

Centralized Procurement Strategy Achieves Cost Savings

STAGE

Challenges

- Began a centralized sourcing program to add value to the company by securing the best cost through online sourcing techniques
- Previous decentralized approach was a labor-intensive, time-consuming process that required departments to locate and qualify vendors, send RFPs, and check that bids met project specifications
- Transition to a centralized program required technological and procedural changes

Solutions

- Newly developed procurement team worked with departments to demonstrate how the Ariba Discovery™ service could quickly identify well-qualified suppliers across a broad set of categories, industries, and geographies—enabling the company to source products and services faster and at a lower cost
- With centralized procurement and Ariba Discovery, RFPs are automatically sent to suppliers whose capabilities match the requirements
- Powerful search capabilities allow the procurement team to drill down to hand-select and invite bids from specific suppliers
- Only received responses from qualified vendors who submitted bids directly to Stage Stores within Ariba Discovery
- Encouraged vendors it had worked with previously to become registered suppliers on Ariba Discovery, and achieved 100 percent compliance

Results

- Through Ariba Discovery, Stage Stores can quickly identify eligible vendors who meet its criteria to create a more competitive bidding process
- Centralized procurement and Ariba Discovery have led to a 15.5 percent savings across a wide range of products and services—from computers and lighting to printing and construction
- Significantly faster process—bids that previously took 45+ days are now completed in three to five business days
- After posting an RFP for lighting, they doubled the number of participants normally bidding and selected vendor resulted in a 14 percent savings per store
- Plans to expand use of Ariba Discovery to streamline sourcing throughout company and maximize the advantages of a centralized, automated procurement process

Profile

Houston-based Stage Stores has more than 735 stores in 38 states under the Bealls, Palais Royal, Peebles, and Stage trade names. The company has established a niche in providing a broad range of brand-name merchandise with a high level of customer service to small and mid-sized towns and communities.

Ariba Commerce Cloud Features

- Ariba Discovery

“We currently source everything we can through Ariba Discovery. Having all those vendors at your fingertips leads to more competitive bids and lower costs.”
Chris Uriarte, Sourcing Manager, Stage Stores