

Prorizon Named As A Top 100 Procurement Company



Look inside to see How We Made It,
with help from **ING**  Investment Management.



Why Prorizon?

Increase

- Control
- Visibility
- Accountability
- Standardization

Eliminate

- Excess Cost
- Redundant Overhead
- Lost Time



2007 Supply & Demand Chain Executive 100 Recipient:

Prorizon

Putting innovative supply chain technology and services to the test for real-life, successful results

Case Study

ING Investment Management Americas and Prorizon,

Does Information Technology Matter?

It does to ING Investment Management, Americas. This International company with its US headquarters in Georgia has more than 1,800 professionals working in four major US cities. In 2006, ING managed over \$170 billion in investments for a variety of corporate and institutional customers. With fast moving markets, the company must ensure that its investment managers have the technology they need, when they need it. To meet that goal in the most cost-effective way, ING has relied on Prorizon, a Procurement Service Provider (PSP), to achieve high service levels for internal clients and better control of its IT spending, since 2000.

Losing Time to Manual Processes

Before ING partnered with Prorizon, ING employees at their offices in New York, Hartford, Atlanta and Scottsdale, relied on disparate, largely manual processes to purchase IT equipment, according to Mark Kolodziej, Vice President of Information Technology with ING. "There was a lot of picking up the phone and calling people when you needed a

piece of equipment." Moreover, Kolodziej explains, ING did not have the workflow or tools in place to track technology purchases. "Most of it was done with an Access database, and there was no asset management system in place."

As a result, ING's internal service levels – the indicators of how quickly the company's staff received critical equipment – were not being met. Business-critical projects were being delayed and in ING's business, lost time is quite literally, lost money.

Kolodziej had also experienced service level issues in a previous company. The primary reason was a lack of consistent processes at their various locations, for purchasing IT equipment. Kolodziej had helped that company fix this challenge by bringing in Prorizon, a Georgia based PSP founded in 1992. With marquee customers like Computer Sciences Corp. and ING, Prorizon offers enterprises the opportunity to streamline their IT procurement processes, thus allowing its customers the ability to achieve bottomline savings by implementing comprehensive service and technology solutions customized to their organization.

Time to Address Inefficiencies in Financial Flows

- Reduced off-contract spending by 64%
- Reduced costs of 7.3% for spend brought back under contract
- Reduced purchase-to-payment cycle times by 66%
- Reduced administrative costs by 58%

Getting Out of the Routines

Prorizon's methodology involves working with clients to identify the "Routine" component of procurement work. These tasks typically include placing orders against prescribed vendor contracts, providing status updates on ordered items, reconciling shipments, tracking assets, managing returns and ensuring internal service levels are met.

While critical, routine work steals precious resources from "High-Value" work that allows employees to increase a company's competitive advantage and increase profits. Prorizon allows its clients to reallocate staff to higher-value functions, such as managing a request-for-proposal process, selecting a new vendor or new products, or negotiating a deal.

To achieve significant productivity gains, they employ Business Process Management techniques tuned to maximize order throughput via their very flexible software. Prorizon delivers this highly effective Client Order Fulfillment process to customers in more than 34 countries around the world utilizing web-based Application Service Provider technology. They help clients enforce cost controls before expenses are incurred. These costs are electronically tracked in real time through the use of a management dashboard that monitors Budget versus Actuals

continuously. Prorizon augments the customer's staff to turbo charge the procurement process while providing a variety of tools to manage: contract administration, client order fulfillment, asset control, accounting and reconciliation, including logistical coordination. Prorizon's Web services platform allows enterprises to go live within 45 days without having to buy and implement software or overhaul their current systems, and Prorizon customers can realize a measurable return on investment within six months.

A Customized Solution

The implementation methodology was a major key to the successful collaboration between the two companies. Prorizon's project team sat down with the investment company's staff in whiteboard sessions. The focus was on understanding current processes, establishing workflows and assembling the necessary technology infrastructure to support the new processes that Prorizon would help ING put in place.

