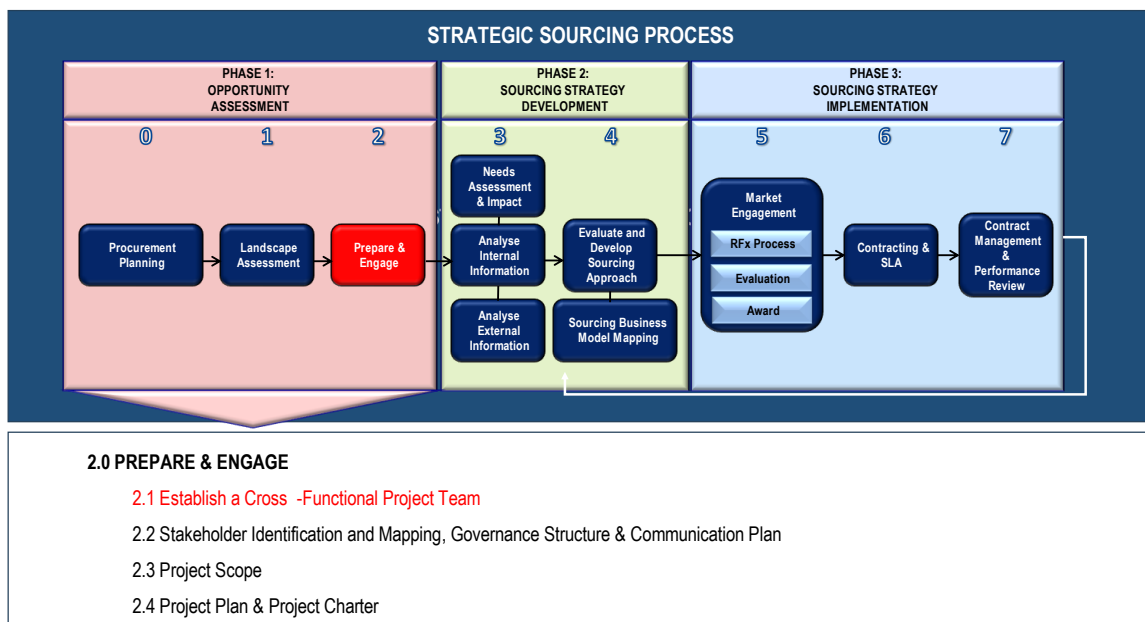


Using this guide

This guide accompanies the National Treasury's Strategic Procurement Framework (SPF) for Strategic Sourcing in the Public Sector. For more information, visit the National Treasury website at <http://ocpo.treasury.gov.za/>. The SPF can be found here: http://ocpo.treasury.gov.za/Resource_Centre/Documents/1A.%20Strategic%20Procurement%20Framework.pdf

ESTABLISH CROSS-FUNCTIONAL SOURCING TEAM



1.0 Introduction

- i. Once priorities have been determined, the strategic sourcing needs to be undertaken in a project management environment.
- ii. The cross-functional sourcing team (CFST) plays a critical role in ensuring the sourcing strategy includes everything.
- iii. The following good practice guides and templates are applicable when establishing CFSTs:
 - a. How to assemble a CFST
 - b. Functions and responsibilities of the CFST
 - c. Reasons for poor performance of CFST

- d. Cross-function sourcing team charter
- e. Cross-functional sourcing team charter (template)
- f. Cross-functional sourcing commodity team -example (template)

1.1 The objective

- i. To assemble a multi-disciplinary group of people from various functional areas of the organisation, who have a mandate to make decisions on behalf of their respective functions, are all focused on a specific objective and are responsible for working as a team to improve sourcing practices.
- ii. To ensure that the cross-functional sourcing teams are empowered and resourced to make informed decisions.

1.2 The output

- i. A cross-functional sourcing team charter
- ii. Cross-functional sourcing commodity team -example

2.0 Good practice guide

2.1 How to assemble a cross-functional sourcing team (CFST)



- i. Appropriate selection of CFST members is critical to the team's success.
- ii. The key task at the beginning of the project is to assemble and facilitate a team of stakeholder representatives who will devote enough time and be prepared to think openly and creatively about solutions.
- iii. The establishment of the CFSTs:
 - a. Ensures that vital information is not overlooked or excluded; and

