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 (reverse)

- First Price Sealed Bid

- English Dynamic Auction / Rank 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.

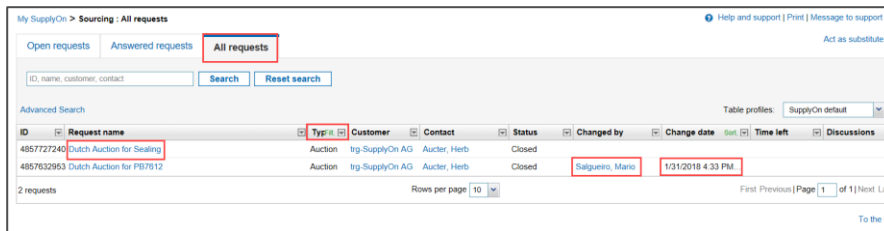The graphical convention is used throughout the manual:

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

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 yet published.
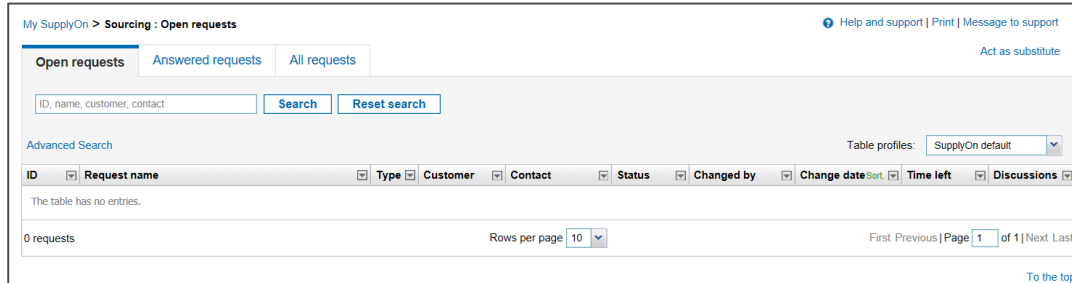
Figure: **Open requests**

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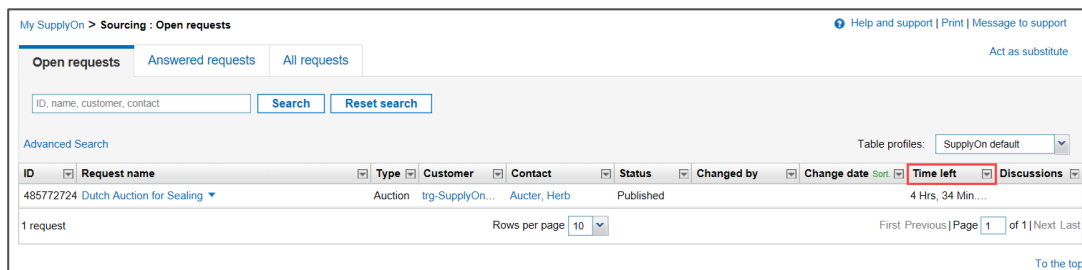

Figure: **Open requests** with auction

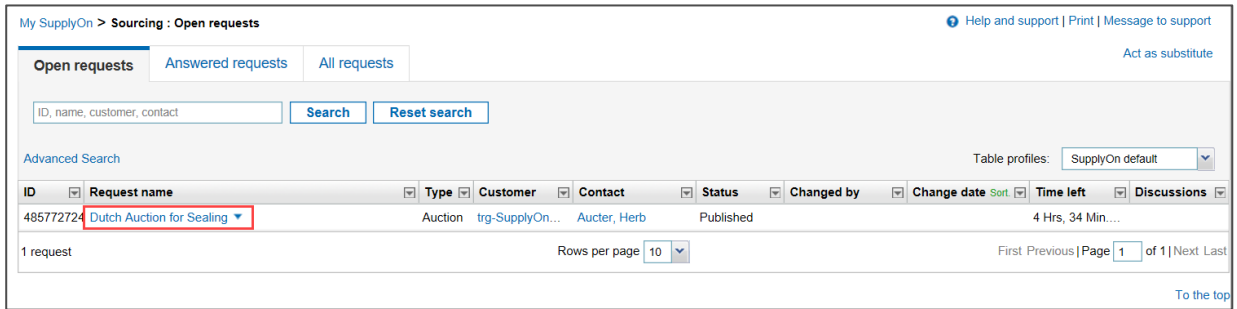3. Open the Auction with a click on the **Request name**

