



PROCUREMENT REDEFINED!

GAME THEORY IS A GAME CHANGER FOR PROCUREMENT



TWS OVERVIEW

- founded in 2001 in Munich
- more than 70 experts specialising in game theory and industrial economics
- over 2,200 successfully executed projects totalling in excess of 250 billion Euros
- our clients: international blue chip organisations

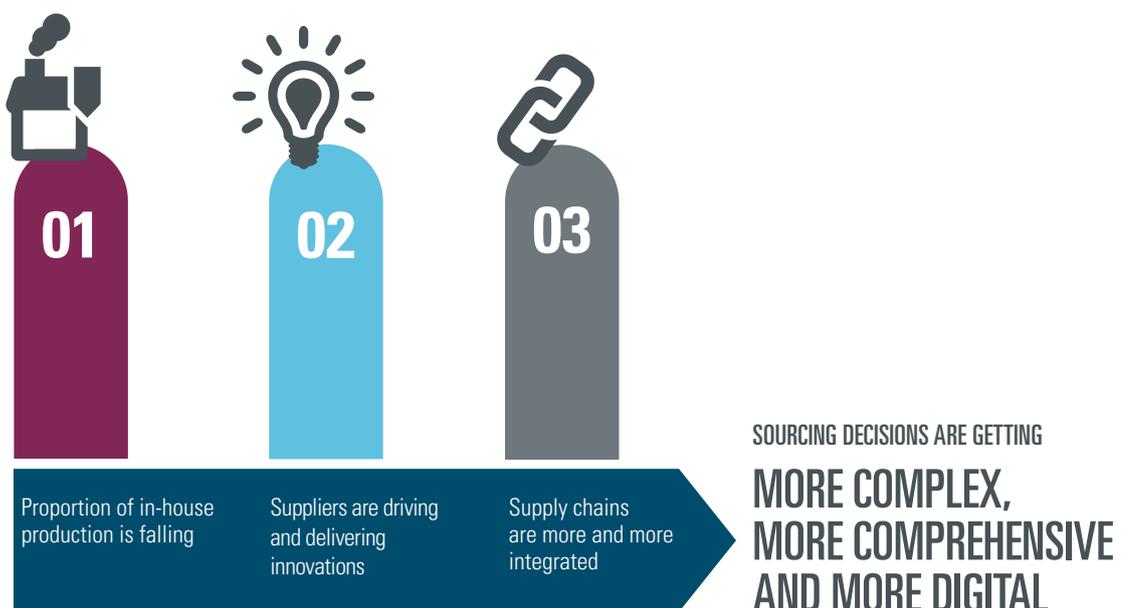
THE APPLICATION OF GAME THEORY IN BUSINESS

Our team of more than 70 consultants supports the implementation of game theory and industrial economic methods for blue chip companies. We have more than 2,200 tender projects totaling in excess of 250 billion Euros under our belt, so rest assured you're in good hands. Working with market leading organisations within the Automotive and Transportation, High-tech and Telco, Pharmaceutical, Chemicals and Consumer Goods industries, TWS Partners is the only company globally who are successfully using game theory to improve business performance.

THE WORLD IS DRAMATICALLY CHANGING

In today's global economy, in-house production within most industries is decreasing and in some instances constitutes less than 30%, leading to more complex and integrated supply chains. Organisations are increasingly reliant on their suppliers to provide them with solutions and innovations in most areas of the business, such as manufacturing, engineering and product creation.

Procurement can have a substantial impact on driving company value as the procured goods and services define two thirds or even more of a company's costs. It is therefore imperative that Procurement has a more strategic and entrepreneurial mindset to ensure that the business remains cost competitive, innovates, generates substantial value, builds effective supplier relationships and ultimately strengthens the company's competitive advantage.



SO, HOW CAN THIS BE ACHIEVED?

The conventional approach would rely on completely restructuring the organisation with off-the-shelf measures, aiming to maximise final cost savings. Whilst this can be effective, the restructure can be disruptive to the culture of an organisation and less sustainable than a bespoke solution. In order to maximise the true potential of the Procurement function, a different approach and a change in perspective is needed.

A sustainably successful Procurement organisation must be seen and regarded as agile and entrepreneurial. Game theory can be a game changer to achieve this. It is a scientific tool to analyse interactions between decision-makers in complex situations. Game theory can therefore be used to deliberately shape and influence the outcome of interactions, such as negotiations, between multiple parties to the advantage of one of the involved 'players'.

