EXOSTAR®

Sourcing – How to create an eAuction

User Training Guide

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Contents

Creating an eAuction

A number of eAuction formats are available in the web3 eSourcing module:

- English (Forward – Reverse)
- Dutch (Forward – Reverse)
- Japanese (Forward – Reverse)
- Dynamic – (Forward – Reverse)
- Sealed Bid Formats

This section describes some of the available eAuction types and deals with all elements of auction creation and management.

Reverse English Auction: An RFx that contains a list of items buyers want to procure. Suppliers place their bids on these items in a live eAuction held over a limited duration of time, such as half an hour.

Forward English Auction: An RFx usually used by buyers to sell excess by-products and assets. Supplier organizations place their bids on these items in a live eAuction held over a limited duration of time, such as half an hour.

Reverse Dutch Auction: Meaning the price goes down as opposed to forward auction, is a sourcing and negotiation technique. It involves the buyer playing off one supplier against each other, giving them psychological pressure so the business can get a lower price or a better deal. Dutch auction usually starts with a high asking price which is lowered in decrements until one of the participating supplier accepts the lower price.

Japanese auction: This involves the business lowering the price after every bid, at which the supplier must signal their willingness to remain in the auction at the current price. The auction is completed with the desired number of supplier remains in the process. In this auction the buyer dictates the change of price and it ends when suppliers stop signaling their willingness to accept a price change. Suppliers are generally restricted from seeing the supplier count, allowing this type of auction to be used when there is limited number of suppliers.

Forward Auction: As the name implies, forward auctions result in bid increase as opposed to decrease in value.

Sealed Bid Auction: When using a sealed bid reverse auction, sellers have a specified time by which they need to submit one best and final bid. Bidding parties are not privy to any other bidding parties or value of bids they may make. This differs from a standard reverse auction, where each bidder knows exactly how their bid compares to other bids made.

Surrogate Bidding

Functionality allowing buying teams to place bids on behalf of suppliers is included in the Web3 eAuction application. This functionality is used when suppliers cannot participate in a live eAuction, but still want their bids to be considered in the eAuction. A checkbox option on **Add/Edit Team Member** allows buyers with appropriate role permissions to enable other team members to submit surrogate bids on behalf of the supplier.

When the surrogate bid functionality is enabled for a particular supplier, the journal records this action with details of who made the selection and when this was changed to ensure complete transparency and auditability of the eAuction activities. The supplier also has the ability to select the surrogate bid option, allowing the buying organization to submit their bids on their behalf. This functionality is available upon request.

Creating an eAuction

You can initiate a new event from configured **Quick Links** or by navigation to the **Project Folder**. To create an eAuction:

1. Click the **Create New Negotiation** button.
2. Enter the **Negotiation Name** field and **Description** field.
3. Select a **Negotiation Type** from the dropdown.
4. Select **Event Classification** from the dropdown.
5. Select **Default Time Zone** from the dropdown.
6. The **Progress From** field allows information to be transferred from other **Negotiations**. If this is the first Negotiation, or none are applicable, select **Start from new** option.
7. The **Creator** and **Date Created** are filled in automatically. You can edit the **Creator** once the Negotiation is saved.
8. Select the **Open Date** and **Closing Date** using the calendar control.
9. Click **Save Negotiation**.

Note: The ownership of Project Folders and all events contained within the folder can be reassigned. Once the Header details are completed, the system displays a number of tabs to be either completed or configured prior to publishing the eAuction.

To Reassign Project Folder and eAuction Events Owner

To reassign Project Folder and/or eAuction Events Owner:

1. Navigate to the **Project Folder** via the **Negotiation** link or using the **Quick Browse** folder structure.
2. Click **Edit Project Summary**.
3. Select **Owner** from the dropdown of the existing sourcing users. The Project Folder can also be reassigned to an entity within the business model.
4. Click **Save Project Details**.

eAuction tabs

A number of tabs are presented when processing an eAuction:

- **Header:** Summary information about the negotiation.
- **Attachments:** Any attachments (Ts&Cs, NDA, SLA) suppliers are required to review and accept prior to bidding, or can be internal buyer attachments.
- **Lines:** Bidding lines listing items the buying team is going out to market for, default parameters and supplier start price entry.
- **Email Templates:** Negotiation-specific, automated email templates.
- **Suppliers:** Respondents to the negotiation.
- **Team:** Buying side team members and roles.
- **Controls:** Negotiation parameters.
- **Messaging:** Sent and received instant messages.
- **Monitoring:** Activity overview of a published open negotiation.
- **Award Criteria:** Selection and communication of decision regarding a negotiation. Not visible in Draft but available after negotiation close date.
- **Journal:** Audit trail listing all activities within the Negotiation and/or Folder.
- **Publish:** Send for review and/or publish to suppliers to allow bidding..