Figure: **Open requests** with type Auction

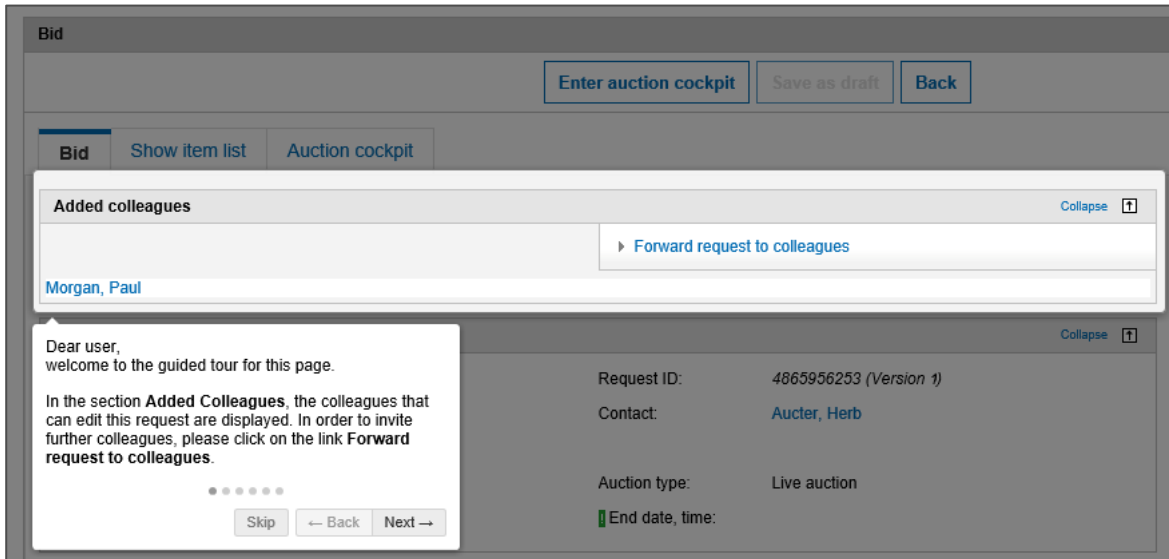When you enter the app for the first time a Guided tour is started automatically.

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**

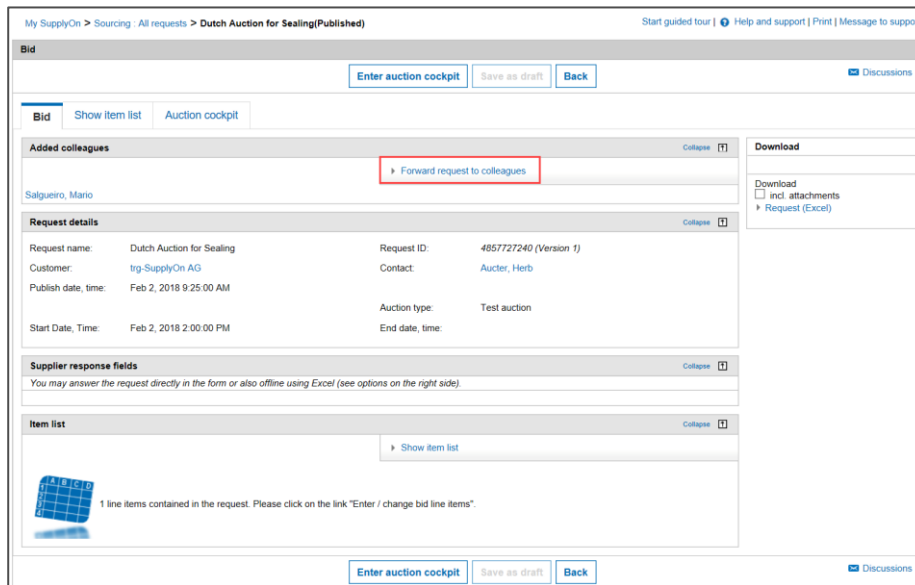4. You can forward this auction to a colleague with a click here:

Figure: **Auction / Bid**

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

5. You can enter the **Item list** to check the inputs from your customer.
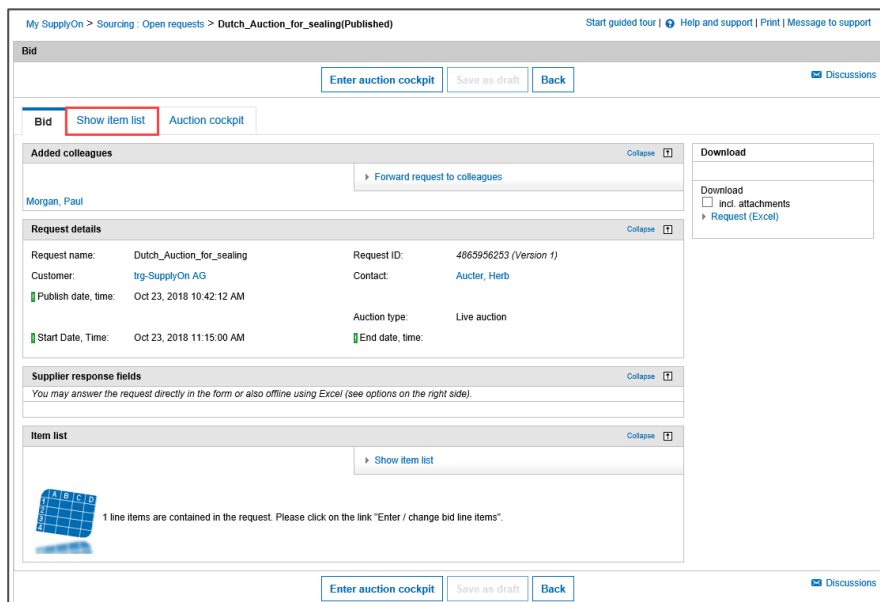
Figure: **Show item list**

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

Figure: **Bid values**

6. 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.

The **Auction Overview** is presented on one page:

Figure: **Auction cockpit**

On the one hand, 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.

On the other hand, you can decline your participation with a click on **Decline participation** or tick **Decline**.
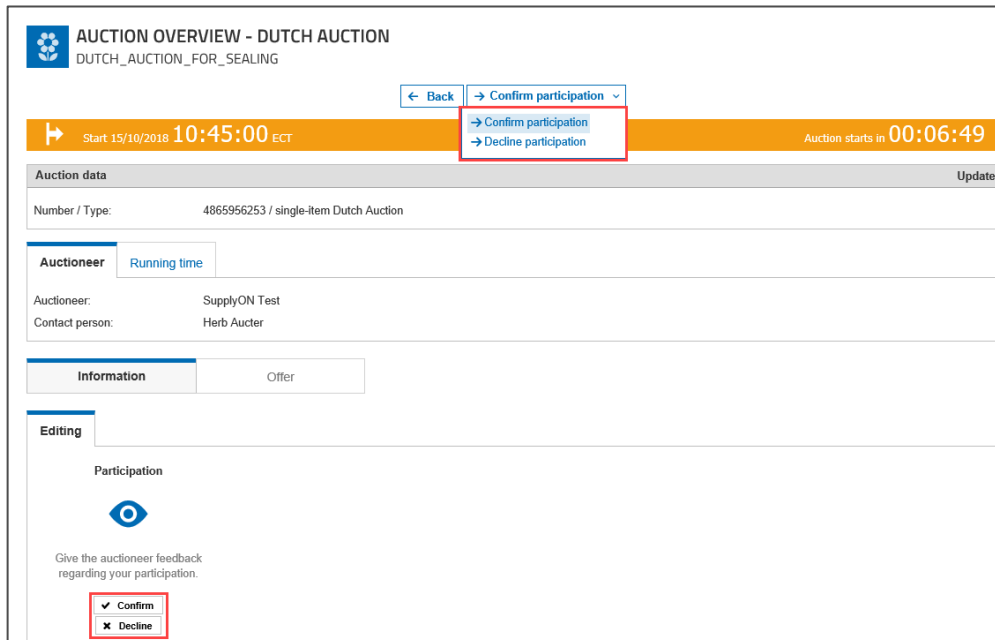

