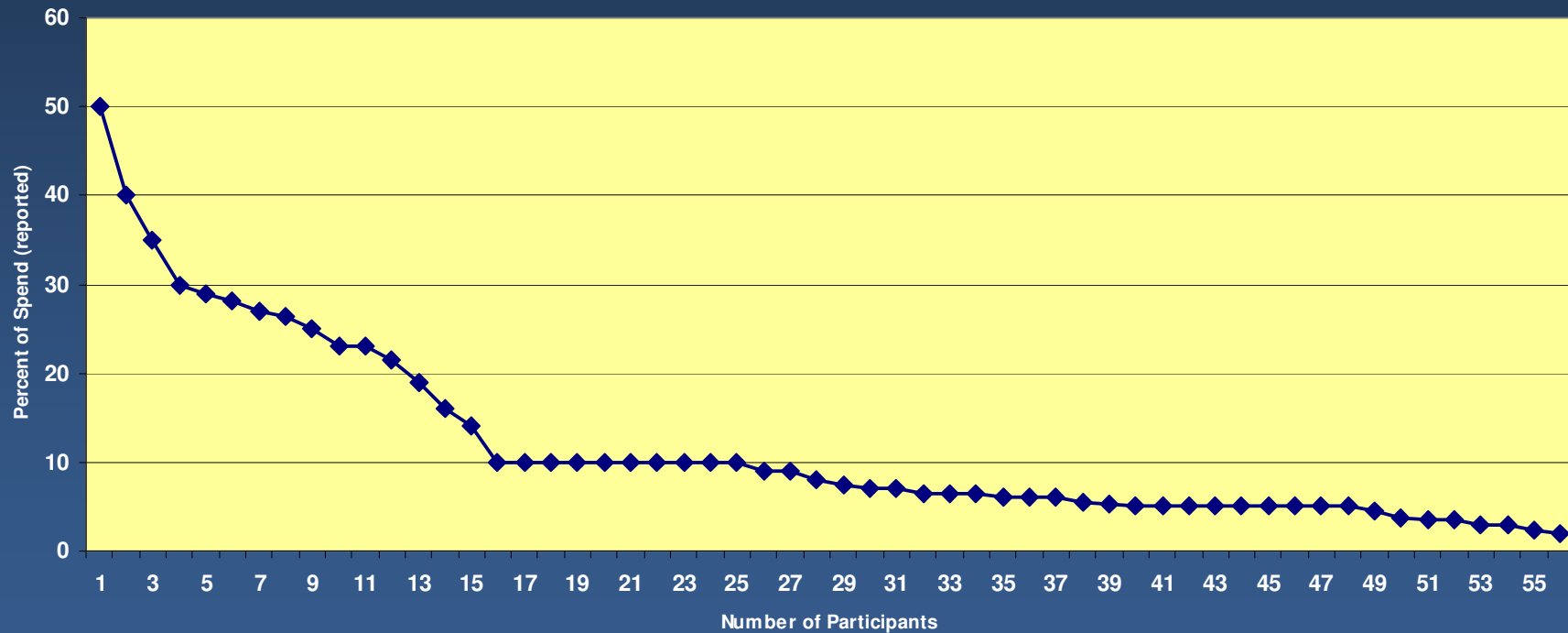
- **Total Diversity Spend** (reported):

Total	\$	17,529,882,771	=	08.11% of total U.S. Spend
Average	\$	196,964,975	=	08.75% of avg U.S. Spend
Range	\$	25,000	to	\$1,750,000,000

