



Smart Procurement Solutions

How Business Identities Drive Local Market Success

smallScale

Introduction

Companies everywhere are trying to identify daily task efficiencies to help their employees be more productive and ultimately more successful.

Operationalizing and automating these daily tasks has a direct impact on how companies spend their time, allowing employees to focus on strategic company goals. For procurement channels in particular, the task of identifying and vetting potential, viable suppliers is the most time-consuming and costly step in the procurement process. IBM, for instance, reports an average supplier onboarding time of 30 days, a major factor in their development of a blockchain platform aimed at reducing this time to as little as two to five days.¹



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Challenges in Supplier Identification and Market Engagement

Identifying and vetting potential suppliers is a long and costly process. Few sources provide procurement departments with comprehensive, meaningful, and accurate market information. Misalignment between procurement and supply chain functions exacerbates this challenge, with 58% of supply chain executives reporting that these gaps drive up costs, 47% linking them to longer cycle times, and 42% stating they negatively impact resilience.²

Illinois has 1.2 million small businesses, accounting for 99.6% of all businesses in the state.

The lack of these datasets make it difficult to gain an accurate, top-down view of a business' true nature and capabilities. The effort invested in searching for new suppliers often pulls employees away from focusing on strategic initiatives, diverting attention from the company's long-term goals.²

Another key challenge for strategic sourcing and procurement teams are effective inter-departmental collaboration and communication.

These teams rely on input from various departments—such as operations, finance, legal, and department heads who manage their own budgets—to ensure a new supplier meets the organization's diverse requirements.

Collaborating with community development teams aligns supplier choices with corporate social responsibility goals, while coordinating with budget-owning department heads keeps financial priorities in sync across the organization. Inefficient or misaligned information flows can delay decision-making and increase the risk of selecting suppliers that don't meet all specifications, leading to inefficiencies, higher costs, and misaligned outcomes. Even after identifying viable suppliers, they may still prove to be the wrong fit. They might lack the necessary certifications, the specific industry expertise your company requires, or they may not have the capacity to take on additional work or orders at the required level.¹

This lack of insight hinders large companies from quickly vetting and approving new suppliers, while smaller companies aiming to expand struggle to secure new opportunities and achieve meaningful, productive growth. For example, Illinois alone has 1.2 million small businesses, accounting for 99.6% of all businesses in the state, which reflects the vast ecosystem that procurement teams must navigate to identify optimal matches for specific needs.³ These gaps often prevent companies from meeting their local spending goals, limiting their ability to make a lasting positive impact on their local economies.

Local Impact and Corporate Responsibility

In our increasingly interconnected world, companies of all sizes are no longer seen as isolated entities; they are integral parts of the communities in which they operate. With greater access to information and higher expectations from consumers and stakeholders, companies are under more pressure than ever to go beyond traditional business goals and make a positive social and economic impact. Approximately 78% of purchasing executives now prioritize supply chain resilience, reflecting a shift towards supporting local economies and sustainable practices.⁴

Jeremy Strong, System Vice President of Supply Chain at Rush University System for Health, emphasized his organization's dedication to this mission, saying, "We are committed to addressing economic disparity." Contributing meaningfully to local communities not only strengthens a company's reputation but also fosters loyalty, trust, and goodwill. By investing in local initiatives, supporting local suppliers, and engaging in environmentally and socially responsible practices, companies can create a lasting positive effect.

This local engagement allows companies to connect with their communities on a deeper level, addressing unique local needs and fostering sustainable economic growth. An American Express study found that small businesses create jobs, foster local resilience, and generated over \$23 billion in spending on Small Business Saturday in 2022.⁶ The study also found that \$0.68 of every dollar spent at a U.S. small business stays in the local community, generating an additional \$0.48 in local business activity as employees and nearby businesses buy local goods and services. In this way, small businesses not only bolster their own success but enrich their communities, strengthening the global economy, one community at a time.⁴

Red tape can slow down progress; lack of domain knowledge on operationalizing new processes can divert employees; and incomplete data can turn a seemingly straightforward task into a lengthy, complex ordeal. These gaps hinder effective engagement with your local market and make it challenging to build and sustain strong, productive relationships within your community.²

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SmallScale's Solution: Business Identities and Beyond

As companies seek to address inefficiencies, prioritizing operationalization can be challenging and often costly to handle internally. Organizations must choose between developing custom applications or investing in off-the-shelf solutions. However, due to the limitation of viable, accurate data, existing products frequently fall short of solving the problem at hand. SmallScale is designed to bridge this gap, offering a meaningful and sustainable solution to help companies overcome these challenges effectively.

At SmallScale, we help companies of all sizes streamline pre-procurement by focusing on a critical factor: the Business Identity. This essential profile captures how a business differentiates itself from competitors. Although a straightforward concept, key details are often difficult or impossible to find.

For example, if you're seeking a Black, woman-owned business with sustainability-certified products nearby, locating it online can be challenging. Many businesses lack websites, some rely solely on limited social media profiles, and others have no digital presence at all. SmallScale bridges this gap by creating comprehensive Business Identities, enabling you to easily find businesses that match your specific criteria.

This approach facilitates cross-functional collaboration with standardized profiles accessible to all departments, aligning supplier selection with organizational requirements and reducing redundant data collection and communication.

With our Business Identities, SmallScale not only helps identify potential matches but also filters out businesses that may not align with your needs. Business Identities power our unique Recommended Connections feature, ensuring that your future partners meet critical requirements—such as necessary certifications, growth readiness, and relevant domain expertise—allowing you and your team to focus on building meaningful, lasting partnerships.

Focusing on a critical factor: the Business Identity

SmallScale also provides actionable insights for improvement within your organization. Our Market Trends feature offers an in-depth look at surrounding market dynamics, enabling you to see how costs and usage patterns evolve in your industry. By encouraging clients to build comprehensive Business Identities, we can accurately understand how a specific industry is trending in costs and utilization. This data also fuels our Pricing Analysis tool, helping you ensure you're never overpaying while supporting growth and stability in your local market. These tools enable precise tracking of local impact, supporting both internal and external local spending goals.

How SmallScale experts can help

Creating a visible, lasting, and positive impact on your local community doesn't have to be difficult. With SmallScale, you can bypass the search through incomplete data and let us bridge the gaps in your process, so you can focus on delivering the best to your community by doing what you do best.

Custom Solutions

Upon request, SmallScale provides tailored reporting and integration solutions, managing the entire process—from design and coding to testing and implementation—for seamless integration into your operational workflows.

Annual Software License

Access to software with centralized management and upgrades

Training

Electronic user guides and technical manuals

Support

Live, interactive presentations and troubleshooting with Q&A

Footnotes:

¹ McKinsey, "With artificial intelligence, find new suppliers in days, not months."

² NextStreet, "Assessing Chicago's Small Business Ecosystem."

³ U.S. Small Business Administration, Office of Advocacy, "Illinois Small Business Economic Profile."

⁴ West Side United, "Economic Vitality."

⁵ World Business Chicago, "Year in Review."

⁶ American Express, "13th Annual Small Business Saturday."



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