How to handle auctions?

Supplier manual



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1 About this Manual

This manual contains the description of performing an auction.

The customer can invite you to different types of auctions:

- Dutch Auction
- First Price Sealed Bid
- English Dynamic Auction / Rank Auction
- Japanese Auction
- Rank Auction
- Traffic Light Auction

1.1 Intended Audience

This manual is intended for suppliers who have a working knowledge of SupplyOn.

1.2 Typographical and Graphical Conventions

The following typographical conventions are used throughout the manual:

Example	Meaning
command	Text, which are you required to type at a command line, is identified by Courier font.
Screen text	Text, which is visible in the user interface, is bold .
Reference	Reference material is in italics.
Parameter	A command parameter or a method name is identified by Courier font.

The graphical convention is used throughout the manual:

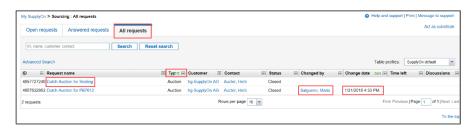


Figure: Red borders are used to indicate special areas

Red borders indicate special areas on the screenshot. They are *not* part of the user interface.



1.3 Abbreviations

Abbreviation	Meaning
FPSB	First price Sealed Bid
RFQ	Request for Quotation



2 Overview

Auctions are used by customer purchasing departments. There are two scenarios:

- Create a bid via SupplyOn Sourcing (RFQ) and then attend an auction
- Attend auction and after rewarding by customer create bid in SupplyOn Sourcing (e.g. confirmed price step in a Dutch auction and then submit your binding bid)

2.1 Accessing Auctions in SupplyOn

You can use the SupplyOn **Sourcing** module to participate in an auction.

NOTE: You need the role **Seller**, to be able to attend the auction. If you do not have the appropriate role, you must request it from your user administrator.

To access and participate in an auction:

- 1. Log on to SupplyOn.
- 2. On the main menu, point to SupplyOn Services, and then click on Sourcing.

The **Open requests** page is then displayed. In case the screen is empty, the auction is not published yet.

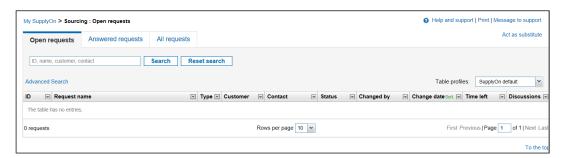


Figure: Open requests

As soon as the auction is published it looks like this. The column **Time left** shows the time until activation.



Figure: Open requests with auction



3. Open the Auction with a click on the Request name



Figure: Open requests with type Auction

When you enter the app for the first time a Guided tour is started automatically.

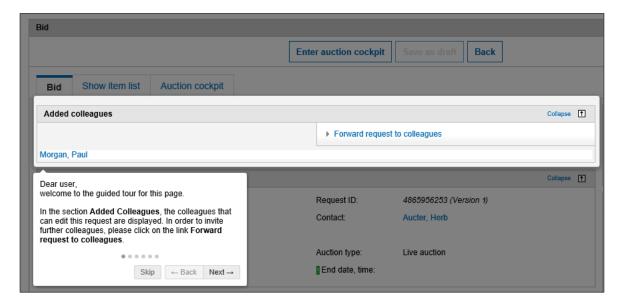


Figure: Guided tour

You either watch or skip it. You can start it again at any time with a click on Start guided tour.



Figure: Start guided tour



4. You can forward this auction to a colleague with a click here:

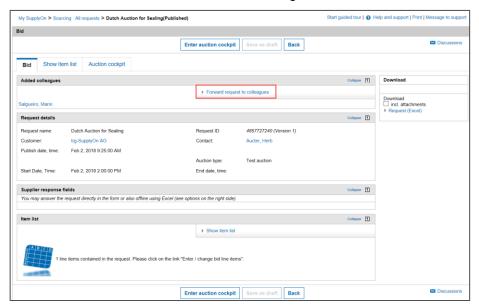


Figure: Forward request to colleagues

NOTE: Your colleagues will then be able to access this auction and to submit a bid.

You can enter the **Item list** to check the inputs from your customer.

