



# Supply Chain Management Center

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## Harnessing the Power and Potential of Strategic Sourcing with Small Businesses

By Scott Bissen | Director, Supply Chain Management Center

As part of the U.S. Department of Energy's commitment to serve as a responsible steward of tax dollars, the Supply Chain Management Center was created more than a decade ago to more effectively leverage \$4 billion of annual procurement spending across 21 different National Nuclear Security Administration and Environmental Management prime contractors.

We're a small, actively managed team based at the Kansas City National Security Campus, and this week we're participating in the 16th Annual DOE Small Business Forum and Expo at the Sheraton Kansas City at Crown Center.

Through collaboration with DOE's prime contractors, who are responsible for managing and operating NNSA and EM sites nationwide, the SCMC has enabled more than \$800 million in savings since 2006. We do this by offering strategic sourcing procurement tools and combining sites' purchasing power for common services and commodities like commercial software, travel, lab supplies, bulk fuel and safety glasses. The SCMC does not replace local purchasing functions or shift procurement budgets from these sites, rather it is one of a number of enablers that assist prime contractors in enhancing and improving procurement activities.

Our team works within a large, complex nationwide supply chain to help better enable cost and

performance improvements. It is a blend of federal and commercial components, which leads to many moving parts and priorities. However, one constant and consistent priority is ensuring small businesses are core to the sourcing strategies developed by our strategic commodity teams.

In terms of dollar value, 63 percent of current SCMC agreements have been awarded to small businesses nationwide. This includes commodities (such as travel – hotels, airfare, etc.) where there is limited opportunity for small business. We see significant opportunity within professional services to create and grow additional leveraged strategic agreements.

In other words, small businesses have an important role to play in our strategic sourcing efforts, and that provides some with an opportunity for revenue growth. And we're looking for small businesses that could be a good fit as multi-site strategic suppliers.

When assessing potential suppliers, SCMC commodity managers may look for a variety of characteristics that align with the nature of the agreement and its scope of work. However, there are several attributes that remain fairly constant. They include:

- Have (or gain) NNSA/DOE experience: If you've shown you can serve our client locations, such as the KCNSC, with their specific and sometimes





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complex requirements, that gives you valuable and marketable experience as a potential supplier.

- Provide value-added services: Be flexible and adjust to changing customer requirements. Be a consultant and provide solutions that guide procurements based on need.
- Demonstrate best-in-class performance: Provide quality on-time products, competitive pricing, and top-notch customer service. Demonstrate you can do more with less and save DOE sites valuable resources.
- Grow eTool Capabilities: Show a willingness to participate in eSourcing events and eCatalogs.
- Bring a regional/national footprint: Having the scalability to provide goods/services to more than one location will dovetail with our goal of establishing multi-site agreements to save costs. That might mean developing strategic alliances or partnering with national consortiums that complement your local/regional presence. Be ready to market your capabilities to provide goods and services beyond the Greater Kansas City region.

If this sounds like your company, please stop by our booth at the Forum or register on our website

([thescmgroup.com](http://thescmgroup.com)) by clicking on the Contact tab and then the “Supplier Profile” button.

While self-identification does not ensure your company will receive future solicitations, it does make us better aware of the capabilities your company can bring to the supply chain.

Registering on our website is simply a first step. If you're interested in growing your business with the DOE, my most important recommendation to you all is this: Find ways of partnering with prime contractors locally and across the enterprise. The contractors can often be your strongest advocate if they consider your company to be a top performer or best-in-class supplier. It is those endorsements we look for when seeking input as to which suppliers could possibly serve multiple locations.

You can also network and partner with site small business program managers, participate in local small business forums and contact existing DOE NNSA and EM primes and subcontractors.

The SCMC is dedicated to continuous improvement and enhancing communications. We look forward to expanding the role of small businesses in our work here in the Midwest and across the United States.

Scott Bissen is director of the Supply Chain Management Center. Serving as a contractor to the U.S. Department of Energy, the SCMC has helped enable more than \$800 million in savings to taxpayers since 2006 by taking a common sense approach to strategic sourcing and leveraging common commodities for federal sites. The SCMC uses contracting criteria that ensures fair market competition resulting in the overall best value for contract awards while supporting the development of local, small and minority-owned businesses. Learn more at [www.theSCMCgroup.com](http://www.theSCMCgroup.com).