- b. Provides maximum buy-in and consideration throughout the sourcing process.
- iv. CFSTs are made up of individuals from different functional disciplines brought together to achieve a purchasing, material or service-related task in which the team must consider procurement/sourcing goals or decisions.
 - a. It is advisable that members of the CFST also be members of the Bid Specification Committee (BSC) and Bid Evaluation Committee (BEC), depending on their specific skills and strengths.
 - b. Care should be taken not to disregard the regulatory requirements, code of conduct, conflict of interest and confidentiality requirements when appointing members of the BSC, BEC and BAC.
- v. The highest perceived benefit from CFSTs is the ability to bring greater knowledge and skill together at one time.
- vi. These individuals do not exist as separate entities with limited knowledge of what the other is doing, but rather they work together within the framework of a unified whole to achieve the desired outcome.
- vii. Although not institutionalised, the composition of the CFST will make or break the success of the sourcing strategy.
- viii. Either the Accounting Officer or the designated official on behalf of the SCM, can duly appoint the CFST.
- ix. The optimum size of an effective CFST is five to seven people.
- x. The group objectives, responsibilities and guidelines need to be explained and agreed.
- xi. Selection criteria for CFST members:
 - a. Self-directed
 - b. Candidates for leading implementation teams
 - c. Knowledgeable in their functional area
 - d. Open-minded, willing to think "outside the box".
 - e. Respected by various levels of people within the organisation.
 - f. Willing and able to communicate the team's message to the broader organisation.
 - g. Committed to the success of the team.

2.2 Functions and responsibilities of the CFST



Figure 1: Functions and responsibilities of the CFST

2.3 Reasons for the poor performance of CFST

- i. Poor performance may be attributed to the following reasons:
 - a. Team members may have conflicting interests that make them unwilling to cooperate and compromise.
 - b. A lack of support from top management.
 - c. Management is reluctant to relinquish control.
 - d. The team is too big and may have communication problems.
 - e. Team members lack the necessary interpersonal skills, for example, leadership skills and, so the team does not progress significantly.
 - f. Team members may prefer to work alone, as opposed to in a team.
 - g. A team member may be reluctant to share their ideas for fear of someone else receiving the credit.

- h. The team/certain members may lack interest in their work.
 - i. Pressure from within the group
 - j. Team members may dislike each other, making them reluctant to communicate and possibly creating conflict within the team.
 - k. Goals/objectives are not SMART (Specific, Measurable, Attainable, Realistic and Time-related)
- ii. Cross-functional sourcing team charter
- iii. A cross-functional sourcing team charter is defined as a document that sets out the working relationships and agreed behaviours within a project team.
- iv. The charter is a mechanism used to:
 - a. Initiate the project team selection process.
 - b. Give the team an identity.
 - c. Outline how the project team will be led and managed.
 - d. Outline the objectives of the project team.
 - e. Outline the team roles and responsibilities.
 - f. Outline the team building process.
 - g. Serve as a contract between the project team members.
- v. The charter must be established at the beginning of the project.

3.0 The templates

- i. Cross-functional sourcing team charter

Name and Surname Signature Section/Unit	
	(By signing as a member of the cross-functional sourcing team, I commit to abide by the rules and norms of this team in pursuit of a strategic sourcing strategy for the commodity at hand)
Team name	This helps to confirm the team's existence as a separate identity and link the team with the project. The individuals then become members of the project team.
Team objectives	The purpose of the project team should be outlined: <ul style="list-style-type: none"> • Why they have been brought together • What the team's objectives are • How the success of the project team will be verified and measured
Team motto (where necessary)	A catchphrase to help with project team identity. This helps the project team to develop a personality and character of their own.
Team leadership	All teams should have a leader. For project teams, this would usually be the project manager. It is the leader's role and responsibility to lead, inspire and motivate the team to perform by giving them direction, vision, and empowerment. For example, in a CFST, who is better placed to be the project manager, SCM or the USER?
Team roles	The team members' roles and duties outline how the functional roles and team roles can be subdivided. Functional roles refer to a person's technical skills, product knowledge, work experience and practical ability. Team roles refer to the way team members behave and inter-relate with other team members.
Responsibility and authority	The responsibility and authority should be assigned and delegated to verify who reports to whom. The team members must know what they are responsible for and what formal authority they must use the institution's resources. For example, the clarity between the CFST and the Bid Committee.
Team member ethics	As a project team develops, it naturally establishes its norms and standards of expected behaviour. These need to be documented together with team members' ethics and governance.
Conflict resolution	All project teams experience conflict from time to time. It is, therefore, essential for the team charter to outline a process to deal with the conflict and resolve issues. Without some clear mechanism to deal with interpersonal conflict, small conflicts could soon escalate and break up the team thereby affecting team effectiveness.

