

11-2020

Selecting and Implementing Best Practices in Sourcing Organizations with Limited Resources in Hard Times

Peter O'Reilly
Embry-Riddle Aeronautical University, oreillyp@erau.edu

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Scholarly Commons Citation

O'Reilly, P. (2020). Selecting and Implementing Best Practices in Sourcing Organizations with Limited Resources in Hard Times. , (). Retrieved from <https://commons.erau.edu/publication/1460>

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Selecting and Implementing Best Practices in Sourcing Organizations with Limited Resources in Hard Times

Dr. Peter O'Reilly

Chairperson- ISM Services Group

480-471-2388drpor@aol.com

The Goal of a Sourcing Organization

- **Demonstrating sustainable strategic value to your firm, agency or institute.**

Premise of Most Sourcing Organizations in 2009

- **You have limited resources (staffing, systems, budgets, etc.).**
- **Your firm is facing difficult times.**
- **You are stuck in the middle.**

Best Practice Cycle

- **Analysis of Current Operations**
- **Implementing Best Practice**
- **Feedback**

Analysis of Current Operations

- **SWOT Analysis**
- **Spend Analysis**
- **Identify Strategic Stakeholders**
- **Mission Statement and Vision Statement**

SWOT Analysis

- **Strengths**
 - **What are you good at?**
 - **What are your core competencies?**
- **Weaknesses**
 - **What is preventing you from moving forward?**
 - **What needs improvement within your organization?**

SWOT Analysis (Continued)

- **Opportunities**

- **What new areas of sourcing could be made available to your organization?**
- **How can you best help your firm in this economic downturn?**

- **Threats**

- **What do you fear most for your organization?**
- **Are there any external factors that are impeding your organization's growth?**

Spend Analysis

- **Do you know your firm's spend?**
- **Do an A-B-C analysis.**
- **What percent of the total spend are you currently processing? (A)**
- **What additional spend could you process? (B)**
- **With additional resources, what other spend would you like to process? (C)**

Stakeholders

- **Understand who stakeholders are and their potential importance to your organization.**
- **Identify current and proposed stakeholders.**
- **Bring all stakeholders into the sourcing family.**

Mission and Vision Statements

- **Before you can move forward you need to know who you are as an organization.**
- **Mission Statement- describes your present role within your firm.**
- **Vision Statement- a brief and dynamic description of what you would like to be in the future.**

Best Practices

- **Scorecards**
- **Councils**
- **Strategic Planning**
- **Staffing**
- **Savings**

Scorecards

- **Suppliers**
 - **RFP/RFQ Evaluations**
 - **Periodic Performance Reviews**
- **Councils**
 - **Strategic Supplier**
 - **Customer**

Strategic Planning

- **Have a strategic plan**
- **Involve your stakeholders**
- **Participate in your customers' planning process**
- **Develop strategies for-**
 - **Customers –Financial – Marketing (yourself)**
 - **Suppliers -- Operations**

Staffing

- **What does this economic situation mean to your staff?**
- **Be creative if staffing reductions are suggested**
- **Maintain educational programs**
- **Work on morale boosters**
- **Keep growing as a staff, knowledge-wise**

Savings

- **Take advantage of hard times**
- **Go after “non-believers”**
- **Demonstrate savings realized and potential**
- **Advertise successes**
- **Ask how you can make your customers more competitive or cost efficient**

Feedback

- **It is essential that you periodically monitor how your Best Practices are performing.**
- **Make adjustments- revisions, deletions, additions, etc., as necessary!**

Lessons Learned

- **Involve as many stakeholders as resources in your operation as possible**
- **Team results are always better than individual results**
- **Look to be dynamic**
- **Venture into new areas of spend**
- **Customers still want your organization to provide price, quality and service**

Lessons Learned (Continued)

- **Reallocate resources based on priorities**
- **Go after savings passed over in better times**
- **Be flexible and creative**
- **Best Practices will give you an edge.**

Final Thoughts

- **Now is the time to show senior management that your sourcing organization can provide significant bottom line value to your firm by helping to achieve a sustainable competitive advantage.**