

## BUSINESS PROBLEM

A start-up company with an innovative design for a relatively complex machine (4,000 parts in the bill-of-material) has to source all those parts through a purchasing department consisting of one engineer – who is only the buyer part-time.

## SOLUTION

After a number of years working for the leaders in the foam-in-place packaging market, Mike Jones, Chairman and CEO of IntelliPack, gathered some of the best minds in the industry and founded IntelliPack to develop and market the world's smartest alternatives in foam packaging. As a start-up, it was important to conserve cash, minimize expenses in every way possible, and for everyone to dig in and do as many jobs as they could handle. Thus it was that VP of Engineering George Bertram took on the procurement task.

"With 4,000 items on the bill of materials, it was a pretty daunting task," Bertram admits. "I started doing it the old fashioned way – sending out RFQs to companies I knew – but with no staff, it was just too much. There had to be a better way."

At about that time, one of the consulting engineers working with IntelliPack told Bertram about the MFG.com online marketplace. He investigated, and decided to give it a try. "At first I just started posting RFQs for some parts to see how it all worked. It was really easy to do. Then we started getting dozens of quotes – from shops that I would never have found on my own."

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through MFG.com."*

*-George Bertram  
VP of Engineering, IntelliPack*

Finding the marketplace very effective, as well as easy to do, Bertram started loading nearly all of his parts RFQs on MFG.com. "We needed a way for me as one part-time buyer to source all of those parts. MFG.com was the answer. As a start-up, we also needed good pricing. Once again, we found it on MFG.com. Without MFG.com, we may never have been able to establish a viable business. We needed efficiency and the pricing to succeed."

"The MFG.com marketplace is truly a revolution," Bertram says. It allows an understaffed purchasing department to reach hundreds of suppliers quickly and easily, and get truly competitive pricing through the open nature of the RFP and quoting process. "We source virtually 100% of our parts through MFG.com," Bertram says. "All of our fabricated parts including molded parts, machined parts, sheet metal fabrications, weldments, laser or waterjet cuts, thermoformed... Most everything gets posted on MFG.com." Bertram points out, however, that repeat orders are automatically offered to the incumbent supplier if at all possible.

Intellipack has established good relationships with a number of suppliers that they use over and

over. "We'll go with the incumbent, as long as they haven't jumped up the price," he says.

They use the rating system to pre-screen potential suppliers. "I won't do business with companies that don't have a good rating," he says. "I want to see at least 4 stars across the board. I know it's hard for some of the new members to build up the rating but we'll wait until they do before trusting them with our parts."

IntelliPack has found suppliers from all over –

### ABOUT INTELLIPACK

Tulsa, OK-based Intellipack is a leading supplier of foam-in-place packaging equipment, custom package engineering, and equipment integration into production lines, services and supplies.

almost all from the U.S. and Canada. "We have done a few buys from overseas, but just a few. We'd rather stay domestic if we can." IntelliPack has posted over 1,200 RFQs and successfully procured nearly all of their parts for all of the company's existence. It's safe to say that MFG.com is truly an essential part of IntelliPack's business.

### BENEFITS

- Easy to load RFQs and reach hundreds of qualified suppliers
- Highly efficient and effective procurement tool letting one part-time buyers do the work of an entire procurement department
- Competitive quotes deliver good pricing from reputable suppliers
- Supplier ratings effectively pre-screen potential suppliers