Stakeholders	The project team members need to know who their internal and external stakeholders are so that the stakeholders' needs and expectations can be established.
Resources	At this stage, the institution's resources and support that the team members could use must be clearly identified and defined. For example, time to attend the team meetings and report on project progress.
Constraints	The team charter should identify the constraints (project, internal and external) that could impact the team members and limit their ability to achieve the team's objectives.
Problem-solving	One of the main reasons for working in a close-knit project team is to solve problems and spot opportunities through collective interaction, innovation, and brainstorming. This section should outline how the project team will come together to solve problems.
Decision-making	The project manager should discuss and agree on how decisions will be made on the project. This section should outline where the team will sit on the autocratic to democratic continuum.

Table 1: Cross-function sourcing team charter

Source: Adapted from *Project Management Techniques (2ed)* Rory Burke (2013)

- ii. Cross-functional sourcing commodity team -example

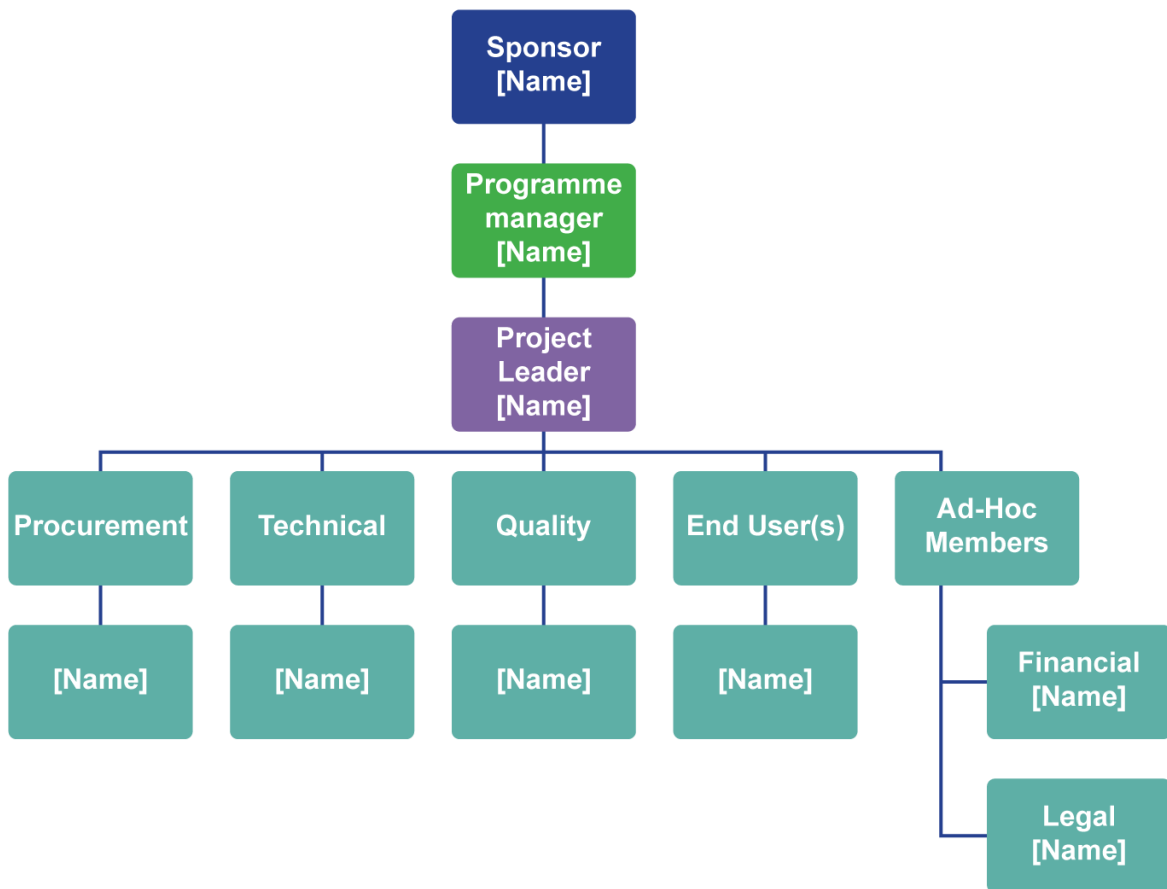


Figure 2: Cross-functional sourcing commodity team -example