Best-cost country sourcing

A next-generation approach
## Contacts

### Amsterdam

Marco Kesteloo  
*Partner*  
+31-20-504-1942  
marco.kesteloo@strategyand.pwc.com

### Beirut

Gabriel Chahine  
*Partner*  
+961-1-985-655  
gabriel.chahine@strategyand.pwc.com

### Düsseldorf

Peter Heckmann  
*Partner*  
+49-211-3890-122  
peter.heckmann@strategyand.pwc.com

### London

John Potter  
*Partner*  
+44-20-7393-3736  
john.potter@strategyand.pwc.com

Dave Phillips  
*Principal*  
+44-20-7393-3715  
dave.phillips@strategyand.pwc.com

### Munich

Anna Mansson  
*Principal*  
+49-89-54525-579  
anna.mansson@strategyand.pwc.com

### New York

Martha Turner  
*Partner*  
+1-212-551-6731  
martha.turer@strategyand.pwc.com

### São Paulo

Fernando Fernandes  
*Partner*  
+55-11-5501-6222  
felipe.fernandes@strategyand.pwc.com

### Vienna

Harald Dutzler  
*Partner*  
+43-1-518-22-904  
harald.dutzler@strategyand.pwc.com

### Mexico City

Carlos Navarro  
*Partner*  
+52-55-9178-4209  
carlos.navarro@strategyand.pwc.com
About the authors

Harald Dutzler is a partner with Strategy& based in Vienna. He specializes in cost transformation and efficiency improvements, especially in sourcing and supply chain management. He has worked with numerous industries, most notably consumer goods and retail.

Dave Phillips is a Strategy& principal based in London. He specializes in strategic operations and sourcing issues for clients in consumer and retail industries.

Anna Mansson is a principal with Strategy& based in Munich. She specializes in strategic sourcing for the automotive, aerospace, and consumer industries.

Sriram Parthasarathy was formerly an associate with Strategy&.

This report was originally published by Booz & Company in 2011.
Best-cost country sourcing (BCCS), the traditional sourcing approach, has been on the agendas of chief procurement officers in the consumer goods and retail industries for quite some time. However, in the past, the notion of BCCS was often driven primarily by labor-cost arbitrage opportunities, with a focus on sourcing labor-intensive products or parts at the lowest total cost of ownership. Today, a number of factors necessitate a change in this approach to best-cost country sourcing.

As consumer markets explode in emerging economies — especially in Asia, and in South America as well — it becomes very clear that BCCS is mandatory for global success. But these days, global sourcing strategies are influenced by new forces that change the equation somewhat. Among them: inflationary pressure on wages in emerging markets, shifting currency values, an increasing focus on greener supply chains, greater emphasis on increasing speed-to-market, regulatory compliance concerns, logistics costs, and scheduling, as well as the unique preferences and demands of emerging consumer markets. To get BCCS right, these issues and opportunities must be dealt with and accounted for in new and innovative ways with total cost of ownership in mind. Leading consumer goods and retail companies rank at the top of BCCS practitioners — and they continue to find new ways to deal with unfolding BCCS challenges and opportunities.

Using insights into prevailing BCCS practices across industries, we share our perspective on how companies are taking their BCCS initiatives forward. In order to provide a guideline for evaluating an organization’s BCCS practices, we have identified three sourcing maturity levels: Novice, Progressing, and Best in Class. We provide a questionnaire for determining your company’s level. For each maturity level, we offer specific steps that will improve your BCCS strategies and your company’s overall competitive position in today’s increasingly globalized and dynamic BCCS environment.
BCCS reevaluated

Best-cost country sourcing has long been a strategic priority for the consumer goods and retail industries. For many years, it has been far too expensive to purchase and assemble products in the West, no matter the destination of the final item. This is particularly true for companies whose profit margins are relatively thin. Indeed, the cost benefits from BCCS — through either suppliers or proprietary plants — are well established. Historically, total cost of ownership (TCO) savings have been as high as 30 percent for apparel, 20 percent for housewares and kitchenware, and 20 percent for electronics (see Exhibit 1, next page).

