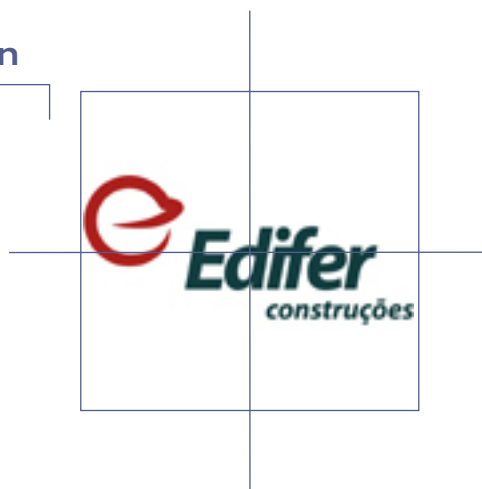


The advantages of process integration

Interview with Procurement Director António Lopes,
Edifer Construções, S.A.

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A more efficient procurement model was needed

Edifer Construções, S.A. (www.edifer.pt), a construction company operating since the 1950's and with a longstanding background both on quality and market trust. In 1986, and in order to be able to incorporate an entrepreneurial management, Edifer established the Gestifer holding as well as the spin off of its activities.

In 2004, the company went through a major strategic evaluation process which led, among other decisions related to the need to incorporate and a new and more efficient procurement model, to the decision of joining the econstroi e-marketplace.

Econstroi (www.econstroi.com) is a fast growing Portuguese e-marketplace covering the full spectrum of the building and construction industry. Online since December 2000, there are currently over 3,200 companies doing business and a gross total of nearly 2,000 million Euro in contracts awarded between 2003 and March 2007.

Anticipating the future

"Thanks to new procurement methods and especially to the e-marketplace tools, we were able, so to say, to anticipate the future. In the building and construction industry, time and technology are key factors".

"The usage of the e-marketplace by the Production Dept., where all procurement needs usually begin, is today a commonly accepted fact by all, says Mr. António Lopes, Procurement Director. "When we joined econstroi there was at first some resistance, because all of a sudden there seemed to be further tasks to perform and a new information system to use. But, after the initial clash, we've managed to stabilize and today procurement procedures are running smoothly.

Although my staff hasn't downsized due to daily business requirements, it is now definitely better qualified – their quality and efficiency have improved significantly."

Improved information for all involved

For the company, joining econstroï brought about a better systematization and procedure efficiency, namely thanks to:

- Standardization of requests sent to Procurement Dept.
- Reduction of errors connected to a deficient specification
- Significant reduction of low value administrative procedures
- Full online access to procurement processes for the Production Dept.
- Support to all approvals workflow
- Better information sharing within the company

This also caused a major impact in the Budgeting Dept. Procurement and Budgeting are currently using a common database. Suppliers submitting budgets for RFQ/RFP (Request for Quotation/Proposal) and bids will always be contacted later during the purchasing stage. Moreover, their budgets are instantly available when the company compares the different proposals submitted.

Financial advantages was achieved

For Edifer, it is evident that this has brought both benefits and savings, namely financial advantages, because it receives an estimate of about 39% more and better proposals, especially from non-traditional suppliers; administrative procedures, a time consuming task, have also been significantly reduced (37%); and finally, the company has been able to improve the whole organizing and following up of the procurement process.

Two years after joining the e-marketplace, it is quite clear for Edifer that they made the right decision – there is currently a wider range of potential suppliers to select from, and the company is saving time and money.