

# CORPORATE TRACK

# INNOVATION SOURCING

WE BELIEVE IN ACTION RESEARCH

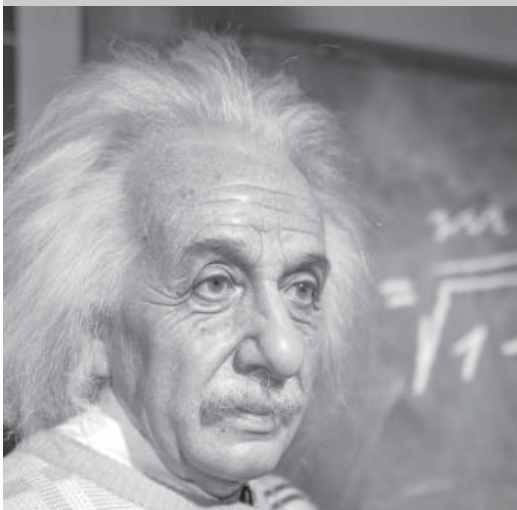
21.03.2016  
10.30 – 12.00  
Logistics Studio

## THE DILEMMA OF PRICE AND INNOVATION

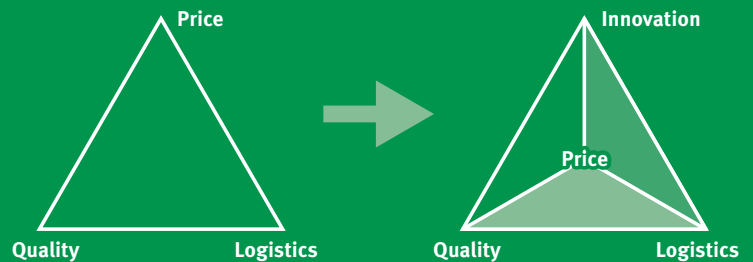
Let's consider the following sourcing decision. You are responsible for a sourcing of a component for an innovative product. There are three suppliers with different prices and different innovation potential. In today's sourcing practice for project-specific components, you often face the following dilemma.

- a) You choose the supplier based on price at a given point of time. If technical requirements change after supplier nomination, the selected supplier might not be the best choice for the product – or might even not be able to meet the requirements.
- b) You choose the supplier based on innovation potential. If the technical requirements are not as high as expected, the selected supplier might not be the best cost alternative – and the early sourcing decision impedes you to apply best cost sourcing.

Do you prefer option a) or b)? Or would you like to find a better approach for innovation sourcing together with us?



Is the purchasing world flat?



Purchasing and supply management professionals measure and are measured by supplier quality, logistics and price. But those three elements do not fully explain the problem of a purchaser. The innovation value of a purchased component is often neither systematically looked at nor considered when taking sourcing decisions.

		Innovation	
		known	unknown
Supplier	unknown		<b>Workshop focus 1:</b> Finding innovative suppliers for new products
	known		<b>Workshop focus 2:</b> Detecting innovation at our current suppliers

### 1) How can we make innovation by suppliers measurable?

We would like to learn about ideas, methods and models that can measure innovation value.

### 2) How can we integrate innovation value into sourcings?

Traditionally we decide based on price, including a bonus-malus-system. We would like to discuss how we can use the innovation value in real sourcing decisions.

### 3) How to create a win-win between scientific research and managerial practice?

We would like to invite interested participants to start action research with us in the field of e-mobility.