

The Strategic Sourcing Process - An Overview

Strategic Sourcing is a **structured, analytical, and collaborative process**. Here's a look at the high-level process.



Step 1: Profile Commodity - Develop a detailed commodity profile based on a robust requirements process, total cost of ownership, and spend analysis. Leads to the identification of key findings and sourcing opportunities.

Step 2: Conduct Supply Market Analysis - Conduct market analysis to understand industry structure and market segments, trends, cost structure, competitive dynamics, and available sourcing levers.

Step 3 - Develop Commodity Strategy - Develop an organization-wide sourcing strategy to exploit the sourcing levers identified as part of the Commodity Profile and Supply Market Analysis processes.

Step 4 - Issue RFx and/or Negotiate - Engage the supply community in order to award contract vehicle(s), if identified as part of the Commodity Strategy. Includes developing and issuing RFx based on the sourcing strategy developed in Step 3, conducting negotiations, developing proposals, and awarding contract(s).

Step 5 - Implement and Manage Performance - Implement contract processes and policy changes necessary to ensure the successful implementation of the commodity sourcing strategy. Continually measure, track, and manage performance.

Link to Censeo Consulting Group's two courses on strategic sourcing at the Defense Acquisition University: CLC108 Strategic Sourcing Overview and CLC110 Spend Analysis Strategies at <https://learn.dau.mil/html/clc/Clc1.jsp>.