The Global Standard for Procurement and Supply

Version 3.0 – Published 2017

Leading global excellence in procurement and supply

Segment 6.9 Developing Global Sourcing

Level: Professional

Theme: Sourcing

Knowledge: Will know and understand	Capabilities: Will be able to
The importance of creating competitive advantage, including reduced costs, improved quality, reduced time to market, and product and service differentiation through global sourcing and low-cost country sourcing	Evaluate opportunities for global and low cost country sourcing to contribute to the creation of competitive advantage for the organisation
How to identify value added activities and the value chain in global sourcing by: • Reducing costs • Improved quality • More reliable delivery • Innovation • Sustainability	Analyse potential global supply chains to ensure that external organisations contribute value
How to assess supply chain risks in global sourcing, such as: • Country risk • STEEPLED factors • Export and import controls and sanctions • Bribery and corruption • Fraud • Counterfeiting • Disruptive technologies • Cyber attack	Monitor potential risks across global sources in order to develop and implement risk assessment and risk mitigation strategies for global sourcing, taking actions to exploit market opportunities

Knowledge: Will know and understand	Capabilities: Will be able to
Positioning in local, regional and global supply chains	Create and implement plans for the use of ethical procurement
Sourcing decisions in supply chains and the sourcing of rare earth commodities and other bottleneck items	Develop appropriate sourcing strategies for categories of procurements including the mitigation of potential supply chain risks
The co-ordination of commitments with different suppliers to balance supply chain risks across the global supply chain	Establish plans that co-ordinate and share allocations of expenditures across different suppliers when relevant
The use of ethical and sustainable practices in global sourcing, including fair pricing and payment terms, and recognising relevant labour standards in global sourcing	Create and implement plans for the use of sustainable procurement
Legal and regulatory requirements for successful International trading relationships	Advise colleagues and internal stakeholders of changes in international trading, legal issues and regulations

Knowledge: Will know and understand	Capabilities: Will be able to
Standards that apply to human rights, ethical and sustainable sourcing such as: • the United Nations (UN) Trafficking Protocol • the International Labour Organisation (ILO) • the Ethical Trading Initiative (ETI) • the Social Accountability International Standard SA8000 • ISO 20400 Sustainable Procurement • ISO 26000 Social Responsibility	Monitor compliance with human rights, ethical and sustainable practices and standards taking appropriate actions in the event of any breaches

Related CIPS Knowledge Links

Global Supply Chains - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/SRM-and-SC-Management/Global-Supply-Chains/

Stakeholders - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Procurement-Organisation/Stakeholders/

Risk Analysis and Management - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Risk-Analysis-and-Management1/

Category Management - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Strategy-policy/Category-Management/

Diligent Procurement - http://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Diligent-Procurement/

Value Generation - http://www.cips.org/en/Knowledge/Procurement-topics-and-skills/Efficiency/Value-Generation1/

Sustainable and Ethical Procurement - https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Sustainability/Sustainable-and-Ethical-Procurement/

Cyber Security - https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/eCommerce---systems/Cyber-Security/

Counterfeit - https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/Risk-mitigation/Counterfeit/

Legislation - https://www.cips.org/en-GB/Knowledge/Procurement-topics-and-skills/External-Environment/Legislation1/#tabs-2