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?

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