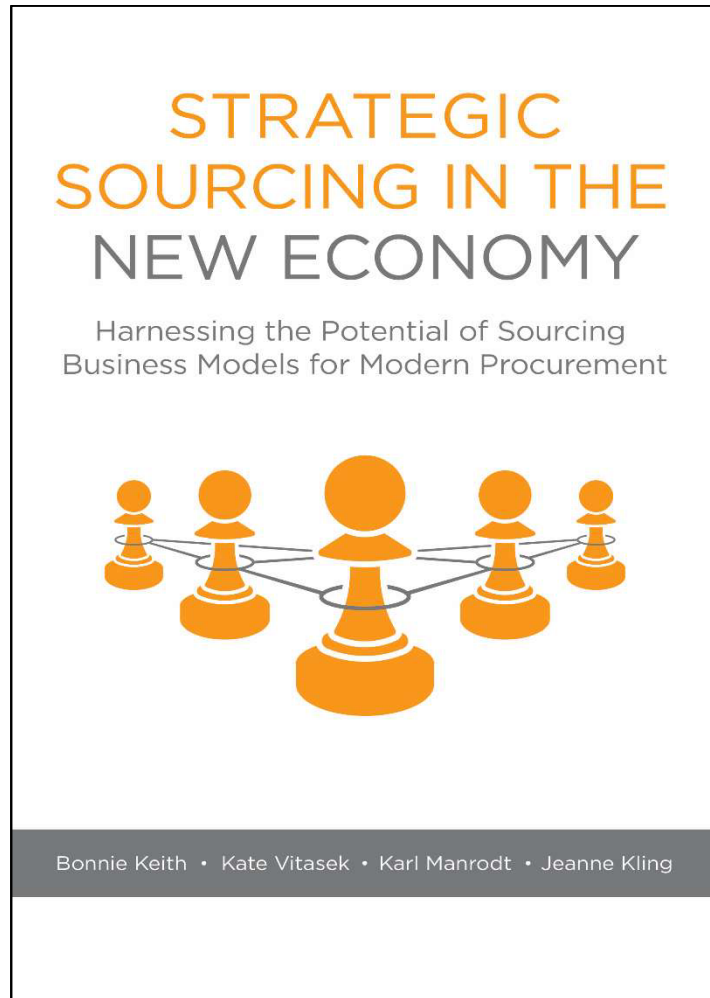


Sourcing Business Models



Not all category management solutions are created equal!

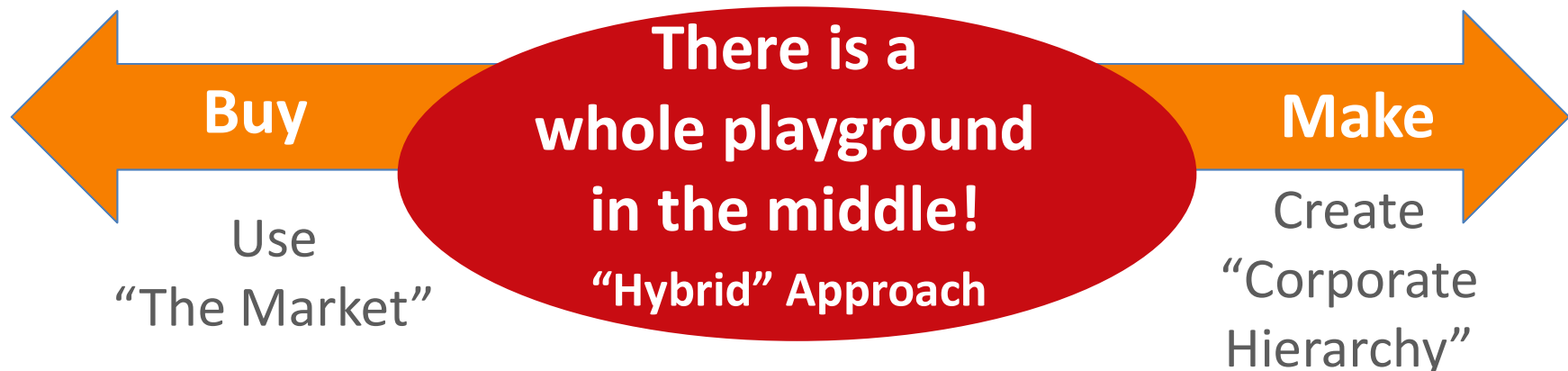
Sourcing Business Model theory suggests sourcing should be thought of as a business model between a two parties with the goal to **optimize the exchange**.

Sourcing Business Models are based on two factors: **relationship models** and **economic models**.

