How to Use Your Supply Chain as an Extension of Your Team in 2019

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Understanding the Supply Chain

- Manufacturer: $  
- Distribution: $$  
- Installer: $$$
Issues with Procurement

• Hard to add a new vendor to the system
• Vendors in the system take advantage resulting in price creep
• Employees may pick product based on the wrong reasons
• Relying on vendors for all decisions can be a bad idea
Case in Point

- Vendor BOM $33,589,122
- Same functionality- alternative solution as requested $5,897,622
- Power dropped by more than ½ due to less equipment
- Maintenance costs dropped by ~1/2
- Unused ports drop 75%
- Second gen (upgrades) similar results
Who Polices Vendors and Employees?

- Use other vendors!
- Integrators
- Procurement (they will need help)
- Know what you want—Needs List
Understanding your Supply Chain

• No one works for free
• No one stocks everything
• You can benefit from flexibility
• Price several options
• Understand how the standards can work for you
• Know the difference between a code and a standard
• Know what you need ahead of time. If you are constantly reacting you are not part of the process and doomed to fail
• Know other solutions; there is NO one size fits all
Little Known Nuggets of Info

• Rebates and Relationships Exist
  – Who benefits?
  – Does it sway product recommendations?
  – How do you check them?
  – What value comes as a result of markup?
• What are other sources of information?
  • Power companies info and provide grants
    – Trade Associations
    – A&E’s, Consultants
Why Use “Or Equal”

- Allows substitution of like products
- Allows alternate vendors and integrators to respond
- Opens the specification for greater competitive bidding
- Many consultants see this as their “value add”
- Perceived as an equalizer
- Stops sole sourcing
- Is greatly ignored (lip service)
What Exactly is “or equal” Technology

• All products have some unique feature
• All vendors have support personnel
• A balanced scorecard can provide a better means of evaluation
• Understand the value of the unique features

• If it’s standards compliant, it’s standards compliant!
• Features are nice buy only if they really do something
Unique features

• What is the value of the feature?
  – Is it a nice to have? Or is it a must have?
  – Is it used to circumvent fair and equal bidding?
• Do you have a full understanding of this feature?
• Could you evaluate bids based on this feature?
• Can IT fully articulate this feature?
• Has it been vetted?
Selective Text...Examples

- Lower Power consumption
  - Is this true for the entire communication chain or is it just one port?
  - Is this a constant feature or only during certain conditions?
  - Is this claim independently verified?
  - Does it matter?
  - Can something else do it better?

Mom, can I have a huge bowl of ice cream smothered in chocolate?
What you should ask IT

- Why does this spec matter?
- What will the “or equal” statement do to this bid?
- What parameter is a competitor not likely to be able to match?
- Why is that specific parameter important?
  - Don’t let them blow smoke
- What would happen if that couldn’t happen?
Anatomy of a ball

- Part of the UEFA Champions League Collection 1:1 take down in color and panel design from the Official Match Ball
- Machine stitched construction and internal nylon wound carcass for maximum durability and long-lasting performance
- Butyl bladder for best air retention to keep the ball's shape and stay inflated longer, and Special TPU exterior material is designed to resist abrasion and last longer
- 2016 colors have revolutionary tonal printing on ball for extra pop and style
- Size 3 ball suggested for ages 8 and under; size 4 ball suggested for ages 8-12; size 5 ball (official size) suggested for ages 12+. Size 1 is a mini ball. Check with your local league for size requirements.
Is this ball better?

- Alternating dark and light color scheme allows you to see ball better when it rolls around the pitch or comes at you in the air
- Butyl bladder of 380-420g inside keeps everything together and inflated properly
- Ball comes in size 5 for ages 12 and above
- Exterior is made of 2.5 mm PVC which resists abrasion and makes the ball more durable
- Machine stitching keeps the panels together on this typical soccer ball and give a soft feel
What about this one?

- 32-panel design for durability.
- Machine-stitched TPU casing for consistent play.
- High-contrast graphics for easier visual tracking.
- Reinforced butyl bladder increases the speed off the foot and enhances air and shape retention.
- 60% RUBBER 15% POLYURETHANE 13% POLYESTER 12% EVA
What technical specs

• 12 to 20 panels some premium-grade 32-panel balls

• The ball's panel pairs are stitched along the edge; manually or by machine

• The size of a football is roughly 22 cm (8.65 inches) in diameter

• The ball's weight must be in the range of 410 to 450 grams (14 to 16 oz) and inflated to a pressure of between 0.6 and 1.1
What actually matters?