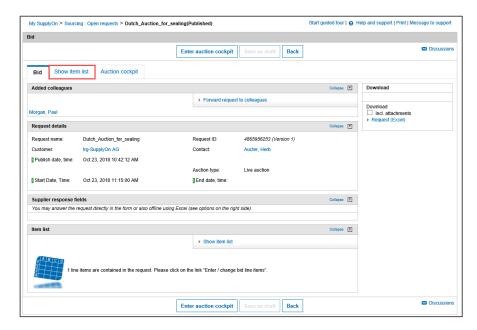


Figure: Show item list



All mandatory fields are already prefilled by your customer. In the auction process you are going to fill in the red marked fields.

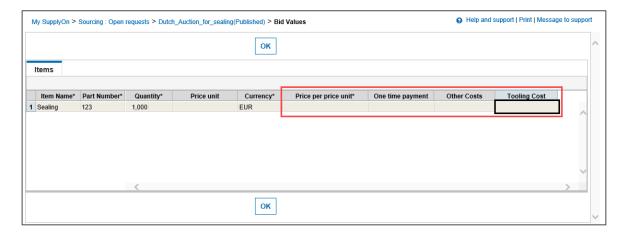


Figure: Line items

5. You can enter the auction either by clicking Enter auction cockpit or Auction cockpit.

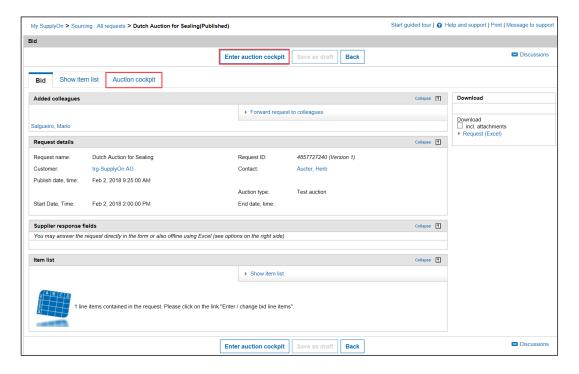


Figure: Auction / Bid

NOTE: Furthermore, you have the option to download the auction as Excel file. (see Download field on the right)



2.2 Structure of an auction

The Auction Overview is presented on one page:

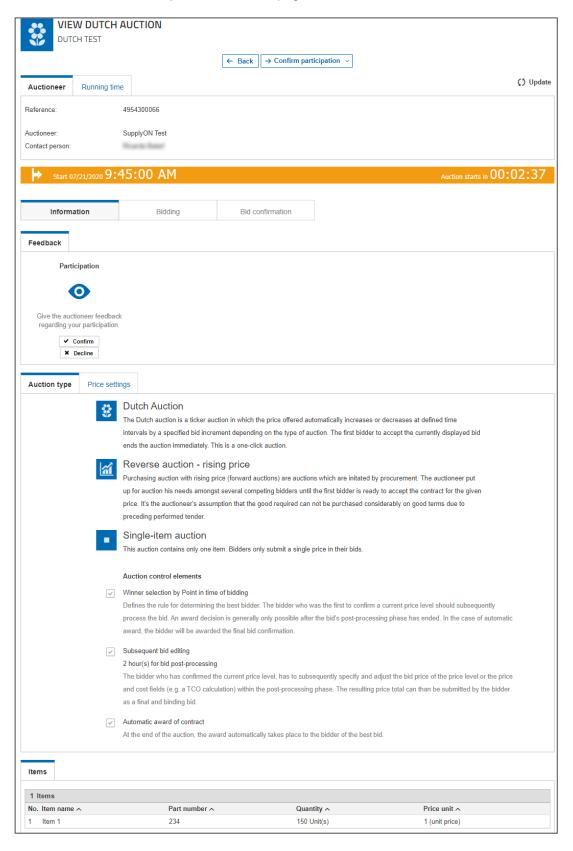


Figure: Auction cockpit (Dutch auction)



In the Header of the auction you always see the type of the auction, the **reference**, the **Auctioneer**, the **Contact person** and on the second tab the **Running time**.

The actual Start and the countdown are displayed here. The banner is orange for published, green for active and red for closed auctions.

