

Transform your procurement with services and software from FULLSTEP



Get ahead of the pack through optimized sourcing and procurement



The economy is perking up and you've survived! Now is the time to invest in procurement transformation – to improve processes and leverage solutions for efficiency, transparency and effectiveness. In order to significantly increase profits, companies can no longer rely solely on growth spurred by sales and marketing strategies.

As growth becomes harder and competition tougher, companies must increase focus on their costs in order to boost competitiveness and make their way ahead of the pack. Purchased goods and services represent the highest cost portion of most companies' bottom line. It is time to revise cost management models and apply all the technological advances that have been relegated from procurement up to now.

Pepe Valderrama
CEO and Founder, Fullstep

The FULLSTEP approach for procurement re-engineering projects

Discover how FULLSTEP's methodology and solutions will help you deliver cost savings to the bottom line by at least 10% in the first year. Discover how we help you to build a sourcing and procurement model that best fits your organization, and how we can adapt FULLSTEP's software to your needs.

Case study – Sourcing optimization at Ferrosier

Learn more about how FULLSTEP helped a multinational industrial services and facility management company create a shared procurement and sourcing organization. With FULLSTEP, the new group saved over \$5 million the first year of deployment and trained more than 600 stakeholders.

FULLSTEP Platform – your sourcing organization's backbone

The FULLSTEP Platform is a complete set of technology based solutions that guarantee the financial and organizational success of your procurement function. The FULLSTEP platform will also streamline internal and external communications to improve efficiency and reduce unnecessary tasks and effort.

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The FULLSTEP approach for sourcing optimization projects

Discover how FULLSTEP's methodology and solutions will help you deliver cost savings to the bottom line by at least 10% the first year. Discover how we define the sourcing and procurement model that best fits your organization, and how FULLSTEP's software is the perfect tool to adapt to your solution.

Developed by procurement professionals for procurement professionals The FULLSTEP Platform has been and is designed by buyers with deep understanding of the sourcing, procurement and quality management needs. The over 1000 professional buyers using the platform constantly drive our development schedules and plans

Flexibility and scalability Interfaces can be easily configured to maximize the simplicity needed to cover the users' needs. Requests, forms, comparison sheets, supplier panels, and reports can be easily configured by advanced users without the need of writing any code

FULLSTEP at your service FULLSTEP also offers a wide range of services to purchasing organizations, such as support to negotiation. Our consultants will team up with your buyers for a few months, in order to make sure they take full advantage of the capabilities of the platform, and get to a maximum level of comfort with the new sourcing process.

General methodology and model: the FULLSTEP approach

A common mistake, when implementing a sourcing optimization project – or any other business-process optimization project for that matter - is to address the selection of the software separately from business-process re-engineering.

Selecting a solution that is configured to the process model ensures an efficient implementation. The challenge is to focus on the design of a model that best fits the organization and then choose and implement systems that will adequately support the newly designed model. Our methodology was conceived to face that challenge.

FULLSTEP is a consulting company specialized in sourcing and procurement services and software. Our eSourcing solutions give procurement professionals and their suppliers the best-in-class tools to build productive and successful relationships. The quality of our consultants - experts in procurement operations and change management - ensures successful implementations, and very high customer satisfaction and success rates.

Any company that is looking at transforming their sourcing and procurement operations should be convinced of one fact: the best solution is a solution designed specifically to meet my needs; it has to be MY solution . That means that only a solution based on a model defined, adapted, and tailored specifically for your organization will be the best solution for your company.

FULLSTEP will help you define the model that best fits your company before implementing any technological solution. Sourcing Optimization Projects at FULLSTEP start with a thorough analysis phase where our consultants get to understand your organization and know your people, by meeting and interview your key company players. Teams are built and relationships established to make sure smooth cooperation and collaboration is achieved. We must get to know you and understand your needs; you must get to know us and understand our capabilities, and together, as a team, we should define the winning model.

Through interviews with stake-holders and analysis of existing figures and procedures, the team will draw the map of the existing procurement function.

