

6 STRATEGIES

TO DRIVE INNOVATION IN SOURCING

Carpe Diem, Procurement

Economic concerns are handing procurement teams a big opportunity to demonstrate their **strategic impact**. One way procurement can do this is by bringing **new innovation** into the business. Usually this happens through external supplier relationships. But procurement should also look **internally** to innovate in ways that help **promote business resilience**.

Why Prioritize Sourcing?

Sourcing is a key area for procurement to make crucial contributions to bottom-line savings, top-line growth, and reduced total cost of ownership. Strategic sourcing also promotes stable supply partnerships that reduce a variety of business risks.

Here are six data-driven strategies for innovating in strategic sourcing that will improve how the function supports the larger business — not just in a down cycle, but through the eventual recovery.



1 Expand the View of the Supplier Landscape

The supply market is in constant movement, impacted by both external and internal events such as regional conflicts and M&As. Is your supplier data able to keep up? It will, if your supplier data can be monitored continuously for notable changes across the supplier landscape that might disrupt your supply chain.

2 Update and Refine Your Supplier Criteria

Mature procurement organizations aren't selecting suppliers based solely on price anymore. They're expanding supplier criteria to include factors such as performance history, geographic location, financial stability, management team, and industry reputation. Having access to comprehensive, current supplier data — and following a continuous data enrichment process to add additional value — makes this feasible.

3 Learn Who Supplies Your Suppliers

Many supply disruptions aren't caused by a company's Tier 1 suppliers; they originate below Tier 1, in "Tier N" territory. Mapping the entire supply chain means achieving a degree of transparency that improves both efficiency and risk mitigation. The company can react faster to disruptive events and gain a basis for improving supplier performance.



4 Make Supplier Risk Mitigation More Proactive

Sourcing teams can help the business become "future-ready" by providing supplier intelligence that enables proactive planning. Data-driven technology can illuminate supply network trends, track changing risk levels, and identify categories that need closer monitoring. Sharing these insights with the wider team equips them to make the right decisions before disruptions occur.

5 Elevate Sourcing Scalability through ESG

Procurement leaders are increasingly acknowledging the importance of supplier ESG data. Sourcing teams can use this data in a variety of ways that help the function to scale, such as creating deeper engagement with suppliers and identifying growth opportunities earlier. ESG data helps sourcing teams do more with less and positively influence the full value chain.

6 Create Better Negotiating Opportunities with Better Data Management

While savings may be a decreasing procurement priority, it's still very important. Procurement data management best practices, such as clustering vendor master data, can help the company address its needs and vendors at enterprise scale. Visibility into company hierarchies, linkages, and ownership also strengthen sourcing's negotiating position with better risk intelligence.

Learn more about how Dun & Bradstreet helps procurement teams make their businesses more *resilient and future-ready*.

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