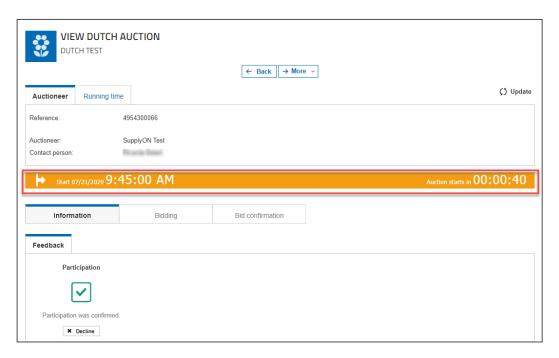


Figure: Start and countdown of the auction

NOTE: When you work in a different time zone than your customer, you will see an additional note in the auction banner. The Start date and time starts blinking two minutes before the countdown ends.

The Running time shows the date and time of Publication and the Start of auction.

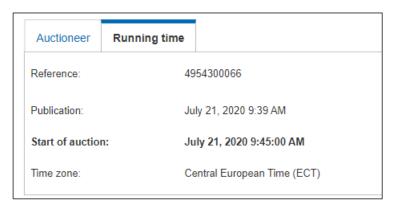


Figure: Running time

In the **Information** tab you can read all the auction settings including **Auction type**, **price settings** and **Items**.

The tabs **Bidding** and **Bid** confirmation do not look exactly the same for every auction type. The differences will be explained in capital 3.2.



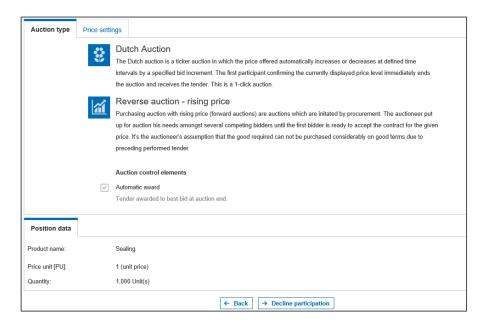


Figure: Auction type

In the tab **Price settings**, you can find further details. In this example you see the **Start price**, **Price level** and **Step duration** for the Dutch auction.



Figure: Price settings

In the tab **Position data**, you find the customer's details about the bidding positions. This can vary for every auction.



Figure: Position data



2.3 Confirm/ Decline Participation

After you read all the settings you can confirm your participation with a click in **Confirm participation** or tick **Confirm**. It is recommended to confirm your participation to avoid automatic reminder e-mails.

Or you can decline your participation with a click on **Decline participation** or tick **Decline**.

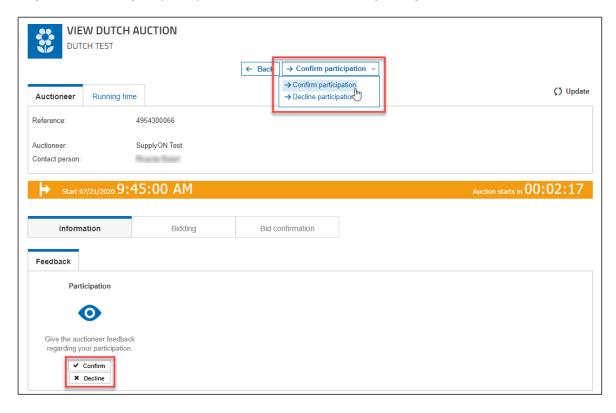


Figure: Confirm/ Decline participation

NOTE: When you decline your participation, the auction process has ended for you.

Further details to attend an auction can be found in the next chapters.



2.4 To access an already closed auction:

- If you want to view an already closed auction again, open Sourcing and click on All requests.
- 2. Set the Filter in the column Type to Auction



Figure: All requests

3. Open the auction with a click on the Request Name



Figure: All requests

4. Click on Enter auction cockpit or Auction cockpit

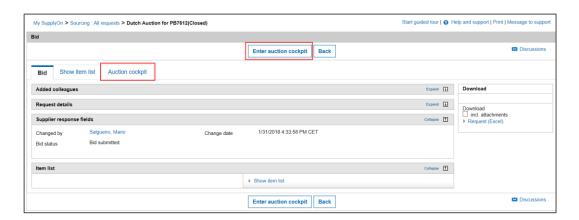


Figure: Auction cockpit



Depending on the auction type the content may differ to the displayed.

