

IQPC

Strategic Sourcing and Reverse Auctions Mean Success for Owens Corning

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Director, Strategic Sourcing

Industry Leader

PurchasePro:

- Markets enterprise software that provides businesses the ability to transact e-commerce in a fast, efficient and effective manner
- A network services company with the world's largest commerce network

"e-Commerce sales will expand to more than \$7 trillion by 2004."
- Purchasing Online

History of B2B solutions

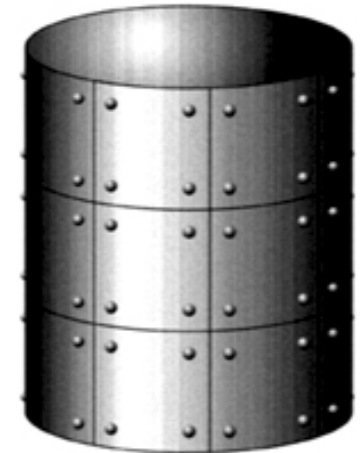
1990s



- Enterprise Resource Planning, or “ERP,” was created to automate the complex process of running a company
- Over 50,000 sold to date, but only 10,000 were ever implemented
- ERP companies rush to automate purchasing in the 1990s
- Penetrating the “extraprise” was the largest challenge

ERP morphed into B2B

1995



Access and Reach

*Reach 100% of Your Suppliers
and 100% of Your Spend*

| Suppliers | Method of Contact | Dollar Volume of Business | Cost |
|-----------|---------------------|---------------------------|------|
| 200 | EDI | 85% | 20% |
| 1,800 | Phone/ Fax/Other | 15% | 80% |

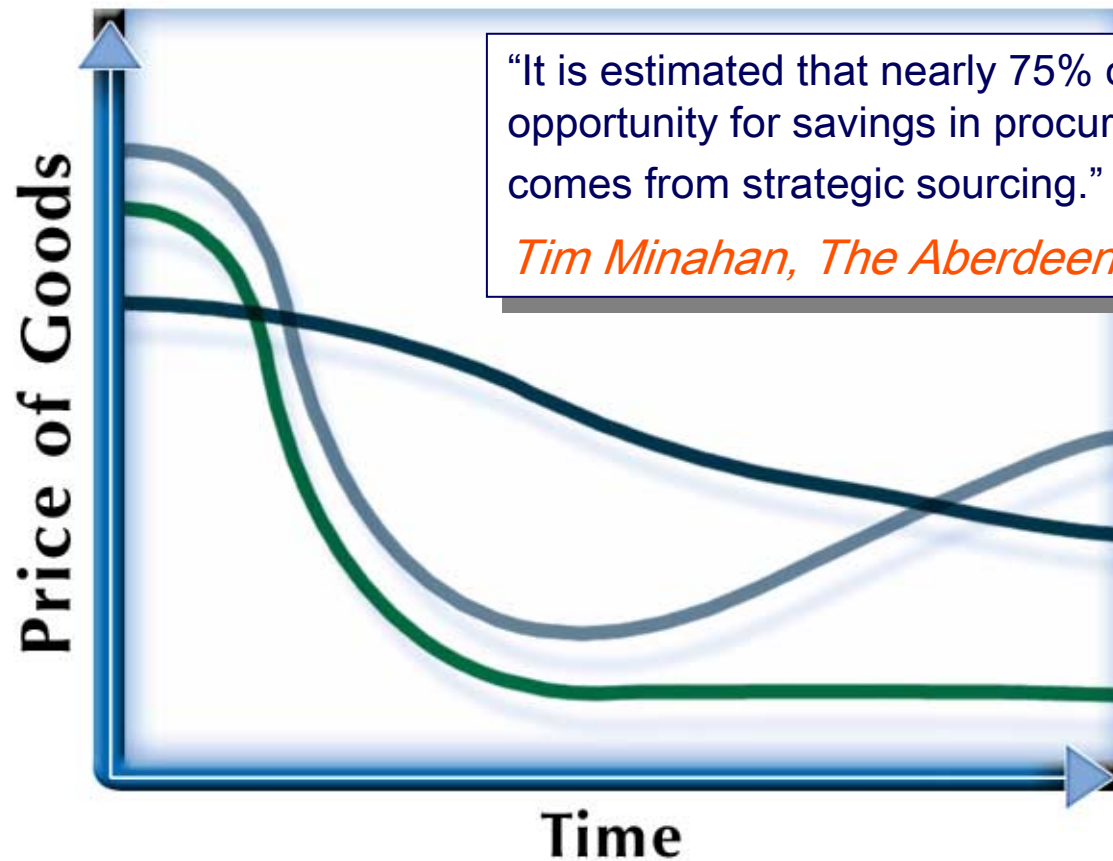
**Study conducted by Vernon Keenan Research, 12/00*