Figure: **Auction cockpit**

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

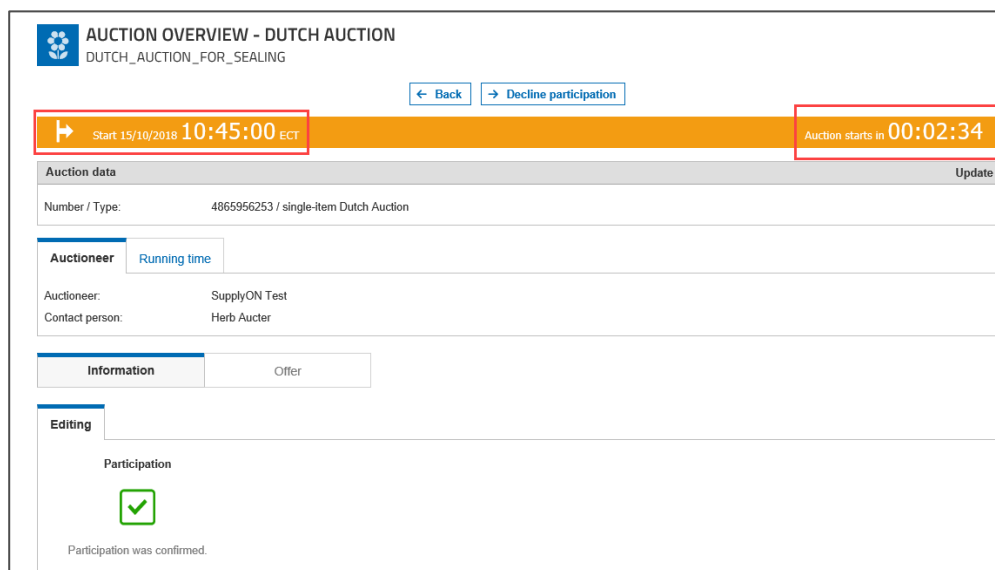The actual **Start** and the countdown are displayed here.

Figure: **Auction cockpit**

> **NOTE:** When you work in a different time zone than your customer, you will see an additional note in the auction banner.

The **Running time** shows the date and time of **publication** and the **Start of auction.**

Auction data	
Number / Type:	4865956253 / single-item Dutch Auction

Auctioneer	**Running time**
Publication:	15 October 2018 10:29
Start of auction:	**15 October 2018 10:45**
Time zone:	ECT (Central European Time)

Figure: **Auction cockpit**

You can find details about the auction in the tab **Auction type**.

Auction type | Price settings

Dutch Auction
The Dutch auction is a ticker auction in which the price offered automatically increases or decreases at defined time intervals by a specified bid increment. The first participant confirming the currently displayed price level immediately ends the auction and receives the tender. This is a 1-click auction.

Reverse auction - rising price
Purchasing auction with rising price (forward auctions) are auctions which are initated by procurement. The auctioneer put up for auction his needs amongst several competing bidders until the first bidder is ready to accept the contract for the given price. It's the auctioneer's assumption that the good required can not be purchased considerably on good terms due to preceding performed tender.

Auction control elements
☑ Automatic award
Tender awarded to best bid at auction end.

Position data

Product name:	Sealing
Price unit [PU]:	1 (unit price)
Quantity:	1,000 Unit(s)

← Back | → Decline participation

Figure: **Auction cockpit**

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: **Auction cockpit**

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

Figure: **Auction cockpit**

7. Attend the auction

Further details to attend an auction can be found in the next chapters. Each auction type will be explained in more details.