Event Header

Depending on your system configuration, buyers can perform the following activities:
- Edit Event
- View Event
- Move Auction
- Copy Auction
- Copy Auction
- Event Currency

To edit the event Header:
1. Navigate to the event.
2. Click **Edit Negotiation Details**.
3. Make changes to the **Header Attributes** as required.
4. Click **Save Header Changes**.

Attachments Tab

The attachments tab is used for the following:
- Available to suppliers upon event publication requiring confirmation of acceptance i.e. Terms and Conditions.
- Available to suppliers on event publication for download as part of the tender.
- Private File Archive for team event documents – visible only to the Buying Team.
- Private File Archive – Record of Supplier Document Submissions.

To add an attachment:
1. Select **Attachment Type**.
2. Browse the document on your local drive or paste the URL.
3. Type the attachment description in the **Attachment Description** field.

4. Click **Upload** or **Attach the URL**.

To complete a Private File Archive:
1. Fill in the **File Reference** and **Attachment Description** fields.
2. Browse to find the document on your local drive.
3. Click **Upload** button to upload the file.

Lines Tab – Forward and Reverse eAuction

The pricing matrix of items with descriptive attributes and quantities can be created online from the **Lines** tab, via a template excel upload, from an RFx containing a product table, or from a requisition sent to Sourcing from P2P. The line items can be bundled together as a **LOT** or as a **GROUP**.

Note: Lines ONLY become visible to suppliers when they are incorporated into the Questionnaire and are not editable after publishing..

Creating Lines, Lots and Groups

eAuction supports several pricing models, such as Lines, Lots, Groups, or a Mix of Lines, Lots and Groups. Below is an outline of the Lines structures that can be used in creating the Product List or Product List by Column type pricing matrix. For Product List content types ONLY standalone lines are displayed.

Lines: Individual lines can be standalone or form parts of Lots or Groups. They have a number of basic attributes, such as Image, Description, Product Code, Quantity, Unit of Measure, Historic Unit Price, Default Start Price, Mandatory, and Price. Additional description columns can be added that will be visible to the supplier. A single price attribute is entered by suppliers per line item. Suppliers can be forced to bid on all or specific lines only.

To create a Line:
1. Click the **Edit** button.
2. Click the **Add Line** button.
3. Optionally, **Attach Images**, type **Description**, browse the file, click **Upload** or click **Back** to cancel.
4. Enter the line item attributes: **Description, Product Code, Quantity, Unit of Measure, Historic Unit Price**, and **Default Start Price**.
5. Check the **Mandatory** box if required. This requires the supplier to enter a price.
6. Click **Commit All Changes** to save.

Lots: Sets of Items listed individually, each with their own attributes, but are bundled together so the supplier only has to enter one price for the Lot, rather than providing bidding on separate items.

To create a Lot:
1. Click the **Edit** button.

2. Click **Add New Lot** or **Edit Lot**, if required.
3. Click the **Add Line** button.
4. Complete line items attribute. Repeat the **Add Lines** process as many times as required.
5. If **Historic** or **Start Prices** have been, entered click **Total**.
6. Click **Commit All Changes** to save.

Groups: Within a Group there must be one or more lines. You may have any number of Groups. The supplier can enter a price for each individual item within the group. Group pricing model means the total value of the Group is calculated automatically. This provides a view of the line item bid values in two ways: the total group value and the pricing for each line item within the Group.

