

Who's got strategic sourcing on the brain?

By Staff -- Purchasing, April 7, 2004

Packaging giant **Greif Inc.** said in its first quarter financial results that it is launching a strategic sourcing initiative to more effectively leverage its global spending and lay the foundation for a world-class sourcing and supply chain capability. The company is also looking to cut capital spending by \$20 million in 2004.

The **Commonwealth of Pennsylvania** is tired of having its employees buy off-contract and has implemented a controversial new strategic sourcing initiative and has begun holding reverse auctions for some materials and services. The plan is expected to deliver \$100 million in savings in areas such as office supplies, copiers, roadway material, information technology hardware and maintenance, food, cleaning supplies, vehicles and furniture. Critics of the plan say it limits the spending done with small and disadvantaged businesses, but Governor Edward G. Rendell says, "Through strategic sourcing, the Commonwealth is combining the purchasing power of all of the agencies under the Governor's jurisdiction to take advantage of the full volume of its spending."

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