

Strategic Sourcing

Why Strategic Sourcing?
Purpose Statement
Work Streams
Tools for Strategic Sourcing

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Why Strategic Sourcing?

There is the need to take an urgent and decisive action to protect earnings and cash flows in light of the current market environments. One of the ways this can be achieved is by implementing a strategic supply management approach (e.g., Strategic Sourcing initiative).

Strategic Sourcing is a systematic approach to managing the purchase of materials, goods and services that achieves the lowest total cost of ownership, and matches internal customers' needs with marketplace realities and capabilities.



Purpose Statement

Objectives

Reshape procurement strategies to better support business strategies

A Disciplined, Systematic Improvement Program Applied To Purchased Materials, Goods, And Services Substantially reduce total cost while maintaining or improving levels of quality, service, and technology

Reengineer processes and align the organization to embed improvement Goal

Sustainable Competitive Advantage



Work Streams

A systematic approach to managing the purchase of materials, goods and services that achieves the lowest total cost of ownership, and matches internal customer needs with market realities and capabilities



Begins and ends with the internal customers' business needs



Tools for Strategic Sourcing

Sourcing Category Matrix: A valuable tool in helping to determine the type of strategy to employ in supplier selection and negotiation.