80% of the cost of supplier transactions comes from doing business with “the rest.” They're important!

Speed to ROI

Instant Connectivity Leads to Quick ROI

- Reverse Auction
- e-Procurement
- RA + e-Procurement



"It is estimated that nearly 75% of the opportunity for savings in procurement comes from strategic sourcing."

Tim Minahan, The Aberdeen Group

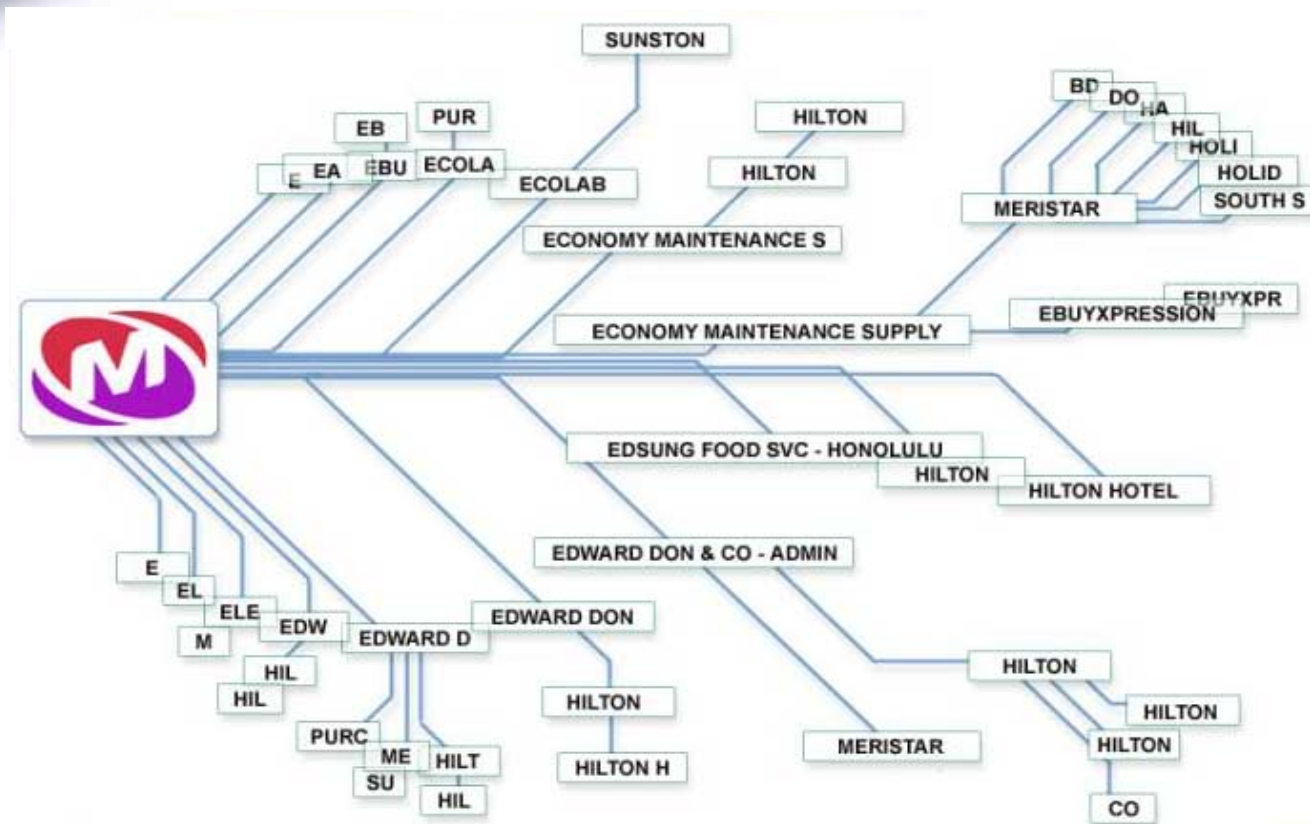
“Supplier Adoption” became the
Issue of the day...



