



House of Purchasing and Supply

LEAD Key Models

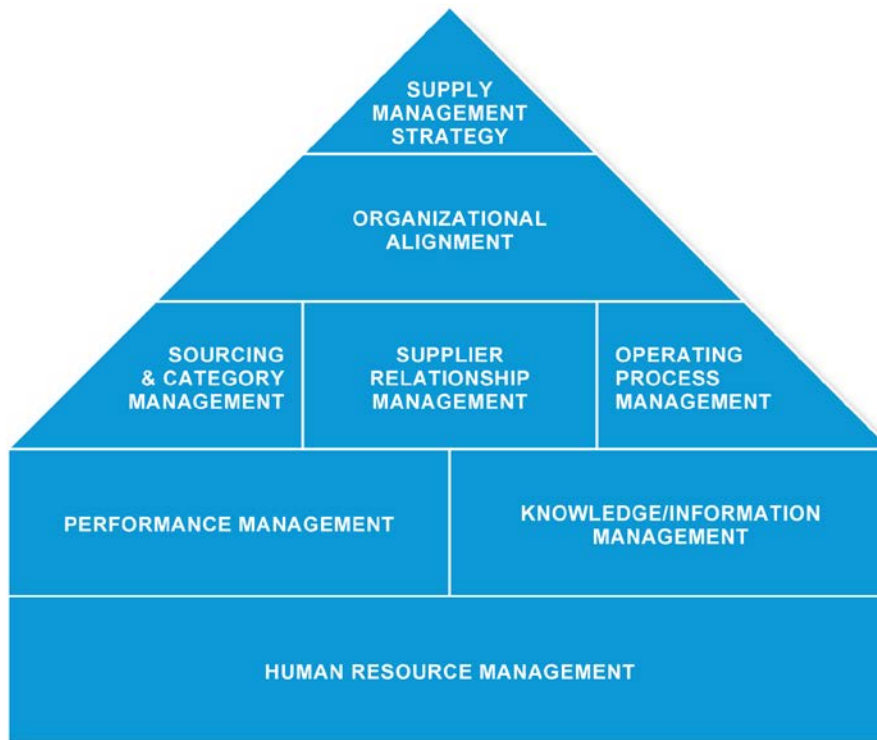


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House of Purchasing and Supply

Also referred to A.T. Kearney House of Purchasing and Supply Framework, and A.T. Kearney's Framework.



Source: AT Kearney

THE WAY OF THINKING - WHY (Reason) & WHITHER (Goal)

The idea behind A.T. Kearney's Framework is to plan, evaluate and monitor the leadership practices in procurement. The framework can also be used for analyzing and modifying any organizational procurement function to increase effectiveness, furthermore identify opportunities regarding the procurement functions.

THE WAY OF WORKING - WHAT (Context) & WHENCE (Source)

One can use the framework by charting the course of action to prepare for the future. The House of Purchasing and Supply is a framework developed by A.T. Kearney. There are eight dimensions provided to achieve procurement excellence:

Procurement strategy - Capitalize on supply market opportunities as an integral part of the business strategy to drive value creation through innovation, cost leadership and marketing and revenue realization.

Organizational alignment – Insert procurement skills and knowledge in the organization's key business processes.

Sourcing - Apply advanced techniques to leverage the full value potential across the entire expenditure base, thus helping the firm to understand its own core competencies.

Supplier relationship management – Effectively manage the tension between the value creation potential and the risks of each relationship.

Operating process management – Automate operating processes by the aggressive and innovative use of e-business technologies.

Performance management – Link procurement figures to corporate results and strategic objectives by making transparent the contribution that procurement makes towards results

Knowledge and information management – Continuously capture and share knowledge across processes, geographies, business units and external relationships.

Human resource management – Create ambassadors of procurement excellence through training, incentives and the aggressive rotation of high potential professionals throughout the organization.

Details around House of Purchasing and Supply needed for the Way of Modelling:

Business Level		Business Area		Relevant Meta Object	
	Strategic Level	X	Strategy	X	Business Channel
X	Tactical Level	X	Organization	X	Service Construct
	Operational Level		Finance	X	Service Channel
			Governance		
			Marketing & Sales		
		X	Operations & Production		
		X	Supply Chain & Procurement		
		X	Business Innovation		
		X	Business Transformation & Change Management		
		X	Technology		
		X	Human Resource Management		
			Leadership		

X = Primary

(x)=Secondary

A=Advanced enhancements to the model

How fits Enterprise Architecture:

While House of Purchasing and Supply can fit nearly all the enterprise layers e.g. Business, Information Systems, Technology, the discipline is a business layer concept with the sub-layer: application. It relates to the most to the competency layer with the focus on the organization i.e. enterprise, organizational units, areas, groups and functions. The House of Purchasing and Supply could also be used for a specific enterprise capability, location or resource.

COMBINATIONS to other models (artefacts)

The House of Purchasing and Supply artefact can be used in the combination of the following other concepts, models/artefacts:

- Requirement Matrix
- Stakeholder Model
- Competency Canvas
- Business Model
- Revenue Model
- Cost Model
- Operating Model
- Rule Model
- Security Matrix
- Case Matrix
- Channel Model
- Media Model
- Process Model
- BPM Notations Matrix
- Service Model
- Application Service Model
- Application Rules Matrix
- Compliance Matrix
- Data Service Map
- Data Rules Matrix
- Platform Service Map
- Platform Rules Matrix
- Infrastructure Service Map

INDUSTRY FOCUS

The House of Purchasing and Supply artefact can be used **across all industries.**



Relevant Roles

The House of Purchasing and Supply artefact is relevant for all roles that are involved with strategy; among others these are the following roles:

Executive Roles

- COO – Chief Operating Officer
- CSCO – Chief Supply Chain Officer
- CHRO – Chief Human Resource Officer

Subject Matter Expert Roles

- Strategy eXpert
- Business Architect
- Business Analyst

REFERENCE MATERIAL

<https://www.capsresearch.org/Publications/pdfs-public/capsnapm1998es.pdf>

<http://www.wisegeek.com/what-is-purchasing-and-supply-management.htm>

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