

# NEGOTIA

Generate financial savings on your repetitive high volume product and service procurement with NEGOTIA, the online procurement negotiation solution. Reduce your bid processing costs, decrease inventory levels, improve management information, reduce your spending on goods and services and enable your organisation to make complex procurement decisions in a minimal time frame with NEGOTIA.

## Your online procurement negotiation solution

NEGOTIA is a web enabled decision support tool designed to manage the complexity of multi-party and multi-auction procurement negotiations. The system uses the principles of economics and game theory, and employs negotiation and auction bidding techniques to support multiple real-time negotiations. Ideally suited for repetitive large volume product or service procurement where dynamic pricing is prevalent, particularly where suppliers exhibit resistance to e-tendering and e-auctions.

NEGOTIA approaches negotiation from a purchasing perspective – it is unique as it recommends how to negotiate in a buying environment. NEGOTIA facilitates complex competitive negotiations without harming supplier relationships and can accommodate capacity-constrained suppliers allowing you to utilise split-business procurement and achieve optimal sourcing results.

So how does NEGOTIA enable complex negotiations? – It recommends which suppliers your organisation should buy from, the optimum quantity to buy from each supplier, whether your organisation should try to negotiate a better deal – and if so how.

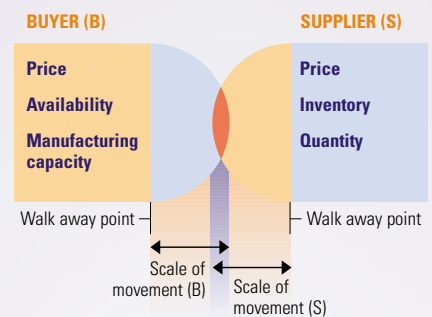
### SYSTEM FEATURES

NEGOTIA has 8 features that support procurement negotiation.

- ◆ Bid Negotiation Functionality
- ◆ Order Transmission Functionality
- ◆ Bid Closure Functionality
- ◆ Management Reporting
- ◆ Security
- ◆ Interfaces with other company systems
- ◆ On-Line Help
- ◆ System Administration

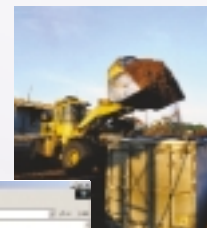
### Bid Negotiation

NEGOTIA calls upon a games theory matrix to enable calculation of expected prices and recommendation of actions during negotiations. Construction of this matrix occurs during the implementation of NEGOTIA and requires collection of information relating to the purchasing history and preferences of your organisation. Such data can be in electronic or hard copy format and can include price, quantity, brand, technical specifications and terms of delivery – the more history available the more effective the system is. The system also stores current and historical market information including demand, suppliers, supply schedules, substitutes, and competitive pricing.



Any registered NEGOTIA user in your organisation can create a deal configuration (negotiation scenario) at any time using any PC at any location with Intranet or Internet access. However your suppliers will be unaware that you are using the technology. Your user simply inputs his/her requirements including deadlines. Alternatively deal configurations can be generated using information from products previously processed by NEGOTIA, or previously created deal configurations can be utilised. NEGOTIA then estimates the value of the deal to your organisation, generates a list of relevant authorised suppliers and establishes a feasible set of actions. An optimal trading strategy is then recommended.

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NEGOTIA generates requests to suppliers automatically typically via email. The system continually tracks activity, re-evaluates and updates its recommendations for negotiation attitudes and tactics on the basis of supplier and buyer behaviour. NEGOTIA will also automatically update recommendations on receipt of relevant changes to market information. Negotiations and bidding continue until a satisfactory outcome is reached.

#### Bid Closure

NEGOTIA will advise your buyer when a bid is ready for closure at the optimum price and quantity for a particular supplier. The buyer can then confirm on the system that he/she wishes to buy. After the user has elected to buy, NEGOTIA will then generate recommendations for the best sourcing of any outstanding quantity in respect of your original requirement/deal configuration.

#### Order Transmission

Once a bid has been closed it can be converted to an order for the specified supplier. NEGOTIA then communicates the order to the supplier using a variety of methods, depending on the supplier's technical capability; electronic data interchange (EDI), e-mail, auto fax, or print and post. Communication within supply chains is slowly moving to the web services model using eXtensible Markup Language (XML). Ability to communicate by XML is in the NEGOTIA development plan.

#### Management Reporting

NEGOTIA provides a suite of reports enabling review of expenditure by criteria including supplier, part reference, deal reference and user. For more specialised reports, data extracts can be created and the data extracted to a reporting package of your choice.

#### Security

NEGOTIA user access is password protected. The NEGOTIA System Administrator is responsible for the initial creation of all passwords. Users can then change their passwords at any time. To maintain security, passwords expire on a regular basis and this is a parameter that is set by the NEGOTIA System Administrator.

#### Interfaces with other systems

NEGOTIA interfaces can be provided for finance, sales order, purchase order, stock control and manufacturing systems to obtain decision support data and place orders. Interfaces to any other systems can be developed when needed.

#### On-Line Help

NEGOTIA contains a full on-line help facility. A quick reference guide is also provided during training. If a question still cannot be answered, a user can contact your company's NEGOTIA System Administrator who has access to a complete set of reference manuals as well as the SureStock Help Desk.

#### System Administration

NEGOTIA provides a full set of features enabling your NEGOTIA System Administrator to change any of your organisations data that was input when the system was first installed. This includes registered users, supplier details and product details.

#### DELIVERY OPTIONS

NEGOTIA can be delivered in two ways: either as a hosted service that is accessed

using the Internet – or as a software licence for your organisation to run in-house.

#### RELATED SERVICES

SureStock provides a number of services that complement the technical installation and day-to-day use of NEGOTIA:

- ◆ NEGOTIA Implementation Services: Includes project management (conforming to PRINCE 2), data loading, construction of games theory matrix, testing of interfaces, training of the NEGOTIA System Administrator and acceptance testing.
- ◆ NEGOTIA Training Services: Classroom training can be provided for Standard and Power users. In addition 'train-the-trainer' courses can be delivered.
- ◆ NEGOTIA Technical Support: Full technical support is provided by the SureStock Help Desk, which is accessed by your organisation's NEGOTIA System Administrator.
- ◆ NEGOTIA Consultancy: From collecting and loading historical data to re-engineering supplier relationships – consultancy can be provided as required.

#### FUTURE ENHANCEMENTS

SureStock has a policy of continually enhancing NEGOTIA to add functionality and embrace new technology. New releases are available on a regular basis. Also, key users are invited to join the NEGOTIA User Group, which recommends enhancements.

#### FURTHER INFORMATION