

Strategic Sourcing Management SOP & Project Roadmap

Issued by: SourceYK

Role Positioning: Sourcing & Supply Chain Director-Level Management

Scope: From EVT (Engineering Validation Test) to Mass Production

Part 1: The SourceYK Management Philosophy

STOP “BUYING” , START MANAGING.

Most overseas buyers do not fail because they chose the wrong factory. They fail because they attempted to **buy products instead of managing a supply chain**.

At SourceYK, we operate under a fundamentally different philosophy: **Intelligent Supply Chain Infrastructure (ISCI)**.

What Is Intelligent Supply Chain Infrastructure?

ISCI is not a list of supplier contacts. It is a **localized, engineer-led management system** that integrates:

- Verified supplier data (capacity, process, historical performance)
- On-site engineering validation
- Transparent cost and risk modeling
- Real-time production control

SourceYK does not act as an intermediary. We act as the buyer’ s **local operating system** inside the Yongkang manufacturing ecosystem.

Part 2: The 5-Phase Sourcing Roadmap

SourceYK manages sourcing as a **controlled, phased project**, not a transactional activity. Each phase produces auditable outputs and measurable risk reduction.

Phase 1: Supplier Discovery & Benchmarking

Objective: Identify the right supplier, not the available supplier.

Methodology: - Access to a database of **124+ active, pre-screened manufacturers** across core categories - Horizontal benchmarking across: - Manufacturing process capability - Quality system maturity - Cost structure transparency - Export and compliance experience

Deliverables: - Shortlisted supplier matrix (3–5 candidates) - Comparative scorecard (cost, risk, scalability)

Phase 2: Engineering Validation (EVT)

Objective: Eliminate engineering risk before commercial commitment.

Key Controls: - Technical drawing and tolerance review - Material specification confirmation (grade, thickness, compliance) - Tooling and mold feasibility assessment - Design-for-Manufacturability (DFM) review

Why EVT Matters: Over 60% of late-stage production failures originate from unvalidated early engineering assumptions.

Deliverables: - EVT validation report - Engineering risk register - Go / No-Go decision gate

Phase 3: Cost Engineering

Objective: Achieve sustainable cost optimization without sacrificing quality or supply stability.

Core Method: BOM-Level Cost Decomposition

SourceYK engineers physically break down the product cost structure: - Raw materials - Purchased components - Labor and process time - Overhead allocation - Margin layers

Through this process, we systematically identify: - Over-specified materials - Redundant processes - Supplier margin stacking

Average Result: 18.5% cost reduction achieved through engineering-driven optimization—not price pressure.

Deliverables: - Cost structure transparency report - Optimization scenarios and savings forecast

Phase 4: Risk Mitigation

Objective: Build supply resilience before scale.

Risk Controls: - Deep supplier qualification audit (financial, operational, compliance) - Capacity verification under peak-load scenarios - Dual-source or backup supplier strategy - Critical component supply mapping

Outcome: A sourcing plan designed to survive volume spikes, labor shortages, and regulatory shifts.

Phase 5: Live Sourcing Command

Objective: Maintain control during active production.

System Controls: - Real-time production dashboards - Milestone-based progress tracking - On-site inspections and intervention - Deviation alerts and corrective actions

SourceYK operates as an **on-the-ground command center**, ensuring execution aligns with plan.

Part 3: Why Data-Driven Management Matters

Active Supplier Matching

Instead of static supplier selection, SourceYK applies **dynamic matching logic:** - Product complexity - Volume profile - Cost sensitivity - Risk tolerance

This allows us to algorithmically narrow hundreds of factories to the one with the optimal technical and commercial fit.

On-Site Presence: Eliminating the Information Gap

Remote sourcing fails due to delayed, filtered, or distorted information.

SourceYK's permanent presence in Yongkang enables: - Real-time issue detection - Direct engineering communication - Immediate corrective action

This eliminates the structural "information asymmetry" that causes quality escapes and delivery delays.

Part 4: Case Study Highlight (Illustrative)

Product Category: Electric Mobility Component

Initial Situation: - Fragmented supplier communication - Unvalidated EVT assumptions - Unstable delivery schedule

SourceYK Intervention: - Re-structured sourcing roadmap - Conducted EVT re-validation - Implemented BOM cost engineering - Established dual-supplier backup

Result: - **Lead time reduced by 20%** - **Unit cost reduced by 17%** - Zero major quality incidents during mass production

Closing Statement

SourceYK transforms sourcing from a transactional gamble into a **managed industrial system**.

When you stop buying and start managing, cost efficiency, quality stability, and delivery reliability become predictable outcomes—not risks.

SourceYK — Turning Yongkang Manufacturing into a Managed Advantage.