Acer, 57	BMW, 24, 55
Act to deliver the program, 153–154	Boeing, 38, 83
Advance the changes, 154–155	Brands, 55
Aerospace sector, 143	Business acceleration, 55
Africa, 23, 32, 35–37, 39	Business model resilience, 108
Agenda now, 157-158	
Agile procurement, 91, 95, 97	Cameroon, 101
agile infrastructure, 114	Canada, 42
building steps, 105–106	Capabilities 65-67, 84-85
decision making speed and	benchmark, 146
processes, 114	and culture, 4, 6
development and implementation of	foundation building, 85–87
cross-functional teams, 110–112	target expansion and pilots, 87–89
key enablers, 113–115	Capability building, 152–153
personnel dedication and skill	Carbon dioxide (CO2) emissions, 132
sets, 113	Carbon emissions, 121
tools, 113	Carrefour, 38
uncertainty definition, 106–107	Cash flow at risk (CFaR) analysis, 113
Airbus, 83	Category management and execution,
Airtel, 70	4, 6–9
Alcatel-Lucent, 70	Category management performance
Amazon, 73	cross-functional category team and
Anticipation, 95–96	steering governance, 11-12
Apple, 52, 60, 62–63, 65	management approach, 12
Ariba, 78	performance management, 12-13
Asia, 32, 36, 46, 121	Central Europe, 39
Australia, 23, 123, 125	Centrally coordinated procurement
	function, 9
Bangladesh, 26, 36	CEO mandate, 64–65
Benchmarking, internal and external	Change fatigue, 139
functions, 67	Change program, architect, 148–153
Big data, 73, 75, 82, 88	executive mandate, 148–149
global connectivity and possibilities	initiative portfolio management, 149
and risk, 21	stakeholder alignment, 149–150
procurement readiness, 21–22	winning over the organization,
technical solutions to analyze, 86–87	150–152
Bloomberg, 77	Change story, 150–151

Chief Procurement Officers (CPOs). See CPOs (Chief Procurement Officers)	Cross-functional category team and steering governance, 11–12
Chile, 25	Cross-functional support for footprint
China, 15–17, 20, 23, 25, 31–32, 34,	decision making, 44–45
36–40, 100, 121	Cross-functionality, 96–97
Cisco Systems, 21	Cross-sector consortium buying, 82–83
"Clean sheet" cost calculations, 79	Currency options, 102
Climate change, 25	
Coca-Cola, 52, 129	Data-driven decision making, 73–75
Cocoa Plan, 129	capabilities to capture opportunities,
Collaboration	84–89
closeness and outcomes, 130–131	enhanced data-driven decisions, 75–78
internal, 9	procurement, opportunities in core
at scale, 76	activities and beyond, 78–84
Commoditization of functional	Decision making speed and processes,
excellence, 56–57	114
Commodity exchanges, 102	Deese, Willie, 64–65
Commodity prices, 23–24	Demand and downstream uncertainties,
Company agenda capabilities, 132	107
Compliance, 82	Demand and specification
Computing, 19	management, 8
Confidentiality requirements, 83	Democratic Republic of the Congo, 130
Consumer goods sector, 141	Design to cost, 103
Contract research organizations	Design to switchability, 103
(CROs), 54	Development of suppliers and
Cook, Tim, 62–63, 65	ecosystems, 100–101
Cost of goods sold (COGS), 101,	DHI, 98
105, 107	Diageo, 101
Cotê d'Ivore, 129	Disaster risk management, 98
CPOs (Chief Procurement Officers)	Disaster-response strategy, 105
aspirations, 114–115	Drivers of outsourcing
capabilities, new, 66-69	greater availability of offerings, 56-57
CEO mandate, 64-65, 148	market pressures, 55-56
change management, 139-140	Drivers of procurement performance,
vs. COO, 65	55–58
coordination with others, 154	Dun & Bradstreet, 75
definition, 68–69	Dynamic footprint decisions, 42–43
orchestral role, 64, 66	cross-functional support for footprint
relationships, 134	decision making, 44–45
reporting to CEO, 10	flexible supply chains to
stepping up, 63–71	operationalize, 45-47
value added to key stakeholders, 66	Dynamic sourcing, 33–36, 40–41, 99
Craigslist, 52	
Credibility, 87	Eastern Europe, 32, 36, 39, 46, 126
Cross-border capital flows, 20, 74	Economic factors. See Sourcing risk into
Cross-function integration	competitive advantage
enterprise, 113	Economies of skill, 9–10