To create a Group:
1. Click **Edit**.
2. Click **Add Group** or **Edit Group Description**, if required.
3. Click **Add Line**, next to the Group Description to add a line.
4. Complete line items attribute. Repeat **Add Lines** as many times as required.
5. Click **Commit All Changes** to save

Delete
To delete a Line, Lot or Group:
1. Click the **Edit** button.
2. Check the **Selected** box for the Lines, Lots, or Groups to delete or click the **Delete All Lines** button.
3. Click **Discard Changes button** to restore the original lines or click **Commit All Changes**.
Note: Lines, Groups, and Lots can also be deleted using the Export/Import excel template.

Excel Templates
Lines, Groups, and Lots can be created and edited via the use of the Excel templates functionality. Example templates have been made available to users to facilitate the creation of pricing templates.

To download a template:
1. Click **Download Excel Examples**.
2. Select the template example you wish to use, click **Download**.
3. Click the **Save** button or the **Open** button to open the template for viewing or restricted editing.

The standard columns are displayed in the template with their fixed attributes. The standard column headings can be edited, but not the data type or options.

To create or edit Lines:
1. Click the **Export Lines** button.

2. Click **Save** to save the template to your local drive. Click **Open** to open the Excel file.
3. **To Create Lines:** complete columns B and F to M.
4. **To Create Lots and Lot Lines:** Complete columns B to C and E for the **Lot Description** and columns D and F to M for the Lines.
5. **To Create Groups and Group Lines:** Complete columns B to C and E for the **Group Description**; For the **Group Lines** complete columns D and F to M.
6. To delete an existing Line, Group or Lot, set column B to [**y**].
7. Click **Save** to save the spreadsheet in the required format to your local drive, i.e. Excel 97-2003 format.
8. Click **Import**.
9. Click **Browse** and select the file, click the **Import** button.
10. Click **Lot Totals** if required
11. Click **Commit All Changes** to save.

Create and Edit Columns

Within the **Lines** tab, user-defined columns can be created. These columns will be applied to all lines within the event. This user defined columns can then be selected and made available to suppliers using the "Product List By Column" content type within the Questionnaire tab. The creation of user defined attributes and questions allow multiple data collection tables to be created using the lines functionality in combination with the Product List by Column content type.

To Create a new Column:
1. Click **Edit** button and then **Add Column** button.
2. Type **Title** button, select **Data Type** dropdown list, and complete Data Type specific attributes.
3. Set **Default** field setting, if required.
4. Set **Score** field, if required.
5. Set **Supplier Access** dropdown list:
a. None – Visible ONLY to buyers.
b. Read Only – Visible to suppliers.
c. Answerable – Visible to suppliers and requires suppliers to enter value.
d. Click **Save** button to save.

To edit Columns:
1. Click the **Edit** button.
2. Click **Column Heading** link you want to edit.
3. Make changes and click **Save**.

Note: You can only edit Columns when negotiation is in **Draft** status

Setting eAuction Supplier Start Prices

There is a functionality within the eAuction format to set starting bid prices for the Lines and Lots for all suppliers, using the **Default Start Price** attribute at the lines creation stage.

In order to set different required values for each supplier, **Supplier Start Values** option is used.

To set Supplier starting prices at individual levels for Lines and Lots:
1. Click the **Supplier Start Values** button.

Note: Supplier must be added for this functionality to be active.

2. Enter a numeric value in the **Start Price** field for each supplier. This is the **Lot Total Start Price**.
3. Click **Save Changes**.

Supplier Transformational Values are additional costs, such as maintenance, delivery, additional service charges, that can be added to a particular supplier or all suppliers at Line or Lot level prices. The Line or Lot value is then:

Total Price = Suppliers entered price + Buyer's set Additional Cost for that supplier

This setting should be used in combination with the **Transformational Bidding eAuction** controls.

To set Supplier Transformational Values at individual levels for Lines and Lots:
1. Click **Supplier Transformational Values** next to the applicable Line or Lot starting prices.
2. Type numeric value in the **Cost** field for the appropriate supplier. For a Lot, this is applied to the **Lot Total Start Price**.
3. Click **Save Changes.**

Email Template Tab

The user can edit event-specific system-generated email templates for that event. The email templates for an eRFx and eAuctions are specific, but the actions to edit and import them are the same.

The editor has the functionality to format the text for an HTML email. Tags and system data fields can be added to the email text to automatically apply system, negotiation, and user specific information. (See Appendix 2).

