



G-Lab 2017 Bogotá, Colombia

Introducing IntelCost

A fast-rising company in the **e-procurement** space, IntelCost facilitates **B2B transactions** (both products and services) with its cloud-based platform.

IntelCost's **clients are primarily large industrial companies** that source from a wide range of international suppliers. Through its **software as a service**, IntelCost acts as a "savings factory" for these clients by facilitating competitive bidding processes and reverse auctions. The platform also leads to **more efficient and transparent supply chains** for its users.

Signing on additional buyers drives the growth of the buyer-supplier ecosystem, and this is where IntelCost has focused its attention. Now, IntelCost is **looking at the supplier side** of the transaction as a source of additional revenue.

Research Questions

IntelCost Overview

- How is the company's overall performance in the market?
- What do clients like?
- Where are the pain points?
- How can we minimize shock to a well-functioning system?

Buyers

- How many buyers are on the platform?
- How quickly are they adding new buyers?
- In which industries do the buyers transact?
- What is the transaction volume of buyers individually and as a whole?
- What motivates buyers to join IntelCost?

Suppliers

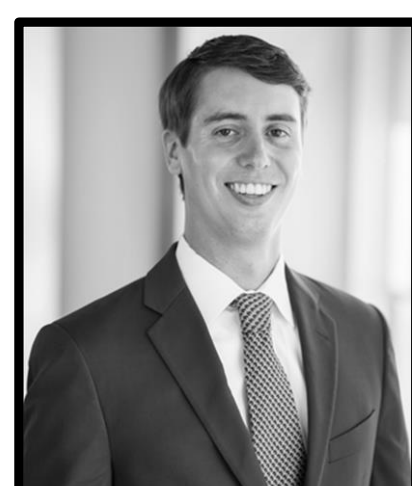
- How many suppliers are registered?
- How many suppliers have transacted?
- Why do only 25% of suppliers transact?
- How are suppliers charged for the value they receive?
- What is the distribution of transaction volume across the supplier base?

Competitive Landscape

- Who are the major international players?
- What other Colombian companies are in e-procurement?
- What are the differences in core competencies and value proposition?
- What lessons can be learned from competitor strengths?
- What other pricing architectures exist in the market?

Colombian Macroeconomics

- What can we learn about business culture in Colombia?
- How are current politics impacting the economy, IntelCost, and its customers?
- What are the likely impacts of an economic recession?
- What Colombian business norms and attitudes are vital for us to understand?

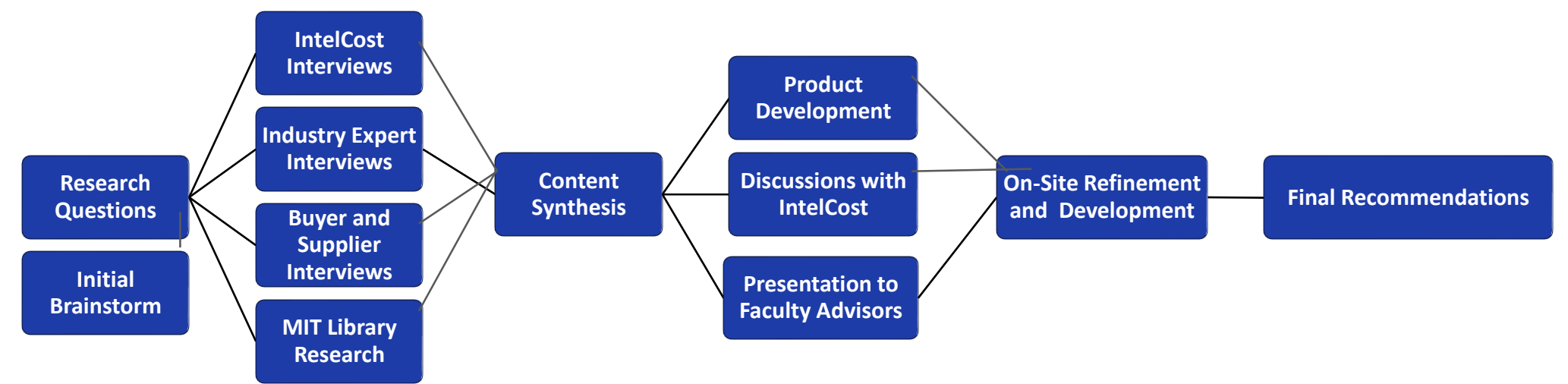


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Project Goal

Identify potential products or services that allow IntelCost to extract additional value from suppliers