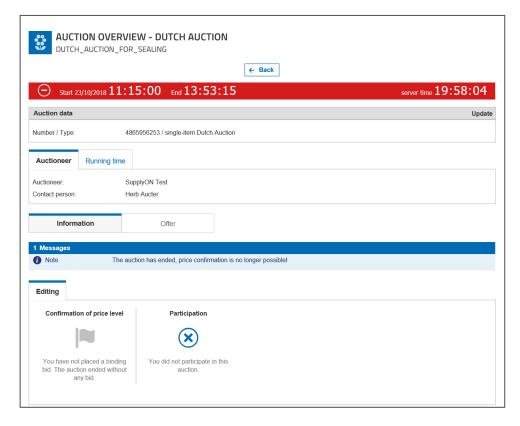


Figure: closed Auction

NOTE: A closed auction is marked by a red banner.



3 Participation in Auctions

3.1 Participation in Auctions (general)

This chapter explains the general structure for all types of auction.

The customer can invite you first to a Test auction. You can identify it in the Subject of the invitation E-Mail whether you are invited to a Test or a Live Auction.

NOTE: Test auctions are used to get familiar with the auction environment.

3.1.1 Confirm Participation

To bid in an auction:

1. Open the invitation E-Mail and click on one of the links to the auction

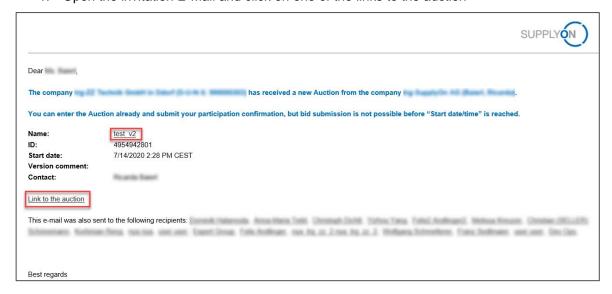


Figure: Invitation E-Mail

- 2. Log on to SupplyOn and you automatically will enter the auction
- 3. Then click on Enter auction cockpit or Auction cockpit and confirm your participation



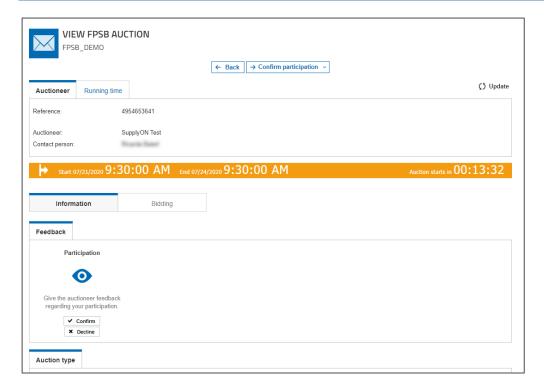


Figure: Auction cockpit

NOTE: You can also log on to SupplyOn, point to **SupplyOn Services**, then click on **Sourcing** and enter the auction by clicking on its **Request name**. (see capital 2.1)

3.1.2 Bid Preparation

When the auction is published and you confirmed your participation you can already prepare your bid one hour before the auction starts.

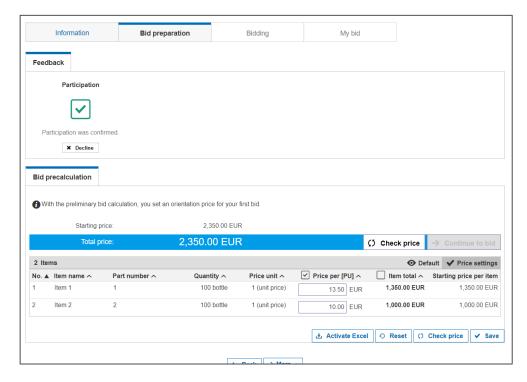


Figure: Bid precalculation



3.1.3 Bid Upload (Excel)

When you already confirmed your participation and want to easily bid on a few items, you can use the Excel bid upload. Click on **Activate Excel**.