The Email Templates tab lists available negotiation-specific templates, and there are two options for each template:
- Import
- Edit

To Edit a Template:
1. Click the **Edit** button next to the template you wish to change.
2. Make the required modifications to the template.
3. To revert to the original format, click **Revert**.
4. Click **Save As**.
5. Type a template **Name** and click **Save**.

To Modify or Delete an Edited Template:
1. Click **Edit** next to the template you want to modify.
2. Click **Delete** to delete the template and revert to the default name and format.
3. Click **Save** to save under the same name or **Save As** to rename.
4. Click **Back** to exit the editor

Suppliers Tab

The Suppliers tab contains the functionality to assign participants to the negotiation. You can only select participants from the registered supplier list within the Sourcing application.

Suppliers can be manually added to a negotiation, or automatically added to a negotiation copied from a previous event, as part of an eAuction creation sequence, or created from a negotiation contained in the project folder. Single or multiple Supplier Users can be selected to participate in the event.

To add Suppliers:
1. Use the **Search By** search box to search for a Supplier by Name, Contact Name, Tag, or Category.
2. To select a **Supplier User**, click the **Select** button.
3. Click the **Remove** button next to a supplier to remove them from the list.

To create a New Supplier:
1. Click **Create a New Supplier** button.
2. Type **Supplier Name, Contact Name** and **Email Address** in the fields provided.
3. The supplier profile is registered in the Admin Center and automatically displays in your supplier list as an unapproved supplier. The supplier is required to respond to the Supplier Registration Form for the buying team to approve them.

The supplier receives a notification email confirming they were added as a new supplier. The supplier must log into the system and provide required details to complete the registration process. Supplier onboarding process is configured by the client.

Team Tab

The Team tab allows assignment of team members to the event and have a specific role within that event.

To edit a Team Member's role:
1. Click **Edit** next to the team member you wish to edit.
2. Select the **Responsibility** and **Scoring** permission from the dropdown.
3. Click **Update**.
4. To remove the team member's access to the event, click **Remove**.

To add a Team Member:
1. Click **Add Team Member**.

2. Select a team member from the **Name** dropdown.
3. Select the **Responsibility**.

Note: The role selected defines the user's permissions for that negotiation, Folder, or Project.

4. Click **Add**.

Controls Tab -- Reverse or Forward eAuction

The eAuction options available in the Controls tab set out parameters of the auction. There are three key areas:

- **Auction Settings**: Auction parameters
- **Display Options**: Information displayed to suppliers about their position and bids.
- **Supplier Responses**: Core auction period timings.

To set the eAuction Open and Close Date and Time:
1. Select the **Open date** via the calendar icon.
2. Select the **Open hour and minutes** via the dropdowns.
3. Repeat for the **Close date and time**, ensuring the close date and time are after the opening time.
4. Click **Save Control Changes**.

To set the eAuction Settings:
Make required selections for the auction setting by checking or un-checking the check boxes and setting the parameter options as described below:
1. Change the eAuction settings:
   a. **Require Full Quantity**: If checked, the supplier must bid on the full quantity for each item they make a bid.
   b. **Allow Manual Close Before Close Date**: If checked, the buyer can manually close the eAuction before its completion date/time.
   c. **Automatic Extend**: If checked, the eAuction is extended by the amount of time entered, in minutes.
   d. **Limit Bid Rankings To**: If checked, only the top **X** Suppliers can see what position their bid places them. The suppliers who can see their ranking is set via the dropdown provided.
   e. **English Auction**: If checked, suppliers must beat the current lead bid with their next bid.
   f. **Prevent Matched Lead Bid**: If checked, a Supplier is not allowed to bid the same amount as the current winning bid.
   g. **Minimum Bid Increment**: If checked, the Supplier must decrease or increase their previous bid amount by the amount entered in the text box. A value must be entered for either a percentage (0 to 100%) or a nominal amount.