The Economist (magazine), 95 Finite element method (FEM), 108 Electronic manufacturing service (EMS), 56 Firstsource, 70 Emerging markets, 17–18, 23, 33–37, Flexibility into supplier and customer 39, 50 contracting, 101-103 Employee motivation, 124 Flexible supply chains to Employees' strength and weakness, operationalize, 45-47 146-147 Flextronics, 46 End-to-end value chain, 18, 46 Footprint opportunities, 44 Energy, 23 Ford, 37 Energy requirements, volatility, 94 Forecasting and shaping of customer Enterprise resource planning (ERP), 21, 76 demand, 104 Environmental, social, and regulatory The Forest Trust (TFT), 118 Foundation building company agenda capabilities, 132 big data, technical solutions to considerations, 118 analyze, 86–87 talent, analytical, 85–86 impacts measurement, 128 Foxconn, 56-57, 63 issues, 24, 115, 120, 121, 126-128 E-procurement tools, 8 France, 42 Ericsson, 69 Frito-Lay, 37 European Brand Association (AIM Fujitsu, 105 PROGRESS), 130-131 Fukushima disaster, 96 European Union, 23, 39, 122 Full supply chain focus, 129 Executive mandate, 148-149 Functional specialists, 51–54 Export tariffs, 41 factor cost, 54 Exposure measurement, 107-108 operational scale, 54 External development relationships, specialized skill, 54 Functional specifications, 103 134-135 External event-driven uncertainties, Future market prices, 87 106 Futures and derivatives, 102 External provider integration, 67 General Electric (GE), 16–17, 37 relationships, 67-68 Germany, 37, 61, 147 External relationships, 128-129 Ghana, 39, 101 full supply chain focus, 129 Global commodities, 24 stakeholders and industry standards, Global connectivity and possibilities 128 - 129and risk, 21 Global eProcedure, 78 Facebook, 20 Global information, 74 Fact base on ESR issues, 126–127 Global Purchasing Excellence Factor cost, 54 (GPE) research, 3–4, 8, 11, 50, 85, 92, 147 Factor cost increases, 121 Failure modes and effects analysis Global rebalancing (FMEA), 108 emerging markets as innovation and Financial hedging instruments, 102 talent, 17 Financial institutions sector, 143 private consumption and cost innovation, 16–17 Financial strength and shareholder agreement, 108-109 procurement readiness, 17-18

Global rebalancing, sourcing footprint,	Initiative portfolio management, 149
31–33	InnoCentive, 57–58
dynamic footprint decisions, 42–47	Innovation, 84
dynamic sourcing, 33–36	and advantages, 39
factors shaping, 36-37	Integration and alignment, 6
Globalization, 56	Intel, 22
Goals stretched, procurement and	Internal collaboration, 9
organizational, 144–145	International Union for
Google Earth, 75	Conservation of Nature
Google Maps, 75	(IUCN), 120
Government activism, 121	Internet Protocol (IP) phone
Government regulations, 40-42	subscribers, 69
GPE research. See Global Purchasing	Iran, 23
Excellence (GPE) research	Iraq, 23
Great Global Rebalancing, 16–17,	ISO 31000, 92
31–34, 41, 46, 121, 141–142	Issues, 24
Greenpeace, 118, 120	Issues in procurement,
Gross domestic product (GDP)	119–126
growth, 74	11)-120
giowii, /4	Japan, 16, 34, 37–38, 91,
Health care, 19	94-95, 105
Hedges and hedging, 102	Join Deere, 21
Heightened negotiation intelligence,	Just-in-time (JIT) supply, 46
79–80	Vonnady John E. 144
Helix, 100	Kennedy, John F., 144
Henkel, 94	Kenya, 39, 101
Hewlett Packard (HP), 112	Key performance indicators (KPIs), 60,
Honda, 91–92	66–67, 70, 81, 85, 87
Honduras, 36, 96	Key risks, 96
Huawei, 17, 39, 70	Knowledge-management
	processes, 10
IBM, 21, 70	Kraft Foods, 134
Ikea, 32, 101	
Impacts measurement, 128	Labor rates, 107
Import tariffs, 40, 42	Lafer, A. G., 52
India, 16–17, 20, 23, 32, 38–40, 42,	Lanthanum, 100
70–71, 101	Latin America, 36, 39
Indonesia, 32, 36, 38, 41–42, 118	Lenovo, 37
Industry norm elevation, 126	Li & Fung, 99
Industry structure improvement, 124	London Metal Exchange, 102
Information and global connectivity, 20-21	Low-cost countries (LCCs), 79
Information flows, 20	Lufthansa, 94, 102
Information technology (IT), 8	
development, 39	Magna Steyr, 55, 60
infrastructure and analytic	Maintenance, repair, and operations
capability, 111	(MROs), 80
IT-enabled networking, 76	Malaysia, 42
-	