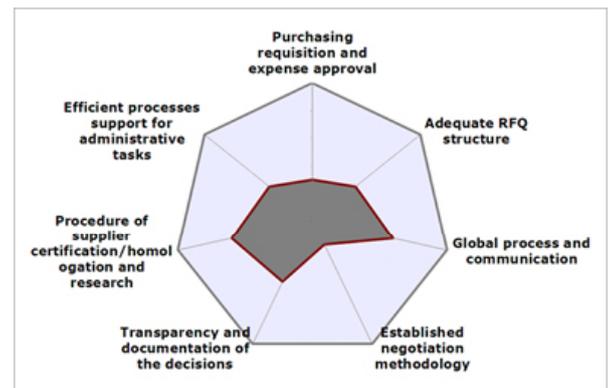
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General methodology and model: the FULLSTEP approach (cont.)

The goal will be to evaluate the critical characteristics of the sourcing and procurement function, comparing your company's current performance, against market best practices. Gaps will be identified, as well as strengths and weaknesses of the current operations, helping us draft a SWOT analysis to be used as a basis for discussion.

The analysis must cover from the position of the sourcing and procurement organization in the company, to the structure of the organization, resources and capabilities, as well as existing processes and all the related systems, IT sourcing and procurement tools already deployed and in use in the company.



In team discussions the identified and presented existing gaps between the current operations and best practices should be reviewed, discussed and challenged until consensus is reached; and participants of the joint team acknowledge the results of the analysis.

Once the areas with greatest improvement potential are identified, levers must be designed to shorten the existing gaps and improve operations. Again this must be the result of joint team effort, where all participants agree on priorities, plans, timings, targets, and expected results.

The analysis must cover the whole process: from need to payment; covering need definition; expense or investment approvals; RFPs and negotiation; the decision making process, as well as procurement, supply monitoring and tracking; finishing with acceptance of delivery; and transfer to administration for clearing and payment.

Special attention should be made to systems and IT coverage of the whole process; since control, efficiency, productivity and knowledge management will greatly depend on the quality and characteristics of the set of tools deployed.

The FULLSTEP Platform tools will be used to complement your existing IT infrastructure. If your company has tools deployed to handle some of the processes, and those tools are doing the task in an efficient way, they should not be removed or challenged, and only complimentary tools should be deployed, and integrated, to achieve a tight and efficient information management system to support your cost management function.

Putting all this into place can bring great benefits to the organizations, not only in savings - that can be estimated at around 10% when comparing a company before and after the deployment of an optimized sourcing and procurement model - but also in productivity, efficiency and most important of all, control and improved knowledge management.

The right model with the right tools will help you prepare you company for current challenges and those that lie ahead.

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FULLSTEP Platform – your sourcing organization's backbone



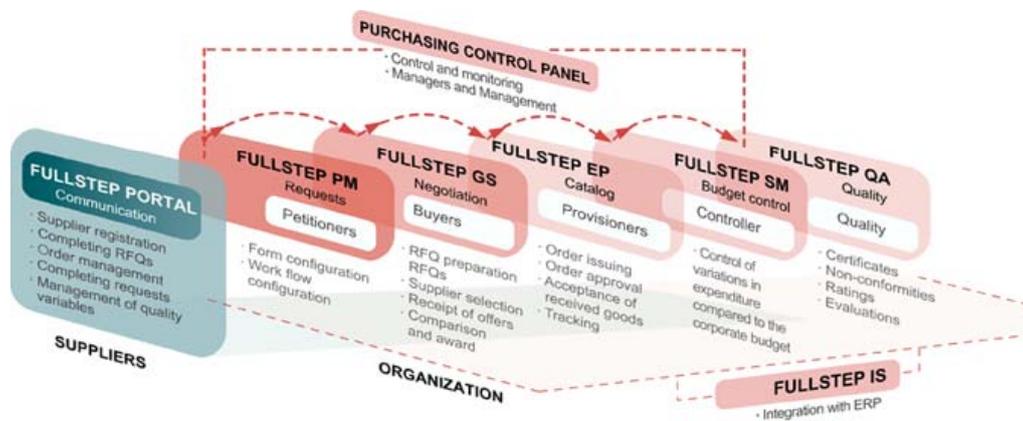
The FULLSTEP Platform is a complete set of technology based solutions that guarantee the financial and organizational success of your sourcing and procurement functions. The FULLSTEP platform will also streamline internal and external communications to improve efficiency and reduce unnecessary tasks.