Source: STRATEGIC SOURCING IN THE NEW ECONOMY: HARNESSING THE POTENTIAL OF SOURCING BUSINESS MODELS FOR MODERN PROCUREMENT, Keith, Vitasek Manrodt & Kling, Palgrave 2015

Sourcing Business Model Selection

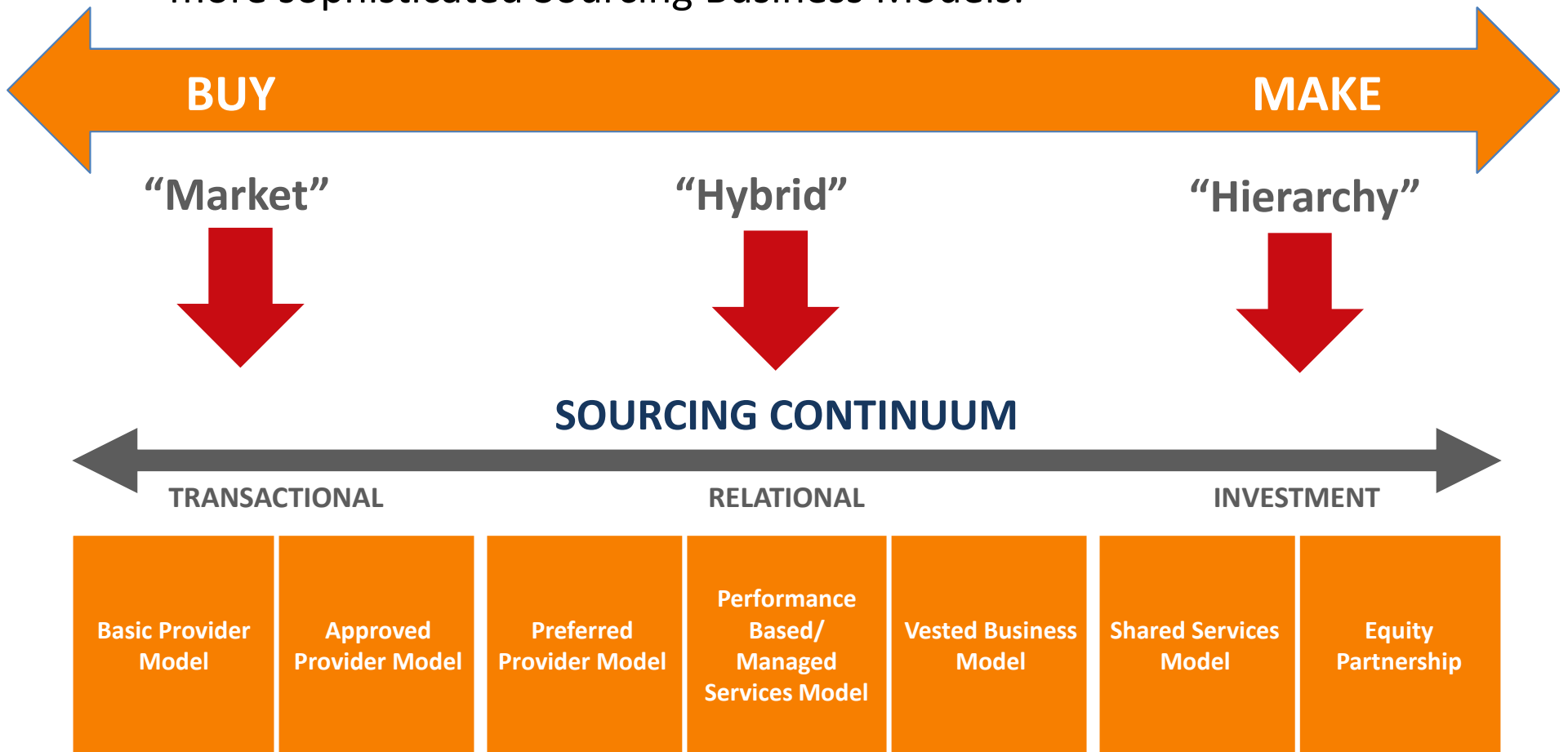
- When selecting a supply **business model** for the category you are managing, it is important to understand that a **single model will not work** for every requirement.
- Understanding how the **requirement supports** and is **viewed by your business**, as well as the **internal and external** influences, will impact your model choice and the **level of effort** you apply in your **sourcing and ongoing** supplier management approach.
- The **conventional approach** looks at sourcing as a “make” or “buy” decision. Most organizations use a transaction-based relationship and economic model when they acquire goods or services.