However, these cost benefits are likely to shrink without a reevaluation of BCCS strategies. Some of the factors in TCO calculations — which consider not only wages and compensation but also real ancillary costs, such as the price of compliance with social and environmental regulations, logistics, and currency volatility, among other things — are becoming more expensive. For one thing, companies can no longer avoid the price of implementing green initiatives virtually everywhere they do business, to show customers that they are good global citizens as well as to reduce emissions in the supply chain, abide by local rules, and minimize the possibility of a costly accident. The price of oil and other logistics costs are likely to remain volatile in the next few years. Such uncertainty only adds to the risks involved in shipping products to developed markets from suppliers in emerging nations, the traditional best-cost countries.

Moreover, although lower salaries in countries considered best-cost might today still make up for the associated add-on costs of sourcing products from a best-cost country, wages in these countries are on the rise. In China, many companies are offering workers raises of 30 to 70 percent. India’s wage inflation is close to 11 percent per year. And violent protests by textile workers in Bangladesh last year persuaded the government to almost double the minimum wage.

Hence, as the ground shifts in the calculus of traditional BCCS strategies, companies must begin to revisit their approach to BCCS and take the next steps in its evolution to ensure sustainable benefits.
Exhibit 1
Cost reduction has been the main reason for BCC sourcing

Total cost of ownership gains by product
(transfer of production from Western Europe to China)

<table>
<thead>
<tr>
<th>Product</th>
<th>Total potential cost reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles &amp; apparel</td>
<td>15%–30%</td>
</tr>
<tr>
<td>Housewares/kitchenware</td>
<td>15%–20%</td>
</tr>
<tr>
<td>Injection molded plastics</td>
<td>12%–20%</td>
</tr>
<tr>
<td>Electronics</td>
<td>15%–20%</td>
</tr>
</tbody>
</table>

Source: Strategy&
Out of this reevaluation, the scope and contours of BCCS programs are already changing markedly. Examples include the following:

- The Coca-Cola Company plans to pump more than US$5 billion into its Mexican bottling operations over the next five years, in part to fund a series of environmental initiatives designed to meet rigorous sustainability targets related to water usage. This is just one of many water conservation programs that Coke's Latin American bottlers are undertaking.

- A few years ago, apparel maker Tommy Hilfiger Group sold its global sourcing operations to Hong Kong–based Li & Fung, the huge consumer products development and distribution outfit. Li & Fung also manages sourcing operations for retailers such as Walmart and Arcandor as well as consumer goods providers such as Liz Claiborne and the Jackel Group. These companies hope to realize significant cost savings by entrusting their global supply chains to specialist operators that can operate at high levels of scale.

- Several large consumer electronics companies are actively building a supply chain and supplier base in western China. Although labor rates are somewhat lower in this still developing, semirural region, the main goal of this effort is not just to reduce cost, but rather to reduce lead times for shipments to the expanding customer base in the area and to respond more quickly to consumer demands.

In this dynamic environment, the choice of the best-cost country for consumer goods and retail companies should be based not only on a static view of TCO but also on accurate forecasts of future costs, alternative growth markets, and approaches to implementing greener and leaner supply chains. In short, if companies are to thrive, they need to generate new blueprints for sustaining cost advantages in a rapidly changing world. To address this challenge, companies are taking these tactical steps:

1. Developing “unique” capacities within best-cost countries: Rather than focus on best-cost countries per se, some companies (leading consumer goods companies in particular) are targeting competitive suppliers, those that will retain their market advantages even if macroeconomic conditions change. Indeed, some companies are leveraging capabilities in supplier development in emerging economies not only for cost- and efficiency-related programs but also for product design and development. For example, a European company seeking a supplier for a wide range of plastic products persuaded a leading plastic processing machinery manufacturer in a best-cost country to expand its business model by developing the capacity to produce actual plastic end products. By helping the
supplier develop these new capabilities, the company was able to lock in a reliable source and design partner for a critical set of products at a price that was extremely competitive.

