



VENDOR TENDER MANAGEMENT

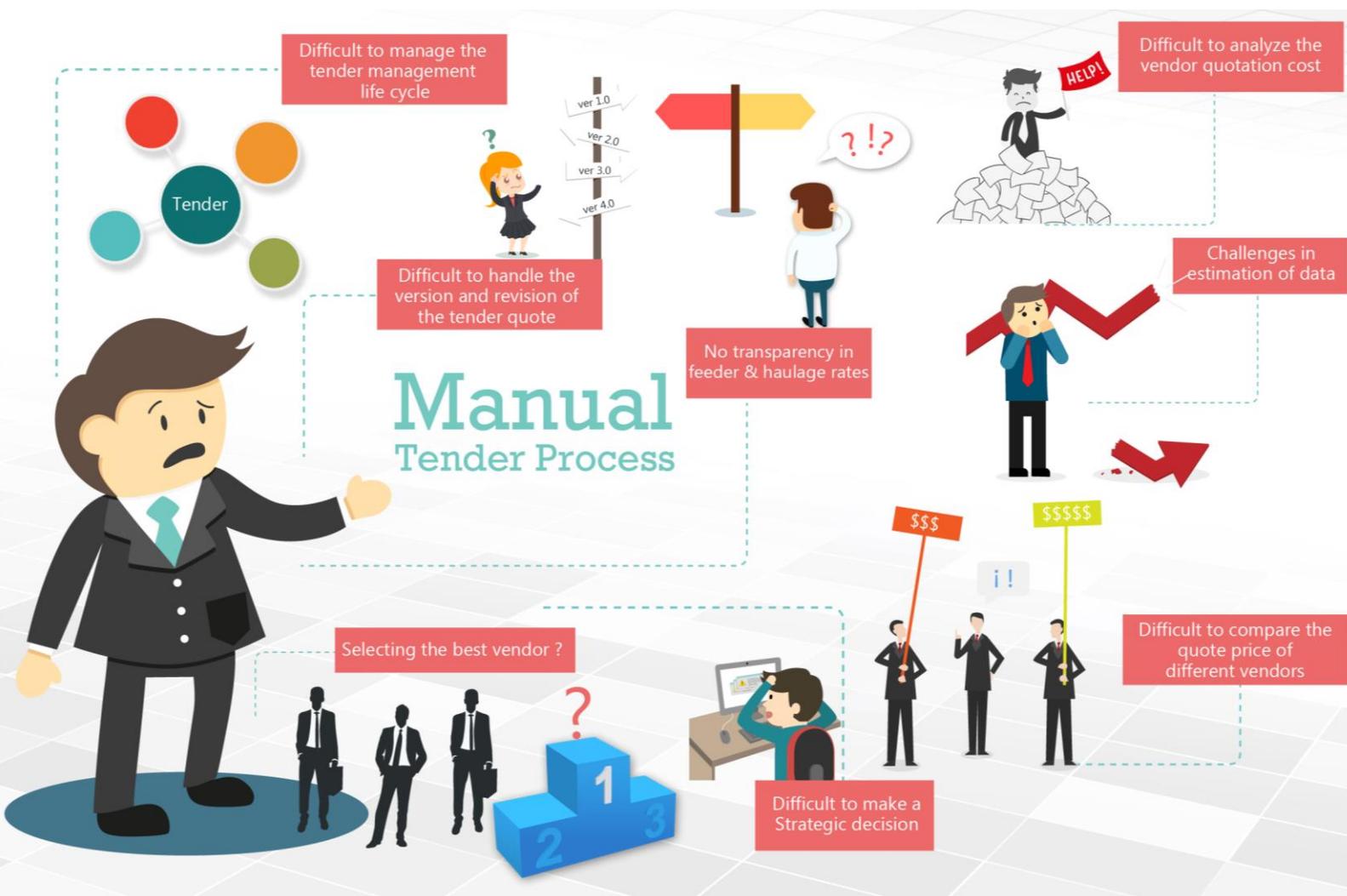
1. Introduction



Liner Companies have to negotiate on the feeder / haulage rates with the feeder and haulage vendors. In Asia itself, more number of feeders and haulage services providers are interfacing with each vendor on one to one basis, to obtain the rates with them is a laborious processes. To increase the transparency of feeder / haulage rates, Liner companies are forced to assess and focus on effective Vendor Tender management system.

At a regulatory level, under the theme of corporate responsibility and sustainability, various financial and anti-corruption initiatives have been employed and introduced into the liner business. While providers are using traditional e - procurement systems for control, none of these systems provides a successful solution and service that addresses today's complete spectrum of Vendor Tender Management requirements.

