

Table of Contents

Foreword 9

Chapter 1 **A World without Borders** 13

Politics charts the path 14

Dynamic development processes in the economy 16

Significant changes in society 20

Germany: Example of a Western Economy slowly adapting to globalization 22

Large backlog in Western society 26

Globalization cannot be held back any more 27

Chapter 2 **Global Sourcing – Procuring from all over the World** 29

What exactly is global sourcing? 32

What opportunities and challenges does global sourcing offer? 35

What differentiates global sourcing from other sourcing strategies? 45

What does a global sourcing process look like? 48

How do successful companies profit from global sourcing?
Four case studies 52

What general conditions are required for efficient global
sourcing? 60

Chapter 3 **Global Sourcing – The Most Attractive Regions for** **International Procurement 63**

The most important criteria when selecting the country 64

The most significant tools for country assessment 66

Sourcing market China 69

Sourcing market India 77

Sourcing market Turkey 82

Sourcing market Eastern Europe 85

Chapter 4 **Global Sourcing as a Profit Booster 93**

Which products are suitable for global sourcing? 95

Is your purchasing department correctly positioned for global
sourcing? 99

Operational procurement – An unavoidable routine 100

Strategic procurement management – Basis for profitable
growth 101

Self-test: How well is your purchasing organization positioned? 104

Comprehensive data collection – Clear decision for or against global sourcing 111

Detailed product specification – Prerequisite for comparable offers 120

Which country is suitable for which products 121

Sourcing market research – The first step towards finding an optimal supplier 130

From supplier information to Best-in-Class supplier for global sourcing 142

Visits to suppliers – The final decision for a foreign partner 148

The final selection of suppliers 165

Procurement controlling – Basis for sustainable success in global sourcing 166

Purchasing organization – Target-oriented distribution of tasks during global sourcing 174

Chapter 5

Legal Aspects of Global Sourcing 179

Assessment of country and debtor risk 179

Basic elements of a global sourcing contract 185

The significance on global sourcing of the UN Convention on Contracts for the International Sale of Goods 187

Agreements on default 192

Payment terms 196

Securities 196

Enforcement of claims in international business 199

Chapter 6
How Global Sourcing Promotes Profitable Growth and
Increases the Shareholder Value 205

How does global sourcing influence the rating based
on the Basel II guidelines? 206

How global sourcing additionally illuminates the profit and loss
statement 208

Global sourcing as a growth booster 211

Global sourcing as a value enhancement instrument for private
equity houses 215

Global sourcing in the case of listed companies – positive effects
on the shareholder value 218

Index 223