

Appendix

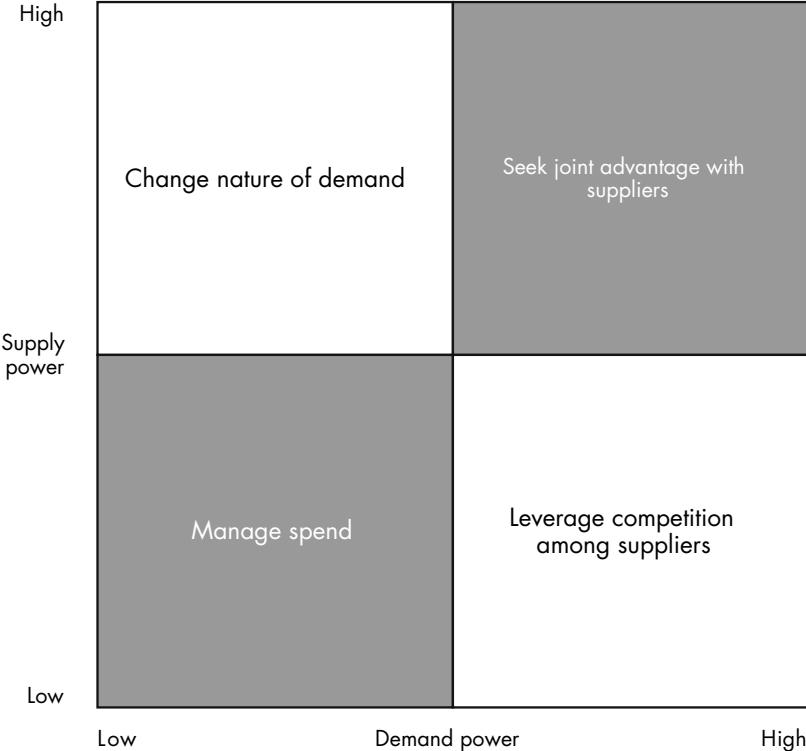


Fig. 8. 4 procurement strategies

High	Innovation breakthrough	Re-specification	Value chain management	Value partnership
	Risk management	Technical data mining	Integrated operations planning	Cost partnership
Supply power	Co-sourcing	Commercial data mining	Tendering	Supplier pricing review
	Demand management	Volume bundling	Globalization	Target pricing
Low				
	Low	Demand power		High

Fig. 9. 16 levers

About the authors



Christian Schuh is the leader of A.T. Kearney's European Procurement Practice and founder of the firm's high tech office in Taipei. He is based in Vienna, Austria. Since joining the firm in 1995, he has led an array of projects for clients in the automotive, construction equipment, defense, high tech, packaging, and steel industries in Austria, China, France, Germany, Russia, Taiwan, the United Kingdom, Ukraine, and the United States. His areas of expertise include strategic sourcing, product development, and organization and he has written several books, monographs, and articles. Before joining A.T. Kearney, he worked for Unilever for several years. Christian studied aeronautical engineering and earned a doctorate degree in business administration from the Graz University of Technology in Austria. He lives in the historic city center of Vienna.



Joseph L. Raudabaugh is the founder and global leader of A.T. Kearney's Procurement & Analytic Solutions Practice and is based in Chicago. Since joining the firm in 1984, he has led projects for clients in the brewing, construction equipment, consumer products, direct marketing, food ingredients, healthcare, industrial products, pharmaceutical, and specialty retail industries in North America, China, Europe, India, Japan, and South America. His areas of expertise include supply management, strategy, and organizational development, and he is the author of various monographs and articles. Joe is the co-founder of A.T. Kearney's Student Lab, a program that connects over 200 clients with students and faculty from Carnegie Mellon University, the University of Chicago's Booth School of Business, the University of Michigan's Ross School of Business, Northwestern University's Kellogg School of Management, London Business School and others to address operations and strategic business projects in an experiential learning model. Before joining A.T. Kearney, Joe worked for Air Products and Chemicals for several years. He studied economics and operations research at North Carolina State University and earned a master's degree in business administration from the University of Chicago Booth School of Business.



