**Rensselaer**

# Top Tech University Saves Over $100k Using Category Intelligence

**Plus, the Procurement Services Department discovers time savings.**

## Procurement's Challenge

The Procurement Services Department at Rensselaer Polytechnic Institute (RPI) takes pride in acquiring products and services aimed at delivering the best value to campus. It has a staff of strategic sourcing managers who facilitate the procurement of scientific equipment, professional services, technology and everything in between.

**Department staff facilitate the process of purchasing products and services, but they can't be experts on everything they're asked to procure.**

Ron Moraski, Director of Procurement Services at RPI, wanted his team to be able to more effectively assist the campus in achieving its goals. He had used market intelligence in the past, so he understood the benefits, including lowering costs (which positively impacts the Institute's resources) and reducing procurement cycle times. Since Procurement Services

> " *What we have realized is that while we have extensive procurement knowledge, even our highly tenured staff have found value in 1–2 reports each and every month.* "
>
> — Ron Moraski, Director of Procurement Services

manages all RPI purchases, Ron realized that ProcurementIQ's unrivaled breadth of coverage would be invaluable. He also appreciated that the data and analysis could be used in every step of the purchasing process. Based on the abundant opportunities and applications, Ron brought ProcurementIQ onboard. The Procurement Services team saw an impact almost immediately. With each sourcing project, managers gained significant understanding of market dynamics and conditions for new and existing products and services used by the Institute.

Three-year Price Trend **-4.3%**

Three-year Price Forecast **-2.4%**

● Factor is a threat to buyer
● Factor should be investigated
● Factor is not a threat to buyer

*Price trend information from the Laptops procurement report*

# Case Study: Rensselaer Polytechnic Institute

## Solutions and Results

### Reduce costs of an existing program

RPI requires students to have a laptop that meets minimum program specifications for their areas of study, so it offers undergraduates the opportunity to purchase a standardized computer from the school. This is a significant up-front expenditure for the university, with approximately 1,600 new freshmen accepted each year. In recent years, the resulting costs of these computers were steadily rising. When the sourcing manager questioned this, the vendors suggested that inflation and technology improvements were forcing the price increases.

Using ProcurementIQ's procurement research report on Laptop Computers, RPI discovered that the price of laptops was, in fact, decreasing. This key insight prompted the department to invite multiple sellers to participate in a reverse auction for the laptop contract.

As a result, RPI's Procurement Services Department negotiated lower prices on the laptops, while improving on many of the specifications of the prior years' contract, culminating in savings of over $100,000.

### Save time on new purchasing projects

Recently, the Environmental Health and Safety Department asked the Procurement team to investigate options for a new chemical tracking system. The staff had limited knowledge of potential vendors and wanted to be sure they performed their due diligence in exploring all options.

**The ProcurementIQ Chemical Management Services report showed the top vendors plus their 3-year market share performances, total revenues, profit margins and financial risk levels – saving the staff hours in research time.**

The sourcing managers also discovered that the number one supplier was an existing vendor in another category. Using this information, the department could consider consolidating suppliers and negotiating more favorable terms and pricing. Alternatively, they could put the project out to bid, to increase competitiveness and encourage diversity. No matter which option they select, they'll be on their way to a successful procurement process for a new project.

> *In the laptop program alone, the license fee has paid for itself many times over.*
>
> — Ron Moraski,
> Director of Procurement Services

## Summary

Rensselaer Polytechnic Institute has its finger on the pulse of technology, research and innovation. The Procurement Services Department will continue to be tasked with sourcing products and services to help the Institute achieve its vision and mission. With ProcurementIQ Procurement Research at its fingertips, RPI's sourcing team will be able to save time, comply with guidelines and positively impact the Institute's resources by saving money.

### About ProcurementIQ

Recognized as a trusted and independent source of procurement research, ProcurementIQ offers a comprehensive library of data and analysis on over 1,000 categories. With an extensive online portfolio valued for its depth and scope, ProcurementIQ equips procurement professionals with the insight necessary to make better, faster purchasing decisions. ProcurementIQ is a division of IBISWorld and serves a wide range of public and private organizations from its US headquarters in Los Angeles.

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