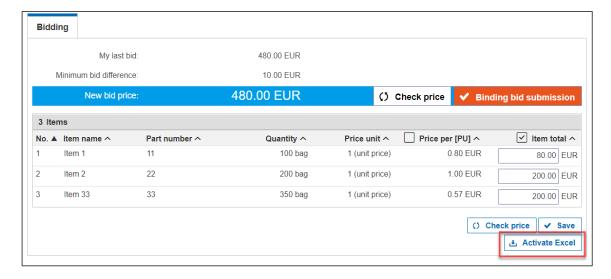


Figure: Excel download

When you click on **Start download** an Excel file is downloading. When you want to upload the already edited Excel sheet click on **Upload** and choose the belonging file.



Figure: Excel Upload

This is an example for the downloaded Excel file. This may look different for other auctions. Now you have to fill in all the mandatory fields.

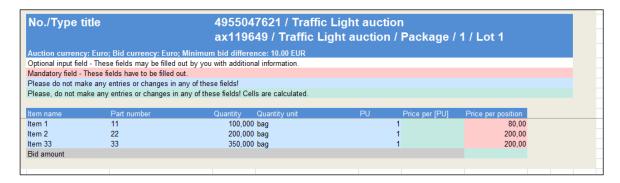


Figure: Excel Sheet

Afterwards you have to upload the file again. When the process has finished you see your bids in the auction screen. Now you have to submit your bid.



3.1.4 Awarding/ Declining notification

When the auction is closed you will be notified via e-mail about your awarding or declining of the auction. The notification depends on the auction settings.

This is an example for an awarding notification.

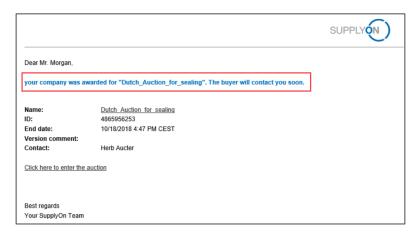


Figure: Awarded notification

The screenshot below shows a declining notification.

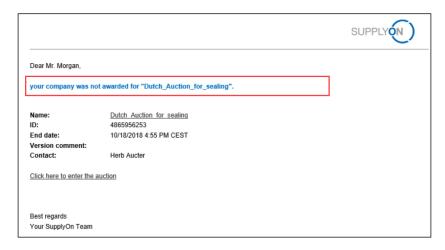


Figure: Declining notification

After the auction ended and the awarding took place, wait for further information from your customer.

3.2 Participation in Auctions (auction specific)

This chapter explains the different structure for all different types of auctions. In case of further questions regarding the auctions do not hesitate to contact the customer, who has invited you.



3.2.1 Dutch Auction

A Dutch auction is a one click auction. For a Dutch auction, the auctioneer defines a relatively low starting price. The price is increased in small increments until a bidder accepts the current bid. The longer a bidder waits, the higher the selling price gets, but the more risk that a competitor will preempt him and win the bid as it increases. If no tie-break option is activated, the first bidder accepting the current bid closes the auction for all participants.

The auction has started. Depending on your customers settings for this auction, the price steps and the remaining time to confirm the step are clearly displayed. Between each price step there is a 5 seconds 'quiet time' slot until the auction starts with the next price step. You can see actual bid amount and the time to confirm here.

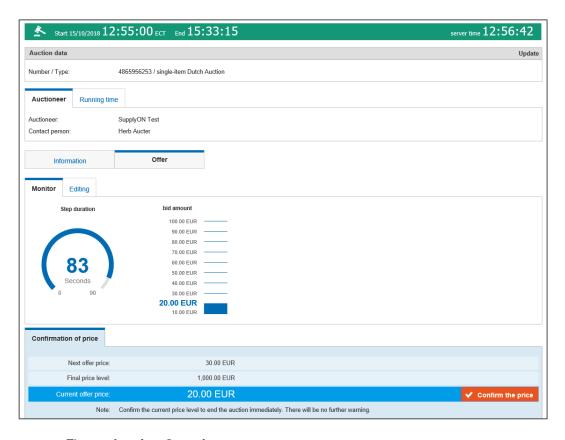


Figure: Auction Overview

NOTE: This screen may vary from auction to auction depending the auction settings your customer has defined.

Click Confirm the price when your price limit has been reached within the Step duration.



Figure: Confirmation of price

Your price confirmation is sent immediately.



a) The auction is closed automatically and if the customer has predefined this, you are automatically awarded.