Management	Nature (magazine), 118
approach, 12	Negotiation capabilities
principles for productivity, 19	enhanced negotiation scenario
quality of, 19	analyses, 80
skills, 68	heightened negotiation intelligence,
Mandatory ESR consideration	79–80
industry norm elevation, 126	Nespresso, 120
license for operation, 125	Nestlé, 101, 118–119,
new market access, 125	125, 129
tight market supply,	Nestlé Supplier Code, 119
125–126	New costs from ESR, 122
Market fluctuations, 105	New market access, 125
Market pressures	New opportunities from ESR
business acceleration, 55	employee motivation, 124
globalization, 56	industry structure it provement, 124
Market price volatility, 106	markets and products,
Market risk, 108	new, 123
Markets, amplified volatility	quality and consistency
of, 23	improvement, 123
Markets and products, new, 123	total costs reductions, 123
McKinsey, 3, 16	Nicaragua, 36
McKinsey Global Institute (MGI),	Nicisen, 75
16, 93	Nigeria, 39, 101
McKinsey global survey (2012),	Nokia Siemens, 39
126, 128	Nortel, 70
McKinsey research, 19, 139	North America, 32, 143–144
McKinsey's Organizational Health Index	Nortura, 21
(OHI), 140	NSN, 70
Megatrends, 25–27	, .
big data and the global grid,	
20–22	Oil and gas
great global rebalancing,	energy sector, 142–143
16–18	reserves, 23
new economic drivers,	Open-source innovation
25–26	continues, 84
productivity imperative,	Operational scale, 54
18–20	Opportunities relevant to
volatile new normal, 22-25	industry/company/organization,
Mexico, 36-37, 39, 46	141–143
Middle East, 23	Oracle, 78
Modularity, 103	Orchestration need for end to end
Monetization of propriety	value chain, 58-59
information, 84	Organization
Monte Carlo simulation, 108	assessment, 146
Mphasis, 70	capabilities benchmark, 146
Multinational companies, 34	Organizational health
Munich Re, 94	goals, 145

Original design manufacturers (ODMs),	Proctor & Gamble (P&G), 17, 52
52, 56	Procurement, new model of agile
Original equipment manufacturers	anticipation, 95–96
(OEMs), 37, 56	application software, 78
Outsourcing offerings	benefits, 4–6
commoditization of functional	comprehensive view, 97–99
excellence, 56–57	coping with ESR, 124–126
greater availability of, 56–57	cross functionality, 96–97
standardization of IT and business	functions, 86
processes, 57–58	institution weakness and strengths,
Outsourcing risk mitigation, 58	147–148
	natural role, 77–78
Pakistan, 26, 101	new model of agile, 95–99
Palm oil, 42	opportunities in core activities and
Panasonic, 22	beyond, 78–84
Patagonia, 131	performance drivers, 3–13
Performance, assessment of current, 146	readiness, 17–22, 24–27
capabilities needed for success, 146	road map to 20/20, 139–145, 148–155
employees' strength and weakness,	role, 59-60
146–147	vision, 140–148
procurement institution weakness	Productivity imperative, 51
and strengths, 147–148	companies riding the waves, 69–71
Performance management, 12–13	drivers, 55–58
Personnel dedication and skill sets, 113	functional specialists, 51–54
D 1 1 100	orchestration need, 58–59
Peru, 24	possibilities, 60–63
Perspective broadening, 106 Peru, 24 Pharmaceutical sector, 142 Philippines, 12, 25, 39	procurement role, 59–60
Philippines, 12, 25, 39	stepping up to the CPO role, 63–71
Physical hedging, 102	Public awareness, 120
Porter's five forces, 43	Publishers' Database for Responsible
Portugal, 46	Environmental Paper Sourcing
Power for decisions across functions,	(PREPS database), 129
43–44	Purchasing and alignment, 99
Preemptive agility creation, 99–104	3 0 ///
design to switchability, 103	Qoros, 60–62
development of suppliers and	Quality and consistency improvement,
ecosystems, 100–101	123
flexibility into supplier and customer	Quanta, 56
contracting, 101–103	ζ ,
forecasting and shaping of customer	Rainforest Alliance, 134
demand, 104	Rare earth elements, 100
uncertainties in future supply base,	Raw materials
99–100	hedges, 102
Presumptive procurement levers, 111	scarcity, 91
Private consumption and cost	volatility, 107
innovation, 16–17	Recyclability, 103

