

FirstEnergy



Online reverse auctions help companies obtain the best possible market prices while reducing procurement cycle time. Perfect Commerce auction customers report average per-event savings of approximately 18 percent with an ROI of 30 to 1.

FirstEnergy Achieves Impressive Savings with Chemicals Auction

Using an online reverse auction, FirstEnergy achieved savings ranging from 16 percent to 40 percent on three categories of chemicals used in company operations.

The Challenge

Recognizing the cost savings and efficiency gains possible through online auctions, the Supply Chain Department at FirstEnergy began actively investigating auction opportunities. Together with Pantellos Auction Services, now Perfect Commerce, sourcing specialists at FirstEnergy conducted external research and discussions with the business units to identify suitable commodities. The teams identified the chemicals category-including caustic soda, sulfuric acid and bleach-as a prime auction candidate.

The Solution

After researching the market and evaluating the quantity of chemicals required, FirstEnergy chose an online reverse auction to procure caustic soda, sulfuric acid and bleach. The Pantellos Auction Services team provided support throughout the process, initially conducting market analysis, developing RFQs using e-sourcing tools, assisting in the selection of participating bidders and, finally, conducting the auction event.

The Result

Savings for FirstEnergy ranged from 16 percent to more than 40 percent on the various chemicals. Such significant savings help deliver measurable earnings per share-an important gauge of success in the energy marketplace.

For More Information:

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