

## Unlock the Power of eAuctions with Keelvar Sourcing Optimizer

### Streamline your sourcing process with eAuction technology.

Keelvar's [Sourcing Optimizer](#) offers cutting-edge eAuction capabilities that empower procurement professionals to drive competitive pricing, improve supplier engagement, and streamline the sourcing process. With Keelvar, your organization can harness the full potential of eAuctions, ensuring optimal outcomes and significant cost savings.

### Keelvar's eAuction capabilities

Keelvar offers two powerful types of eAuctions within our Sourcing Optimizer platform: English Auctions and Dutch Auctions. Each auction type is designed to meet specific procurement needs, ensuring flexibility and control throughout the sourcing process.

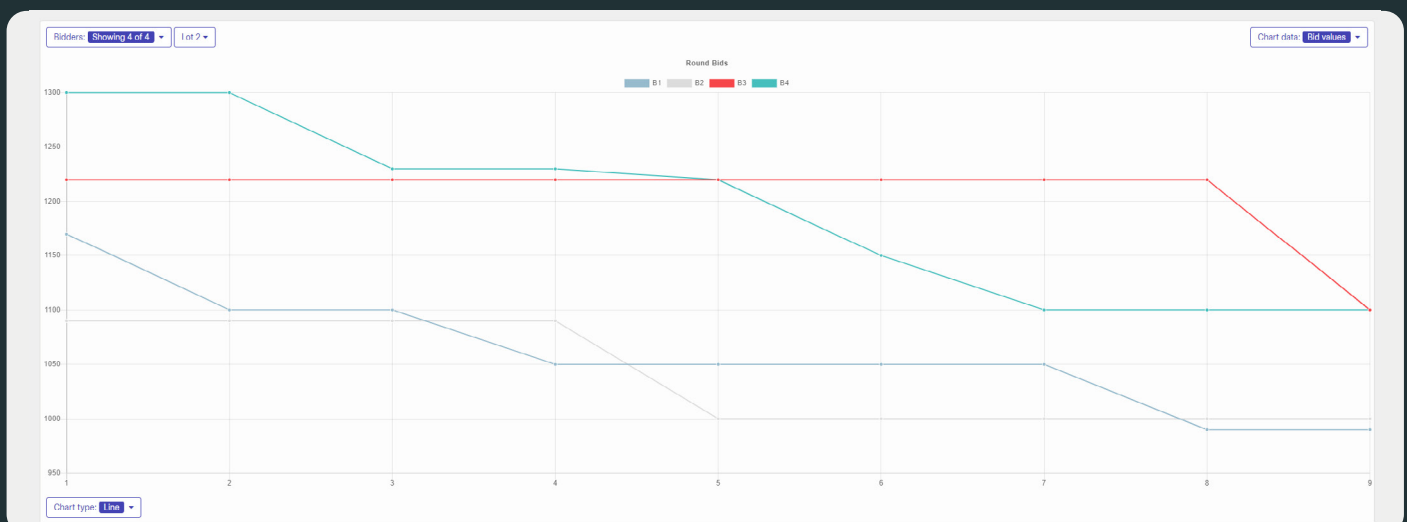
### Why use eAuctions?

We are seeing more customers incorporating an eAuction round into their annual RFQs, typically after the second round. eAuctions are an effective way to challenge incumbents on strategic lanes or provide opportunities for new suppliers to join your pool. By using an eAuction, you foster a highly competitive environment where top performers have the chance to secure new business.

With Keelvar's Sourcing Optimizer, you can seamlessly transition from an RFP to an eAuction. This provides a distinct advantage over standard eAuction tools, allowing procurement professionals to leverage both methods for optimal results.

## 1. English Auctions

An English Auction is a reverse auction where suppliers place decreasing bids on lots. Unlike fixed-time auctions, an English Auction continues until no further bids are placed, ensuring the auction concludes naturally. The process is highly competitive, with the lowest bid that meets all criteria being declared the winner.



## Key features:

**Single-item vs. multi-Item capability:** English Auctions can handle both single-item and multi-item configurations. In multi-item auctions, suppliers can bid on multiple units, and the auction only ends when all units are allocated.

**Real-time bidding:** Suppliers engage in live bidding, allowing for immediate feedback and adjustments.

**Auction duration:** The auction remains open until no further bids are received, ensuring all suppliers have ample time to place their bids.

**Minimum bid decrement:** Optionally, suppliers can be required to reduce their bid by a certain amount with each new submission.

**Bid change limit:** Controls the allowable percentage difference between successive bids, encouraging responsible bidding behavior.

