

# OUTSOURCING IN THE PURCHASING DEPT.

## OBJECTIVE

- TO THINK OUTSIDE OF OUR TRADITIONAL MODELS.
- TO EVALUATE AND DISCUSS THE POSSIBILITY OF OUTSOURCING PART OF THE PURCHASING DEPT.
- TO PUT TOGETHER SEVERAL IDEAS, CRITICISMS AND VISIONS RELATED TO THIS PROPOSAL.
- TO OPPOSE IT, DISCUSS IT, CRITICIZE IT, EVALUATE IT...

# WHY OUTSOURCING

■ 40% VOLUME = 20% VALUE

■ 60% VOLUME = 80% VALUE



# WHAT SHOULD BE OUTSOURCED?

- ITEMS WITHOUT ADDED VALUE

## WHAT IS NOT INCLUDED

- RAW MATERIALS
- PACKAGING
- IMPORTING OPERATIONS
- CONTRACTING SERVICES
- EQUIPMENT
- ITEMS WITH A UNIT PRICE ABOVE A CERTAIN AMOUNT
- OUTSTANDING ORDER ITEMS
- REPEATABLE ITEMS

# HOW TO IMPLEMENT OUTSOURCING IN PURCHASING

- COMPANY MAKING THE PURCHASE IN OUR NAME.
- COMPANY MAKING THE PURCHASE IN ITS OWN NAME AND INVOICING OUR COMPANY (SAVINGS IN THE PURCHASING PROCESS).
  - Evaluate tax costs (Pis, Confins, etc.)
- COSTS / FEES
  - BY ITEM PURCHASED
  - FOR % OF PURCHASES MADE

# ADVANTAGES AND DISADVANTAGES IN OUTSOURCING

- **ADVANTAGES**

- COST REDUCTION IN THE PURCHASING PROCESS
- STREAMLINED PROCESS
- SIMPLIFIED PROCESS
- PERSONNEL FOCUSED ON THE MAIN BUSINESS

# ADVANTAGES AND DISADVANTAGES IN OUTSOURCING

- **DISADVANTAGES**
  - DIRECT COST OF ITEMS PURCHASED AT A HIGHER PRICE
  - CONTROL OF COST EVOLUTION (NECESSITY)
  - MISTRUST AND SKEPTICISM IN THE ORGANIZATION

# WHAT IS THE GUARANTEE IN OUTSOURCING?

- TRUST BETWEEN THE PARTIES
- COMPARATIVE COST REPORTS
- DETERMINE MAXIMUM PRICES FOR MATERIALS (WHENEVER POSSIBLE)
- ESTABLISHING RISK CONTRACTS AND PARTICIPATING IN PROVEN SAVINGS

# IN WHAT KIND OF COMPANY DOES IT WORK?

- COMPANIES WITH A LARGE NUMBER OF LOW-PRICED ITEMS THAT ARE NOT PART OF THEIR BUSINESS
- BUSINESSES (IN THE SAME INDUSTRY) DEALING WITH MANY ITEMS AND PURCHASING THROUGH A “COOPERATIVE” SYSTEM (EX.: DRUGSTORES, BEAUTY PRODUCTS)

# EXISTENT PURCHASING COOPERATIVES.

- **STATE OF RIO GRANDE DO SUL**
  - COMPANIES WITH OVER 5,000 ITEMS IN INVENTORY THAT STOPPED NEEDING EMPLOYEES TO PURCHASE DIRECTLY FROM SEVERAL SUPPLIERS, INSTEAD PURCHASING DIRECTLY FROM A SINGLE SUPPLIER.
  - DRUGSTORES
  - OVER 40 SMALL BUSINESSES SELLING BEAUTY PRODUCTS THAT PURCHASE THEIR SUPPLIES THROUGH A SINGLE OUTSOURCED COMPANY

# COMPANIES ALREADY OUTSOURCING, TO OUR KNOWLEDGE

- DOW QUÍMICA
- CARBOCLOORO
- RHODIA
- FAIRWAY
- 3 M
- UNION CARBIDE

**IS THERE A FUTURE IN**  
**OUTSOURCING?**

# YES

- WITH FINANCIAL RETURNS SHOWING PRACTICAL RESULTS
- WITH TRUST AND ETHICS
- IF WE ARE DARING AND LEAVE BEHIND ALL PARADIGMS
- IF WE ARE OPTIMISTS AND VISIONARIES

# NO

- IF WE ARE PESSIMISTIC
- IF WE REMAIN COMPLIANT WITH THE STATUS QUO
- IF WE DO NOT TRUST THE RESULTS
- IF DO NOT TRY OUT NEW SOLUTIONS

- WHAT IS THE STRATEGY OF THE PURCHASING AREA FOR THE MAIN RAW MATERIALS?
- HOW MUCH TIME DO WE SPEND STUDYING AND ANALYZING THESE RAW MATERIALS AND THEIR SUPPLY SOURCES?
- HAVE WE PUT ALL OUR EFFORTS IN DEVELOPING BUSINESS OPPORTUNITIES?

THANK YOU

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