...a buyer without its suppliers is like a king
without his subjects

The Network

"M": It Just is... Plug in and Play



Some of your suppliers are already here!

Real Data

Real Customer Pains ...Solved!

“How do I get my suppliers to participate?”

Ask MGM MIRAGE

“How can I improve lengthy requisition and order fulfillment cycles?”

Ask iGetSmart.com

“Can you reach out to small, regional suppliers?”

Ask Hilton

“How can I guarantee I’m getting the best prices?”

Ask Owens Corning

“How difficult is it to implement?”

Ask Honeywell

“Can you save me more than the system costs?”

Ask ArvinMeritor

“How can I control spending with multiple locations?”

Ask Sunstone Hotels

“Can you show me how to do it myself?”

Ask TRW

The Products

e-Procurement

Organizations with multiple locations or purchasing departments streamline their procurement processes by purchasing electronically from contracted suppliers

e-MarketMaker

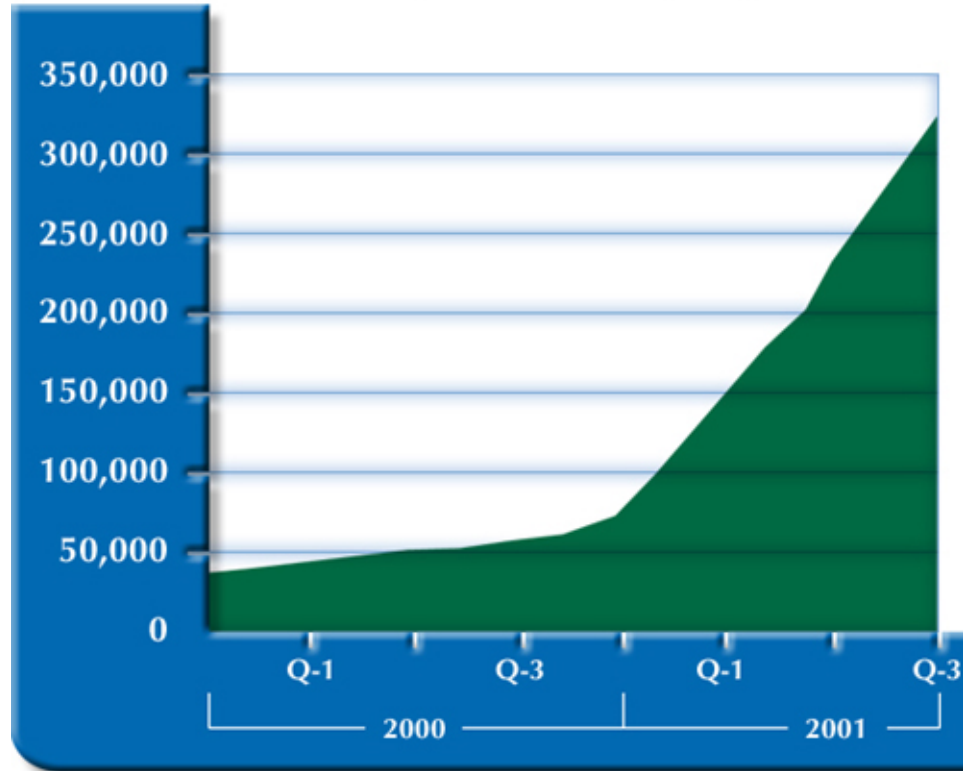
Organizations create a branded site to deliver content, community and commerce to their customers, business, partners and alliance