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Measuring Diversity Spend

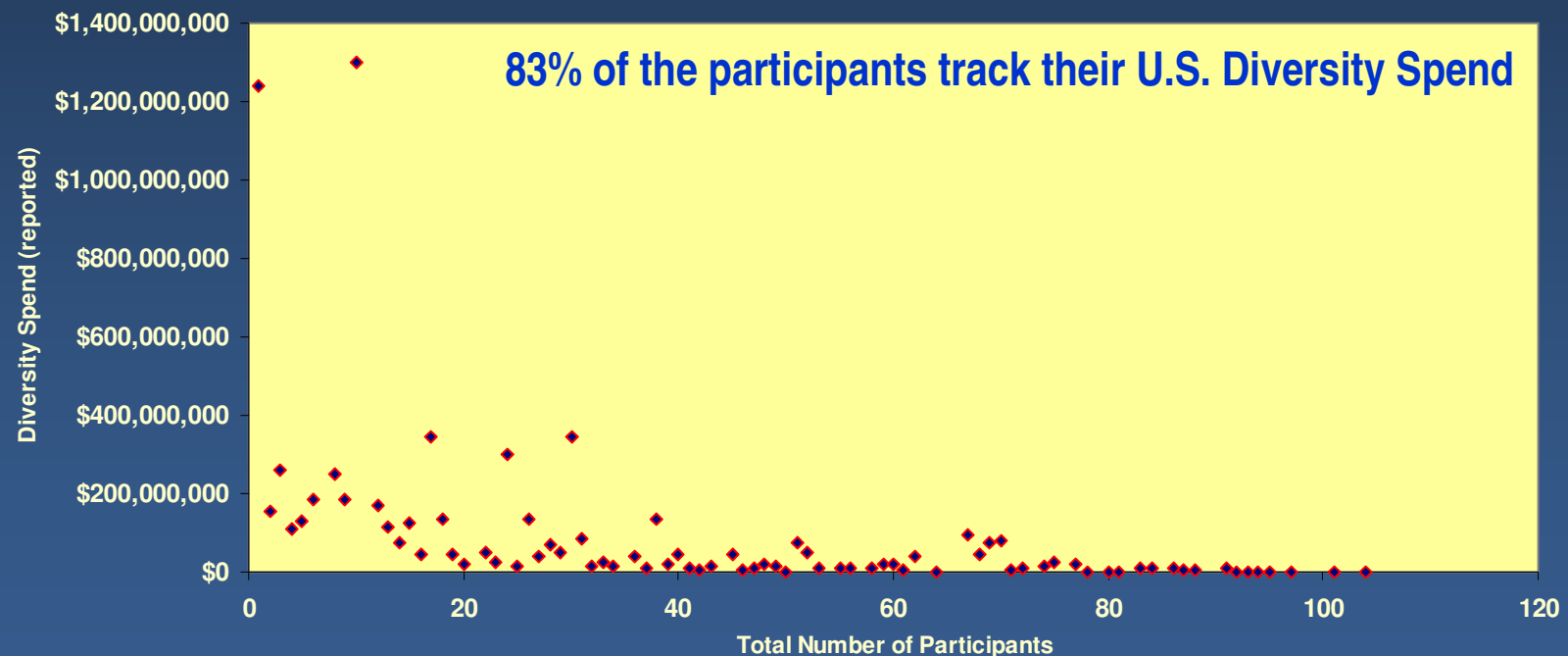
Diversity Spend Goals



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CAPS Benchmarking Activities

