

Mini MBA: Supply Chain Management
Strategic Sourcing Module
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Strategic Sourcing, often described as an n-step process, is the analytical precursor to a sourcing event (contract renewal). Strategic Sourcing has grown in importance because of the potentially powerful impact this strategy can have on a company's pre-tax bottom line--among its many benefits. Because of the technical skills and competencies required to execute a Strategic Sourcing initiative, many companies are hiring highly trained Sourcing Analysts to do this important preparatory work exclusively, primarily for Category Managers, whose contracts are up for renewal.

Although the number of steps varies across companies, Strategic Sourcing at Bauer is taught as a seven-step process, which includes the following:

- Spend Analysis
- Supply Market Assessment
- Total Cost Analysis
- Supplier Identification/Assessment
- Sourcing Strategy
- Negotiation Strategy
- Contract Management

At the end of this session, the student will be able to articulate key insights about the components of the process, as well as, the potential impacts that this strategic initiative can have on their own company's financial performance.