



Reaching new levels of RFX efficiency, quality and supplier experience

About the customer

AEG is in the business of creating unforgettable memories. As the world's leading sports and live entertainment company, they entertain more than 100 million guests each year through their venues, sports franchises, music festivals, entertainment districts and innovative experiences. As the company has grown rapidly over the past 20-plus years, an efficient sourcing and procurement process has become essential to their success.

Introduction

AEG's sourcing and procurement function has evolved dramatically as the company has expanded from owning just a single sports team in 1995. What began as a focus on managing spending has transformed into an extensive business services department that handles travel, energy services, sustainability and supplier diversity, in addition to traditional purchasing activities.

Their shared services approach led AEG to implement a popular strategic sourcing and RFX management system 15 years ago when their facilities division, which managed more than 120 different arenas, stadia and amphitheatres around the world on behalf of third parties, needed a more efficient, transparent and uniform way to bid out contractually obligated goods and services for all of the locations.

"We were in the manual and paper days. Each facility had their own templates, their own docs and their own terms and conditions," said Scott Bosarge, senior vice president of business services at AEG. "We realized we needed to standardize and streamline the process and create an entire library of different scopes of work. Although there are a lot of commonalities between the services and functions that were performed across the different venues, they were re-creating the wheel every single time."

While their RFP software provided the standardization they wanted, and the accountability and reporting needed to show contracts were being awarded properly, fairly and in line with supplier diversity initiatives, they were still struggling with RFX-related inefficiencies. "We were sending out RFPs in Excel documents," said Mark Rieder, SVP of HR Technologies and Benefits Administration at NFP. "We'd ask vendors to complete their responses in Excel, as well."



Industry:

Sports and live entertainment



Solution:

RFP360 for Request Management



Key benefit:

From one to many — AEG extends RFP efficiencies to affiliate users worldwide.



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Tipping point

Following the merger of its facilities division and the creation of ASM Global in the fall 2019, AEG began to reexamine their current processes and technologies. They took advantage of the halt to their business with the COVID-19 pandemic and assessed what was working, where they could be more efficient and what tools or services could be improved.

It was logical to focus on sourcing and procurement, because Scott's group is responsible for purchasing much of the products and services across the enterprise. And spend really does matter, particularly with the type of uncertainty the live events business faced.

Solution

AEG approached the process of evaluating RFX management software with the future in mind and put a premium on the value that a simpler, more intuitive sourcing system could generate. Efficiency and flexibility were critical. They needed the system to be intuitive so that it could support all of the company's various business units, but they didn't want to take a step back in terms of functionality.

After an in-depth evaluation of several solutions, AEG selected RFP360 because it offered all the RFX standardization and accountability functions they needed with the efficient and flexible features they wanted — integrated collaboration, scoring and workflow to name a few. Deployment was quick and easy too, as has been AEG's ability to extend the benefits of the system to affiliate users across the globe.



I can't put an exact dollar number on it, but from the time it took us to create and launch an RFP, at a minimum, it's reduced our level of effort by 50 percent. I would also say that the overall RFP quality and supplier experience has increased significantly.

Q&A

When Scott Bosarge joined AEG from Disney in 2007, his first challenge as head of sourcing and procurement was to better manage spend. As the company grew, Scott's role expanded into different lines of business as it relates to sustainability, energy, travel and supplier diversity. Spend management, vendor management and supply chain logistics also now fall under his current purview as senior vice president of business services.

Replacing a technology isn't an easy decision. Why did you decide to evaluate alternative RFP management systems, and what were the reasons you ultimately made a change?

Scott Bosarge: Our first sourcing portal was a project management tool, but we did some customization to it and stuck with it for several years to serve our eRFx needs. However, the interruption to our industry caused by COVID-19 provided us an opportunity to reassess our tools as well as services we were performing overall within Global Support Services. Our team was aware of competing technologies and decided to prioritize our eRFx services.

When we came across RFP360, of course, looking at other tools as well, we were blown away. The simplicity of it, the initial setup, bringing in the legacy documents and forms that we had from our other system — it was so simple and streamlined. Setting up the library and the templates was just as easy.

Our conclusion was that any buyer, with minimum training, could intuitively set up and manage an eRFx event efficiently and effectively. To make matters even more compelling, RFP360's customer service and account management team has been second to none and a complete differentiator since implementation.

After you made the switch, what were some of the initial benefits that stood out?

SB: Primarily the scoring function. Historically, we had an external ability to score proposals and have our internal stakeholders review the RFPs via the system that we had, but it was completely discretionary and subjective. But I can tell you, for the last couple of RFPs that we have issued through RFP360, it's amazing how we are able to include key stakeholders into the system and get direct and qualitative feedback.

I ask these internal stakeholders to meticulously go through and score individual responses and have experienced a real buy-in from them. It's made the decisions much easier on the back end of the process in terms of awarding these RFPs, because it's both qualitative and quantitative feedback that we're getting now.

How has RFP360's approach to request management been a good fit for such an expansive organization?

SB: Well, as a holding company, we need to provide a shared tool across our various business divisions. It needs to be easily grasped, easily implemented and easily accepted. But it also must provide standardization, consistency and visibility from a corporate perspective.

RFP360 is just that — a tool that we can launch across all business enterprises. Account workspaces make it easier for us because we can have specific templates, documents and forms that are unique to the business units themselves that they can use and share across other affiliates.

In addition, it helps from a security perspective. That's been a focus of ours in terms of data security and data privacy. Here at our corporate headquarters, we're able to see, help conduct and consult across all those various workspaces and get them set up and oversee their activity — managing the terms and conditions, risk management, consistency, forms and messages being sent out.

The business units are excited about bringing it on and receiving it, because it's going to save them time and money.

If you were to recommend RFP360's request management software to another organization like yours, what other capabilities would you focus on?

SB: First and foremost, ease of implementation, and then an increase in productivity. I can't put an exact dollar number on it, but from the time it took us to create and launch an RFP, at a minimum, it's reduced our level of effort by 50 percent. I would also say that the RFP quality and supplier experience has increased significantly.

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