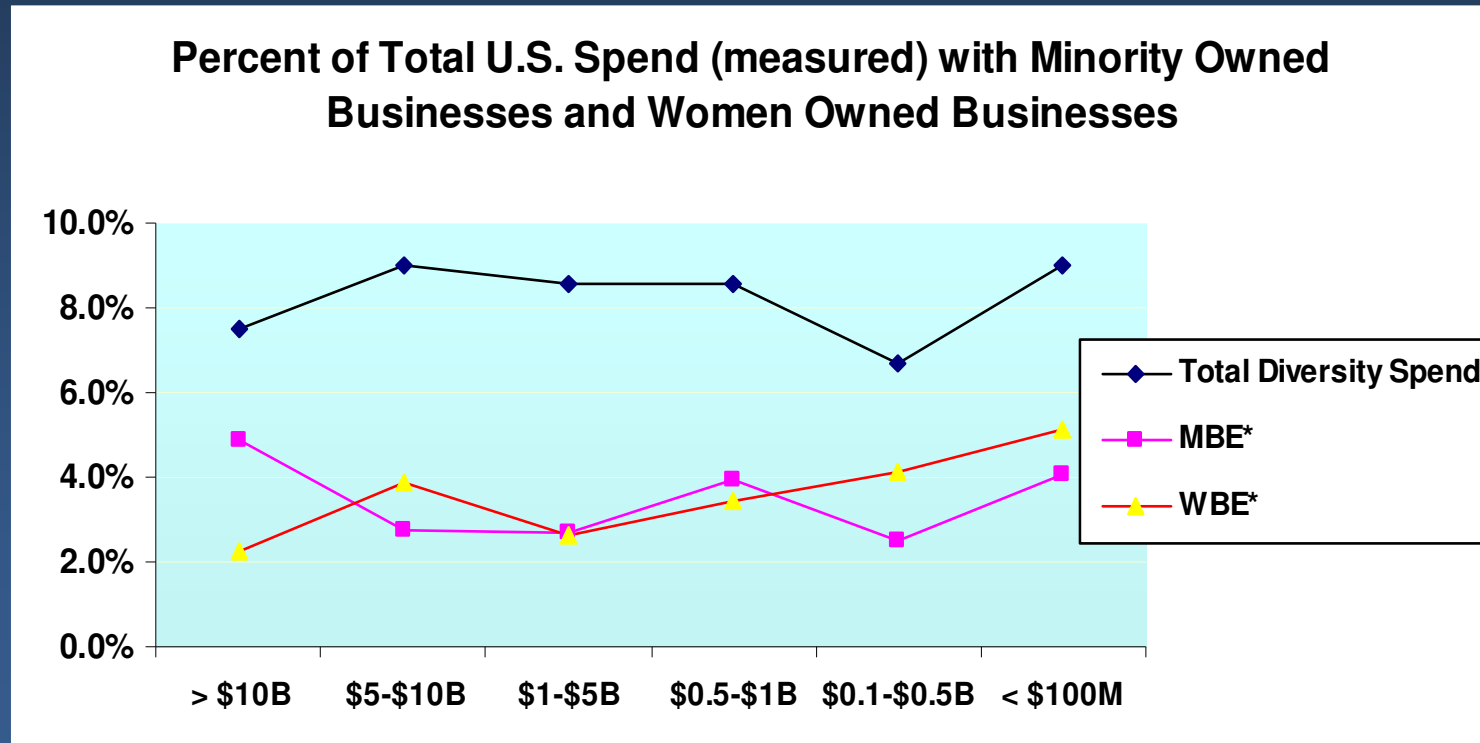
- Measuring Supplier Diversity Spend



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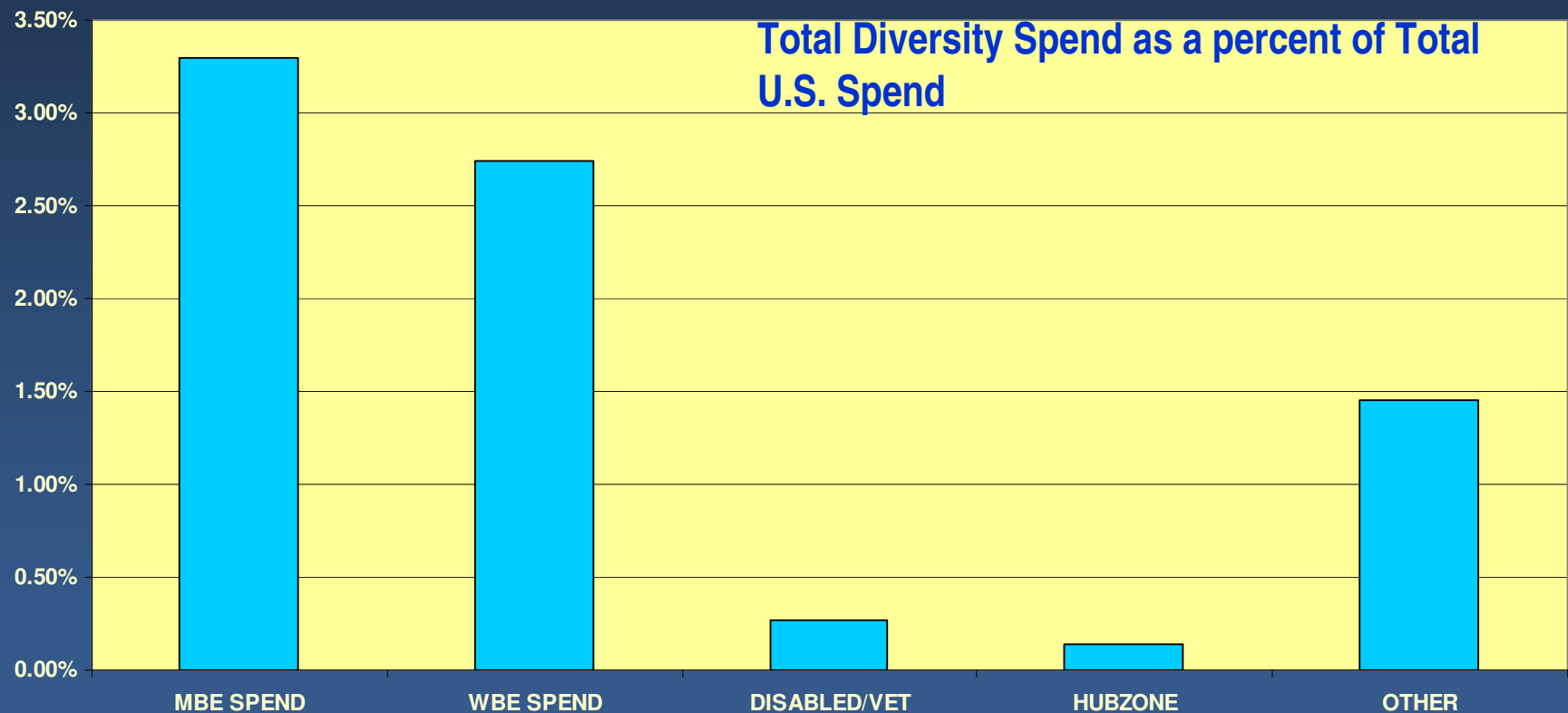
Measuring Supplier Diversity Spend

- 83% of the participants track their U.S. Diversity Spend



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Measuring Diversity Spend



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Measuring Diversity Spend

On Average, almost 9% Percent of all Active Suppliers are considered Diversity Suppliers.