2. Looking for alternative destinations: In a strategy that is typically described as finding alternatives to China, consumer goods companies have for some time been moving to lower-cost countries like Bangladesh, Vietnam, Cambodia, and some parts of Africa. And in Europe, Poland and the Czech Republic are being challenged by Romania and some of the Baltic states. This approach is sometimes problematic because with everybody looking for the next best low-cost alternative at the same time, production capacity in these new regions can be hard to find. Companies must demonstrate a high level of expertise in rapidly mapping, evaluating, and locking in attractive capacity in different BCCS locations. This tactic also calls for considerable skills in assessing which destinations are truly best after factoring in some of the likely future macroeconomic conditions and social and environmental obligations.

3. Manufacturing the final product closer to the market: A number of consumer goods companies have opted to move a portion of production to eastern Europe, hoping to tap into high-growth markets, particularly in Russia and other eastern European nations. Further, the proximity to major markets in western Europe, which in turn lowers logistics costs and contributes to a greener and more efficient supply chain, makes this region more desirable than traditional best-cost countries in Asia. Of course, as organizations seek to expand in emerging markets, like China and Brazil, the ability to develop country-specific products in nearby best-cost countries will be critical.

4. Creating a green, sustainable strategy: The need to reduce “merchandise miles” and the overall focus on greener supply chains have led many consumer goods and retail companies to develop innovative strategic approaches to BCCS. In general, these companies balance “low cost” and “best cost” in an environmental context. For example, IKEA plans to double its Indian sourcing volume to €500 million (US$710 million) over the next five years and hopes to eventually open stores in India. As a part of its BCCS initiative, the Swedish retailer has teams of social and environmental specialists in all best-cost countries. These teams work closely with suppliers not only to ensure compliance with IKEA’s social and environmental standards but also to educate suppliers, particularly in agricultural sectors, about more sustainable production and packaging techniques.
Best in class: A case study

A large European retailer is a good illustration of the type of best-cost country sourcing program necessary to stay ahead of dynamic business conditions. An early entrant into BCCS — its first program was some 30 years ago — the retailer began with simple labor cost arbitrage sourcing; since then, the company’s BCCS strategy has evolved to include TCO models, the imposition of social and environmental compliance among its suppliers, well-structured supplier development programs, and supply chain optimization. Currently, the retailer is focusing on these two critical elements of a BCCS strategy:

Sustainability in BCCS: The organization has made a public commitment to use only cotton grown under sustainable practices in the textile products it sells. In order to implement this organic, water-conserving approach, the retailer has dedicated internal teams of agriculture experts to work directly with cotton farmers, primarily in India and Pakistan.

Flexible sourcing: Because of cost escalation in China, the retailer is adopting a scenario-driven BCCS strategy that could seamlessly shift sourcing volumes from one best-cost country to another, depending on macroeconomic conditions. By mapping scenarios for market growth, currency moves, inflation, and a number of other factors, the retailer is endeavoring to configure its supply networks to respond to different eventualities. For example, one alternative would be to produce items in eastern Europe from components sourced in China. To facilitate this, the retailer is making significant investments in surplus tools for eastern European factories; it will then have the flexibility to reallocate volumes quickly if needed. A scenario-driven formula for BCCS requires a high degree of analytic rigor and substantial familiarity with a number of markets. And although such an approach may be time-consuming to implement, recent supply chain disruptions in Japan as a result of the massive tsunami demonstrate how vital the need is to mitigate risk.

Clearly, this retailer regards BCCS as a key element in developing a competitive value proposition. And as the organization expands its presence in emerging markets, it continues to increase its sourcing from BCCs, but with an approach that embeds sustainability and volatility as key drivers for BCCS decisions.
Novice, Progressing, Best in Class?

Given the volatile dynamics of BCCS, it is imperative for consumer and retail companies to reassess their sourcing maturity level and prepare to upgrade their BCCS initiatives to better respond to the new conditions. Many companies have consciously improved their BCCS capabilities over the past few years, but few companies are thus far exploiting their full potential; many are having difficulty sustaining the competitiveness of their BCCS strategies.

In our view, there are three BCCS maturity levels: Novice, Progressing, and Best in Class. An organization’s level can be determined by its responses to questions about its current practices and experience (see Exhibit 2, next page).

Novice: If the test identifies you as a Novice, you may have only started the journey toward BCCS. In fact, you probably have a developing BCCS program but still lack clearly defined targets. Most frequently, Novice companies make BCCS decisions without a TCO approach that takes into account all relevant cost dimensions and associated risks.