2. Click **Save Control Changes**.

To set eAuction Display Settings:
Make required selections for the auction setting by checking or un-checking the check boxes and setting the parameter options as described below:
1. Change the eAuction display settings:
   a. **Display Lead Bid**: If checked, the suppliers see the lead bid for each item.
   b. **Display Bid Ranking**: If checked, the suppliers see their position in the eAuction.
   c. **Allow Suppliers to See Attendee Count**: If checked, each supplier sees the total number of suppliers invited to the eAuction, but not the supplier names.
   d. **Transformational Bidding for Supplier View**: If checked, each supplier sees their transformed bid. This is completed when setting up the auction lines.
   e. **Shock and Awe**: If checked, the non-leading suppliers does not see the leading bid during the eAuction time. They see the second place bid price minus one decrement/increment. Should a supplier beat this price, they are temporarily ranked first, then the system automatically places a new bid one decrement/increment above/below this price. This continues until either the lead bid is achieved or the first auto-extension period is reached. Once this occurs, the lead bid is revealed to all suppliers. When the eAuction hits the extension period, the lead bid is automatically shown to suppliers.

Note: Shock and Awe can be used to encourage the less competitive participant to get their bids closer to the lead bid.

2. Click **Save Control Changes.**

Messaging Tab
The messaging component allows buyers and suppliers to send messages to each other without using emails. Messaging is active on published and closed negotiations. For a supplier to view the message they must have access to the negotiation.

Users are notified of new messages by an automated e-mail to their registered email account, and must login to the system to view it. This tab, visible to all users, allows for seamless and effective communication, and for efficient management of tender clarifications. When Buyers receive a message from a Supplier, they can choose to respond via a message back to the supplier or the **Clarification** board to all suppliers.

A new clarification can be created and published for all suppliers to view, much like the FAQ board. All suppliers then receive a notification alerting them a new clarification item was published. Notifications are also displayed on the dashboard so suppliers can get a summary of all clarifications and track those they have not yet read.

To send a new message:
3. Click the **New Message** button.
4. Select **From** and **To**.
5. Type **Subject** and **Message**.
6. If you wish to attach a file to your message, click **Choose file**.

7. Click **Send Message** or **Discard**.

Note: Review your **Received** and **Sent Messages** by navigating to the relevant tabs.

Monitoring Tab

The monitoring tab allows users to monitor and manage live eAuction activities during the eAuction opening time. The monitoring tab provides an overview of the suppliers invited to the eAuction, as well as the progression and completeness of their bids. The information displayed and the actions available are:

- **Alerts:** Displays all e-Auction activity from Opening to Closing.
- **Live participating Suppliers:** Shows the names of invited suppliers and their online status.

Note: Suppliers with green icons are logged on to the eAuction and are online. Suppliers with red icons are offline. The system also notifies buyers which section of the eAuction suppliers are in, i.e. Dashboard, Messaging, Making Bid etc.

- **Bidding Table**: Located below Alerts and Live Participating Suppliers boxes; shows the bidding activity such as the number of bids received, baseline price, lead bid, lead supplier, and saving achieved.
- **View:** Option at the end of the bidding line; it is possible to drill down into each line to see supplier individual bids for that line and a graphical representation of supplier bidding activity.
- **Export Auction Data:** Once the auction closes, you can export the results to Excel.

Awarding Tab

The award functionality is enabled once the auction closes and is available in the **Awarding** tab.

To award the most competitive Supplier:
1. Click the **Awarding** tab of the closed auction.
2. Expand Line, Group, or Lot to make award. **[+]** to expand **[-]** to reduce.
3. Click **Add Award** of the Line, Group, or Lot.
4. Select to view bid information by the **Lowest Bid Supplier**, **All Bids**, or **Individual Supplier**.
5. The award quantity by supplier can be manually changed.
6. Click **Award** next to supplier you want to award.
7. Optionally, **Revoke Award** is shown next to awarded suppliers and allows the buyer to withdraw the award.
8. Once all awards are identified, click **Go To Award Notifications**.
9. You have a number of email notification options available. Select appropriate notification to send to suppliers.
10. Check the **Mark as Fully Awarded** box and **Send Emails** to update the eAuction event status.
11. Click **View Auction** to return to the **Monitoring** tab.

Journal Tab

The Journal provides an audit trail of all activity from the negotiation, creation to closing. The journal records both buyer and supplier activity.

To search for any records, type in a free text or dates in the **Search** box for the system to return relevant search results.

You can export the journal to Excel by clicking the **Export Journal** button.