Of that number, the percent of total Diversity Suppliers are:

Minority-Owned Businesses	=	34.12%
Women-Owned Businesses	=	45.76%
Disabled/Veteran-Owned Business	=	05.37%
HUBZone Enterprises	=	01.29%
Others:	=	12.61%

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Measuring Diversity Spend

CAPS Research Concerns:

- More definitions needed.
- Support and participation.
- Values must add up.
- Ability to break out by industry group and business size.
- Number of participants.
- How to best publish the outcomes.

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Measuring eProcurement Spend

Number of Total Participants:	195
Participant Average Spend:	\$ 1,870,051,899.82
Participant Average Revenue:	\$ 6,725,310,733.06

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Measuring eProcurement Spend

Percent of survey participants that use the following tools to analyze spend:

Excel	73.19%
ERP module	50.72%
In-house developed tools	4.35%
3rd Party provider	27.54%

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Measuring eProcurement Spend

Percent of survey participants that conduct eReverse auctions	52.90%
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Of those firms, the electronic reverse auctions tool is:

On Demand (3rd Party hosted)	77.03%
Internally deployed	21.62%
ERP module	2.70%

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Measuring eProcurement Spend

61% of the participants reported eReverse Auction activity during the reporting period. Of that number, the participants reported the following information:

Average number of eReverse auctions conducted	118
Average value of awarded auctions	\$763,835

eReverse auction activities are driven by:

Corporate policies	60.76%
Business unit policies	39.24%
Change in eReverse auction spend	32.42%
Change in eReverse auction events	35.67%
Change in the number of suppliers	14.45%

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Measuring eProcurement Spend

50% of the survey participants reported they provide some (or all) of the following tools on their supplier portal. Of that number, percent of participants that provide:

Inventory status	13.04%
Payment status	15.22%
Purchase orders/releases	31.16%
Quality reports	7.25%
RFx's	20.29%
Shipment status	15.94%
Specifications, drawings	12.32%

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Measuring eProcurement Spend

CAPS Research Concerns:

- Define eProcurement.
- Define ePurchasing.
- Define eCommerce.
- Consistent measures.
- How to publish the outcomes.

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Market Basket of Goods Price Indexing

- Office Products

- 8. Lead, Pencil, 0.7mm, 12/tb, Pentel: PEN P507HB
- 10. Pencil, Automatic, Drafting, 0.7mm, ea, Pentel: PEN P207C
- 25. Paper, Laser Print, 24lb, 8-1/2" x 11", rm, Hammermill: HAM104604
- 31. Folders, Hanging, Letter-Size, Green, 1/5 Cut Tabs, 25/bx, Smead: SMD10H
- 32. Labels, File Folder, 2/3" x 3-7/8", Laser and Inkjet, 750/pkg, Avery: VE08366



- 63. Toner, HP, Laser Jet 4, 4M, 4Plus, 4M Plus, Laser Jet 5, 5M, 5N, ea, HP: HEW92298A
- 66. Toner, Inkjet Cartridge, Black, No. 45, ea, HP HEW51645A
- 69. Toner Cartridge, Lexmark Optra N, ea, Lexmark: Lex:140109A
- 71. Toner Cartridge, Brother HL-1240, 1250, 1270N, ea, Brother: BrTTN430
- 74. Toner Cartridge, Xerox Phaser 850, ea, Xerox XERO16182600

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Market Basket of Goods Price Indexing

- Information Technology Products

1. Monitor, Flat Panel, 17", ea, HP: HP L1740, LCD Active Matrix TFT
2. Monitor, Flat Panel, 19", ea, HP: HP L1902, LCD Active Matrix TFT
6. Computer, Laptop, ea, HP: Compaq nx9600, 3.0GHz, 512MB RAM, 40GB Hard Drive
9. Computer, Desktop, Standard, ea, Dell: Dell Precision 470, 2.80GHz, 1GB RAM, 160GB Hard Drive
10. Computer, Desktop, High Performance, ea, HP Compaq dc7600, 3.20GHz, 512MB RAM, 40GB Hard Drive

