# Where should Cake source different product categories from?

During the 20th century, the supply chain has gotten a larger global footprint for many companies in the world. Suppliers have different competencies and different regions contribute with various expertise and experience. Therefore, supplier selection has gotten more attention and strategic importance.

This supplier environment has led to multiple sourcing frameworks and scorecards to evaluate suppliers from all over the world with respect to a company's specific needs and product requirements. At the same time, larger geographical regions can be evaluated on an extensive number of different rankings and indexes. However, these specific supplier scorecards need extensive contact and evaluation which makes them less useful for an evaluation on a regional level. At the same time, the geographical indexes evaluate different regions on a broad scale and are therefore not precise enough for a specific company within a distinct industry. Therefore the Geographical Sourcing Framework has been developed to fill this gap.
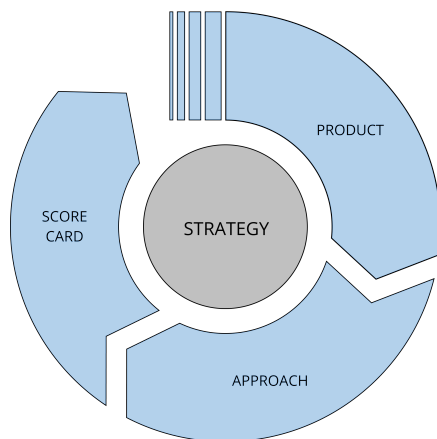
The framework was developed for a Swedish SME company within the electric motorcycle industry. The development of the Geographical Sourcing Framework was based on published articles and reports regarding the subject and laid a foundation for the framework. The

framework consists of three phases: (1) Product, (2) Approach and (3) Scorecard. All three phases are connected with a strategy circle.

In the first phase, *Product,* each product and component are divided into product categories. These categories are then placed in the Three Dimensional Portfolio Matrix depending on the category's defined characteristics.

In the second phase, *Approach*, the product categories are appointed to certain strategic and operational decisions depending on their placement in the matrix. In this phase, categories are deemed to be globally sourced or further investigated for local suppliers. The categories that are appointed to be globally sourced are further processed in the third phase.

In the third and final phase, *Scorecard*, the globally sourced products are placed in the Geographical Sourcing Scorecard. At this phase, these categories are scored based on six criteria that include several sub-criteria. These criteria evaluate the possibilities, concerns and risks that a global sourcing face.

The Geographical Sourcing Framework was applied to the case company, Cake, and resulted in a recommendation of where the company's 19 product categories should be suitable to source from. The framework is also recommended to be continually revised and updated as the company expands and develops. Furthermore, the framework is deemed to be applicable to similar companies and is adaptable to another company's specific requirements. The complete framework and study can be found in the published report "A framework for choosing the right sourcing region for your products" by Filip Norrström and Tora Andreasson at The Faculty of Engineering, LTH Lund University.