The Evolution of Strategic Sourcing: Past, Present and Future
Panel
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Moderator
Mike Smith, Honorary Member
PAST
Definition
History

PRESENT
States using strategic sourcing
Benefits/achieved outcomes
Challenges/lessons learned
Stakeholder involvement

FUTURE
What’s next?
Growth/expansion?
What is Strategic Sourcing?

“Strategic sourcing is the collaborative and structured process of critically analyzing an organization's spending and using this information to make business decisions about acquiring commodities and services more effectively and efficiently.”  Federal Office of Management and Budget/GSA StrategicSourcing.gov
History

- Introduced in private sector in 1980’s/1990’s
- State government – early adopters started in 2003/04/05
- Implemented by federal government (OMB) in 2005
Key Elements

• Data driven decisions
• Better understanding of spending patterns
• Leverage buying power/aggregate demand
• Reduce number of suppliers
• Drive savings and efficiencies
• Focus on total cost of ownership
• Improve quality of goods and services
• Enhanced relationship with supplier community
PRESENT

How is strategic sourcing changing the way your state procures goods and services?

How are you using the supplier community in your efforts?

What have been some of the challenges or lessons learned?

How has strategic sourcing evolved over the past few years?
What is the future of strategic sourcing in state government procurement?

As sourcing activities grow and expand, will states look more to cooperative purchasing solutions or outsourcing as a strategic approach?

How will the role of the supplier community change over the next few years?
QUESTIONS?

Thank You!