- Quality of the ball
- Color of the ball
- Stitched construction
- Material of the ball
- Use case
$184.00 $12.79 $43.00

119,864 on Amazon®
• And the biggest question.....Can you trust your experts to know the difference?
What do standards provide?

• Least common denominator
• Fair and impartial
  – Compliant
  – Compatible
• In IT they are pretty much the law
• IEEE, TIA, ISO/IEC, ANSI/TIA/EIA, FCIA
• COMPLIANCE IS KEY!
What does Compliant Mean?

• Means that the product complies to all requirements of the standard
• Products can exceed, but should at minimum comply
• Proprietary products won’t be compliant, but may be beneficial
• Interoperability (or lack thereof) introduces risk
The Power of an RFI

- Allows discovery of solutions on the market
- Broadens the horizon of your experts
- Allows vendors to work for you by showcasing product features
- Allows you to vet vendors
- Allows procurement to become part of the process
- Allows you to challenge the specifier
Understanding the Supply Chain

• Who manufactures the product?
• Trends are towards outsourced/contract manufacturing
  – Less expensive
  – Controls are in place to assure quality
  – Tax breaks for various world regions
• REBATES
• Who is influencing the decisions on your end?
• Relationships
Set Up Vendor Interviews

- Gut check and fact check
- Understand the difference between belief and reality
- Nice to have is not necessary
- Ask for positive features of their competitors
- Ask for alternates to your idea!

Create a criteria
- Must have
- Should have
- Could have
- Won’t have
Sphere of Influence for Product

- Who touches the product?
- What is the difference between a sourcing distributor and a stocking distributor?
- What processes are in place to assure stock?
- What is the alternative brand if stock is not available?
- What is the availability of the alternative brand?
- Did you get bids on that brand?
- Is it in fact "or equal?"
- Can you get direct pricing?
Who do you ACTUALLY pay?

• Understand mark-up
• Is it worth adding another vendor?
• Find the right test
  – Dollar to donuts so to speak
  – It is worth it if it saves xxxxx
• Hard specifications often carry higher pricing
• Social consciousness
Soul Searching

• Understand what is in every dollar
• Do you need the $184 ball, or would it be just as good to kick the $12.99 one?
• Is the value perceived or tangible?
• Who will use the ball?
• What is the expected life of the ball?
• Are features necessary or “want to”
• Ask yourself, “If I could keep 10% of the savings, would it be worth it?”
Top Tips

• Create a score card
  – Use it for bid evaluation
  – Use it as follow up evaluation
  – Before, during and most importantly

• AFTER
  – How did they support the team?
  – How did they support the business needs?
  – Were their claims true?
  – Did they follow through?
Procurement Specific

• No one is an expert at everything
• People hate change
• Who are you to question my decision?
Steps for success...

• Do an RFI first!
• Tell your vendor it will be an open spec
• Encourage options
• Have vendor interviews
• Ask one vendor about features of others
• Ask how they go to market
• Ask if they provide direct pricing
• Ask independents for help
What to put in your RFI

- State your expected purpose for the bid
  - Be Specific!
  - “Company expects to purchase a cable plant to upgrade the facility at ....”
  - “Company expects to purchase in row cooling units to increase compute capacity at ....”
Be prepared to list your expectations..

Company desires a new infrastructure to support x for y

Company expects to increase energy efficiency while support xKw per cabinet

Company expects to roll out a security solution including xx
Include life cycle information

• Years of use may impact product selection

• Include if the product will move or some other non-standard thing may happen
Find out about the vendor company

• How long have you been in business?
• How long has this product been around?
• References (be prepared to find your own)
• How do they go to market?
• What is the local support structure?
• Who will implement and how are they trained?
• What is the transfer of knowledge process?
• Ask about interoperability
• Ask about standards/codes
• Ask if there is anything “unique” required for the rollout
Continued

- Ask if they have a sample project plan or if they have assistance to help you with one.
- What programs do they have in place to make the rollout smooth?
- What complimentary services do they provide?
- What complimentary services does your supply chain provide?
- Do you provide direct pricing?
- How do your rebate and incentive programs work?
Day 2

• Maintenance requirements
• MAC work
• Warranty for changes
• Interoperability with other vendors
• Disaster Recovery requirements
• Be sure to ask about location specific what ifs...hurricane, flood, tornado, heat, altitude
• Alternates
  – ”If this was your money, how would you maximize your savings?”
Interviews

- Vendor
- Supply chain partner
- Integration companies

- 5 Whys (internal and external)
Guarantees

- Your RFP document will be vastly different
- You will identify help along the way
- You will save money
- You will gut check your vendors
CrowdSourcing!
Questions?

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