PRACTICAL PROCUREMENT
Added Value Sourcing

SERIES 1 OF 9 · PROCUREMENT & SUPPLY CHAIN OUTLOOK 2026

The Balanced Value Scorecard

Moving beyond cost as the only measure of procurement success

A practical tool from the Practical Procurement resource library.

Use it standalone, or alongside the nine domains of the Collaborative Procurement Operating Model.

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WHY THIS MATTERS IN 2026

The era of cheap scale is over. Procurement leaders who optimise solely for lowest unit cost are accumulating invisible risk. This tool helps you evaluate every sourcing decision across four equally important dimensions.

THE FOUR VALUE DIMENSIONS

Dimension	What it measures
Cost Control	Unit price, total cost of ownership, working capital impact, margin contribution
Resilience	Supply continuity risk, supplier concentration, disruption probability, recovery time
ESG	Carbon footprint, ethical sourcing compliance, human rights assessment, sustainability rating
Digital Transformation	Data availability, integration capability, AI-readiness, process automation potential

HOW TO USE THIS SCORECARD

1	Identify the category or sourcing decision to evaluate.
2	Set dimension weights based on category risk profile (weights must total 100%).
3	Score each supplier or option against each dimension (1–5 scale).
4	Multiply score by weight to get weighted dimension score.
5	Sum weighted scores for total value score.
6	Compare options — use scores to surface trade-off conversations with stakeholders.
7	Document rationale for final decision.

SCORING GUIDE

Score	Definition
5 — Excellent	Exceeds requirements; best-in-class performance; minimal risk
4 — Good	Meets all requirements; above average; manageable risk
3 — Adequate	Meets minimum requirements; some gaps; moderate risk
2 — Weak	Below requirements; significant gaps; elevated risk
1 — Poor	Fails to meet requirements; critical gaps; high risk

SCORECARD TEMPLATE

Supplier / Option	Cost Control (Weight: __%)	Resilience (Weight: __%)	ESG (Weight: __%)	Digital (Weight: __%)	TOTAL
Option 1					
Option 2					
Option 3					

KEY INSIGHT

When all four dimensions are scored, resilience and ESG trade-offs become explicit rather than invisible. The goal is not to abandon cost discipline — it is to integrate it into a broader definition of value that your board and CFO can stand behind.

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Insights drawn from the GEP Procurement & Supply Chain Outlook Report 2026