Methodology



Research

Primary

- Owner and Employee Interviews
- Procurement Industry Expert Interviews
- IntelCost Customer Interviews

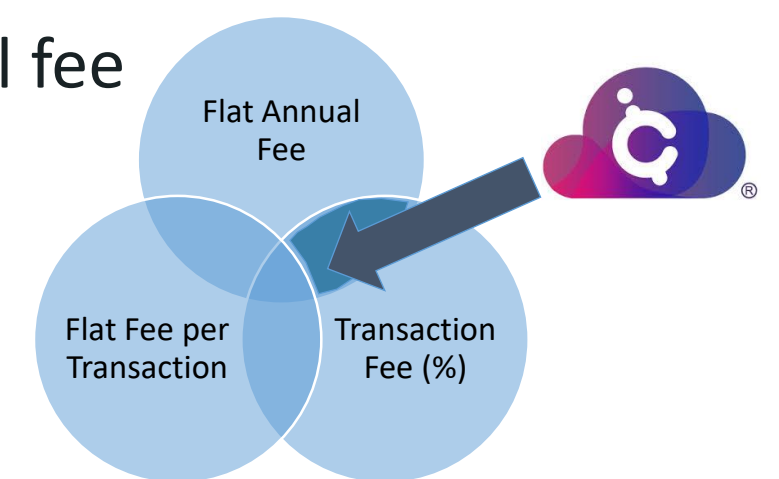
Secondary

- E-procurement Industry Reports
- Competitor Product Analysis
- Colombian Economy & Industry Reports

