Risky Business: Getting Ahead of Common Sourcing Project Challenges

Sourcing projects can be complex. There are simply too many variables to discover and manage on one's own. The shifting world of suppliers, ever-changing internal needs, logistical hiccups, and any number of other factors are unpredictable and pose great risk to what you and your sourcing team are trying to accomplish.

For many, it leaves the team—and eventually the entire organization—in a state of perpetual uncertainty, damaging Procurement's reputation in the process. Fortunately, this does not have to remain so commonplace, and plenty of solutions are available once you commit to refining your sourcing project management practices.

In simplest terms, Procurement needs better reporting. We've discussed previously how detailed and transparent reporting is the first step to getting the accomplishments of your team recognized by leadership. But, that is a challenge for when the work is done. Today, let's examine how you and your team can leverage reporting technology to overcome the in-process challenges that threaten your sourcing projects. First, let's assess the top common challenges when running complex sourcing projects:

Limited Project Visibility | Lack of Communication | No Centralization
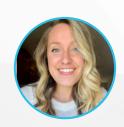
In overcoming these core challenges, a world in which we receive alerts every time that there is a risk in the pipeline, are able to react immediately, save bandwidth, and increase revenue is attainable. But, how do we solve these problems, and what's to be gained with each solution?

Limited Project Visibility. When you have accurate and up-to-date information, you have clear visibility into what is going on at all steps throughout the strategic sourcing process. One immutable truth when it comes to sourcing is that you must always be in front of any potential obstacles that may come your way. Project delays sometimes can be unavoidable, but when you have the correct insight into identifying bottlenecks, you can become proactive.

Lack of Communication. Report on status—at any stage or level of a project—and share that status in-detail with other project stakeholders. This is not only a key element to good project management practices, but it's also a critical component to maintaining relationships, and enhancing the reputation and quality of your team's work. Delivering a high-level of transparency to your customers, subcontractors, and internal stakeholders builds trust, which is the keystone of any high-performing Procurement team.

No Centralization. Utilizing an integrated sourcing project management tool unifies the solutions above into one critical change. Adoption of this technology provides leaders with an overview into compliance, helps identify bottlenecks, and provides visibility into savings projections. By utilizing a centralized source of historical and real-time information, your team is able to leverage valuable negotiation data and provide actionable updates.

Let's continue to keep sourcing and performance management a top priority for 2021. How are you going to use technology to overcome the challenges your team faces this year?

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