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W5: The Sourcing Function

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#43772248

Week 5 Discussion: The Sourcing Function

CO6: Define sourcing as a supply chain component, how to measure performance, and key strategies to improve effectiveness.

Discussion Prompt:

Chose one of the following Discussion prompts:

- Find a business example of outsourcing and explain the risks and benefits this company faces by outsourcing its components or finished products.
- There has been a push in many communities to source locally. Restaurants are specializing in local sourcing as are grocery stores and craft retailers. Identify the risks and benefits of this sourcing method.
- Explain the differences between sourcing manufactured products versus services. Identify some of the key challenges that occur in defining service specifications versus manufactured product specifications. Provide an example of each.
- Identify the primary ways in which the sourcing function impacts supply chain management. Find an industry example where sourcing has significantly benefited the organization and where it has significantly hurt the organization.

- Define in some detail the sourcing function in your organization including: methods, services and products, challenges & effectiveness, and control methods.

Discussion Guidelines

Rubrics

 SCMG Undergrad Discussion Rubric (Feb 2021)

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Sourcing impact on supply chain

DORIAN WALKER posted Mar 4, 2023 8:22 AM  [Subscribe](#)

The process of selecting vendors, suppliers, and subcontractors to deliver products and services to a business is known as sourcing. It is an integral part of the broader supply chain management process, which guarantees the timely delivery of high-quality goods and services at the lowest possible cost. Typically, sourcing entails investigating, finding, and assessing potential suppliers and negotiating contracts with them.

The sourcing function's performance regarding cost, quality, service, and delivery may be monitored. The total cost of ownership (TCO), which includes the cost of products, shipping, and services, is often used to calculate the cost. The degree of flaws and conformity with the requirements supplied determine quality. Service is judged by the speed and correctness of delivery and the supplier's reaction. The timeliness of products and services is used to gauge delivery.

1. Create a centralized sourcing system to manage the sourcing process and guarantee that contracts are negotiated on time and that products and services are procured from the best vendors.
2. Build good supplier partnerships: Building excellent supplier relationships may assist in guaranteeing that costs, quality, and service remain at the highest levels.
3. Regular reviews of their performance and contracts should be done to guarantee that suppliers are providing the most significant value and quality.

4. Technology may assist in expediting the sourcing process and guarantee that only the finest suppliers are found and chosen for each project.
5. Investigate other sourcing techniques: Alternative sourcing methods such as online auctions and global sourcing can assist in cutting expenses while expanding the number of prospective suppliers

Sourcing as a Supply Chain Link Sourcing is essential to every company's supply chain management process. It entails choosing and managing the vendors who supply the business with goods and services. Researching, locating, analyzing, and negotiating contracts with potential suppliers are part of the sourcing process. The sourcing process aims to pick suppliers with the highest pricing, quality, and service and deliver value.

Performance Evaluation The sourcing function's performance may be judged in cost, quality, service, and delivery. The total cost of ownership (TCO), which includes the cost of products, shipping, and services, is often used to calculate the cost. The degree of flaws and conformity with the requirements supplied determine quality. Service is judged by the speed and correctness of delivery and the supplier's reaction. The timeliness of products and services is used to gauge delivery.

The following are effective tactics that businesses may utilize to increase the efficiency of their sourcing process:

1. Create a centralized sourcing system: One of the most effective methods to ensure that the sourcing process is completed on time and that contracts are negotiated with the finest suppliers is to create a centralized sourcing system. The system should be capable of managing the procurement process, which includes researching, analyzing, and choosing vendors. It should also contain tools for contract negotiation and supplier performance tracking.
2. Building excellent supplier relationships may assist in guaranteeing that costs, quality, and service remain at the highest levels. It also aids in developing trust between the company and the provider. Therefore, organizations should seek to establish relationships with their suppliers to understand better the vendor's skills, goals, and requirements.
3. Regular reviews of their performance and contracts should be done to guarantee that suppliers are providing the most significant value and quality. The assessments should analyze the supplier's goods and services pricing, quality, service, and delivery. The evaluations should also include internal stakeholders' comments to verify that the provider meets their needs.
4. Technology may assist in expediting the sourcing process and guarantee that only the finest suppliers are found and chosen for each project. In addition, technology may monitor

supplier performance and follow contracts to verify that they meet the company's demands.

5. Investigate other sourcing techniques: Alternative sourcing methods, such as online auctions and global sourcing, can assist in cutting expenses while expanding the number of prospective suppliers. For example, online auctions may be used to get goods and services from diverse vendors. Likewise, global sourcing allows enterprises to benefit from cheaper costs and more outstanding quality found in particular locations by purchasing goods and services from vendors in other nations.

Sourcing is an essential part of every company's supply chain management process. It entails researching, analyzing possible suppliers, and negotiating contracts with them. The sourcing process aims to pick suppliers with quality, service, and delivering value. Organizations should implement strategies such as establishing a centralized sourcing system, developing supplier relationships, conducting regular reviews, utilizing technology, and exploring

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local sourcing

Damian Hoffman posted Feb 27, 2023 6:26 AM [☆ Subscribe](#)

Local sourcing has become increasingly more popular in recent years. Many communities and businesses are embracing the practice for several reasons. One of the main benefits of sourcing locally is environmental sustainability. By reducing the distance that food and goods travel, local sourcing helps to decrease the carbon footprint and support the use of sustainable farming and production practices. This also helps to preserve local ecosystems and reduce greenhouse gas emissions. Additionally, sourcing products locally often leads to fresher products that are of higher quality and taste better. Supporting local farmers and producers also helps to build communities, create jobs, and help the local economy.

However, there are also risks associated with local sourcing. For instance, locally sourced products may not be available the whole year or in enough quantities to meet demand. This can lead to higher prices and limited availability of certain products. Additionally, businesses may find it challenging to offer a wide range of products, and consumers may have

difficulty finding specific products they need or want. Furthermore, local sourcing can be more expensive than sourcing from distant suppliers, as it often requires more effort and resources to transport products and maintain relationships with local producers. Finally, local sourcing requires close monitoring of production practices to ensure quality control. This can be challenging for businesses that rely on multiple local suppliers who all have different standards and practices.

In conclusion, local sourcing has both benefits and risks, and businesses and consumers must weigh them carefully. While local sourcing can promote environmental sustainability, support the local economy, and provide fresher

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