

SOURCING



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# Dayco Tightens Its Procurement Belt with Market Dojo

Customer Success Story



At a glance

# Dayco



**OEM engine drive systems & aftermarket services**



**40 locations in 22 countries**



**3,600 employees worldwide**



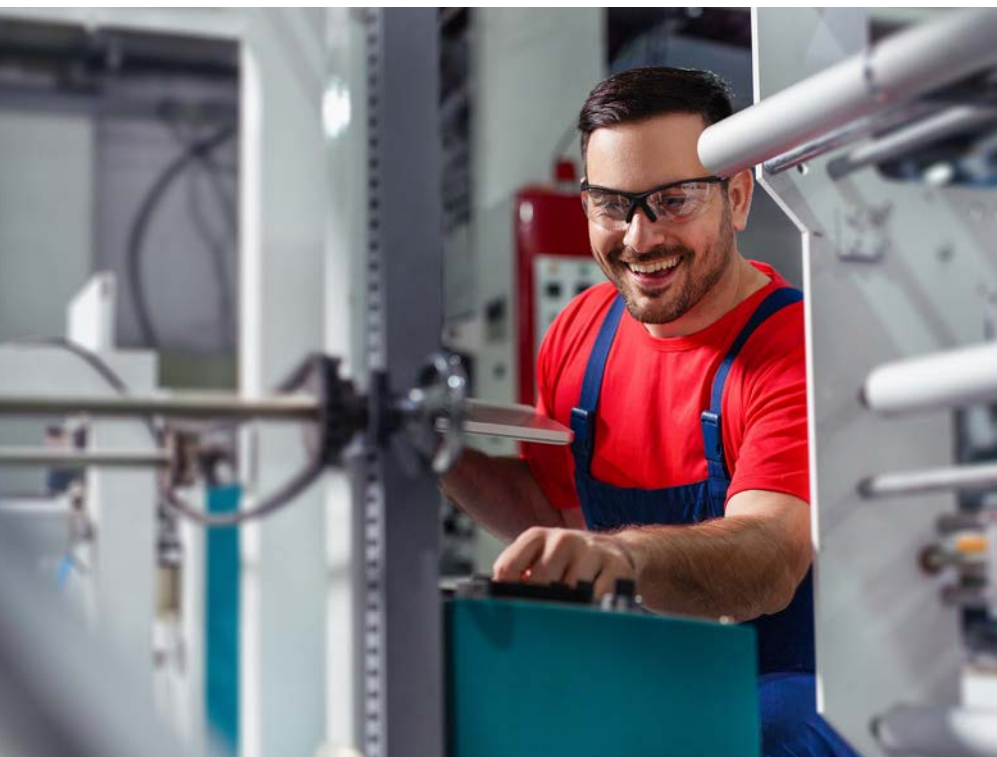
**Headquarters: Birmingham, Michigan, United States**



**Established: circa 1900**



**eSourcing maturity: Emails and spreadsheets**



# Challenges

## Sourcing standardization and efficiency

Embarking on a journey of sourcing standardization and efficiency Dayco, global OEM for automotive and industrial manufacturers, sought to overcome the challenges inherent in their existing procurement processes.

Tasked with streamlining supplier communications, standardizing bidding procedures, and achieving tangible cost savings, Dayco turned to Market Dojo's Sourcing solution.

To delve into the impact of Market Dojo on Dayco's sourcing operations we spoke with Mike Warnick, Director of Capital Equipment and Indirect Purchasing.

## Not always 'apples to apples'

Before integrating Market Dojo into their procurement processes, Dayco faced significant challenges in their sourcing operations. Like many organizations, they grappled with disparate tools and manual methods, leading to inefficiencies and inconsistencies.

Mike Warnick recalls the hurdles they encountered, *"We had informal sourcing processes but no single platform so relied on spreadsheets and emails; then someone would have to consolidate everything together."*

He goes on to say, *"Coordinating supplier communications was particularly difficult in terms of all vendors getting the same information at the same time. Also, our ability to properly transcribe and summarize responses resulted in difficulties with comparing quotes. Often with equipment RFQs, we'd question whether we were getting the same goods being quoted—it wasn't always an 'apples to apples' comparison."*

In a bid to improve the situation, Dayco conducted a thorough Request for Quotation (RFQ) process to evaluate three primary sourcing software providers. Read on to find out why Market Dojo Sourcing was chosen.

## Requirements



**Standardized process**



**Ratify bid comparisons**



**Clarity & consistency of supplier communications**



**Global scalability**

# Solution

## Why Market Dojo Sourcing?

Dayco assessed each software provider's offerings, which included online demonstrations and consultations with their global team. Beyond pricing considerations, the decision was driven by factors such as the platform features, usability, and alignment with Dayco's sourcing needs.