2. Current Liner Industry Issues in Vendor Tender Management



3. How does it impact your business?



Liner organizations have in the past 20 years committed substantial resources to develop financial and commercial management systems and very less focus has been given to develop and manage the Vendor Tender Systems. Feeder / Haulage business needs to have the capacity to make this necessary commitment and capabilities; otherwise, significant time and resource can be wasted. Choosing a wrong vendor makes could undermine the customer service effort and in addition increase the cost base.

.....deliver transparency to both the liner organization and the vendor.

Meeting the monthly / yearly targets of TEUS and achieving the minimal / competitive rates in the Haulage / Feeder services are complex process and difficult for the Liners to observe financial transaction and monitor the tender business activities. Having an efficient vendor tender system helps the liners organization not only to deliver clear solution but also provides with accurate and improved tender experience with clear and transparent decision-making.

4. Why do I need to take action?

Feeder and haulage cost constitute a considerable amount of overall operation cost of many shipping lines. Many carriers are still relying on excel files to process and manage quotation from feeder and haulage vendors. Using excel file for manual tender process and mail management for numerous vendor quote is a tedious and time consuming process. It is difficult for individuals in liner companies to collate and analyze quotes from each vendor, ensuring uniformity and clarity in their quotation. Each quote needs to be analyzed for port / terminal pairs, equipment type, number of services, capacity, availability, frequency of calls, no of vessel calls, surcharges, exceptions, weight slabs, out of gauge, Hazardous cargo acceptability, etc.

Subsequently a vendor needs to be selected, which has minimal cost, multiple services, and good frequency will help the liner company in achieving a goal of good customer service at a reasonable cost.

idea → plan → action

“Efficiency in the management procedures can result in immediate tangible financial gains and it provides supplier with more transparent experience”

Some of the key drivers why a liner organization should turn their focus to Vendor Tender Systems are as follows:

- To create value through increased transparency
- To manage the complex business environment (including the volume of tenders to manage)
- To manage multi-sectors tender in single unified platform
- To expand control to cover all geographical locations and optimize cost
- To have a standardize global procurement process
- To gain insights into tender price negotiation history

It's necessary to increase the transparency of the feeder and haulage rates, before making a serious commitment to vendor tendering. This will allow Liner companies to assess and select the right vendor. By taking this approach, Liner business can develop the right strategies, which will have the right systems in place to maximize success.

5. Best practices when selecting a Vendor Tender Management System

When compared to any other commercial process, managing a tender is one of the most intricate and unique processes within a liner organization. It is difficult to guarantee the best results when operating in the liner business and managing these processes manually or without specifically designed tools. To improve the overall performance of feeder / haulage tendering process, select the correct management program / tools, which will efficiently and effectively manage the tender process. When selecting a vendor tender management system, it is important to consider the transparency and corporate governance solution in line with the corporate procurement policy.

A perfect tender management solution enables business to achieve more efficiency in the liner business as follows:

- Unified Haulage/Feeder Tendering across different regions
- Tender Analysis, Negotiation and Vendor profile Ranking
- Feeder / Haulage Tender Maintenance and Statistics
- Tender Quotes and auto Comparison
- Tender Evaluation and Performance Reports
- Preparation of forecasting for demand and decision making information
- Ability to simulate Annual Feeder / Haulage cost based on budgeted volumes



.....managing a tender is an intricate and unique process.

It provides a centralized view and control over the entire procurement process and gain visibility to rates negotiated. As a result of better practice in tender management, greater transparency in feeder and haulage rates which will help the liners to increase their business values. Efficiencies in the management procedures can result in immediate tangible and transparency.

6. Key Features of SVM Vendor Tender System



“Efficient Tender is a key business development strategy in the growth and success of many of today’s businesses”

7. Conclusion



Vendor Tender Management System provides a comprehensive set of administrative tools for framework and project-based tenders enables users to control document management, workflow planning, tender variations, payment terms and tender security level. It enables shipping lines or any transport service organizations to make better-informed decisions and allows Liners to focus on the strategic management of tenders, which will increase the transparency of haulage and feeder rates.

SVM Vendor Tender System handles the entire tender life cycle from invitation to award, in a single unified platform. The core objective of Vendor Tender System is to receive and process the tender accurately in a timely manner from all vendor and process them automatically based on the vendor selection criteria. SVM Vendor Tendering process helps to manage the multi sector tendering process in unified platform. The significance and automated process solution helps to provide insights in to data analysis, comparison, and negotiation of tendering process and enhance the effectiveness of a corporate procurement procedure. Because of greater transparency, liner can view bid prices submitted for each tender, which will help the liners to avoid informal activities from vendors and have better negotiation over the prices.