Recommendation

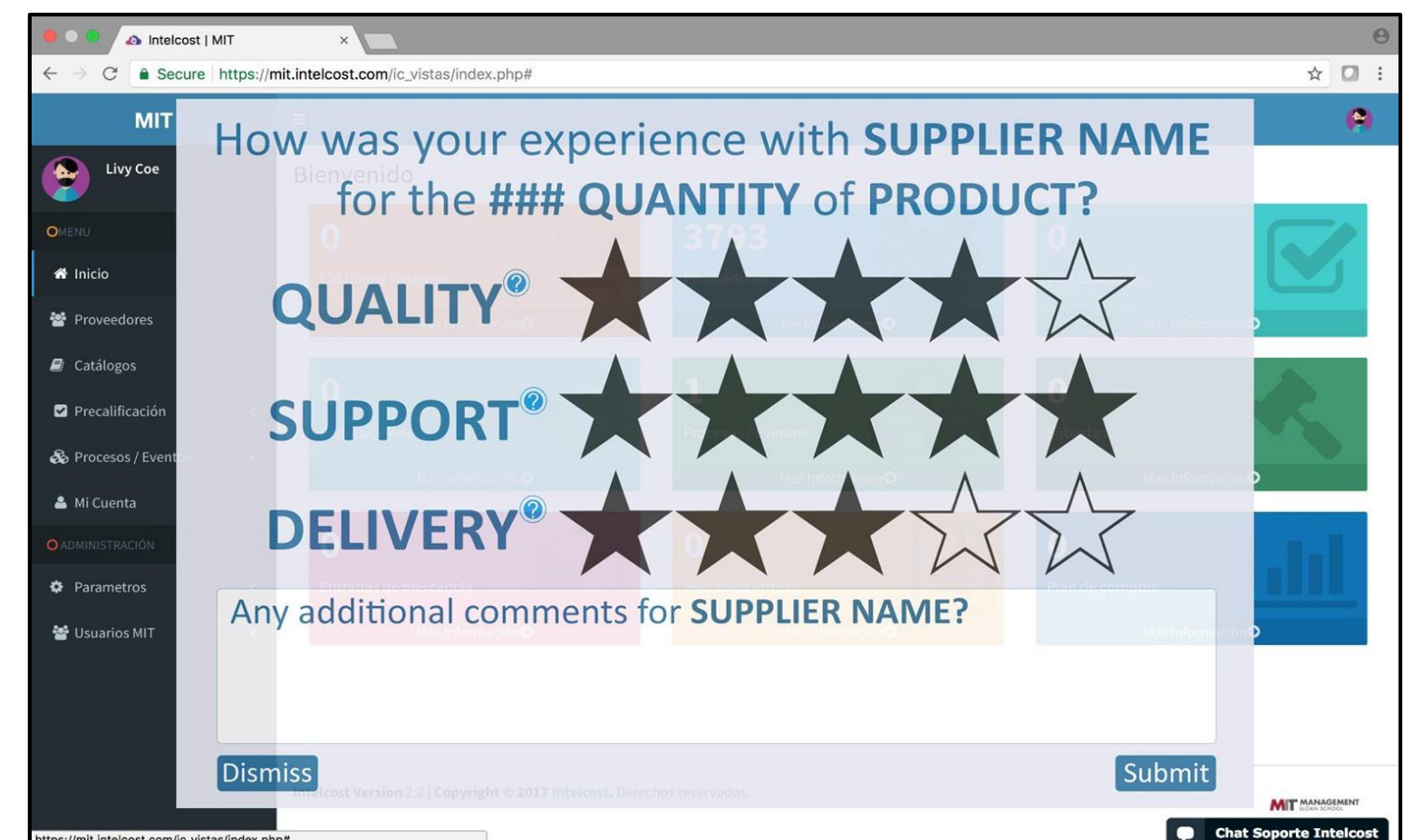
1 Update the fee structure for suppliers

- Slightly reduce or maintain flat annual fee
- Use commission-based pricing to extract revenue from suppliers' transaction volume



2 Develop a ratings system to track suppliers' performance

- Allow buyers to rate suppliers on quality, support, and delivery
- Create a "Top Supplier" certificate that will be awarded to those with high ratings



3 Generate market intelligence module using IntelCost transaction data

- Publish a real-time market ledger using non-sensitive details from IntelCost transactions
- Produce industry-specific reports for buyers and suppliers based on market data and sophisticated analytics

Date	SKU / GTIN	Item Name	Quantity	Budget
1/30/18	0000-0005	Drilling Equipment	5,000 units	\$37,240
1/28/18	0000-0002	Fuel compressors	350 units	\$60,000
1/28/18	0000-0038	Pipe coating	43,000 units	\$750,000
1/28/18	0000-0002	Pipe insulation	2,000 units	\$1,200,500
1/26/18	0000-0041	Tires	450 units	\$65,125
1/26/18	0000-0012	Plastic sealer	24,000 units	\$80,000
1/25/18	0000-0052	PVC Pipe	6,000 units	\$3,500,000
1/24/18	0000-0032	Drill bits	25,000 units	\$400,800
1/24/18	0000-0009	Pipe brackets	100,000 units	\$120,500
1/24/18	0000-0092	Fuel injectors	11,000 units	\$22,000
1/22/18	0000-0061	PVC Pipe	340 units	\$1,320
1/21/18	0000-0003	Drilling converters	65,000 units	\$900,000
1/21/18	0000-0011	Drain covers	50,000 units	\$502,500
1/21/18	0000-0006	Metal sheeting	2,100 units	\$62,750
1/21/18	0000-0061	PVC Pipe	50,000 units	\$540,340
1/19/18	0000-0002	Drilling Equipment	1,000 units	\$58,020
1/19/18	0000-0021	PVC Pipe	42,000 units	\$720,340