



Avotus WebAuction Delivers Savings To Leading Eye Care Company

eProcurement Success Highlights

Industry: Healthcare

Auctioned services: Data services; global connect service, VoIP, secure and off-net VPNs, Internet gateway and managed firewall services.

Spend before auction: \$12.8M

Savings projected through the WebAuction: 46.8%

Executive overview: Based in Europe, this global corporation is a leading eye care company with sales of more than \$4 billion. The company develops, manufactures and markets pharmaceuticals, surgical equipment and devices, contact lens care solutions and other vision care products that treat diseases, disorders and other conditions of the eye. Its U.S. headquarters are in the Southwest and home to the more than 2,500 employees in the company's operations. Its data services network supports the headquarters employees as well as those in several other U.S. locations.

Background: Looking to rein in the costs of the company's data services, a team of specialists from several areas of the company enlisted the help of Avotus to run its ICM WebAuction™, part of the Avotus ICM eProcurement™ offering. The team's main goals were to attain the best pricing on the company's current data services and to receive pricing on router rental and maintenance, as well as pricing on the separate management of routers.

The existing data services included: global connect service, voice over the Internet (VoIP), secure and off-net virtual private networks, Internet gateway services and managed firewall services.

Preparations for the WebAuction were extensive. Team members from the company, assisted by an Avotus team, **organized a wide ranging list of 575 questions** that laid the groundwork for the auction process. The two teams also worked together to prioritize and weight the questions – an important step for the dynamics of the WebAuction. Additionally, a total of **847 bid items were itemized**.

Avotus projected at 36-month savings of \$2.5M or 26.1%.

Auction process: Twelve suppliers were invited to bid. There were 60 bids committed over the course of the 18-day auction. Thirty references were submitted by the bidders. Bidders were awarded extra credit points toward their question and answer scores by supplying and obtaining those references. **Fourteen of the references completed the online questionnaire** by the close of the WebAuction. **Avotus also worked with the company's team to answer 73 bidder questions and then posted the answers to the site for the benefit of all the bidders.** Avotus emailed daily reports and even provided daily tips to each of the bidders on how to improve their individual scores. In addition, Avotus provided daily reports via email throughout the running of the WebAuction. Using all this information, the suppliers continually adjusted their bids to better their scores.

Auction results: Avotus developed several savings scenarios, which included various groupings of carriers, including an incumbent-only version. All options included the Americas; Asia & Pacific; Europe; the Middle East and Africa over a 36-month contract. Combinations #1 and #4 include \$300K in bonuses and credits (B&C) from one of the carriers. Every combination, except the incumbent-only combination, **delivered savings that were higher than Avotus' original estimate with the greatest savings coming in at 46.8%.**

	Number of Carriers	Total Savings	Savings %
Combination #1	3	\$6.0M, incl. \$300K (B&C)	46.8%
Combination #2	3	\$3.6M	28.3%
Combination #3	2	\$3.3M	25.6%
Combination #4	1	\$4.2M, incl. \$300K (B&C)	33.1%
Combination #5	Incumbent only	\$2.7M	21.3%



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