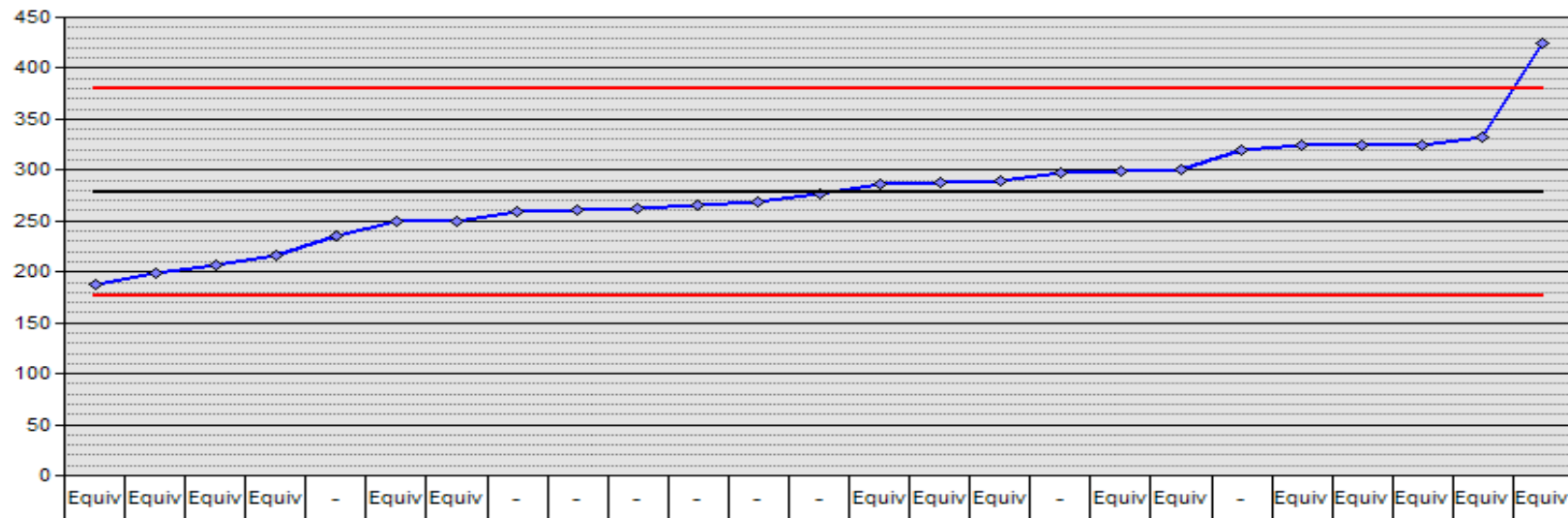


14. Printer, Laser, HP Color Network, HP: HP Color LaserJet 3560, 16 ppm
18. Printer, Laser, HP Heavy Duty, ea, HP : HP LaserJet 8150dn, 32 ppm
21. BlackBerry 957, Cingular, ea, 8MB Wireless email Device, Cingular Corporate email Plus Program
27. Cell Telephone, monthly rental charge for hardware with service level, no roaming charges
74. Conference Calling System, per minute