e-Source

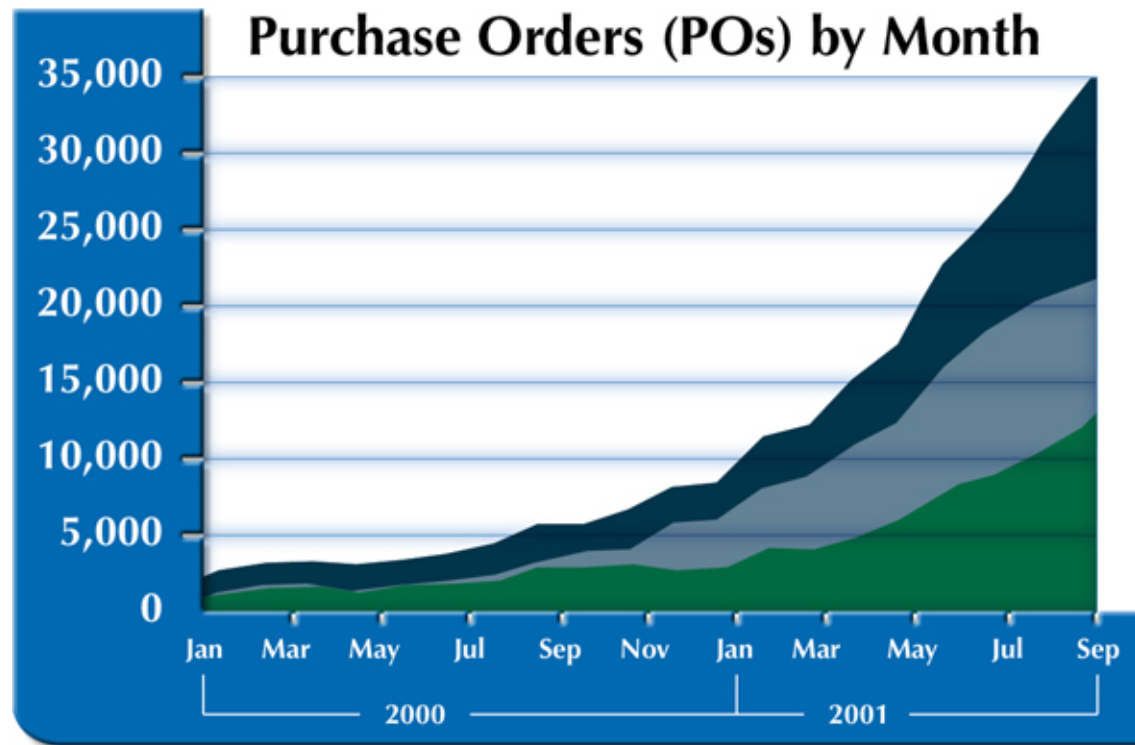
Enables professional buyers to rapidly locate, evaluate, and select the most qualified suppliers to compete for their business in real-time, online auctions.

Network Subscriber Growth

Cumulative Customers by Quarter



Network Transaction Growth



■ Inter Marketplace POs: 68,373

■ Intra Marketplace POs: 99,094

■ Total POs YTD 2001: **167,467**

June/July/August/Sept. 2001:

- 493 auctions
- 16 buyers
 - *Eleven Fortune 500*
 - *One Global 500*
 - *Three S&P 500*
- 9,556 bids from 2,500 unique suppliers
- Total auction value: \$195,000,000
- Imputed savings from historic levels:

\$48,000,000