

Getting Better Realization for Clients Assets

- ▶ Ariba's Indian clients completed 100+ events where clients benefitted with better realization on their sale of assets:
 - ▶ Sale of Excess Materials
 - Byproducts/Solvents
 - ▶ Better price realization by 35 – 40%
 - Offcuts/leftovers/Rejections odd size items
 - ▶ Better price realization by 3 – 12%;
 - ▶ Improved speed of transaction and liquidation of inventory
 - Textile Waste Disposal
 - ▶ Better price realization by 6 – 8%;
 - ▶ Improved speed of transaction and liquidation of inventory
 - Mild Steel/ Copper Scrap
 - ▶ Better price realization by 3 – 7%;
 - ▶ Improved transparency and speed of transaction
 - ▶ Sale of Fixed Assets
 - Residential Flats – Better price realization by 4 – 14%
 - Old Machinery - Better price realization by 5 – 24%

Case Study – Disposal of Recovered Solvents

Situation

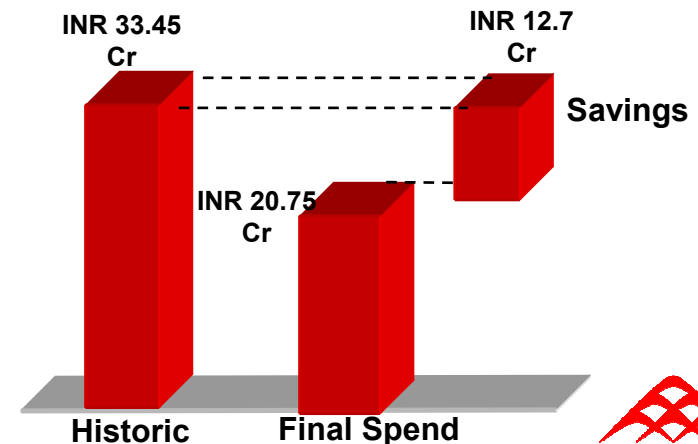
- ▶ Ariba's Pharma client has a manufacturing system which produces core products. Many recoverable Solvents are produced as bye-products
- ▶ These solvents have to be disposed off in the same month as these appear in inventory and create storage problems

Approach & Value adds

- ▶ This client uses Ariba system to run forward Auctions and dispose off these byproducts at best prices
- ▶ Ariba studied price trends on monthly basis and suggested best timing in the month to do such events
- ▶ Ariba added few more suppliers in addition to current suppliers in first few events. After few events client runs event with preapproved suppliers
- ▶ Ariba set process to do such events that can be conducted on repeated basis by Buyers themselves

Result

- ▶ 35-40% Savings by better sales price realisation compared to Highest quote/sealed tenders
- ▶ Low inventory carrying cost as materials get disposed off with max one month
- ▶ Cycle time of disposal reduced from weeks to 4-8 hours
- ▶ Transparent way of completing transactions with Audit trail



Case Study – Disposal of Stainless Steel Plates/Sheet Rejections/Leftovers

Situation

- ▶ Ariba's client had manufacturing system which produces Stainless Steel plates/sheets. Some sheets used to get rejected due to non compliance to standards/tolerances or are left overs
- ▶ These rejected items had to be disposed off in the same month as they created storage/mixup problems

Approach & Value adds

- ▶ This client used Ariba system to run forward Auctions and dispose off the material at best prices
- ▶ Ariba and client downgraded specs in some cases and reorganised lots
- ▶ Ariba added few more suppliers in addition to current suppliers in first few events. After few events client runs event with preapproved suppliers
- ▶ Ariba set process to do such events that can be conducted on repeated basis by Buyers themselves

Result

- ▶ 3-10% Savings by better sales price realisation compared to Highest quote/sealed tenders
- ▶ Cycle time of disposal reduced from weeks to 4-8 hours
- ▶ Transparent way of completing transactions with Audit trail