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MONITOR, FLAT PANEL 17" HP L1740, LCD ACTIVE MATRIX TFT

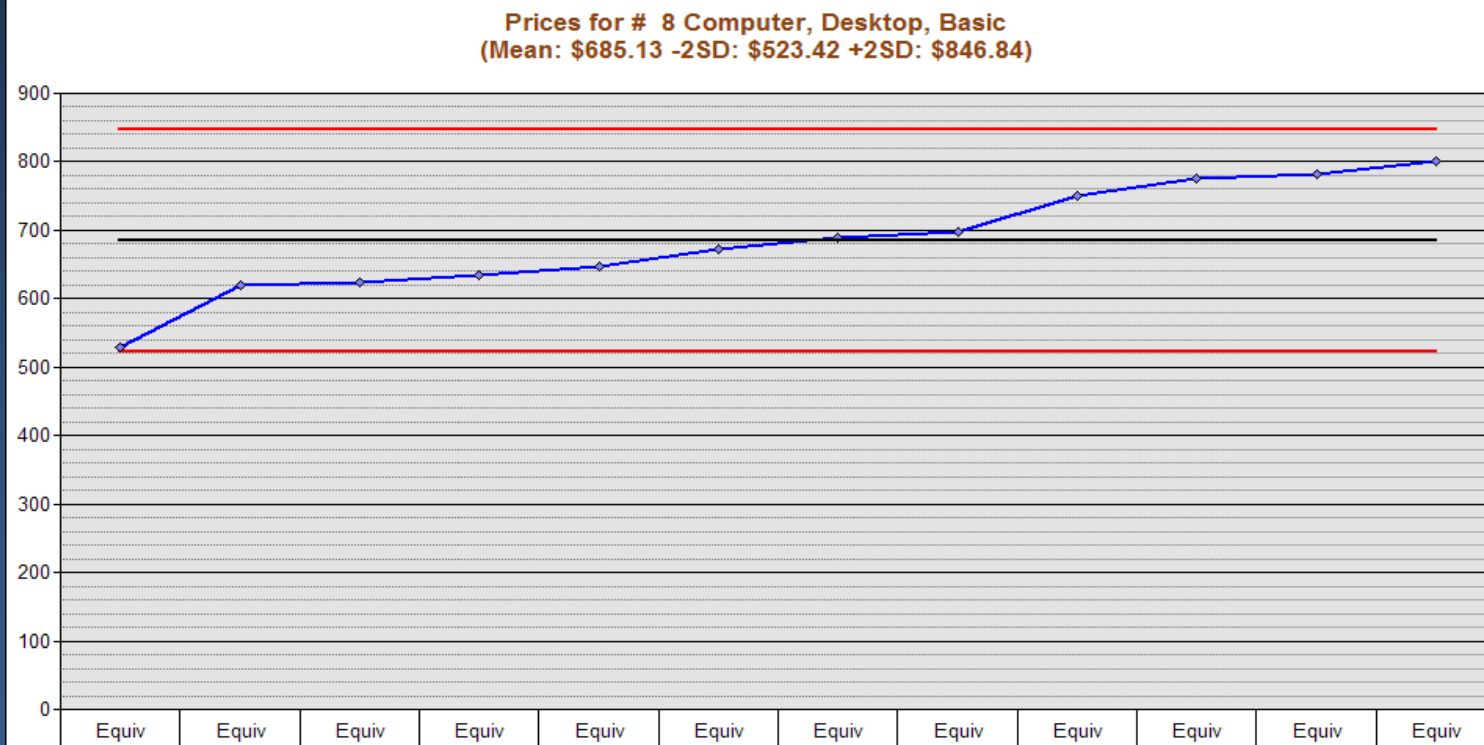
Prices for # 1 Monitor, Flat Panel, 17"
(Mean: \$277.84 -2SD: \$175.76 +2SD: \$379.92)



Information Technology Market Basket

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COMPUTER, DESKTOP, BASIC, GATEWAY E-6500D, 2.80GHz, 512MB RAM, 80GB HD