To access an already closed auction:

1. 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**
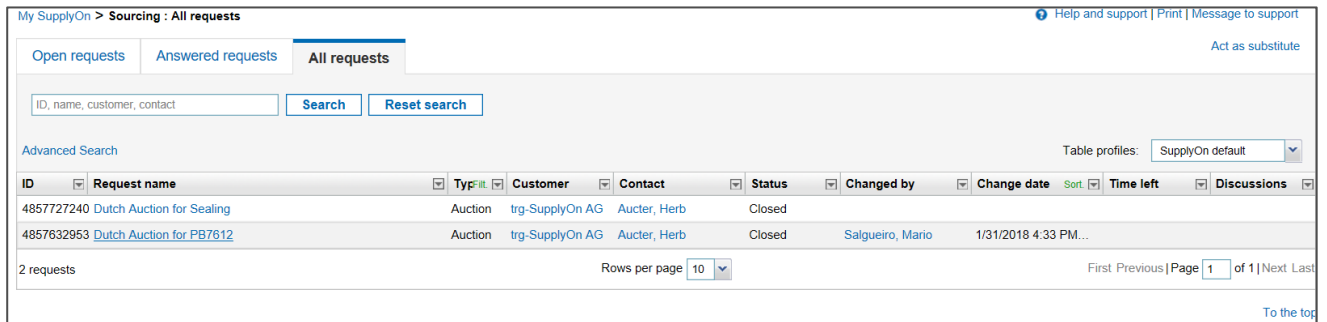
Figure: **All requests**

4. Click on **Enter auction cockpit** or **Auction cockpit**
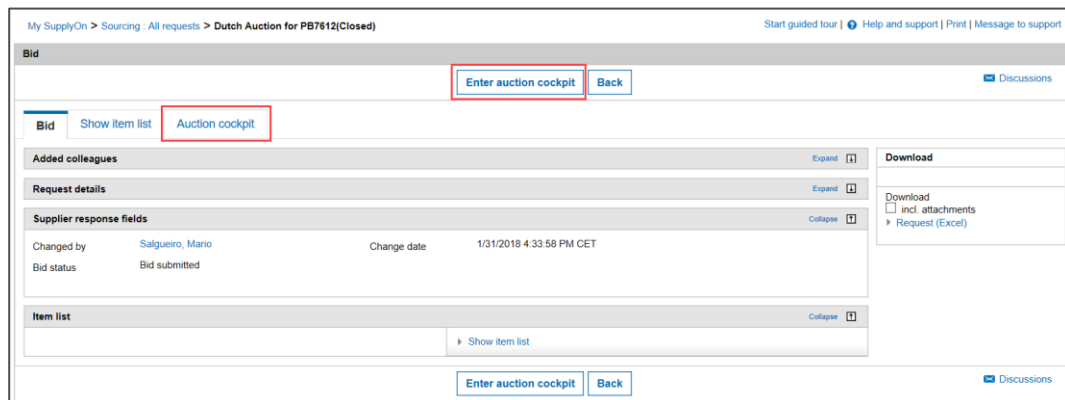
Figure: **All requests_Dutch Auction**

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

Figure: **Auction cockpit**

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

3 Participation in Auctions

This chapter explains the different tasks for all different types of auctions. In case of further questions regarding the auctions don't hesitate to contact the customer who has invited you.

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 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, but the more the 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.

To bid in a Dutch auction:

1. Open the invitation E-Mail and click on the link to the auction
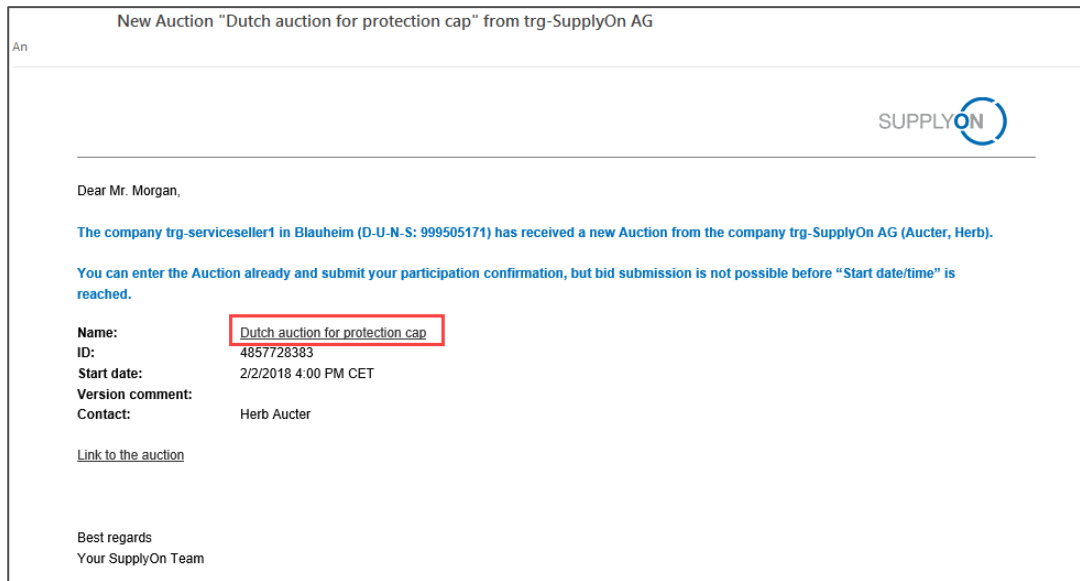
Figure: **Invitation E-Mail**

