

Strategic Sourcing

How much do you spend on external purchases? Most CEO's don't know the answer. In our experience, most FD's don't know either as it is not normally a requirement in financial statements or trading accounts. Yet, most manufacturing companies spend upwards of 70% of their turnover (slightly less for Public and Service sectors) on externally sourced goods and services.

Why is the question important? Because 70% of your turnover is managed by other people; people who don't even work in your organisation – your suppliers! And how well do you know them? Do they understand your needs? Can you trust them to deliver on time, every time?

Supply Management

At SUPPLY CHAIN EXCELLENCE we believe that suppliers are an integral part of any business. Organisations that understand their supply market and develop plans to get the most from supplier resources obtain significant business benefits:

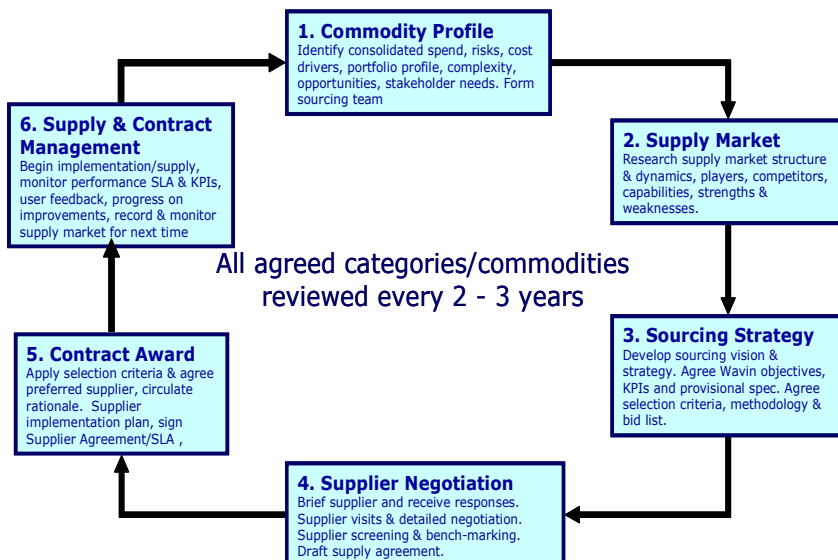
- **Lowest long-term cost producer**
- **Best customer service in the industry**
- **Improved cash flow and lower inventory**
- **Reduced supply risk**
- **Continuous quality improvement**
- **Enhanced time to market for new products**

Strategic Sourcing is designed to segment external spend and ensure that Purchasing resources are focused on the most important categories – getting best value and supplier performance. We describe Strategic Sourcing as '*a move from narrow, short term transactional thinking to a business-focused and planned approach – getting the best out of the whole supply base for least cost*'

Key elements of Strategic Sourcing:

- Segmentation of spend portfolio into categories
- Differentiated approach to the supply market
- Tough cost saving and service targets
- Fewer, better suppliers and greater use of their resources
- Improved relationships with key suppliers
- Tighter integration of Purchasing and Supply Chain within the business

Strategic Sourcing - SUPPLY CHAIN EXCELLENCE'S simple and straight forward process.



Deliverables

- Significant Cost Savings
 - Supplier Rationalisation
 - Increased Leverage
 - Improved Quality & Service
 - Key Supplier Collaboration
 - Supply Risk Management
 - Increased Team Confidence
- Strategic Sourcing with SUPPLY CHAIN EXCELLENCE**
- Manufacturing, Service and Public Sector
 - Full Training & Coaching
 - Cost Effective Implementation
 - Sustainable – after we've gone
 - **No Special Software Required**