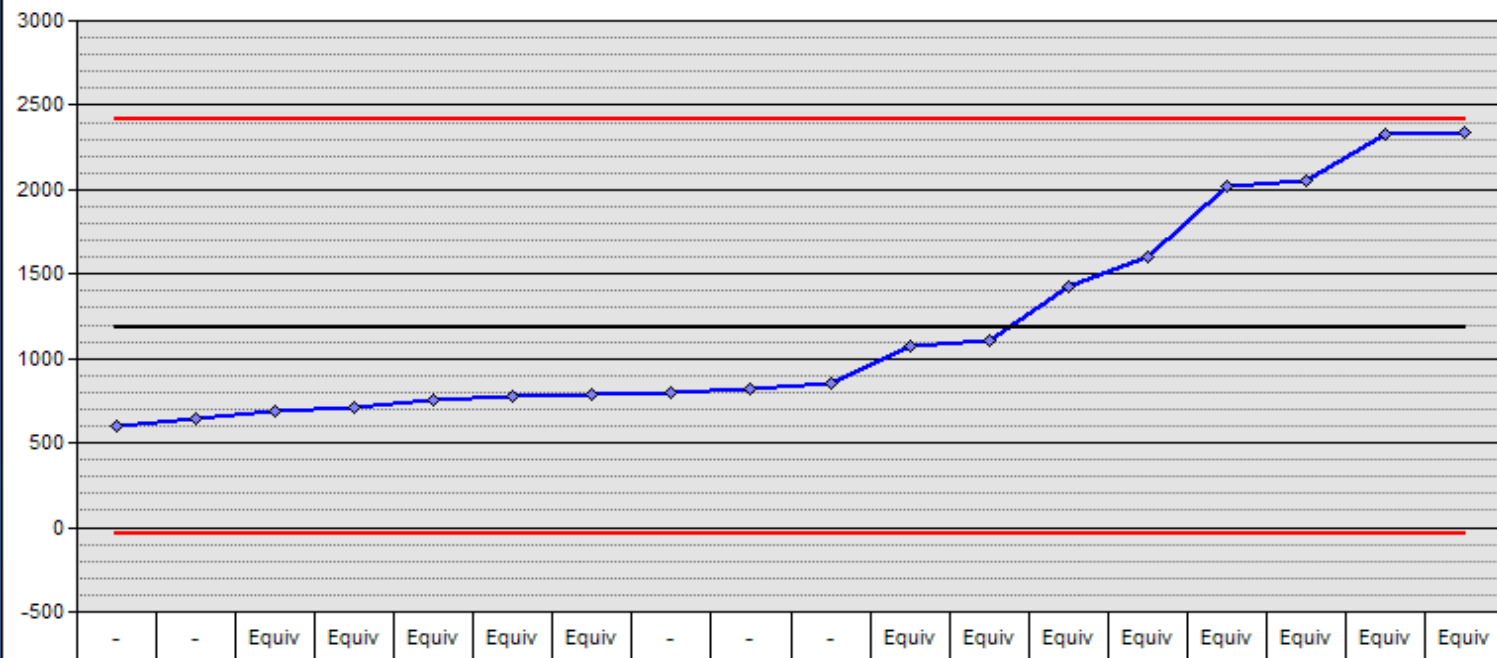


Information Technology Market Basket

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COMPUTER, DESKTOP, HIGH PERFORMANCE, HP 7600, 3.20 GHz, 512 MB RAM, 40 GB HD

Prices for #10 Computer, Desktop, High Performance
(Mean: \$1187.76 -2SD: -\$36.04 +2SD: \$2411.55)

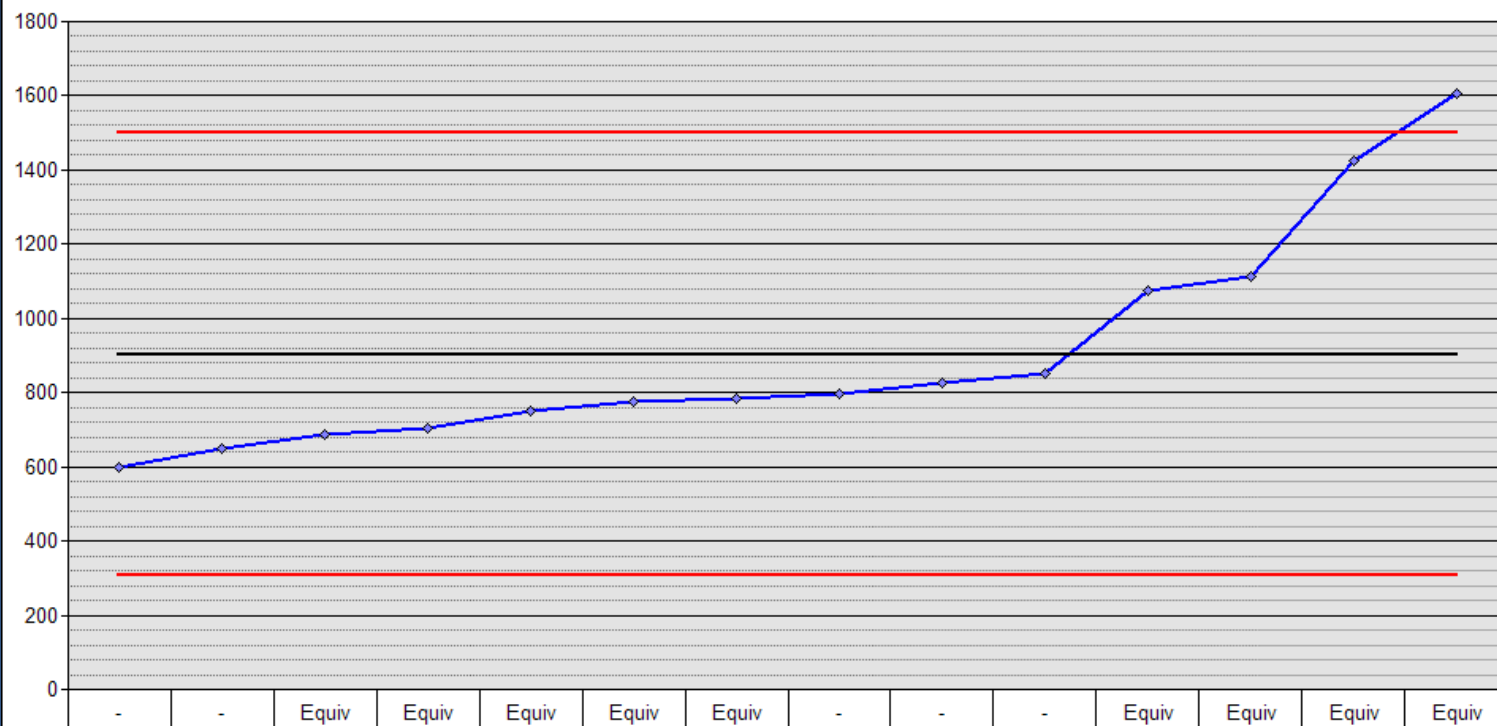


Information Technology Market Basket

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COMPUTER, DESKTOP, HIGH PERFORMANCE, HP 7600, 3.20 GHz, 512 MB RAM, 40 GB HD