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
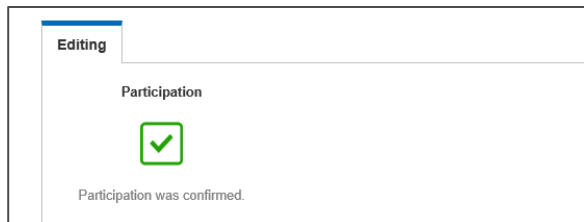

Figure: **Auction cockpit**

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**.

4. You can take a look on the Auction type but most importantly, check the **Price settings** the customer defined for this auction

Figure: **Auction cockpit**

5. Now you just have to wait until the auction starts. The Start date and time starts blinking two minutes before the countdown ends.

Figure: **Start date and time**

6. 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.

Figure: **Auction cockpit**

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

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

Figure: **Auction cockpit**

8. Your price confirmation is sent immediately.
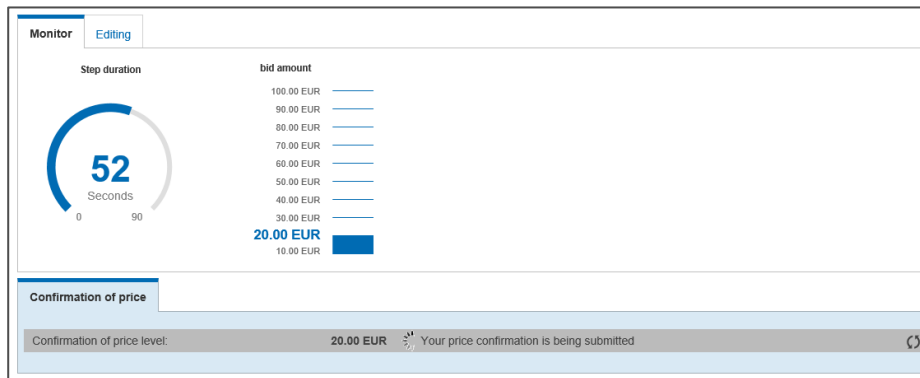
Figure: **Auction cockpit**

9. a) The auction is closed automatically and if the customer has predefined this, you are awarded automatically.
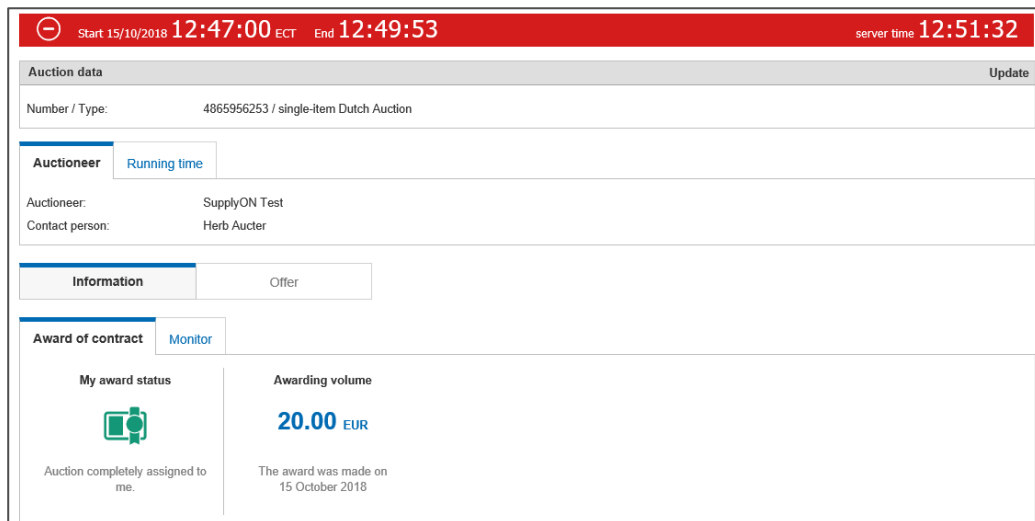
Figure: **Auction cockpit**

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 the customer has predefined this, you are awarded automatically.