Progressing: If you’re a Progressing company, a sound TCO approach is integral to your BCCS practice, and your suppliers are encouraged to procure parts and materials from best-cost country–based sub-suppliers. The greatest challenge for many Progressing companies is to develop manufacturing facilities and a supply base in emerging nations with a strategic sourcing view — that is, with the capabilities to assess the local market for real, long-term sourcing opportunities — rather than focusing only on more immediate tactical sourcing.

Best in Class: As a Best in Class company, you are actively exploring innovative supply networks consisting of unique best-cost suppliers in true best-cost countries. You have a strong supplier development organization in those countries. You are able to gain more control over your supply chain in the best-cost countries by directly contracting with the producers for certain raw material, particularly agricultural raw material, such as cotton, wheat, and cocoa. You are also thinking of innovative ways to optimize the entire supply chain to offset recent
Exhibit 2
Assessing your BCC sourcing maturity level

Questionnaire for maturity level assessment

<table>
<thead>
<tr>
<th>Part A</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. You have a clear vision for BCC sourcing and have set clear targets for sourcing from BCCs</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>2. You have moved at least 10% of your total procurement spend to BCCs</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>3. You have based your BCC sourcing decisions on a clear set of criteria and have implemented a structured approach (e.g., TCO)</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>4. You have been consistently encouraging your Western suppliers to develop a BCC footprint</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>5. You have established procurement offices in BCCs that can at least carry out tactical sourcing</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>6. You have capabilities in key BCC markets to assess the local supply base and identify sustainable sourcing opportunities and potential long-term partners</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>7. BCC suppliers that have stable business with you are regularly receiving new RFQs and winning new business</td>
<td>☐ ☐</td>
<td></td>
</tr>
</tbody>
</table>

If ≥6 Part A questions are answered with “Yes”

<table>
<thead>
<tr>
<th>Part B</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. You have moved more than 40% of total procurement spend to strategically prioritized best-cost suppliers in best-cost countries</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>2. You source more than 70% locally for production in BCCs</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>3. You are undertaking significant sustainability-related initiatives together with your key suppliers in BCCs</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>4. You are now configuring BCC supply networks (across several BCCs), which allow you to seamlessly shift volumes to different suppliers based on various macroeconomic and other scenarios</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>5. You have certified local sources for all relevant raw materials in BCCs</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>6. You have mature procurement capabilities on-site in BCCs (e.g., tactical, technical, strategic)</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>7. You have established cross-functional skills and capabilities on-site in BCCs (e.g., product development centers, supplier development teams)</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>8. Your BCC sourcing targets are shared among purchasing, product range development, and business unit management</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>9. You are able to contract directly with suppliers in BCCs and avoid middlemen and agents</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>10. You have dedicated teams on-site to improve and monitor social and environmental compliance at suppliers and even sub-suppliers</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>11. You have a logistics concept in place in emerging markets to optimize transport and inventory costs</td>
<td>☐ ☐</td>
<td></td>
</tr>
<tr>
<td>12. You are selectively grooming some BCC suppliers to become development partners</td>
<td>☐ ☐</td>
<td></td>
</tr>
</tbody>
</table>

If <9 Part B questions are answered with “Yes”

Novice

If ≥9 Part B questions are answered with “Yes”

Progressing

Best in Class

Source: Strategy&

Cost increases in best-cost locations: for instance, acquiring a combination of manufacturing components (even high-value components) in best-cost countries and shipping them to eastern Europe, where they can be assembled for sale in major European markets. You have also developed a sustainability program that extends to all your best-cost country suppliers.

Given the emerging opportunities and complexities of BCCSS, it is becoming increasingly important for consumer goods and retail companies to upgrade their BCCSS capabilities to the next level of maturity. To facilitate this effort, we have compiled a set of best practices (see Exhibit 3, next page).