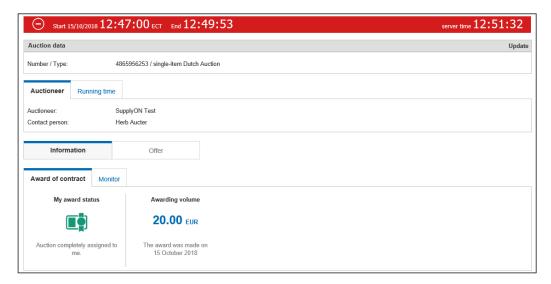


Figure: Awarding

b) If your customer has set the **Tie break** option, the auction does not stop immediately when the first confirmation of price is transmitted. The auction will run until the time of the step duration has expired and bidders have still the possibility to confirm the price step.

These bidders will then be in the **Tie break** and need to do a subsequent bid editing. After this the auction will be closed and if predefined, you been awarded automatically.

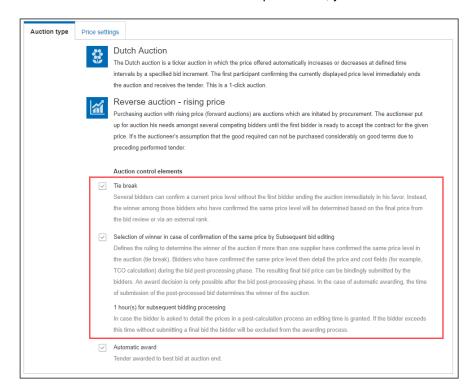


Figure: Auction type - Tie break setting

NOTE: The winner of the **Tie break** will be determined by the setting of the **Selection of winner** in case of confirmation of the same price.

This is how a tie break looks like. Here you have to confirm the price binding.



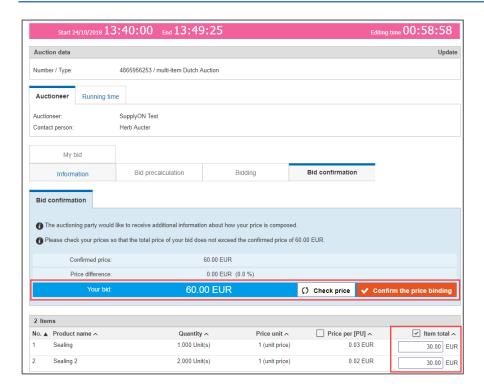


Figure: Tie break

3.2.2 First Price Sealed Bid Auction

The first price sealed bid is a common type of auction. It is also known as blind auction. In this auction, the bidders may submit only one concealed bid. The bids of the competing participants are not disclosed at any time by the system. The awarding to the best bidder can only take place upon completion of auction.

After the auction has started, enter your price and confirm with a click on **Binding bid submission.**

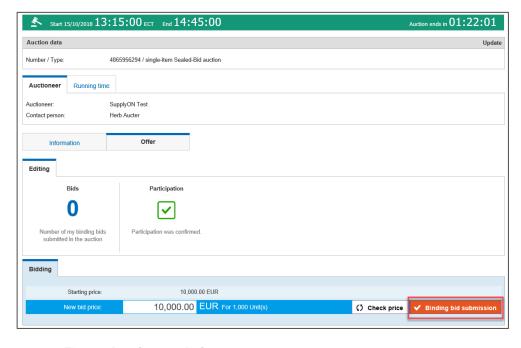


Figure: Auction cockpit



NOTE: You can click on Binding bid submission only once.

After the submission, the auction is closed for you and if the customer has predefined this, you are automatically awarded.

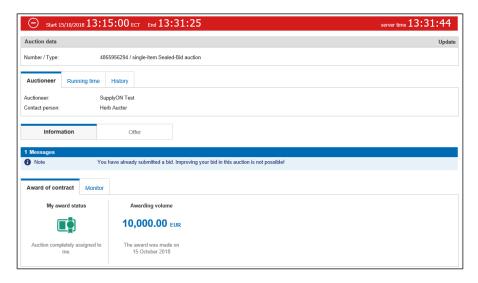


Figure: Auction awarding

NOTE: The Awarding depends on the settings.