“If you want to build a ship, don’t drum up the men to gather wood, divide the work and give orders. Instead, teach them to yearn for the vast and endless sea” Antoine de Saint-Exupéry

UNIQUE APPROACH

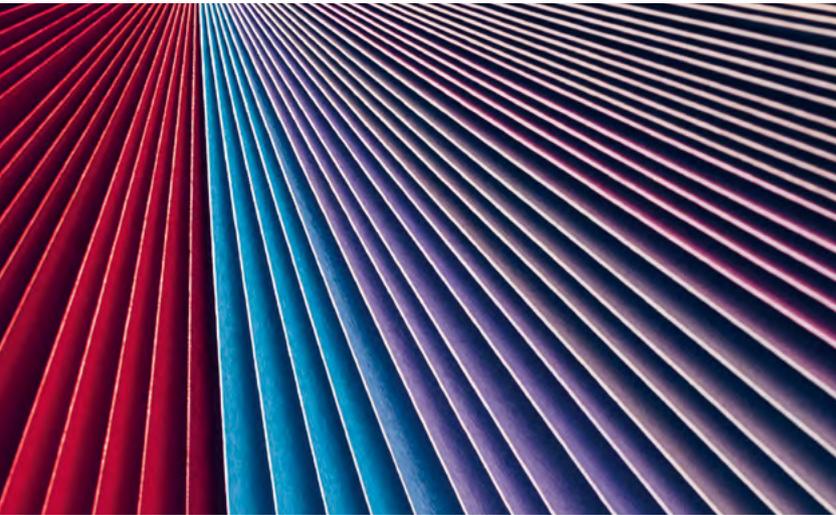
TWS Partners’ approach utilises a unique methodology derived from Nobel Prize winning research in the areas of game theory, industrial economics and contract theory. As specialists in large, complex sourcing projects and negotiations, TWS Partners team up with a company to trans-

form Procurement and cross-functional collaboration on different levels, thereby improving bottom-line results and positioning Procurement as a value-driving factor throughout the organisation.

Game theory helps Procurement at every development step



REVOLUTIONARY BENEFITS



This innovative approach of applying game theoretical thinking to all aspects of Procurement has a big impact – both in terms of results and with regards to the perception of the Procurement function within an organisation.

In projects, TWS Partners systematically beats existing benchmarks and drives substantial bottom line results. Yes, there is an immediate return on investment and direct impact on a company's P&L, but this approach also ensures that commitment and the key principles are embedded into all sourcing projects ensuring a sustainable development of the organisation and a systematic upskilling of the Procurement team.

It enables Procurement to evolve into a real value driver, impacting on business success and leaving behind its traditional singular focus on cost. This greatly increases the trust placed in Procurement's capabilities, which in turn allows them to substantially shape future strategies and make the change from being reactive to proactive. Procurement can now anticipate and address any roadblocks for competition much earlier in the process and help to shape future markets.

Applying the methodology and embedding the principles throughout a business transforms Procurement from being a service provider to a facilitator of complex cross-functional sourcing initiatives. It empowers organisations and develops them step by step to explore their full potential.

Some of the most advanced organisations who have adopted TWS Partners' methodology, have embedded the key principles into their business processes with the help of TWS Partners. This has allowed them to address each single sourcing activity and reap considerable benefits, driving value across the whole business.

A transformation supported by TWS Partners also ensures a systematic upskilling and training of professionals working in Procurement allowing them to engage on a completely new level with their cross-functional partners and suppliers.

TWS AGILITY CHECK — THE ANALYSIS TOOL WHICH ADDS VALUE TO YOUR PROCUREMENT

DISCOVER THE POTENTIAL AND SEE IMMEDIATE ROI

To start revolutionising your own business, TWS Partners has developed the TWS Agility Check. The TWS Agility Check is a practical and scientific analysis tool comprising two main parts that can be tailored to your needs. The Agility Check not only looks at your Procurement department in isolation and from one perspective but rather involves all relevant internal stakeholders, business partners and management, depending on your given industry.

The Agility Check is tailor made to your bespoke needs and comprises two elements to assess your company's performance. The Agility Benchmark examines your company against other agile organisations to unearth true potential and, through Agility Pilots, it assesses your current performance on a small number of current supplier negotiations, quickly identifying areas for improvement, resulting in immediate improvements to your company's performance.

The findings from the Agility Check provide a roadmap of how to unlock short, mid and long-term potential and provide a blueprint for process improvements which can be a key driver for a future agile Procurement team.

1) Agility Benchmark

Tailormade to your bespoke needs, this tool examines your company against other agile organisations to unearth true potential. Through workshops, it assesses your current performance quickly identifying areas for improvement. The deliverable is a 360 degree analysis of your procurement function with clearly derived recommendations.

1) Agility Pilots

We run selected pilot projects together with your teams so that we can get involved in order to understand your organisation and your cross-functional collaboration skills in a "live" environment. This gives you a reality check with direct added value, given that our projects generate ROI right from the start. Finally, this is the basis for the development of the master plan to sustainably raise the value extracted from your Procurement department.

AGILITY CHECK BY TWS

- is a robust and cross-functional analysis tool
- is a starting point for change
- helps generate results from the outset
- offers a new perspective on the capabilities and potential of your organisation
- is a scalable roadmap
- is a safe investment

MORE INFORMATION

In our whitepaper we identify the possibilities for Procurement departments to leverage insights from Nobel Prize winning research in the fields of game theory and industrial economics in order to become a sustainable value driver within organisations. The approach is illustrated by real life examples of its application.

Download here:
<http://www.tws-partners.com/en/whitepaper1.html>