Do you want to optimize your sourcing and procurement functions to increase their strategic impact on your company's performance?

We have the tool to achieve it: the FULLSTEP PLATFORM, a complete set of technology based solutions that guarantee the financial and organizational success of your procurement function. The Fullstep platform will also streamline internal and external communications to improve efficiency and reduce unnecessary tasks and effort.

The FULLSTEP Platform is the tool to empower your procurement function and optimize your sourcing and information management processes

The FULLSTEP platform is a set of modules and applications that support the complete scope of procurement functions: from the definition and approval of the need to purchase order management, from supplier evaluation to online negotiation, our modules flexibility ensures the efficiency of your sourcing and procurement processes.



The core of the platform is the GS module: **FULLSTEP Global Sourcing**. This is where the foundations of your sourcing model will be laid: organization, users, profiles, purchasing categories, workflows and more additional processes and functionalities can be configured around this basic layer.

FULLSTEP GS is also the module where the negotiation processes are set up and managed. Design RFQs and templates, define deadlines and rules for your suppliers, and then use the powerful Comparison Panel to make the optimum decision. Finally, generate your contracts from the negotiation panels, and manage them through your company's configured workflows.

FULLSTEP PM and **FULLSTEP QA** are built around a common principle: customizable forms flowing through customizable workflows which are integrated from one module to another.

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FULLSTEP Platform – your sourcing organization's backbone (cont.)

"The FULLSTEP Platform is the tool to empower your procurement function and optimize your sourcing and information management processes"

FULLSTEP PM allows you to configure any information flow, thus giving you the capability of digitalizing any business process. In procurement optimization projects, it is generally used to electronically handle purchasing requisitions approval, project management, as well as prototype and sample approvals.

FULLSTEP QA is the tool to handle Supplier Information Management and Supplier Performance Monitoring. On one side, it is a repository for all quality related documents from your vendors and suppliers, and on the other, it is a dashboard where you can evaluate and monitor your supplier's performance, based on the KPIs and service level agreements that you define.

FULLSTEP EP, or eProcurement, is the tool to handle the electronic release of purchase orders, from an internal electronic catalog. Based on their customized profiles, the users have access to a list of parts included in purchasing agreements or contracts with approved vendors. All characteristics are pre-loaded in the system (price, specifications, picture and more), as well as the pre-existing rules for electronic approval of the orders.

FULLSTEP PORTAL is the gateway for suppliers to all procurement activities of the organization. It is the repository of all communication between your organization and the suppliers, potential or actual. Through the Portal, suppliers can register, send bids, participate in reverse auction, share documentation, respond to non-conformities, take part in surveys, receive, accept or decline purchase orders, with several user profiles, and automatic notifications that help push every process.

FULLSTEP SM is the module for Spend Management: it is a set of parameters and functionalities that allows you to link all the procurement activities to your budget structures, and generate customized reports, following the indicators that make sense to your organization. The module can be complemented by a customized Control Panel that can integrate in the reports data from any other deployed company software.

In order to maximize the integration of the sourcing organization in the value chain, FULLSTEP developed **FULLSTEP IS**, or Integration Services. The FULLSTEP Platform can be integrated with the rest of your management software in order to streamline information, avoid double data entry and increase productivity and cooperation between areas.

Implementation efficiency: The flexibility of the FULLSTEP platform and the great configuration capabilities allow us to deploy the platform in record time and maintain continuous process improvement with further platform configuration

Suite Integration: The FULLSTEP Platform's workflow, sourcing, procurement, quality supply base management and spend management functions are completely integrated into a unique system

User friendliness: Interfaces can be easily configured to maximize the simplicity needed to cover the users needs. Requests, forms, comparison sheets, supplier panels, and reports can be easily configured by advanced users without the need of writing any code

Designed for Buyers: The FULLSTEP Platform has been and is designed by buyers with deep understanding of the sourcing, procurement and quality management needs. The over 1000 professional buyers using the platform constantly drive our development schedules and plans

Modularity and scalability: Every module of the platform can be used as a stand-alone feature, enabling a progressive implementation, tailored to your needs and your reality.



The modules of the FULLSTEP platform can be implemented as stand-alone solutions or integrated in packages as sophisticated as you would like them to be.

