

The Viability of Change in Sourcing Strategies

By Silas L. Carter

Change is good. This is often the guiding vision and mission that attributes to the success of all businesses. There is a wide range of components that drive and lead to profitability, cost competitiveness, corporate governance, employee retention, sustainable growth, product/service innovation, branding, and corporate image. These all result from change initiatives that are necessary to ensure a position, either as leader or follower.

Today, procurement or strategic sourcing or supply chain, whatever the preferred departments, along with internal stakeholders, are viable resources as change agents that contribute to both the small and large business segments of the marketplace. The opportunities to influence and impact change in identifying and decision making are huge in the case of supplier diversity sourcing i.e., *the inclusion of minority, women, and veteran-owned businesses*. Yet, this practice continues to remain in a relatively small to moderate circle of corporations that have chosen to include in their business models a sustainable business imperative, as well as, other diversity and branding initiatives.

The competitive position of the supply chain organization to influence, sell, enhance the brand, and assert its value to the bottom line is under examination by other new and earlier entrants (and even stakeholders) in the value chain or ladder of the company. Although these change factors are essential and beneficial, more collaboration among other internal change agents will be necessary to create a resemblance of a level playing field. This can be a step into uncharted waters by those where change is slow or not evident.

Implementing and executing innovative directions toward strategic sourcing, including business diversity, will remain a question of readiness, for both the clients and suppliers or service providers. Scheduling any business and cultural transition is a function of timing, in both the short and long term. In a process driven and results oriented environment, assessing the value that will be established

and proven must be clearly stated. But, if not now, when?

Developing a campaign, that will accentuate the company's profile without an unrealistic overhaul, can be effective and rewarding. Establishing the measurement criteria to meet the clients' or customers' brand expectations, while obtaining financial success will be valuable contributions made by procurement teams. As challenging as it will appear, procurement can become a member of the drivers in the company. Be prepared to accept the "why and how" questions.

Executive leadership, starting at the top of the company, is critical and necessary to ensure competence and success in a sustainable sourcing organization; incorporating supplier diversity notwithstanding. The business case will consist of the following deliverables: vision statements and goal setting; performance measurements; defined beneficiaries; working budget (an investment decision); the risk assessment of qualitative and quantitative results; and a well-planned implementation strategy. The opportunities in this business segment will highlight the change that leads to a proactive and dynamic business environment.

We are all change agents in our endeavors. *Creating strategies to execute innovative business practices are the challenge and the opportunity.* ♦

Silas L. Carter is president of **The Future Procurement Group** (www.thefutureprocurementgroup.com), which provides services in the fields of business diversity program development, strategic sourcing, marketing, and purchasing management. Carter is an architect in executing sustainable company-wide supply chain management initiatives to develop and grow the spend practices to include diverse businesses throughout key business markets.



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