Source: STRATEGIC SOURCING IN THE NEW ECONOMY: HARNESSING THE POTENTIAL OF SOURCING BUSINESS MODELS FOR MODERN PROCUREMENT, Keith, Vitasek Manrodt & Kling, Palgrave 2015

The Seven Sourcing Business Models

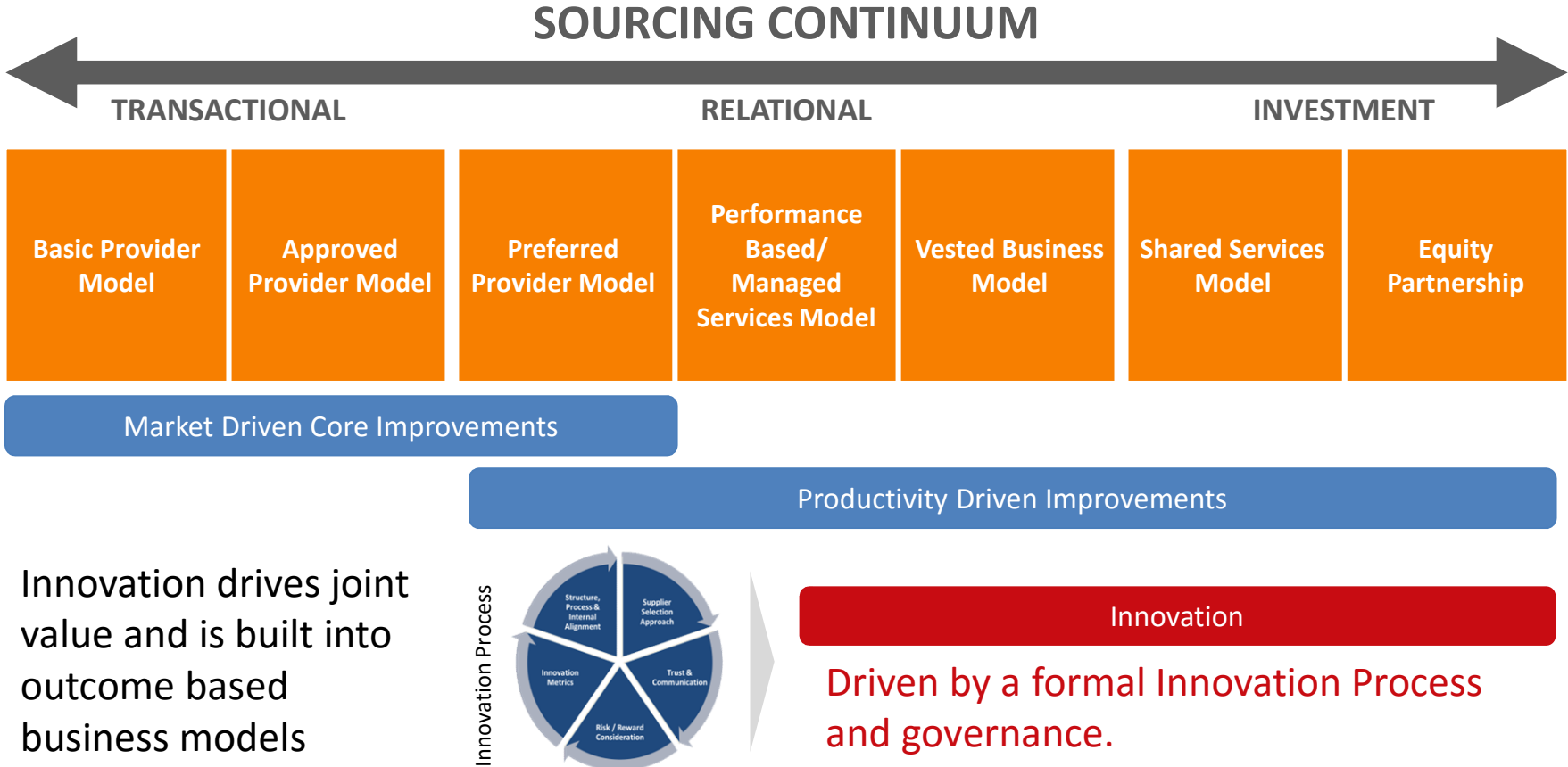
As goods and services become more strategic and the business environment more unpredictable, organizations should shift to more sophisticated Sourcing Business Models.



Source: STRATEGIC SOURCING IN THE NEW ECONOMY: HARNESSING THE POTENTIAL OF SOURCING BUSINESS MODELS FOR MODERN PROCUREMENT, Keith, Vitasek Manrodt & Kling, Palgrave 2015

Sourcing Model Structure and Innovation

The type of Supply Business Model that is selected will determine the ability to enhance the level of thought and idea exchange with the supplier to enable innovation



Sourcing Model Selection Support

The Forefront Group has certified resources to assist organizations in identifying the best fit Sourcing Business Model for their requirements.

- Sourcing Business Model Selection Workshop
- Facilitated cross functional mapping sessions
- Coaching and real time knowledge transfer
- Sourcing Business Model administration and management guidelines