3.2.3 English / Price Auction

Based on a starting price and depending on the auction setup for example, bidders have to reduce (purchase auction - falling price) or increase (sales auction - increasing price) the bid price. Bidders can submit bids multiple times based on their own last bid or the current best bid of a competitor. During the auction, all bidders receive anonymized information about their competitors' bids.

In the screenshot below you see an auction overview. The Chart shows you the bids of your competitors. The visibility of the bids and competitors depends on the settings.

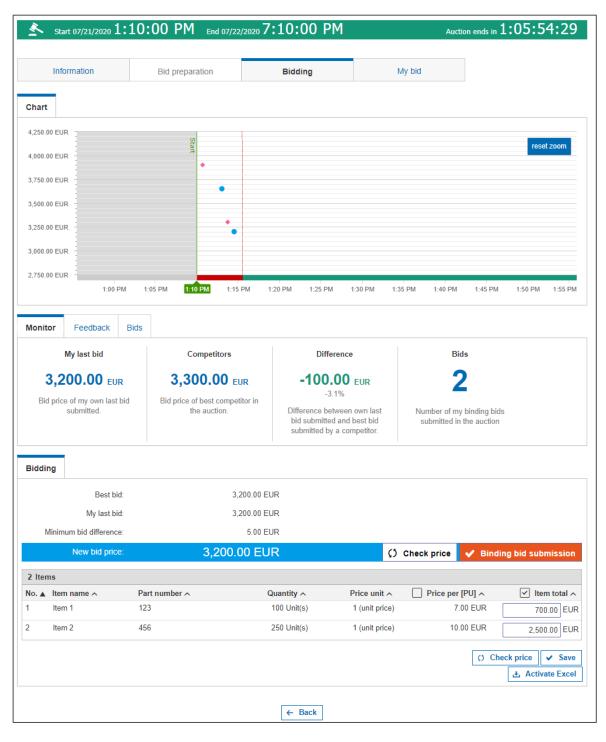


Figure: Auction Overview (English / Price)



When the auction is over, the bidder with the best bid will be awarded.

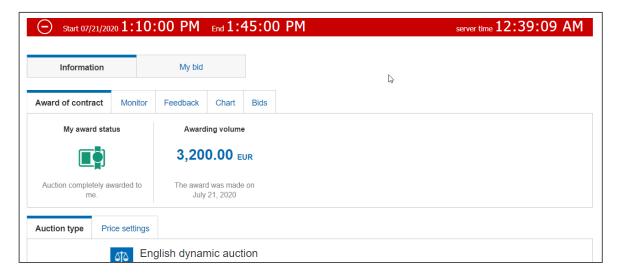


Figure: Auction Overview (closed)

3.2.4 Rank Auction

The ranking auction represents an intermediate stage between the price auction and the traffic light auction. Depending on the auction setup, the bidder must reduce (purchase auction - falling price) or increase his best bid (sales auction increasing price). After each bid, bidders are only shown their rank in relation to other bidders for positioning in the field of participants. Bidders receive no information about the current best competitive bid.

This is how an active Rank auction looks like. You see your rank, your last bid and the number of your bids.

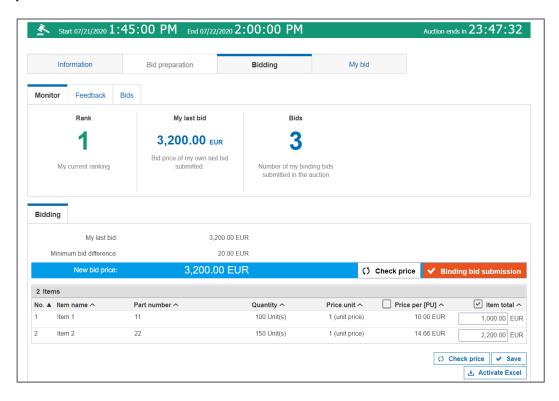


Figure: Auction Overview (active)



If the time is over, the bidder with the Rank 1 will be awarded.

