# OpenChain and Procurement

## Quality in Open Source Compliance Defined

The OpenChain industry standard defines the key requirements of a quality open source compliance program. It is designed to increase trust in supply chains by reducing errors when purchasing, developing and distributing software. It does this by providing a single, clear framework for compliance activities.

The OpenChain industry standard is designed for procurement activities where software is involved and procured products or solutions will be applied to in business-critical areas or sold.

## Built in the Real World

The OpenChain industry standard is built from real world experience by hundreds of user companies. It reduces or eliminates the need for bespoke approaches to open source compliance. This dramatically reduces the resources required for open source compliance and the time taken to correct any errors discovered.

The OpenChain industry standard enables simpler supplier selection, simpler contracts and quicker contract negotiation.

## Pragmatism Balanced with Industry Excellence

The OpenChain industry standard replaces bespoke practices related to compliance. Unique requests beyond the terms of the used open source licenses introduce complexity and increase errors without ensuring the desired outcome. It is more effective and more efficient for organizations to use an industry standard with a clear international pedigree.

## Open Source Compliance for Sales Departments

Using the OpenChain industry standard as part of the sales process allows potential customers to quickly understand how your company is aligned with global practices. If a company has adopted the OpenChain industry standard it provides the following assurances:

* Your company has an open source policy
* Your relevant staff had undergone training related to open source
* You have a process for addressing compliance in inbound software
* You have a process for addressing compliance during internal development
* You have a process for addressing compliance for outbound products and services
* You have documentation on how this is accomplished
* And everything is structured in the same manner as every other company using this industry standard

The OpenChain industry standard has a conformance mark that can be used to advertise compliance in digital, printed and other materials. It is the simple, universally understood mark of quality open source compliance.

## Open Source Compliance for Procurement Departments

Using the OpenChain industry standard as part of the procurement process allows potential suppliers to be quickly vetted for their alignment with global practices. If a company has adopted the OpenChain industry standard is provides the following assurances:

* This company has an open source policy
* Their relevant staff had undergone training related to open source
* They have a process for addressing compliance in inbound software
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## The OpenChain Industry Standard in Action

Using the OpenChain industry standard in a typical sales and procurement workflow quickly identifies which companiescompanies It can provide benefit in any situation involving a customer company and suppliers:

## Efficiency in Procurement-Related Remediation

Using the OpenChain industry standard offers specific advantages to customer companies when an error is identified in the compliance of open source components due to the predictability of approach taken by all parties in the transaction.

* A customer receives an open source component as part of a supplier solution.
* This transaction is completed with a supplier which is OpenChain conformant.
* The open source component is found to have an error related to compliance.
* The customer company knows precisely the inflection points where the supplier company has OpenChain conformant processes.
* The customer company can ask for confirmation regarding compliance analysis at these inflection points, quickly identifying the break point in the compliance process.
* The customer company and the supplier can work towards a shared solution to the compliance issue with mutual understanding and expectations.

## Flexibility and Fidelity in Conformance

The OpenChain industry standard supports self-certification, independent compliance assessment and third-party certification. The choice of which conformance approach is appropriate depends on the market sector and the customer involved. Regardless of the choice made, certification according to the OpenChain standard is a solid and useful prerequisite for submitting a tender. An illustrative example is third-party certification:

* The supplier company has to prove its compliance to OpenChain through a third party auditor or certification body.
* The customer company can rely on the certificate by the independent third party and has no further effort to review the supplier company in this regard.
* This reduces cost to prove open source software management compliance against one assessment scale and only against one auditor / certification body and not individually per customer company, which ultimately leads to lower prices.

## Practical Adoption for Sales and Procurement Departments

Utilizing the OpenChain industry standard in procurement is conceptually similar to the utilization of ISO standards such as ISO9001 or ISO14001.

* The relevant standard is cited in requests for tender as providing preferential status or as a requirement in supplier relationships.
* Adherence to the standard may be tested during procurement discussions via requests to see “Compliance Artifacts”, required documentation in Section 5 of the OpenChain industry standard.
* A review of this documentation will disclose the supplier approaches to fulfilling identified OpenChain process inflection points.
* The customer company can then determine if they are satisfied with these approaches or if they require adjustment to suit expectations.
* The customer company and the supplier company can then formalize the usage of the OpenChain industry standard in the final contract or other paperwork in the same manner as which other industry standards are cited.

## Help for Sales and Procurement Departments

The OpenChain Project has extensive resources to help set expectations and approach options for customer and supplier companies. Examples include:

* Reference [general education materials](https://github.com/OpenChain-Project/Reference-Material/tree/master/Supplier-Leaflet/Official) that by be shared with suppliers
* Reference [training materials](https://github.com/OpenChain-Project/Reference-Material/tree/master/Training-Slides/Official/en) that may be adopted by suppliers
* Reference [policy materials](https://github.com/OpenChain-Project/Reference-Material/tree/master/Policy-Templates/Official) that may be adopted by suppliers
* Reference [compliance professional materials](https://github.com/OpenChain-Project/Reference-Material/tree/master/Guides/Community/Recommended%20Practices-For-Compliance-Professionals/en) that may be adopted by suppliers
* Reference [engineering practice materials](https://github.com/OpenChain-Project/Reference-Material/tree/master/Guides/Community/Recommended-Engineering-Practices/en) that may be adopted by suppliers
* Reference [software reuse materials](https://github.com/OpenChain-Project/Reference-Material/tree/master/Guides/Community/Reusing-Software/en) that may be adopted by suppliers
* Reference [tooling overview materials](https://github.com/OpenChain-Project/Reference-Material/tree/master/Guides/Community/Tooling-Overview/en) that may be adopted by suppliers

The full OpenChain Project reference material library can be found on GitHub:  
<https://github.com/OpenChain-Project/Reference-Material>

Procurement departments can also receive direct assistance from project management and the broader project community by email, conference call and physical meetings. Details for all of these activities can be found here:  
<https://www.openchainproject.org/about/contact>