



Users find IBX eSourcing intuitive and easy to use, which has helped us drive usage, increase savings and shorten sourcing cycles."

Daniel Timpe,
Linde Gas



eSourcing at Linde Gas – A Vision of Success

The usage of IBX

eSourcing at Linde Gas has boomed – going from 80 successfully completed auctions in 2013 to over 500 in 2014.

The Situation

Linde Gas identified the potential to increase savings and shorten sourcing process times by using e-auctions throughout their organization. The level of sourcing process maturity varied across different parts of the business, resulting in low performance in many regions around the globe. It was decided that a global rollout of e-auctions would improve the sourcing process and embed additional best practice processes.

Linde's new vision was one of all professional buyers using e-auctions as a standard tool for all categories wherever it is possible to create a supplier independent specification.

The Solution

In 2014 Linde established a center-led support concept (with 9 regional knowledge centers) to drive change management as well as the implementation of IBX eSourcing as the standard global online auction tool, covering several countries in all parts of the world. Driving change in a global and decentralized organization could be a challenge, but users find IBX eSourcing intuitive and easy to use, according to Daniel Timpe, Global Procurement E-Sourcing Specialist at Linde Gas. IBX eSourcing has been quickly embraced by users across the organization. Timpe recalls one professional buyer who performed an auction of components with a spend volume of about €2 million and managed to save 30% - directly after the initial training. According to Timpe, "This was a wake-up call for many of us about what was possible."

Online auctions are made simple with IBX eSourcing's real-time online competitive bidding, which is one reason that e-auctions have been used not only for strategic sourcing events, but also for more frequent spot buys. The largest category in 2014 for Linde was transportation services, and auctions were used in such different categories as cylinder maintenance, facility management, office equipment and safety gloves.

Linde has set targets for each region on the amount savings and number of auctions. Through the extensive reporting capabilities offered by IBX eSourcing, Linde has also been able to gain additional insight into the sourcing process across multiple regions and monitor their progress.

The Result

Time is satisfied with the results from the first year, which clearly show that online auctions deliver 100% higher savings when compared to traditional negotiations. Other benefits include process efficiency savings and a shorter lead time for tendering. The auction leads to a fast result, unlike traditional negotiations with multiple suppliers. This gives professional buyers more time to do detailed market analysis and set up proper commodity strategies.

Over the last year, usage of IBX eSourcing at Linde Gas has boomed – going from 80 successfully completed auctions in 2013 to over 500 in 2014. The high usage (with each user running on average more than one online auction per month) drives the success of the eSourcing solution by delivering increased savings and shorter sourcing cycles.



+12

online auctions
per user and year



100%

higher savings
per sourcing event

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The Linde Group is a world leading supplier of industrial, process and speciality gases and is one of the most profitable engineering companies. Linde products and services can be found in nearly every industry, in more than 100 countries. The strategy of The Linde Group is geared towards long-term, profitable growth and focuses on the expansion of its international business with forward-looking products and services. In the 2014 financial year, The Linde Group generated revenue of EUR 17.047 bn, making it the largest gases and engineering company in the world with approximately 65,500 employees.

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