

STAGES OF GLOBAL SOURCING

A group of people's hands are shown pointing at a document on a table. The scene is brightly lit, suggesting a sunny day. In the foreground, there are several sticky notes, a calculator, and a spiral notebook. The overall atmosphere is one of collaborative work and decision-making.

WHAT ARE THEY?

INTRODUCTION

Success in global sourcing requires the know-how on international trade laws, culture and language barriers, global economy and logistics.

LET'S GET STARTED



Investigation & Research

Purpose

Define the objectives and goals of your business, the market you need to target and the position of your brand in the global market.

Key Activities

Identify the operational activities of your business, the requirements of the market and your competitors.

Work Products

A procurement process plan created during this stage can help you delineate the parameter for measuring performance and the initial strategy of work.





Evaluate Market & Supplier

Purpose

Create sourcing strategy that meets the final costing model.

Key Activities

Create the parameters depending, on which it is going to take to help you find suppliers. (Tip: Using a sourcing agency can offer you tips for determining the parameters.) Estimate economic and operational advantages of the sourcing procedure.

Work Products

Prepare supplier list. Request for Information (RFI) document is created and sent to the suppliers.

Choose the Right Supplier

Purpose

Initiate negotiation process with the final suppliers.

Key Activities

A final list of suppliers is prepared by your sourcing team with the help of the sourcing agency depending upon the response from the RFI. (Suppliers who do not respond to the RFI is deleted from the suppliers list.) Inform the suppliers about the time, within which they have to deliver the products.

Work Products

Selection of suppliers with adequate savings.



Implement the sourcing process

Purpose

Assemble the implementation team. Publish the strategy and schedule of work.

Key Activities

Performance analysis schedule is created that states all the activities that you are going to undertake while implementing the sourcing process.

Work Products

Resources, shared supply and logistical arrangements plan. Documentation of tentative external and internal results from suppliers. (Tip: Ask sourcing agency for regular performance measurement reports.)



Monitoring the performance

Purpose

Understand the extent of communication with suppliers. Maintain an efficient global sourcing process.

Key Activities

Measure the performance of the suppliers in terms of the procedures and resources used by suppliers. Resolve any problem in the collaboration efforts between your organization and the supplier.

Work Products

Updated procurement procedure as per the changing needs of the market and your clients.





Conclusion

The success of global sourcing projects rely on careful attention to the selection of suppliers, development of proper documentation and procedures, and targeting the best countries to meet the objectives of your organization.

Good luck on your journey to developing World-class sourcing strategy for yourself and your organization.