It is becoming increasingly important for consumer goods and retail companies to upgrade their BCCSS capabilities.
Exhibit 3
BCC sourcing maturity framework

Novice
- Use the best-practice areas for “doing it right the first time”
- Focus on developing a supply chain concept, and start building the organization

Progressing
- Focus on optimizing the already-existing BCC approach
- Emphasis on:
  - How to develop suppliers
  - How to optimize the integrated supply chain
  - Further developing the local organization

Best in Class
- Focus on optimizing cost for the already-existing BCC sourcing
- Emphasis on:
  - How to optimize the integrated supply chain
  - Creation of a low-cost platform
  - Management of supply market dynamics

1. Create an overall supply chain concept
2. Develop world-class suppliers
3. Build the organization with distinctive capabilities
4. Optimize the integrated supply chain
5. Use BCC supplier competence for product development
6. Manage supply market dynamics
Recommended focus for different levels of BCC maturity

1. Create an overall supply chain concept

Identify the appropriate products, supplied components, and portions of the value chain that should be moved to BCCS and create a clear concept and philosophy for how BCCS should evolve over time.

Begin by sourcing relatively standard and labor-intensive products with low intellectual property content from third parties, such as the following:

- A Western supplier with a best-cost country subsidiary (or incentivize an existing Western supplier to establish a best-cost country subsidiary)
- A local best-cost country supplier that has experience in producing the commodity product and is already supplying to reputable international companies
- A less experienced local best-cost country supplier that, with the right development effort, could improve quality and performance

In the initial stages of establishing a best-cost country strategy, the option of using agents as go-betweens with best-cost country suppliers can also be explored. But the plan should be to eventually move away from intermediaries and work directly with the supplier.

As you develop more confidence with BCCS, consider entering into joint ventures with local partners or even building a new greenfield facility in the region.

2. Develop world-class suppliers

Suppliers in best-cost countries need support to continuously improve their performance (in terms of cost, delivery, and quality). Leading consumer goods and retail companies are investing in building supplier development teams in best-cost countries. The kind of support offered by the teams tends to vary with the maturity of the supplier and the stage of the relationship.

- For new suppliers, these teams focus on getting the basic quality and delivery systems in place and improving shop-floor efficiency.
- As suppliers mature, these teams start rolling out larger development initiatives such as lean manufacturing or Six Sigma in order to improve long-term competitiveness and ensure that suppliers become the best they can be. Accordingly, the composition of

the development teams is often altered to include experts on lean implementation as a company’s best-cost supplier portfolio becomes more mature and stable. Excellence in this type of supplier development in emerging markets is one of the key drivers for sustaining cost advantage in best-cost countries.

3. Build the organization with distinctive capabilities

Multifunctional teams are an indispensable prerequisite to developing suppliers in best-cost countries. Teams should consist of the following types of specialists and capabilities:

- Purchasing specialists focused on supply market assessments and category strategies, vendor selection and contract management, project management, and tactical procurement tasks
- Product engineers to help adjust the product to the specific situation in best-cost countries (e.g., materials, processes)
- Quality engineers to help suppliers develop quality systems and monitor quality
- Supply chain and logistics specialists who can develop innovative ordering and distribution methods to minimize lead times
- Development specialists who can help suppliers evolve into preferred partners
- Green specialists to work with suppliers to achieve and sustain the required degree of social and environmental compliance

As part of their responsibilities, these multifunctional teams should also be internal champions of BCCS, educating the corporate community in the West about BCCS opportunities, setting cross-functional BCC targets, and increasing the use of local raw materials as well as the export of parts produced in best-cost countries to facilities around the world.
4. Optimize the integrated supply chain

The full potential of BCCS is often reached through optimizing the entire supply chain and finding innovative ways to deal with long lead times and higher storage and distribution costs.

For example, if best-cost country suppliers are importing raw materials from Europe and then shipping the finished product back to Europe, the supply chain is not operating at the level of efficiency that it should. Considering that raw material is typically the single largest component in the cost structure, it’s essential to encourage the use of locally produced raw material within the best-cost countries. This often calls for joint initiatives between product development and purchasing departments to modify product specifications, allowing the use of alternative raw materials while maintaining the same product quality.

In some cases, mature BCC companies make arrangements directly with the provider of key raw materials for their BCCS operations. That’s the strategy of one large European retailer, which has sent teams to cotton fields in Asia to train the agricultural workers in sustainable cotton farming techniques, such as limiting the use of chemical fertilizers and pesticides and protecting scarce water resources. This close-knit relationship has made the retailers’ supply chain greener while ensuring that the company has a ready supply of high-quality cotton.

