

eMarkets in Operations: Lessons Learned

Panel Members:

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These panelists explore the advantages of entering the e-marketplace. They will present three successful e-marketplace best practices. They will introduce lessons that they have learned with doing business on e-marketplace. These business-orientated panel members intend to show that e-marketplaces are not something for the future but exist in today's successful business culture.

Iskraemeco d.d. Kranj, Slovenia: Practical Experience of Web Bidding

Iskraemeco, the Slovenian company, is among the leading European and global manufacturers of electricity meters, devices and systems for metering, billing and management of electric energy. The company is present worldwide in almost 100 countries, offering quality solutions to the customers who are mainly electric utilities and companies active at production and distribution of electric energy.

In most cases, the procurement of the metering equipment runs over public tenders. The bidding is organised under local rules where the tender documents on paper are presented by the closing date. Depending on the case, after opening the documents the orders are given according to the paper offers or regarding individual negotiations. In the last two years, more and more customers have decided to organise the procurement through web bidding. The purpose of new procurement method is very simple – decreasing costs, shorter lead time and reduction of the procurement staff. In most cases the customers engage specialised web bidding companies. Nowadays, some multinational energy companies organise their own purchasing portals.

Our panel presents the case of the web bid at a big Asian utility, organised by FreeMarkets, the web bidding company, who handles most purchases of that customer. The suppliers, interested in bidding, had to register with a web bidder. The completed Tender documents with technical specs and prices were submitted over e-mail by the closing date, and the qualified suppliers were informed. They received BidWare software to be installed in their own computers. All qualified suppliers were invited on online bidder training, conducted by telephone and received individual User names and Passwords. The web bidding was open for 5 lots on the same day in January, lot by lot, where each lot had a time window of 30 minutes to bid the prices. Everyone on the web who was logged in the session could see what others bid in real time. The decision had to be done instantaneously on the spot. For the bids in the last minute, the bidding time was prolonged for the additional 3 minutes. The session started at 1.00 AM local time and was closed at 3.56 AM for all lots. The evaluation of the bids was done in 2 weeks, the selected suppliers were informed and supply agreements were signed. Iskraemeco was awarded with orders from 2 lots of 3 selected for deliveries in the next 3 years.