



How do you know you're getting the most out of your sourcing processes? **Look beyond pricing and costs to determine the best value for your organization with these 6 tips.**



pro tip  
**#1**

**Proper strategic sourcing is a four-phase, multistep process.**

Proper strategic sourcing starts with identifying an opportunity and ends with identifying the next opportunity. But good sourcing doesn't just happen, it takes careful attention to planning, sourcing, execution, and analysis.

pro tip  
**#2**

**There are three primary types of opportunities that define good strategic sourcing projects.**

- **Cost reduction:** Most commonly, suppliers, transport, inventory, and other areas offer opportunities to save.
- **Cost avoidance:** Volume consolidation or lock-in agreements can help mitigate rising costs.
- **Revenue generation opportunities:** Grow the top line rather than reducing the bottom line to offset growing costs.

pro tip  
**#3**

**Yes, you can plan a strategic sourcing activity that does not sacrifice quality or reliability.**

First, define and scope the opportunity. Then, determine the event type and plan your strategy. Establish clear requirements, regular communication, appropriate incentive structure, and unbiased evaluation criteria. Finally, clearly delineate responsibilities for your project team.

pro tip  
**#4**

**Chart the what-if scenarios for your sourcing project.**

Use decision optimization to determine what's best for your business. Calculate the true total costs based on fixed and supplementary costs, codify the constraints, and chart the what-if scenarios for the model.

pro tip  
**#5**

**Contract compliance is the key to sourcing success.**

When employees buy off contract, you lose the savings and other benefits you've negotiated into supplier contracts. Don't let your hard work go to waste. Make sure buyers are in compliance with your contracts.

pro tip  
**#6**

**Direct is just the beginning. Take all your sourcing to the next level.**

Direct spend is a massive spend category, but it's not the only category with opportunities for savings. Evaluate indirect sourcing, including marketing, legal, and contingent labor, for possible cost cutting.



Learn more about sourcing in **The Strategic Sourcing Lifecycle**, a whitepaper by leading strategic sourcing expert Dr. Michael Lamoureux, at [Coupa.com](http://Coupa.com).