(Mean: \$902.75 -2SD: \$306.12 +2SD: \$1499.38)



Information Technology Market Basket

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HP OFFICEJET 911- ALL-IN-ONE

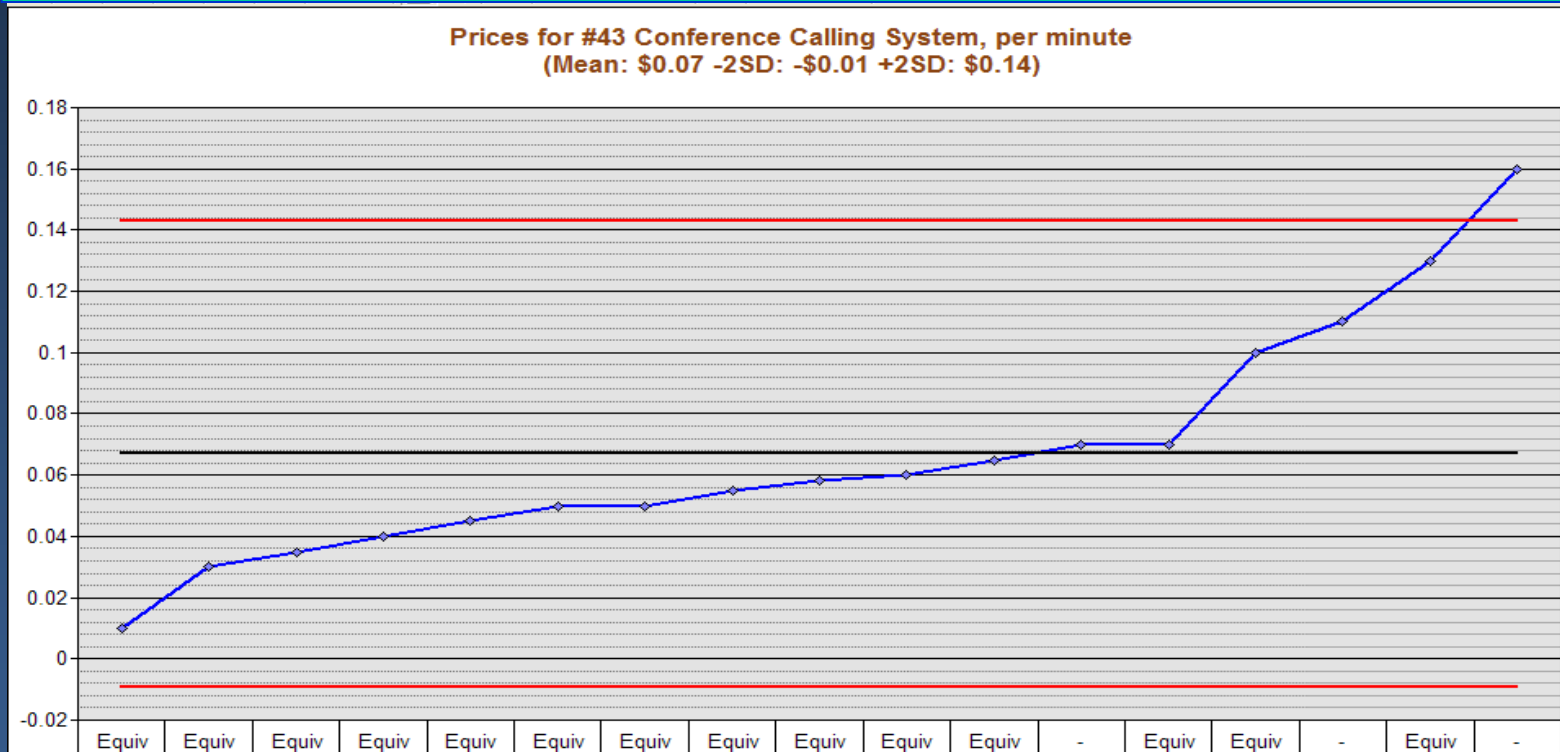
Prices for #13 Multi-Functional Device with Printer, Copier, Fax & Scanner[
(Mean: \$739.54 -2SD: -\$941.21 +2SD: \$2420.28)



Information Technology Market Basket

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CONFERENCE CALLING SYSTEM



Information Technology Market Basket

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Market Basket of Goods Price Indexing

CAPS Research Concerns:

- Need to identify basket contents for broad industry base.
- Sufficient responses to break down by industry sector.
- Develop 'virtual' market basket.
- Number of participants.
- How to publish the outcomes.

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