Strategic Sourcing Success Factors: How to Achieve Exceptional & Sustainable Results

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Abstract:

One challenge that procurement executives face is the perception that procurement is a back-water, tactical function, unable to think and act strategically. This workshop shows how the adoption of a robust Strategic Sourcing process can change that perception, put procurement in a leadership role, and generate exceptional and sustainable results.

“Strategic sourcing” as a concept has existed since the 1980s. But, many companies don’t employ a robust, comprehensive strategic sourcing process that leverages cross-functional teams within their organization.

Leveraging their extensive experience leading successful procurement transformations, the presenters will describe:

- The role of strategic sourcing in an overall plan for upgrading your supply management activities and organization
- Essential components, and process map, for effective strategic sourcing
- Benchmarks of what is possible to achieve with strategic sourcing, in different
categories of spend

- Learnings regarding the best way to begin the adoption of strategic sourcing - key success factors for building momentum.
- Pitfalls to be aware of, and to avoid.
- Specific processes, checklists and tools that help ensure success.
- The role that senior executives (i.e., the CEO, COO, CFO) should play

An All-Too-Common Occurrence:

Companies that try to implement “sourcing programs” without the supporting framework of a comprehensive transformation plan typically experience suboptimal results, or even “evaporating results” as shown on the next chart.

![Chart showing the difference between conventional sourcing programs and supply management transformation](chart.png)
Greybeard Advisors “Star Chart” Transformation Framework:

On the other hand, companies that have successfully achieved – and sustained – world-class status in procurement and supply management have addressed numerous initiatives in six key areas (see next chart).

Note that Strategic Sourcing is one of several initiatives comprising Best Practices; and Best Practices need to be pursued in conjunction with the five other dimensions of successful transformation to ensure success.

Key Elements that Will Be Discussed in the Workshop:

The presenters will include the following specifics in their workshop presentation:

- Description of a robust Strategic Sourcing process
- Description of a robust Negotiations Management process
- Cost reduction calculations, tracking, and reporting
- Budget adjustments to preserve cost reductions that are negotiated
- Cost reduction benchmarks
- Growing team leaders
- Supplier performance management
- Governance
- Speaking with One Voice
- Organizational design
- And much more
A BRIEF NOTE ABOUT GREYBEARD ADVISORS, LLC (www.GreybeardAdvisors.com)

Tired of being burned by conventional consulting firms? Greybeard Advisors is an advisory firm comprised entirely of deep-experienced practitioners of strategic procurement, from a wide range of industries. Greybeard’s senior advisors each have a minimum of 20 years corporate experience in supply management and procurement, before joining Greybeard. We use NO junior consultants learning on the job at your expense. You get the A-team, from start to finish.

Greybeard works with your procurement and supply management staff to enable their success. This can take several forms. Often, as a first phase, it involves helping create senior management awareness of the top-line and bottom-line opportunity from embarking on supply management transformation. Greybeard helps create that executive awareness, including assessing the current state, and preparing opportunity assessments and business cases that are needed to achieve senior management support of your efforts.

Greybeard has significant experience creating detailed and relevant transformation roadmaps, in support of the opportunity assessment, to guide your efforts during the next 1 to 3 years. And, we provide staff training in Strategic Sourcing & Negotiations Management, and team coaching with subject matter experts, as key elements of a comprehensive transformation plan. Greybeard clients include some of the premier companies in major industries, including Commercial Metals Company.
BOOK REFERENCES