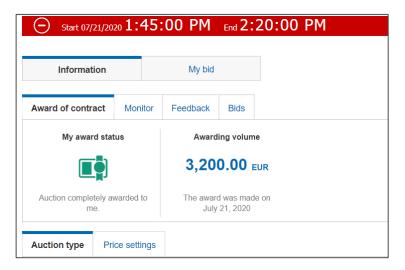


Figure: Auction Overview (closed)

3.2.5 Japanese Auction

The Japanese auction is a ticker auction, in which the offer price increases or decreases automatically in a defined time interval by a specified price step depending on the setting. Bidders should confirm each currently displayed price step with a click in order to qualify for the next price step. The bidders will not be informed who has already left or how many other competitors have remained. The last remaining bidder who confirms the currently displayed price step ends the auction immediately.

This is a screenshot of an active Japanese auction. The last confirmed price level and the time left to confirm the price level is displayed.

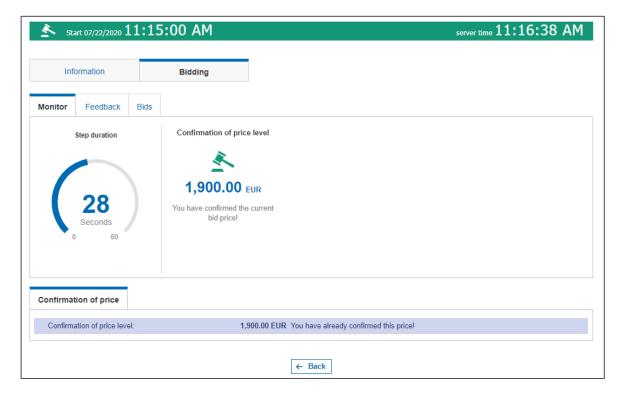


Figure: Auction Overview (active)



If you are the last bidder confirming the price, you will be awarded. This is how it should looks like.



Figure: Auction Overview (closed)

3.2.6 Traffic Light

Depending on the auction setup, the bidder must reduce (purchase auction - falling price) or increase his best bid (sales auction - increasing price). After each bid, bidders will be shown one of the three traffic light colors (red, yellow, green) for positioning in the participant field. With the auction setup, information on the neutral range and target price are mandatory, since they control the display of the corresponding traffic light color.

This is a screenshot of an active Traffic Light auction. You can do the bidding and see what your current status is. The color red means that you are not in the neutral area which was edited by the buyer. The yellow color symbolize that the price is in the neutral area. When the price is below/above the neutral area the green status displays. Only one bidder can see green at a time.

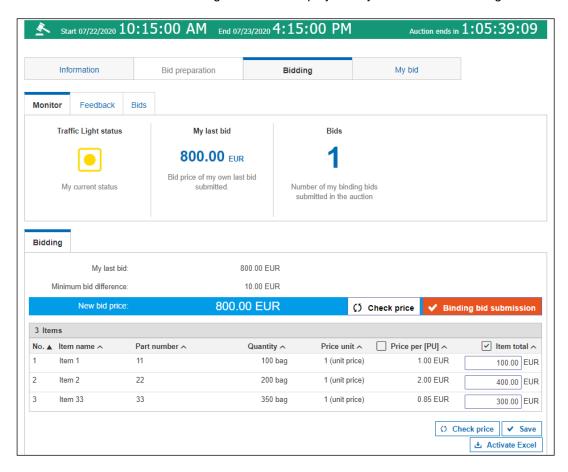


Figure: Auction Overview (active)



The Screenshot shows a closed traffic light auction. The bidder was awarded.

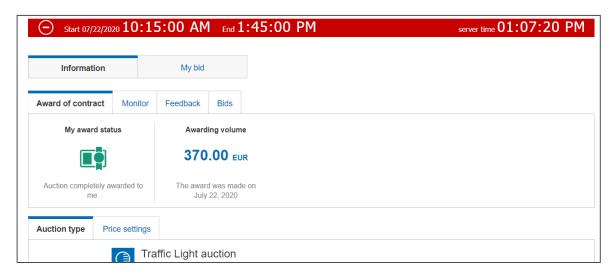


Figure: Auction Overview (closed)

GENERAL NOTE:

The layout and functionality of auctions is constantly evolving. On top of that available options, auction types etc. can be dependent on your company setup. Therefore there might be some differences in your specific layout and the described behavior in this document.

If you have any specific questions about auctions contact your internal auction expert or SupplyOn Consultant. In case of any technical issues or errors you can also contact the SupplyOn Customer Support.