FULLSTEP consultants will help you to implement our tools, in fast and efficient projects with rapid implementation and hands-on user training.

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Case study – Sourcing optimization at Ferroser



Learn how more than 400 business units and over 600 users of Spain's leading Industrial Services and Facility Management Company have been integrated into an optimized sourcing and procurement model, supported by the FULLSTEP Platform, saving the group over \$5 million in the first year.



How FULLSTEP has helped Ferroser design and deploy an optimized sourcing and procurement model

Project Background

Ferroser, a subsidiary of Grupo Ferrovial, is a leading provider of industrial services for industrial facilities and buildings, maintenance and operation of roads and infrastructures, and facility management, through its three business divisions: Euroлимп, Ferroser and Ferroser Infraestructuras.

With an annual turnover around \$820 million, Ferroser operates in Spain and Portugal where it works with more than 5,000 suppliers on its 2,500 client contracts.

In 2008, and after the acquisition of Euroлимп, Ferroser's Board decided to consolidate management of its 3 business divisions (Ferroser, Euroлимп and Ferroser Infraestructuras), in order to deploy best practices corporation wide, since know-how and expertise was unevenly distributed in key areas such as sourcing or IT. As a result, it was decided to establish a streamlined corporate management structure in charge of all the company's operations.

One of the resulting corporate functions created was sourcing and procurement. The new Chief Procurement Officer had a complicated task in front of him.

On one side, due to the geographical and operational dispersion of the different management units, purchases were completely disaggregated, and no, or very few, advantages were being obtained from the new increased corporate purchasing volume.

Alternately, most processes were paper based, with authorizations based on written signatures on invoices by supervisors. The invoice and purchase management process was slow, burdensome and worst of all, at corporate level cost information would only arrive days or weeks after being incurred, when no room for action was left.

The new CPO joined forces with the CFO, and together, they decided to embark on a project to revise their procurement operations, in order to improve the efficiency and transform the operational processes.

The characteristics of the organization and the project made it essential to involve several areas of the company (Finance, Quality, Ferroser IT, Ferrovial Group Systems) in addition to the Sourcing area. The team performed a comprehensive analysis of all existing procurement tools in the organization, as well as alternative tools and vendors in the market.

ferroser	after 12 months
	21 trained & operational buyers
	187 negotiation processes closed
	30% of the purchasing volume negotiated
	\$5.8 million savings
	659 web-users for Purchase Orders
	10,800 requisitions handled
	5,850 Purchase Orders released

"After analyzing several alternatives, we thought FULLSTEP was the best choice, both for its powerful suite of products that could fully integrate with our existing systems and for the experience of its team in other sourcing and procurement optimization projects"

Miguel Prieto
CPO, Ferroser

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Case study – Sourcing optimization at Ferrosfer (cont)

With the involvement of the Systems Division of Grupo Ferrovial, FULLSTEP was contacted and selected to perform a thorough analysis and propose a deployment plan for the optimization of the Sourcing and Procurement Model at Ferrosfer.

Taking on the challenge

Together with Ferrosfer's management, FULLSTEP defined the scope of the Sourcing optimization project, through the analysis of the 4 following axes:

- **Organization:** Sourcing and procurement organization in Ferrosfer and the three business divisions, as well as in the geographical headquarters.
- **Process:** Sourcing and procurement processes in the business units, purchasing departments and accountings department at Ferrosfer. Duplications and inefficiencies were detected in the control of the process.
- **Systems:** With the help of the Department of Systems of Grupo Ferrovial, FULLSTEP conducted a thorough analysis of all sourcing tools existing in the organization as well as alternatives in the market.
- **Analysis of the purchasing scope:** A qualitative and quantitative analysis of all the purchasing categories and estimation of savings potential per purchasing category was conducted.

As a result of this analysis FULLSTEP identified significant potential for improvement both in the quantitative (savings) and the qualitative (efficiency) aspects of the project, and together with the Ferrosfer team defined the improvement levers to obtain the identified potential benefits.

