## Segment 2.4 The Impact of Globalisation on Supply Chains

**Level:** Managerial  
**Theme:** External Environment

<table>
<thead>
<tr>
<th>Knowledge: Will know and understand</th>
<th>Capabilities: Will be able to</th>
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| The main drivers of [globalisation in supply chains](#) such as:  
  - Cost reduction  
  - Flexibility of resources | Identify and explore opportunities for globalisation in the purchasing of goods and services |

**Conflict** that can arise between the needs of stakeholders operating with globalised supply chains and how to manage it  

Conflicts that can arise include:
- Conflict over costs: Different approaches to cost reduction may lead to conflict between stakeholders.
- Conflict over flexibility: Differences in resource flexibility can lead to tension between parties.

Contribute to the management of the procurement and supply chain function taking steps to mitigate challenges and difficulties to resolve conflict within the organisation and with its supply chains

<table>
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<tr>
<th>The main implications of <a href="#">sustainability</a> and responsible procurement in supply chains</th>
<th>Advise colleagues and other stakeholders on how to promote sustainable and responsible procurement in the organisation and its supply chain</th>
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Advise colleagues and other stakeholders on cultural and social issues that can affect supply chains

The main cultural and social issues in supply chains such as:
- Language and cultural barriers
- Labour standards and forced working
- Inequalities of workers
- Health and safety standards
- Minimum/fair wages
- Modern slavery
## Knowledge: Will know and understand

<table>
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<tr>
<th>Labour codes that impact on the globalisation of supply chains such as standards set by the United Nations (UN), the International Labour Organisation (ILO), the Ethical Trading Initiative (ETI) and Social Accountability International Standard SA8000</th>
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## Capabilities: Will be able to

| Draw up and implement plans that address the implications of labour codes that impact on the globalisation of supply chains |

## The impact of Customs Unions, Trade Areas and Trade Blocs such as:

- the EU
- EFTA
- EAC
- NAFTA

| Evaluate the impact Customs Unions, Trade Areas and Trade Blocs have on any restrictions or opportunities for global sourcing |

## Related CIPS Knowledge Links

- Sustainable and Ethical Procurement - [http://www.cips.org/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/)
- Stakeholders - Tools and Templates - [http://www.cips.org/Knowledge/Procurement-topics-and-skills/Procurement-Organisation/Stakeholders/](http://www.cips.org/Knowledge/Procurement-topics-and-skills/Procurement-Organisation/Stakeholders/)