"It was totally customized for us," Kolodziej says. "With respect to the order process, for example, they became an extended partner, sitting down with us, going through how we did it and making suggestions as to how it could be done better. It wasn't a cookie cutter solution at all."

ING Investment Management PROBLEMS	ING Investment Management SOLUTIONS
<ul style="list-style-type: none">• 56% attainment of Service Level Agreements• Manual ordering process (fax, e-mail, phone calls, letters)• 3 divisions - 3 ordering methods• Loose approval processes (Orders often approved after delivery made)• Unpredictable delivery• No contingency plans for availability problems	<ul style="list-style-type: none">• 97% attainment of Service Level Agreements• Internet ordering process• One ordering method for all vendors.• Automated approval process – varies by Purchase Order type• Implemented multi-tier vendor purchase process (least costing and vendor backup)• Linked ING to 90% of the total national distribution network

"Prorizon has become an extension of our staff, so that my employees can now take a more strategic focus and concentrate on more value-adding activities."

affecting ING's global pricing. Together they manage the quotation process, expedite order placement, develop contingency plans when products are not readily available, and ensure receipt of ordered items as well as managing any equipment returns. Bottom line, according to Kolodziej, is that Prorizon made it easier to do business with HP, alleviating ING of the typical vendor order-processing headaches, while preserving the larger relationship that the investment company has with HP. In addition, as ING moved globally onto an Ariba e-procurement system, Prorizon electronically receives the order requests from the Ariba system — so that the company could capture the value of using a corporate-wide e-procurement system — and then have those orders flow into Prorizon's system so that ING can continue to benefit from their added value. Part of that value-add was the level of service that Prorizon provided to ING as the investment company was transitioning its IT spend management to the PSP, Kolodziej says. "We were on the phones with them constantly, or they were coming in making suggestions," he explains.

"It was almost like they were a member of the staff for a time, while we were putting everything in place." Kolodziej notes, in particular, Prorizon's responsiveness in meeting unexpected requests on tight deadlines. "We would have very demanding customers that would come up to me and say, 'I need X by the end of the day,' and I had to deliver on that. Prorizon would actually go out to local stores, buy it and bring it over to me. That's the kind of value-add that they bring."

Another big plus, Kolodziej points out, is Prorizon partnered with our largest equipment provider, Hewlett-Packard. Operating under a Partner agreement, nearly all of Prorizon's service costs are covered by HP without

Exceeding Service Level Goals

Apart from extraordinary circumstances, Kolodziej says that Prorizon very quickly — in weeks, rather than months — enabled ING to increase its ongoing internal service level to above 95 percent. "As far as service levels are concerned, it was a total 180 degree turn for us," he says. Importantly, by using Prorizon, ING was able to gain better insights into the status of outstanding orders. "We could see the order status on their website or pick up the phone at any point in time to check an order, and Prorizon would be proactive in notifying us that something was going to be back-ordered," he explains. "Then they would go out and find it through alternate vendors, most of the time at the same price. All of that was just amazing as far as meeting service levels."

Prorizon brought additional value to the table by introducing best-in-class practices for IT procurement into ING's processes and by alleviating the investment company's staff of the need to worry about whether best practices were being

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followed. "Our primary business is to support investment business with technology, and the purchasing end of it is just one means to an end for us," says Kolodziej. "But for Prorizon, that's their whole business. They've already adopted the best practices. So for us, it takes the headaches, which always seem to accompany purchasing, out of the equation."

Leveraging Prorizon's solution and experience, ING has been able to meet its internal service level agreements better than 97 percent of the time, achieving

the company's goal to improve its SLA performance. But, perhaps as important, Kolodziej says that by working with Prorizon, his own staff has been able to move away from day-to-day transactional activities and spend more time focusing on higher-value activities. "Prorizon has become an extension of our staff, so that my employees can now take a more strategic focus and concentrate on more value-adding activities."



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