Regulatory and social issues, 25-26	Saudi Arabia, 23
Regulatory factors. See ESR	Scarcity of raw materials, 91
Reinforcement mechanisms, 151–152	Seagate, 22
Relevant uncertainty definition	Sectors
exposure measurement, 107–108	aerospace, 143
perspective broadening, 106	consumer goods, 141
range of risk, 109–110	financial institutions, 143
risk owner, 108–109	oil and gas energy, 142-143
risk quantification and response	pharmaceutical, 142
options, 107–110	retail, 141–142
risk type definition, 106–107	telecommunications, 142
uncertainty analysis, 106	Semcon, 60
Reshoring, 37	Senior alignment sessions, 43
Resource demand vs. supply, 23	Sentiment analysis, 73
Responsive agile procurement	Serving local customers, 37–38
levers, 111	SGL Group, 24
Retail sector, 141–142	Sharp, 22
Revenues per employee (RPE), 51	Shell, 118
Reverse innovations, 39	"Should vost models, 79
Risk appetite, 109–110	Siemens, 125
Risk owner, 108–109	Sienz Leone, 101
Risk-management services, 88	Singapore, 121, 127, 132
Risk(s)	Single-source provider, 96
and compliance management, 83	Skype, 52, 69–70
currency options, 102	Smarteq, 46
disaster risk management, 98	Smith, Adam, 18
global connectivity and possibilities, 21	Social factors. See Economic drivers'
heightened, 122	impacts
management and mitigation	Sony, 22, 94
skills, 108	Sourcing, 45
management of, 114	Sourcing at best cost, 36–37
market risk, 108	Sourcing footprint, factors shaping,
outsourcing risk mitigation, 58	36–42. In order as presented
of overdependency, 62	sourcing at best cost, 36-37
physical hedges, 102	serving local customers, 37–38
quantification and response options,	anchor points for company, 38-39
107–110	innovation and advantages, 39
range of, 109–110	supply chain risk mitigation, 39-40
raw-material hedges, 102	sustainability issues, 40
risk type definition, 106–107	dynamic sourcing, 40-41
set of, 107	government regulations, 40-42
of supplier quality issues, 107	Sourcing footprints, 41-42, 45
supply chain risk, 40	South Africa, 35
supply chain risk mitigation, 39-40	South America, 32
Role modeling, 151	South Asia, 23
Russia, 41–42	South Korea, 39

Spain, 45–46	Technology leveraging, 131
Specialized skill, 54	Telecommunications sector, 142
Specifications and demand, better	Teleperformance, 70
management of	Tesco, 21
benchmarking demand and	Thailand
specification, 81–82	Thomson Reuters, 77
compliance ensured, 82	Tight market supply, 125-126
true demand, 81	Time, 96–97
Stakeholder alignment, 68, 149–150	Time-to-market initiatives, 83
Stakeholders and industry standards,	TomTom, 21
128–129	Total cost of goods sold
Standardization of IT and business	(COGS), 107
processes, 57–58	Total cost of ownership (TCO), 126
Stora Enso, 102	elements, 80
Structures and systems, 4, 6	model development, 113
Supplier ecosystem, 101	models, 45, 81
Supplier portfolio, 99	Total costs reductions, 123
Supply and upstream uncertainties, 106	Total impact of ownership (TIO), 126,
Supply chain relationship development,	133
133–134	Total-cost approach, 11
Supply chain risk, 40	Total-cost-of-ownership
Supply chain risk mitigation, 39–40	methodology, 8
Supply volatility, 104	Toyota Prius, 100
The Sustainability Consortium	Training program, 7
(TSC), 126	True demand, 81
Sustainability issues, 40	TSMC, 51
Sustainable Apparel Coalition 129	
Sustainable Sourcing Advisory Board	Uncertainties in future supply base,
(SSAB), 126	99–100
Sweden, 61	Uncertainty analysis, 106
Switzerland, 121, 127	Unilever, 38, 125–126, 130
Synnex, 56	United States, 18, 23-24, 37, 39, 80, 83
Synthetic hedging, 102	95, 143
Systematic assessment of ESR	
issues, 128	Value added to key stakeholders, 66
	Value by pilot expansion, 88
Talent, analytical, 85-86	Value chain, 59, 113
Talent as key asset, 6-7	Venezuela, 23
Tamkivi, Sten, 69–70	Vietnam, 32, 36
Targeted expansion and pilots	Vodafone, 21
credibility gains, 87	Volatility, 91
lessons from pilots, 87–88	changes, 98
value by pilot expansion, 88	of demand vs. supply, 98
Tariffs	energy requirements, 94
export, 41	era of greater, 93–95
import, 42–43	Volkswagen, 24, 46
	<u>~</u>

Wal-Mart, 95–96, 120, 126
Water scarcity, 23
Weather hedging, 102
Western Digital, 22
Winning over the organization
capability building, 152–153
change story, 150–151
reinforcement mechanisms, 151–152
role modeling, 151

Wistron, 57 World Trade Organization (WTO), 41 World Wildlife Fund (WWF), 101, 129

Zara, 45–46 Zhou, Mark, 61–62 ZTE, 39

While Hand which is the state of the state o

http://www.phookshop.com