SWAIN TECHS »

Need a leg up in procurement negotiations?
Your past contracts have stories to tell.

Swain Automated Category Management Solution (ACMS)

Public or private, federal, state or city, large or small – procurement teams everywhere have similar goals: Negotiate better prices. Understand key and total spend. Un-silo teams with similar needs. Reveal patterns of waste, duplicate spending, and overlapping purchases. Reduce risk throughout the procurement lifecycle. Simplify and streamline purchasing for all involved. Make life easier for my vendors.

There's a lot to solve. But as Swain Techs is currently proving, with effective category management – powered by AI, machine learning, and automation – it can be done.

Swain Techs' Automated Category Management Solution (ACMS) offers a scalable, data-driven approach to category management. The solution's proprietary algorithms review, identify, and categorize contract actions; calculate total spend for similar goods and services; and generate reports that reveal valuable data otherwise hidden within the pages of long, complex contract documents.

*Intelligent category management
+
knowledge of total spend*

Massive cost and efficiency savings over time

1. Ingest

Scan high volumes of documents, fast.
In a matter of just days or weeks, our solution scans millions of contractual documents of any file format to identify contract actions – a process that would take a team of analysts months or even years to complete.

2. Analyze

Intelligently identify contract actions.
Our solution leverages artificial intelligence (AI), machine learning (ML), and natural language understanding (NLU) to quantify and understand your organization's history of buying any product or service, along with up to 40 descriptive factors.

3. Categorize

Intuitively categorize purchases of all kinds.
ACMS uses cutting-edge inferential modeling techniques to identify factors that either influence (variables that affect price) or inform (variables that do not affect price) contract actions – offering deep insights into the actual cost of any category of product or service.

CURRENT STATE →	*Unreliable data on Total Spend*	*Duplicate Purchases*	*Siloed Teams*
WITH ACMS →	*Understand not only price but actual cost / total spend*	*Zero waste through knowledge*	*Buying as an Enterprise*

Significant Cost Savings	More **efficency**, less **waste**	Free **trapped technical capacity**
Smarter, streamlined, AI and ML-enabled category management lets agencies gain an advantage in negotiations with vendors, and stand to save significant budget.	ACMS can identify instances of unnecessary repeat purchases across siloed acquisition personnel, enabling the shift towards a shared enterprise operating model.	It would take a team of analysts 6-12 months to perform the contract scanning, analysis, and business intelligence functions that ACMS is able to deliver in a matter of just weeks.

Swain ACMS Case Study: ⟨ HHS *BUY* SMARTER

ACMS is helping to automate category management processes for one of the largest acquisition modernization initiatives in Federal government. Supporting BUYSMARTER, ACMS took a six-month-long, manual acquisition analysis process, automated it, and reduced the process to just weeks.

What is *BUY*SMARTER?

» Major HHS initiative leveraging AI and automation to enable smarter contracting
» Enabling HHS to realize collective purchasing power to consolidate contract vehicles
» Significant, increasing cost savings over time

Early successes of the *BUY*SMARTER Program

» Deal recently finalized to save HHS **more than $33M** over 5 years on software of same or greater functionality
» Discovery of wide cost variations:
    o $0.04 - $0.49 per surgical glove
    o 322% variance for Adobe Connect software
    o 129% variance for Registered Nurse services

Unexpected results of *BUY*SMARTER, per HHS

» Avoidance of redundant contracts
» Less time spent on administrative tasks
» More time available for mission work

Product / Service	High Price, '15-'19	Low Price, '15-'19	% Difference
Printer (Basic)	$119.99	$44.99	178%
Printer (Industrial)	$1,999.00	$849.00	235%
Cartridge (Color)	$21.99	$11.49	94%
Cartridge (B&W)	$14.50	$5.10	142%
Lab Technician	$129.00	$62.50	105%
RN Services	$92.00	$32.50	151%

Ink Cartridge (Color)	
LOW $/Cartridge	$11.49
LOW Spend	$22,489.92
% SAVINGS	42%
POTENTIAL SAVINGS	$10,029.59
TOTAL Cartridges	142
TOTAL Spend	$51,094.62
AVERAGE $/Cartridge	$13.88
RETAIL $/Cartridge (Amazon)	$12.05

This is a hypothetical example of the deep level of insight that ACMS can provide into the past contracting activity of a federal agency. ACMS understands everything there is to know about any product or service procured, and is able to reveal high spend, low spend, average spend, total spend, retail price, potential savings, and more.

Sources:
https://www.hhs.gov/sites/default/files/hhs-buysmarter-journey.pdf
https://youtu.be/WeZI8kuVFfk (minute 34)
https://youtu.be/ewQVx-Blxmg

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