

Global Cloud-Based eSourcing Platform



Ole Nielsen - CEO

About Scanmarket North America, Inc.

Scanmarket is a market-leading eSourcing provider that delivers superior bottom-line results in savings, transparency and efficiency to hundreds of organizations globally. We achieve this by dramatically increasing eSourcing adoption and volume through a proven cloud-based platform that is easy to use, easy to get expert support, and easy to do business with. Companies frequently see gains of >300% in eSourcing adoption and volume when switching to Scanmarket. Whether it is Spend Analysis, eRFx, eAuction, Contract Management or Consultancy Services, we can help your organization get the results you need.

In the words of one of our customers, "With Scanmarket, you can do on your lunch break what used to take all day on another solution."

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Nielsen, what is the idea behind Scanmarket?

Mr. Nielsen: Scanmarket is a cloud-based eSourcing platform. That means that mid-sized and large organizations use our platform to improve efficiency, costs, transparency and compliance in all their dealings with suppliers.

CEOCFO: How do you accomplish all of those tasks?

Mr. Nielsen: The key to success since 1999 in helping hundreds of organizations globally achieve their business goals is a maniacal focus on customer adoption and ease-of-use. With any technology, and especially one as proven as eSourcing, adoption is the key to success. We help customers drive adoption by providing a platform that is easy to use, easy to get expert support for, and easy to do business with. This focus has enabled us to receive the highest analyst ratings in both ease-of-use and, most importantly, customer satisfaction.

CEOCFO: What has changed over the years and what types of services or do you provide now that you did not offer in the beginning?

Mr. Nielsen: Back in the day before the internet, you did not have the capability of doing course negotiations online. You would have to travel or your vendors would have to travel to you and meet with them one at a time. You would also have to sometimes, keep a good poker face to drive price down when negotiating with vendors. Today, we are able to streamline the entire process, reducing the time necessary to conduct a negotiation by more than 50%. It makes the process more open and transparent for the vendors as well. Vendors can actually see where they stand relative to others and make decisions based on real data rather than a hunch.

CEOCFO: What types of companies are using your services? Is there a common thread?

Mr. Nielsen: There is no specific vertical. It is everything from manufacturing to financial services to retail.

CEOCFO: How do you reach potential customers and how do they find you?

Mr. Nielsen: Like most software companies, we conduct business development, attend conferences, do web-marketing, etc. That said, most of our customers come from word-of-mouth referrals. Our customers are our best advocates.

CEOCFO: You have a number of different solutions available. Do most of your customers take advantage of the full range?

Mr. Nielsen: We have a little over 60% that take advantage of the full range. The remaining 40% will go in and choose the modules within our platform that are most suitable for their business. Some of them are just starting out with eSourcing and they want to take baby steps. We offer a flexible solution where they can choose individual solutions.

CEOCFO: What is your geographic reach today?

Mr. Nielsen: We are a global company. We are headquartered in Denmark. We are taking care of all the European countries from there. We also have offices in the UK and Germany. I'm located in our North American office which is in

Alpharetta, Georgia. Our focus is on Europe and North America. We do have a wide partner network so that we can reach the rest of the world. We have partners in China, India, Saudi Arabia and some of the South American countries as well.

CEOCFO: *How is the system implemented?*

Mr. Nielsen: It is a cloud solution, so implementation is pretty easy. If you have an internet browser, then you've got all you need to implement the platform. We do not have big implementations like you would see with ERP systems. There is some training involved, but our platform is so easy-to-use that many of our users don't go through a formal training class.

CEOCFO: *Your site shows a number of reasons why Scanmarket is different and the number one reason is that you rank number one in customer satisfaction. Why are you achieving those results? What do you do companywide to make people happy?*

Mr. Nielsen: First of all, we are aware that at the end of the day, the clients are the most important asset that we have. It is very important for us to give outstanding service. A great example of this service is our "Quick Call", which is a call back functionality. If a customer, stakeholder or bidder needs assistance, they simply enter their phone number and name and someone from Scanmarket will call them back almost immediately. We respond to 85% of these calls within one minute and 95% within 5 minutes. Much more than a help desk, you are talking to a trained eSourcing consultant who can help with strategy as well as technology.

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CEOCFO: *What is ahead for Scanmarket?*

Mr. Nielsen: We have just released a supplier management module which allows buying organizations to better organize, monitor and communicate with their suppliers. We are constantly making improvements to the platform with releases every month. We are growing tremendously here in North America and also in Europe and we will keep expanding our footprint in those two regions for the next couple of years.

CEOCFO: *What are some of the challenges in putting together the technology?*

Mr. Nielsen: It is always a challenge to put together a technology, especially when your focus is on our usability. Since our founding, our customers have been the main driver for our technology roadmap. Everything we do, we do because a customer has asked us to do it in order to help solve a business issue rather than just turning IT engineers loose on the system with a set roadmap.

CEOCFO: *Did you realize that in the beginning or is that something that you learned over time?*

Mr. Nielsen: We realized that from the get go. When I founded the company, I was just an average computer user and I still am. I do not have any engineering background. We have to have a platform that even someone like myself can understand.

CEOCFO: *Why pay attention to Scanmarket?*

Mr. Nielsen: We are an up and coming solution and we have proven our platform since 1999. We have also proven that we have much higher adoption rate compared to other vendors in the market. When you invest in an eSourcing module, you want to make sure that you have a return on your investment and the only way that you can get it is by adoption. In order to create adoption, you need ease of use and that is what we do best.

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