Figure: **Auction type – Tie break**

> **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.**

Figure: **Auction cockpit – Subsequent bid editing**

Depending on the auction settings, you will be notified per mail about your awarding or declining of the auction.
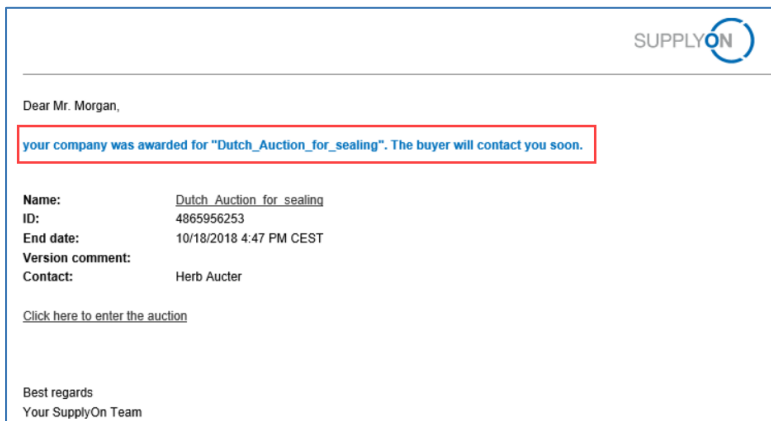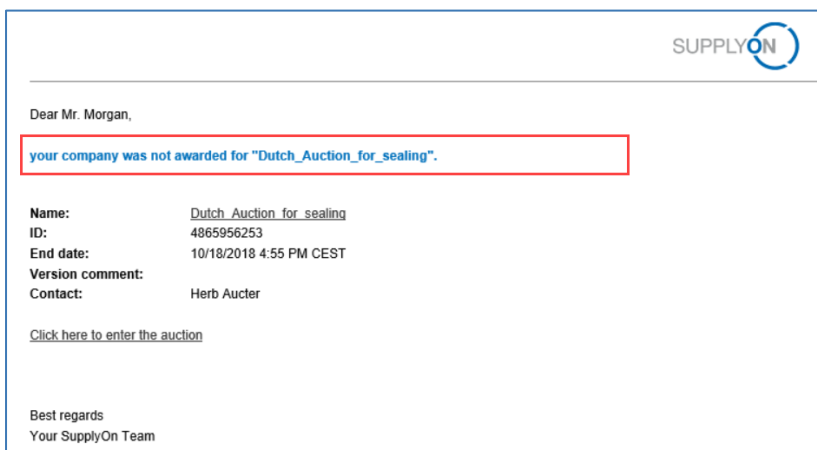

Figure: **Awarded notification**

Figure: **Declining notification**

After the auction ended and the awarding took place, wait for further information from your customer. If you want to view the closed auction again

→ See Accessing Auctions in SupplyOn

3.2 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.

To bid in a sealed bid auction:

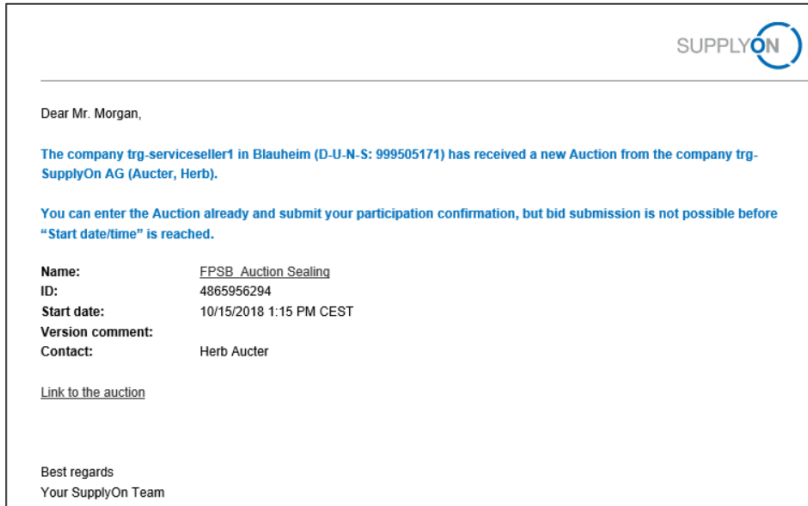1. Open the invitation E-Mail and click on the link to the auction

Figure: **Invitation E-Mail**

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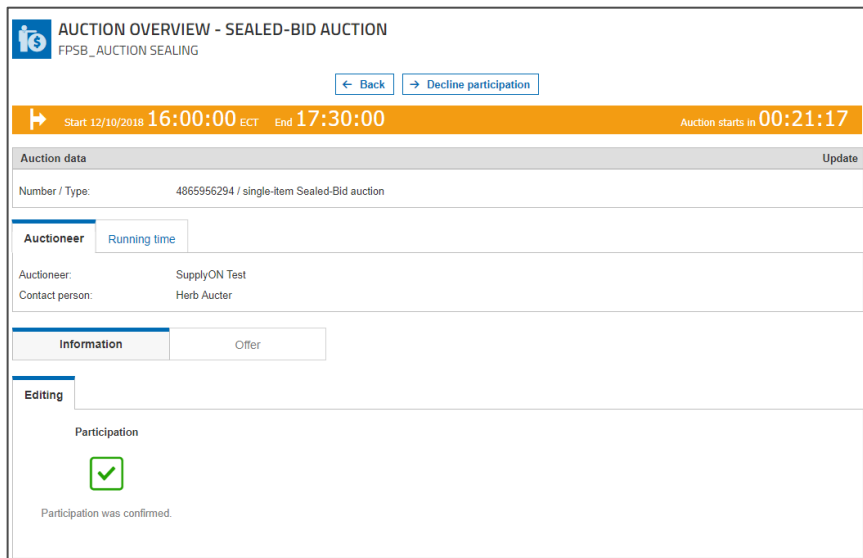3. Click **Enter auction cockpit** or **Auction cockpit** and confirm your participation

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**.

After the auction has started, enter your bid within the defined time frame.

4. 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.

Figure: **Auction cockpit**

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

Figure: **Auction cockpit**

NOTE: Awarding will take place after expiration of time and will be granted to the best bid.

Depending on the auction settings, you will be notified per mail about your awarding or declining of the auction.
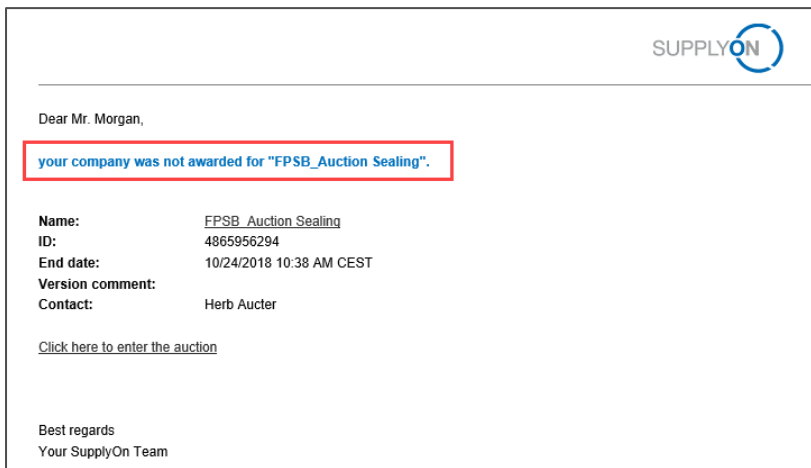

Figure: **Awarded notification**

Figure: **Declining notification**

After the auction ended and the awarding took place, wait for further information from your customer. If you want to view the closed auction again

→ See Accessing Auctions in SupplyOn.