## Use case:

Ideal for sourcing commodities or services where price is the primary consideration, and suppliers can clearly distinguish themselves on cost.

**Global feedback:** You can give feedback across all lots to indicate how a bidder is performing in order for them to compete for the whole business.

**Use optimization in your eAuctions:** in just a few clicks, you can use the data in your e-auctions to evaluate complex scenarios.

## Benefits:

**Cost savings:** Drive price compression through competitive supplier interaction.

**Transparency:** Real-time visibility into supplier bids fosters trust and integrity.

**Efficiency:** Simplifies complex negotiations, reducing the time and resources needed for traditional bidding processes.

## 2. Dutch Auctions

A Dutch Auction is a dynamic auction format that can operate in forward or reverse format. In a reverse Dutch Auction, the price starts low and gradually increases until a bidder accepts the current price. In a forward Dutch Auction, the price starts high and decreases over time. In a reverse Dutch Auction, the price starts low and gradually increases until a bidder accepts the current price, concluding the auction for that particular bid.



## Key features:

**Single-item vs. multi-Item capability:** Dutch Auctions can handle both single-item and multi-item scenarios. In multi-item auctions, bidding continues until all remaining units are sold, with bidders able to win portions of the total available volume.

**Price change dynamics:** Choose between fixed or percentage-based price changes at predetermined intervals.

**Instant win mechanism:** The first bidder to accept the current price wins the lot, or the volume they request, ensuring a quick and decisive outcome.

**Flexible award criteria:** Depending on eAuction performance, decide between a single-winner or a split award based on auction performance, particularly in multi-item auctions where volumes can be divided among multiple bidders.

## Benefits:

**Strategic timing:** Allows suppliers to time their bids strategically, creating a game-theory environment that can lead to more advantageous outcomes.

**Speed and simplicity:** Particularly effective for high-demand lots or time-sensitive procurements.

**Control over pricing:** Enables procurement teams to set the pace and direction of the bidding process, ensuring alignment with organizational goals.

## Use case:

Ideal for high-demand items or services, or when time is of the essence, and immediate decisions are required.

A Dutch Auction is powerful in categories where the buyer knows the market and knows what the market offers. By leveraging our [Xeneta integration](#), we've seen category managers using benchmarks to define starting price and range in their eAuctions, pushing bidders to offer rates that we know are realistic and are in accordance with what the market can offer.

## Why choose Keelvar for your eAuctions?

Keelvar's platform is more than just a bidding tool; it's a comprehensive solution that optimizes your entire sourcing process, from start to finish. One of the key advantages is the ability to seamlessly transition from running an RFP directly into a live eAuction.

This unique capability allows procurement professionals to fine-tune their sourcing events, ensuring maximum competition and deeper savings.

### Keelvar recommends:

Dutch Auctions conclude faster than English Auctions but have a wider variance in closing prices. When teams are more time-sensitive than price-sensitive, use Dutch. Otherwise, use English.

- **Drive more savings:** After conducting an initial RFP or RFQ, take the most competitive items to auction. By allowing bidders to battle it out in a live, dynamic environment, you can push prices even lower, maximizing cost savings.
- **Enhanced competition:** Keelvar's eAuctions foster an environment of real-time competition, where suppliers are motivated to offer their best prices to win. This heightened competition often results in more favorable terms and better outcomes for your organization.
- **User-friendly interface:** Keelvar's easy-to-navigate platform ensures a seamless experience for both buyers and suppliers. The Auction Control Dashboard provides real-time visibility and control over auction events, allowing you to monitor bid activity, make adjustments, and ensure everything runs smoothly.
- **Robust analytics:** Gain actionable insights from your eAuction events with detailed reports and analysis. The platform's analytics tools help you understand bid patterns, supplier behavior, and overall auction performance, enabling more informed decisions.
- **Flexible event configuration:** Customize your auction settings to suit the specific needs of your procurement projects. With the Auction Control Dashboard, you have the flexibility to manage and modify your auction events on the fly, ensuring they align with your strategic objectives.

## Maximize value and efficiency with Keelvar

With Keelvar's Sourcing Optimizer, eAuctions become a powerful tool within your procurement strategy, delivering measurable value, fostering competitive bidding, driving pricing compression, and simplifying complex sourcing challenges.

Leading companies like Coca-Cola leverage Keelvar to enhance their overall sourcing efforts, whether through RFQs, RFPs, or auctions. Whether you're driving down costs in an English Auction or securing the best deal through a Dutch Auction, Keelvar equips you with the tools and flexibility needed to succeed.