



Sourcing Deficiencies Cost Mid-Size Enterprises \$134 Billion Annually According To Aberdeen Study Sponsored By Source One Management Services, LLC And WhyAbe.com

New report benchmarks sourcing effectiveness and identifies best practices

For Immediate Release

WILLOW GROVE, Pa./EWORLDWIRE/Jan. 9, 2006 --- Most mid-size enterprises lack disciplined sourcing practices, category expertise and spending power to negotiate and maintain competitive supply chains, according to a new Aberdeen Group benchmark report, *Strategic Sourcing in the Mid-Market Benchmark: The Echo Boom in Supply Management*. Aberdeen estimates that such deficiencies are costing mid-size firms in the United States \$134 billion a year in missed supply savings opportunities.

Aberdeen's benchmark of 133 procurement and supply chain executives found that continued pressures to reduce costs and improve spending visibility and control have made strategic sourcing improvements a priority for most mid-size enterprises.

"Mid-size enterprises missed out on the first wave of supply management automation and improvements," said Tim Minahan, Aberdeen's SVP, Global Supply Research and author of the report. "Continued pressures to reduce costs and compete in global markets have made strategic sourcing improvements for mid-size firms not just a priority, but a necessity for survival."

According to the study, more than half of mid-size companies have either launched initiatives to formalize and improve strategic sourcing capabilities within the past year or will do so within the next year.

Aberdeen recommends the following practices to formalize and improve strategic sourcing:

- Develop and enforce standard sourcing procedures company-wide
- Hire sourcing and commodity expertise, including consultants
- Improve access to and quality and analysis of corporate spending
- Enlist executive support for resources and policy changes
- Leverage commercial sourcing management automation

"Mid-size enterprises that used these strategic sourcing techniques recorded more than four times greater procurement cost savings, better supply performance and greater profitability than industry peers," said Minahan. "Source One and WhyAbe.com have the capabilities and resources to assist companies in achieving best in class status."

To download a complimentary copy of the report, visit www.SourceOneinc.com and click on the Aberdeen logo on the right hand side of the page.

About Source One Management Services, LLC

Source One is a Procurement Service Provider that has been assisting companies with its strategic sourcing requirements for over 14 years. Engagements with Source One may include spend consolidation, assistance with statements of work, identification of alternate suppliers, market and supply research, RFP management, price and terms negotiations and contract recommendations. A small sampling of the categories that Source One has successfully sourced include: advertising, benefits, chemicals, direct materials, freight, hardware, insurance, material handling, MRO, packaging, small pParcel, sSoftware, telecommunications, travel, treasury services, uniforms and utilities. Clients average 18 percent savings across all product and service categories.

In order to best service clients, Source One provides flexible fee options for its consulting services. Clients can choose between contingency (gain sharing) based, fee for service or a hybrid.

For more information, visit www.SourceOneInc.com or call 215-902-0200.

About WhyAbe.com

WhyAbe.com is an on-demand web sourcing tool that can be used by any organization or individual in any industry. WhyAbe allows buyers to post their specifications in a RFP/RFQ format and invite suppliers to provide quotes. Buyers have the ability to communicate with multiple suppliers at once and view all responses in the WhyAbe dashboard. Registering and using most e-sourcing platforms require a large ramp-up period and/or a large deployment budget. With these platforms, the cost of rollout can often mitigate any cost savings opportunities. WhyAbe's quote tracking system assists companies reach compliance with Sarbanes Oxley. Obtaining value from WhyAbe is instant, there is no software to install or PCs to configure. A computer equipped with the latest version of Internet Explorer or Firefox provides immediate access to the comprehensive and user friendly tool. WhyAbe provides a free download of the Firefox software on its homepage.

WhyAbe is available immediately for free on the web at www.WhyAbe.com.

About Aberdeen Group, Inc.

Aberdeen provides fact-based research and insights focused on the technology-driven global value chain. Aberdeen's benchmarking, market and solution assessments, sales acceleration programs and conferences support Global 5000 value chain and technology executives and the solution providers serving them.

For more information, visit www.Aberdeen.com or call 617-723-7890.

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