The challenge of long lead times in sectors with short product life cycles, such as consumer goods, makes BCCS more challenging. In fact, delivery times from best-cost countries for some products are reportedly lengthening as shippers try to trim fuel costs by slowing down on key routes; at the same time, air freight is not a viable alternative for most consumer goods companies because the hefty costs virtually eliminate profits in industries under severe margin pressures. Such challenges necessitate a more innovative approach toward optimizing the supply chain. Some companies modularize bulky articles by producing components in a best-cost country and assembling products in a lower-cost nation closer to the prospective consumer. This approach is especially popular for consumer electronics devices: TVs destined for Germany or France, for example, are often assembled in eastern Europe from component kits supplied by a factory in an Asian best-cost country.

Beyond cost savings, this strategy offers greater flexibility for late-stage product customization.

5. Use BCC supplier competence for product development

Engineering talent is available in large numbers in best-cost countries such as India and China, and it is important to tap into this talent pool to drive innovation in product development, reduce product development costs, and minimize time-to-market. Textile suppliers in India, Bangladesh, and China regularly work closely with product and range development staff in the West to recommend ways to design new products more cost-efficiently. Moreover, consumer goods companies are increasingly using suppliers in best-cost countries as outsourced product development laboratories.

6. Manage supply market dynamics

The dynamism of emerging economies makes it necessary to continuously investigate the competitiveness of BCCS efforts and explore potential new supply markets. Consequently, to remain Best in Class, a company must commit to a series of short- and long-term activities that will ensure it responds effectively to rapid changes in emerging markets.

**Short-term activities**

Conduct regular competitive benchmarking to identify shifts in competitors’ BCCS efforts and to develop insights into the condition of your competitors that have relationships with the same suppliers you use.

Develop processes that will alert you at the earliest sign of problems among your suppliers, such as financial difficulties, labor unrest, or capacity shortages. For instance, frequently delayed deliveries might indicate working-capital problems, which you could then further investigate by gathering market intelligence or by talking to the companies with which the supplier does business.

Take advantage of immediate opportunities, such as increased capacity at a supplier.

Look for opportunities to create beneficial partnerships between best-cost countries and Western suppliers.

**Long-term activities**

Intensify customer and supply market research as well as product development in new BCCs and less developed areas of countries that have already enjoyed a decade or more of growth—for instance, western China.

Encourage existing suppliers through long-term business plans and capacity guarantees to establish greenfield factories in best-cost countries.

Identify and help develop opportunities for your existing BCC suppliers to expand their operations to other BCC markets in order to leverage the best-cost footprint—for example, facilitate investments by Chinese suppliers in eastern Europe.

---

Source: Strategy&
Conclusion

Although the consumer goods and retail industries were among the first to see the value of BCCS, many of these companies have not done enough to ensure that their BCCS programs keep up with the dynamism of emerging markets. Moving up a level in BCCS maturity takes vision and strategic foresight, commitment from top management, clear targets, and strong incentives, as well as extensive work, diligence, and persistence. But it is an effort that is well worth it. As many companies have already learned, the payoff can be substantial and sustainable. However, these companies can’t expect to design and maintain an evolving BCCS program alone. To drive true BCCS transformation, a system-wide, concerted effort is absolutely imperative — including not only the company running the BCCS program but also all of its critical suppliers.
Strategy& is a global team of practical strategists committed to helping you seize essential advantage. We do that by working alongside you to solve your toughest problems and helping you capture your greatest opportunities.

These are complex and high-stakes undertakings — often game-changing transformations. We bring 100 years of strategy consulting experience and the unrivaled industry and functional capabilities of the PwC network to the task. Whether you’re charting your corporate strategy, transforming a function or business unit, or building critical capabilities, we’ll help you create the value you’re looking for with speed, confidence, and impact.

We are a member of the PwC network of firms in 157 countries with more than 184,000 people committed to delivering quality in assurance, tax, and advisory services. Tell us what matters to you and find out more by visiting us at strategyand.pwc.com.

This report was originally published by Booz & Company in 2011.