

## Sourcing

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Philips Sourcing provides an online platform for supply management process throughout the value chain.

*Sourcing* increases the transparency of demand between Philips and our suppliers. This improves speed, collaboration and the flow of information and financial resources. In 2007, over €6 billion worth of goods and services were sourced online and we aim to significantly increase this in the future.

### Benefits for suppliers

- Immediate notification of sourcing opportunities throughout Philips
- Direct communication and negotiation with decision makers
- Instant online feedback on progress and results
- Streamlined, transparent bid management
- Opportunities to expand into new areas of Philips' business

Good preparation for *Sourcing* events is essential, Accuracy of information and attention to detail are critical. Philips selects suppliers based on total value, including quality, sustainability, responsiveness, capacity and cost advantage.

*Sourcing's* biggest benefit is immediate feedback. It's an excellent way to understand your competitive position and build market insights. This is useful both during the event, and afterwards for your business planning.

### What Philips uses *Sourcing* for

- **Request For Information (RFI)**  
Suppliers are invited to provide general data about their company and products or services.
- **Evaluation**  
Philips evaluates the RFI answers to establish a list of potential candidates for the next sourcing step.
- **Request For Quotation (RFQ)**  
Suppliers are invited to quote online based on a package of specifications.
- **Selection**  
The buyer and his/her team select a supplier based on the RFQ answers and the supplier profiles (assessed on Philips' evaluation criteria).

### How does it work?

*Sourcing* takes the principles of traditional sourcing online and offers real-time feedback Registered suppliers can access online trainings that explain and facilitate the process involved.

You can access *Sourcing* via the [Supply World portal](#).