Robert Kromoser has been with A.T. Kearney since 1998. He is based in Vienna, Austria, but gained most of his consulting experience during international projects in Germany, Switzerland, Belgium, Denmark, Netherlands, France, Italy, Great Britain, Taiwan, and the United States. He is a member of the leadership team of A.T. Kearney's Procurement Practice with a focus on strategic sourcing, procurement transformation, and supplier risk management. He has led multiple projects in the automotive, construction equipment, building materials, mechanical engineering, and retail industries. In several studies, he analyzed the role of strategic sourcing and procurement as a value-adding factor and he is the author of several books and articles on procurement. Robert studied business administration at Vienna University of Economics and Business Administration in Austria and Carnegie Mellon University in the United States. He lives near Vienna's famous baroque park, Augarten.



Michael F. Strohmer is a member of A.T. Kearney's Procurement Practice and leader of the European raw material competence team. He is based in Vienna, Austria. Since joining the firm in 2001, he has led projects with a broad range of international clients, mainly post-merger. His work encompasses the utilities, automotive, defense, consumer goods, packaging, and steel industries. He is an expert in raw material strategies, procurement transformation, post-merger management, and large-scale capex projects. He has published several books and articles and is a frequent speaker at international conferences. Michael earned a doctorate degree in business administration and law. He lives in Austria's picturesque lake region near Salzburg.



Alenka Triplat is a member of A.T. Kearney's Procurement Practice. Since joining the firm in 2003 in Vienna, Austria, she has led multiple projects on supply management topics in the construction equipment, packaging, and steel sectors. She has worked with international clients based in Austria, Germany, Italy, and Eastern Europe and spent long periods of time working and living in the United States. She is an expert in supply management, including negotiation strategies and global sourcing. She is a trainer in sourcing strategies and negotiations and has published multiple articles on these topics. Alenka studied economics at the University of Ljubljana in Slovenia and business

administration at Vienna University of Economics and Business Administration in Austria. She lives in Vienna and Ljubljana.



Jim Pearce is the leader of A.T. Kearney's European Operations & Performance Transformation Practice. Based in London, he joined the firm in 2001 after earning his MBA from INSEAD. His focus is on operational, organizational, and merger and acquisition projects, largely in extractive and heavy industries such as oil and gas and mining, and he is a regular conference speaker on these topics. Jim developed A.T. Kearney's global capex benchmarking survey, ExCap, and has led multiple capex optimization projects. A geologist by profession, he started his career in gold mining in Ghana before joining Schlumberger and working on oil rigs around the world from Saudi Arabia to Venezuela, Alaska to India, Bahrain to Brazil. He now enjoys a quieter life in the countryside outside London with his wife and three young sons.

The Purchasing Chessboard®



High	8	Invention on demand	Leverage innovation network	Functionality assessment	Specification assessment	Value chain reconfiguration	Revenue sharing	Profit sharing	Strategic alliance
	7	Core-cost analysis	Design for sourcing	Product teardown	Design for manufacture	Supplier tiering	Sustainability management	Project-based partnership	Value-based sourcing
	6	Vertical integration	Intelligent deal structure	Composite benchmark	Process benchmark	Collaborative capacity management	Virtual inventory management	Total life cycle concept	Collaborative cost reduction
	5	Bottleneck management	Political framework management	Product benchmark	Complexity reduction	Visible process organization	Vendor-managed inventory	Supplier development	Supplier fitness program
Supply power	4	Sourcing community	Buying consortia	Cost-data mining	Standardization	RFI/RFP process	Expressive bidding	Total cost of ownership	Leverage market imbalances
	3	Procurement outsourcing	Mega supplier strategy	Master data management	Spend transparency	Supplier market intelligence	Reverse auctions	Price benchmark	Unbundled prices
	2	Compliance management	Closed loop spend management	Supplier consolidation	Bundling across generations	Make or buy	Bestshoring	Cost-regression analysis	Factor-cost analysis
Low	1	Demand reduction	Contract management	Bundling across product lines	Bundling across sites	Global sourcing	LCC sourcing	Cost-based price modeling	Linear performance pricing
		A	B	C	D	E	F	G	H
		Low			Demand power				High