The main improvement levers were:

- Strengthen and reorganize the corporate sourcing and procurement organization
- Unify and standardize the authorization, sourcing and procurement process across the organization
- Deploy standard IT systems that could correctly support the defined process
- Set a negotiation plan for the company's material and service supplies
- Full electronic management of the purchase order-invoice cycle

After the presentation of the analysis and improvements proposed by FULLSTEP, three technological solutions were considered and **Ferrosfer** selected FULLSTEP's solution, rewarding the FULLSTEP team's experience in sourcing processes, change management, and FULLSTEP's powerful platform, easy to integrate with **Ferrosfer's** current systems map.

Objectives of the project

- Standardize the processes and support systems for the sourcing and procurement function in the Group
- Complete traceability of the purchasing cycle, from the origin of orders to reception and payment
- Streamline the authorization process, with information received in real time at corporate level
- Optimize the control of payment to suppliers, reduce number of invoices and improve efficiency
- Improve documentation control for all subcontracts and agreements in the organization
- Obtain savings through improved purchasing conditions by adequately leveraging negotiation volume

Multiple challenges

Sourcing organization of the group

- Spend spread across too many suppliers
- Limited negotiation planning
- Lack of standard processes

System background

The technological solution would have to support more than 500 users, whose information would integrate with:

- ERP system for accounting management: SAP (MM/FI)
- Custom budgeting software
- Corporate management system for the organization structure

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Case study – Sourcing optimization at Ferroser (cont)

The deployment: The deployment project was named NOS (Negotiation + Optimization = Savings) Among the suggested improvements, the following stood out:

Implementation of the FULLSTEP Platform

Model organization and support was realized with the deployment of following modules of the FULLSTEP Platform.

In order to get the Corporate Sourcing Department started in the deployment of the new model and procedures, **we first implemented FULLSTEP (GS) Global Sourcing**. Based on the FULLSTEP GS structures, we implemented the new organization structure, users, profiles and purchasing categories. With this configured, the tool was deployed to support negotiations with suppliers, bid comparison and awarding decisions, decision meetings, and contract management. **The online communication channel with suppliers, FULLSTEP PORTAL, was implemented in parallel** and widely adopted by Ferroser's supply base (currently 3,000 registered suppliers, 90% of the current vendors under contract are in the system).



In parallel to the implementation of the Global Sourcing module (\$64 million were negotiated in the platform over the first 12 months of deployment, through 187 negotiation processes with savings of \$5.5 million), we expanded the scope of the implementation to Business Units and Managers outside of the Corporate Sourcing Department. **For the efficient management of catalogued and non-catalogued orders of common products on which all contract managers at Ferroser may make orders, we implemented FULLSTEP (eP) eProcurement**, ensuring the provision against suppliers and prices negotiated by the sourcing department.

In order to efficiently control and manage the approval process of expenses and investments, we implemented FULLSTEP (PM) Process Management, an online application that facilitates self-management of information for users and suppliers, saving time and costs for both parties.

Finally, the deployment was based on the Supply Base Management model, with both supplier information management procedures and supplier performance monitoring, based on the FULLSTEP (QA) Quality Assurance module.

All components have been implemented and adapted to the specific needs of the three lines of business (maintenance of infrastructure, facility management and cleaning) covered by Ferroser.

The platform is fully integrated with the other systems used by Ferroser:

- Modules MM & FI from SAP: For accounting, financial and payment processes
- Corporate systems of Grupo Ferrovial: For reporting and changes in the organization
- Other systems that were already deployed in some businesses

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Case study – Sourcing optimization at Ferroser (cont)

Success

Through a pragmatic and methodical approach, Ferroser's management succeeded to initiate a highly complex project, laying the foundations for a thorough re-engineering of their sourcing and procurement processes.

Thanks to the involvement of Ferroser's top management and the collaboration of its Sourcing professionals, FULLSTEP's team managed to design an efficient sourcing model that would not only get a "paper approval", but would also be widely adopted, through extensive software deployment and integration.

The initial phase of the model's deployment was completed in 9 months, to more than 400 business units, training over 600 users from different areas to the new model and sourcing platform.

After 12 months of implementation, the organization realized \$5.8 million in savings on the cost of purchases. The new sourcing model has been widely adopted, after 12 months in operation, 70% of the group's total spend is managed by the Corporate Sourcing Department.

The model is now being further optimized to keep improving efficiency; and capture savings and improvement potential not covered in the first phase.