Dayco's main requirements for an enterprise sourcing solutions were:

- Deliver a standardised process
- Ratify bid comparisons
- Provide clarity and consistency of supplier communications
- Ability to scale across divisions

Ultimately, Market Dojo Sourcing emerged as the preferred choice. Mike describes the decision as, *"Fairly unanimous, everyone felt most comfortable with Market Dojo and the enterprise license was extremely competitive."*

## Supporting first time participants

We asked Mike about the initial transition to Market Dojo Sourcing.

*"At first, it felt a bit impersonal but after we had done several events with the same vendors it became just the way we're now doing business,"* explains Mike.

*"Almost every event we've done has been the first time suppliers have participated this way. We've learnt to build-in a 'long runway' at the questionnaire stages so suppliers get used to seeing messages through the system and not in emails. Then, when it comes time for the live auction, the participants are familiar with the system."*

**"Everyone felt most comfortable with Market Dojo and the enterprise license was extremely competitive."**

**Mike Warnick**

DIRECTOR OF CAPITAL EQUIPMENT AND INDIRECT PURCHASING, DAYCO

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DIRECTOR OF CAPITAL EQUIPMENT AND INDIRECT PURCHASING, DAYCO





# Results

## 'Rinse and repeat' savings

Dayco has run both RFQs and eAuctions for both indirect and direct materials. The savings on indirect materials, such as laptops and desktop computers, have been significant in terms of percentage saved through more rigorous and competitive sourcing processes.

Furthermore, with Market Dojo Sourcing, Dayco is now able to run sourcing events on direct materials on a quarterly basis, rather than annually, to counter market fluctuations. In this high volume sourcing area, Dayco has yielded substantial savings.

As the team become more experienced at setting up complex events, Mike expects further significant savings, *"I think on the next round, it'll be quicker only because we had to figure out how to build the advanced lots and have the vendors quote in the manner that we wanted them to. Now that we have it set up, it should be easy to 'rinse and repeat' as they say."*

### Benefits



**Ability to run high volume sourcing events quarterly, resulting in substantial savings**



**Standardized sourcing process**



**Increased visibility and cross-departmental adoption of running tenders through eSourcing tool**

## Achieving enterprise-wide adoption

*"When we started with Market Dojo, each location was expected to run a certain number of events without putting a savings figure to it. The following year, I was given a savings target for the year and one of the large levers in achieving this target is Market Dojo Sourcing,"* says Mike.

He continues, *"When we discuss sourcing with other divisions, either direct or indirect, it's common that at some point someone will say, 'Is this something we should run through Market Dojo?' and that's really the intent—that it's not just Procurement but also the individual departments asking if the tender can be run through Market Dojo."*

Similarly, with a new facility opening in Mexico, Mike has done the groundwork early with the local buyer to ensure they're familiar with the software by using Market Dojo's sandpit feature (the sandpit allows users to simulate and test events).

## Key lessons learnt

We asked Mike for any advice and tips he would give to someone who was just starting a digital transformation project in sourcing.

*"Start with simple lots—crawl before you walk; walk before you run. And spend a lot of time in the sandpit – your live events will run much smoother when you've tested them out first,"* advises Mike.

## And, a final word on...

What has been the biggest impact to Dayco's sourcing activities? *"At the end of the day, it's bottom line savings with a side benefit of standardizing the process and increasing the visibility of what we're doing,"* concludes Mike.

We couldn't have said it better ourselves.

**"At the end of the day, (the biggest impact is) bottom line savings with a side benefit of standardizing the process and increasing the visibility of what we're doing."**

**Mike Warnick**

DIRECTOR OF CAPITAL EQUIPMENT AND INDIRECT PURCHASING—BELTS DIVISION, DAYCO

# Market Dojo

## Transforming procurement. On demand.

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[info@marketdojo.com](mailto:info@marketdojo.com)

### About Market Dojo

Market Dojo's on-demand autonomous strategic sourcing software and exemplary customer support, rapidly evolve Procurement from reactive back office function to proactive strategic resource. Built by industry experts, our agile, best-of-breed solutions are easy to implement, intuitive, deliver immediate value and are accessibly priced.

Trusted by the world's leading brands, we help Procurement & Finance teams of all sizes to focus on value creation, connected relationships and strategic influence rather than traditional inefficient sourcing, supplier and finance management processes of the past.

We streamline, digitize and automate to provide centralised data and powerful insights to mitigate risk, control cost and drive smarter, faster financial decisions.

Sourcing is just one part of the source-to-pay process. Esker's Source-to-Pay suite helps Procurement and Finance leaders streamline procurement processes, enforce policy compliance and improve supplier relationships with increased visibility over the entire buying process.

