



What is your Supply Management Strategy?

- ∞ Purpose
- ∞ Approach
- ∞ Participants



Purpose of a Supply Management Strategy

- ∞ To define the contribution of the function
- ∞ To obtain recognition from management and peers
- ∞ To clarify the role of Purchasing Professionals

Orientation of Strategies

Corporate Strategy

**Supply Management
Strategy**



Corporate Strategy (definition)

A Corporate Strategy should take into consideration a set of decisions allowing the Organisation to :

- 1) determine and communicate its goals and objectives
- 2) develop the organisation's policies and action plans to attain its goals and objectives
- 3) define the sectors of activities the organisation wishes to get involved, the type of organisation it wishes to become on the human and economical plans and the nature of the contribution it wishes to offer to its shareholders, employees and customers, as well as to its community (ies)

Watts et al.



Corporate Strategies (examples)

What should we retrieve in a Supply Management Strategy ?

Guidelines to:

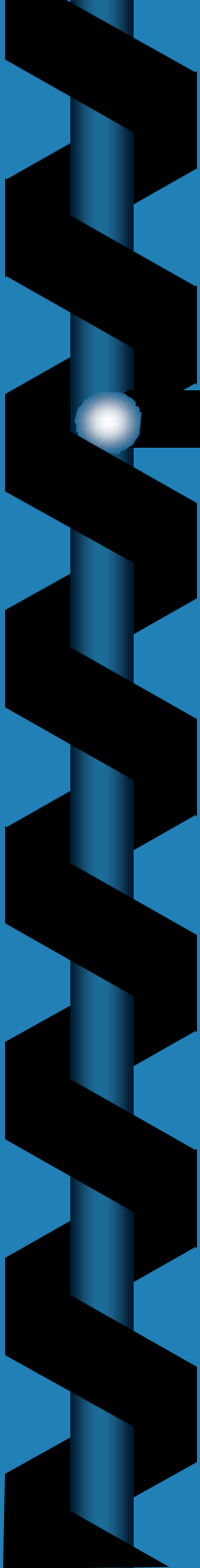
- 1) Identify key performance factors and develop appropriate performance measures
- 2) define the type of relationships to be developed with suppliers
- 3) clarify the role of employees involved in the supply process.

Principles of a World-Class Corporate Strategy

- ∞ Develop the mission and objectives of the Organisation while encouraging vertical communication in both directions
- ∞ Ensure that the mission and objectives are accepted and understood by all
- ∞ Improve performance on an ongoing basis to develop the highest performance in its industry
- ∞ Understand customers needs
- ∞ Evaluate suppliers strengths and weaknesses
- ∞ Evaluate competitors strengths and weaknesses
- ∞ Promote cross-functional communication to maximise the value-added of each activity



Supply Management Strategies (examples)

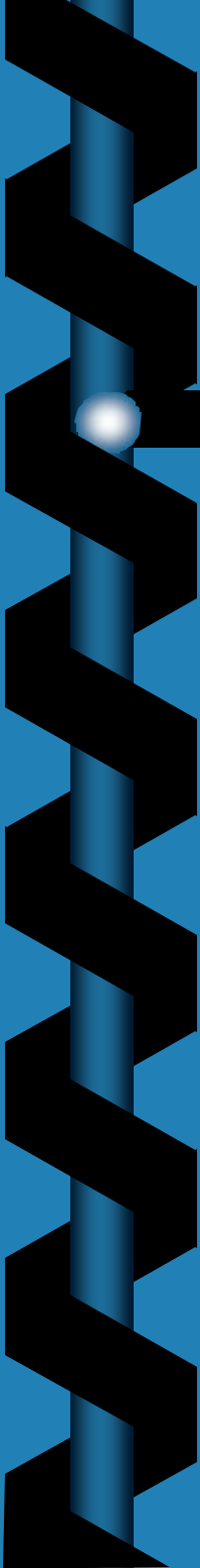


Key Success Factors during the Development phase

- ∞ Understand the Environment
- ∞ Develop a Corporate Vision adopted at all levels and in all Functions
- ∞ Demonstrate Leadership throughout the Supply Chain

Principles of a World-Class Supply Management Strategy

- ∞ Coordinate all the internal activities related to the Supply Chain
- ∞ Consider the Supplier as a component of your processes and promote a relationship based on communication and trust to maximise the value added of each activity
- ∞ Ensure that Suppliers understand the World-Class Concept and are prepared to adopt it



Key Success Factors during the Implementation phase

- ∞ Support Personnel
- ∞ Involve Suppliers
- ∞ Measure Progress
- ∞ Solve problems effectively and promptly



Conclusion

Not a functional change,
but an organisational
change!

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Questions?
