

# What Reverse Auction Should I Use?



**START HERE:**  
I want to negotiate electronically

YES

**WHAT AUCTION TO USE:**  
Do you want to run a reverse auction?

NO

**NOT YET READY?**  
Use a multi stage RFQ



YES

**DEFINITION:**  
Do you have a clearly defined category?

NO

**FIND MORE INFORMATION:**  
Run a RFI



YES

**BASED ON PRICE:**  
Will price be the defining criteria?

NO

**RUN A WEIGHTED TENDER:**  
Base auction position based on a score

**FIND MORE INFORMATION:**  
Run a RFP



YES

**COMPLEX BIDDING:**  
Use pricing matrices or transformational bidding?

NO

**SIMPLICITY:**  
Use simple lots

YES

**WEIGHTING:**  
Run a RFQ



MAYBE/  
NOT SURE

**POTENTIAL INTERACTION:**  
Is there a marginal difference between bids?

YES

**RFQ:**  
Run a RFQ



**POTENTIAL INTERACTION:**  
>1 supplier willing to bid for your business?

NO

YES

**POTENTIAL INTERACTION:**  
Is there a marginal difference between bids?

NO

YES

**PRICE COMPRESSION:**  
Would you like more final options?

NO

YES

**RANKED AUCTION:**  
Suppliers can only see their position relative to the other suppliers

**JAPANESE AUCTION:**  
Bids drop incrementally over time, suppliers need to accept or decline

**OPEN AUCTION:**

Suppliers only see the lead bid per lot and can only submit a better bid

**WEIGHTED AUCTION:**

A supplier's position is based on price and non-price criteria - their score