

The background of the slide is a dynamic, abstract pattern of flowing, wavy lines in shades of orange, red, and gold, creating a sense of movement and energy.

**PROCUREMENT
LEADERS**

The future of procurement

Developing skills and capabilities that drive the activities of the future

January 2022

Agenda

- The evolving procurement function
 - New procurement responsibilities
 - New skills and capabilities
-



The evolving procurement function

2022 trends forecast influencing planning



Flexible working arrangements

- Operating efficiencies
- Talent development
- Supplier audits



Improved confidence

- Deliver on strategic priorities of the business
- Cement status as advisor to business



Volatility

- Resiliency
- Data driven decision-making
- Smart savings



Emerging tech and big data

- Fast and accurate decision-making



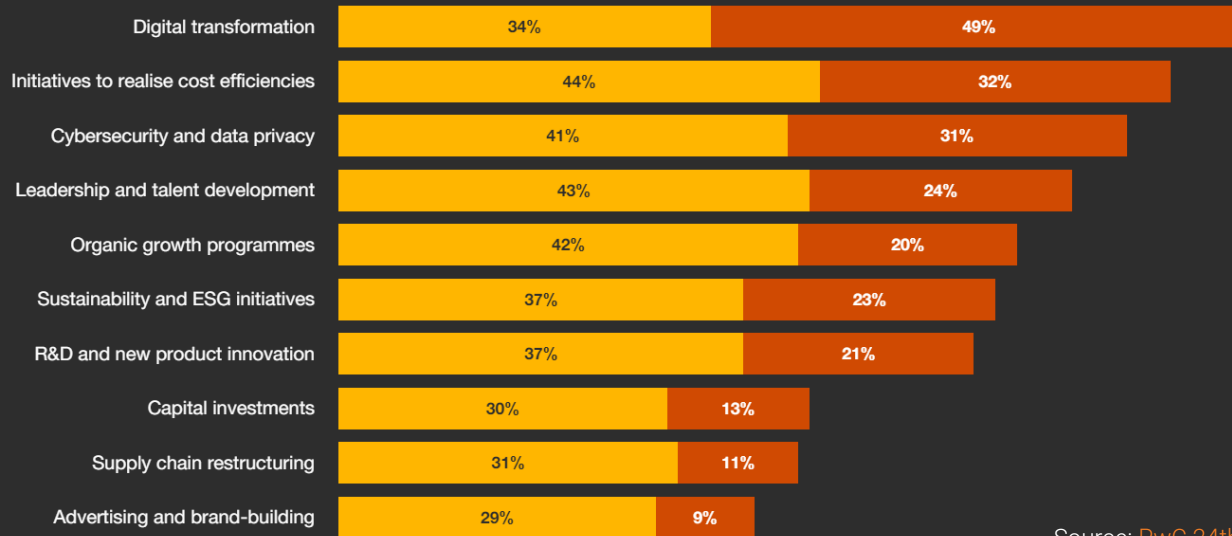
Corporate social responsibility

- Social & Environmental sustainability
- Diversity & Inclusion

CEOs are investing in procurement

The procurement function is being elevated to address key priorities for the enterprise – cost, operational efficiencies, resilience

■ Increase moderately (3–9%) ■ Increase significantly (≥10%)



Source: [PwC 24th Annual Global CEO Survey, 2021](#)

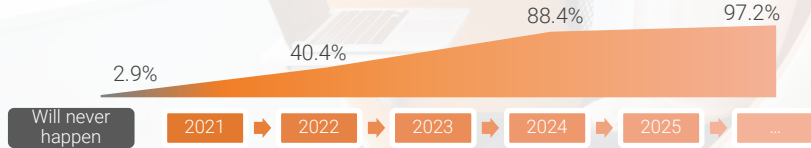
How do you plan to change your long-term investments in the following areas over the next three years, as a result of the covid-19 crisis?



99%

of CPOs are preparing the procurement function to take on more organizationally strategic responsibilities in 2022

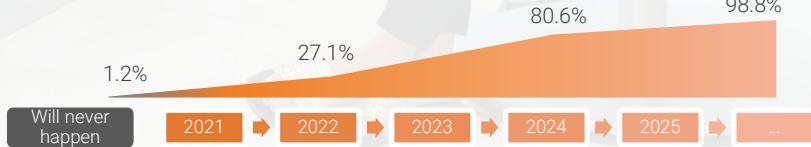
Procurement plays a strategic advisory role to the business, leading with **data-driven recommendations**.



Procurement sourcing and supplier management strategies ensure the business can operate with **agility and flexibility**.



Procurement plays an important role in ensuring a **sustainable and equitable future**.



New procurement responsibilities

New priorities

Financial strength



COST AND CASH OPTIMISATION

Strengthen the bottom
line and grow the top line

Enterprise resilience



RISK MANAGEMENT

Protect the business from
threats in the supply base

Growth



INNOVATION

Harness the best ideas
from external networks

New data, capabilities and messaging, in addition to existing business and market intelligence

Cost and cash optimisation

Strengthen bottom line and grow top line

"Some specifications can cost more, but those extra costs can be offset by reducing other specifications. We push the costs more onto the specifications that consumers tell us are the most valuable".

Hervé Le Faou, CPO, Heineken

Heineken's Design
for Sustainable
Value approach



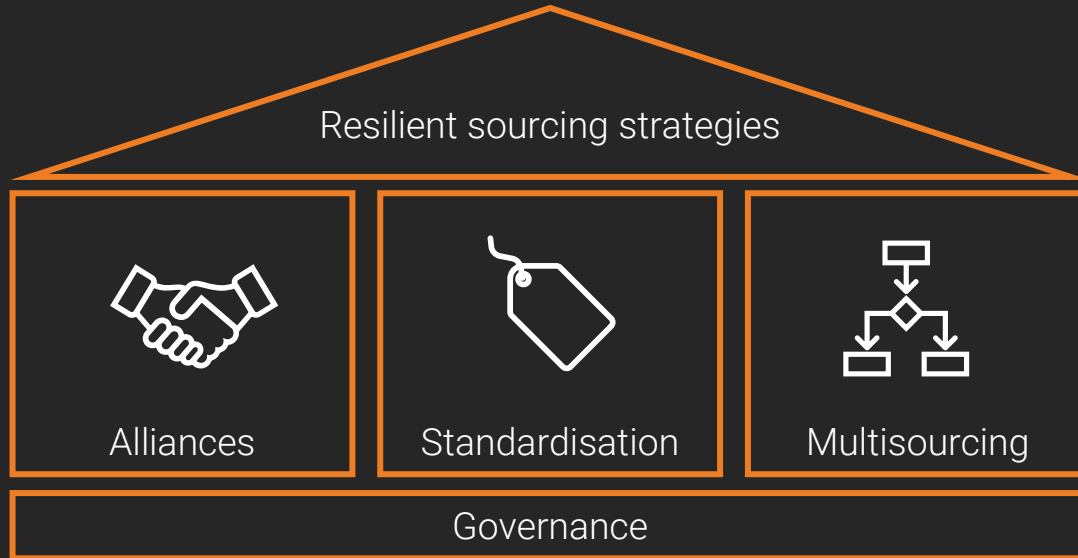
"In 12 hours, the bill of materials for every product related to that raw material will be updated, and an email goes to the marketing manager to warn them the price has changed by this much, so they need to change their price by this percentile to maintain their margin".

CPO, chemical company

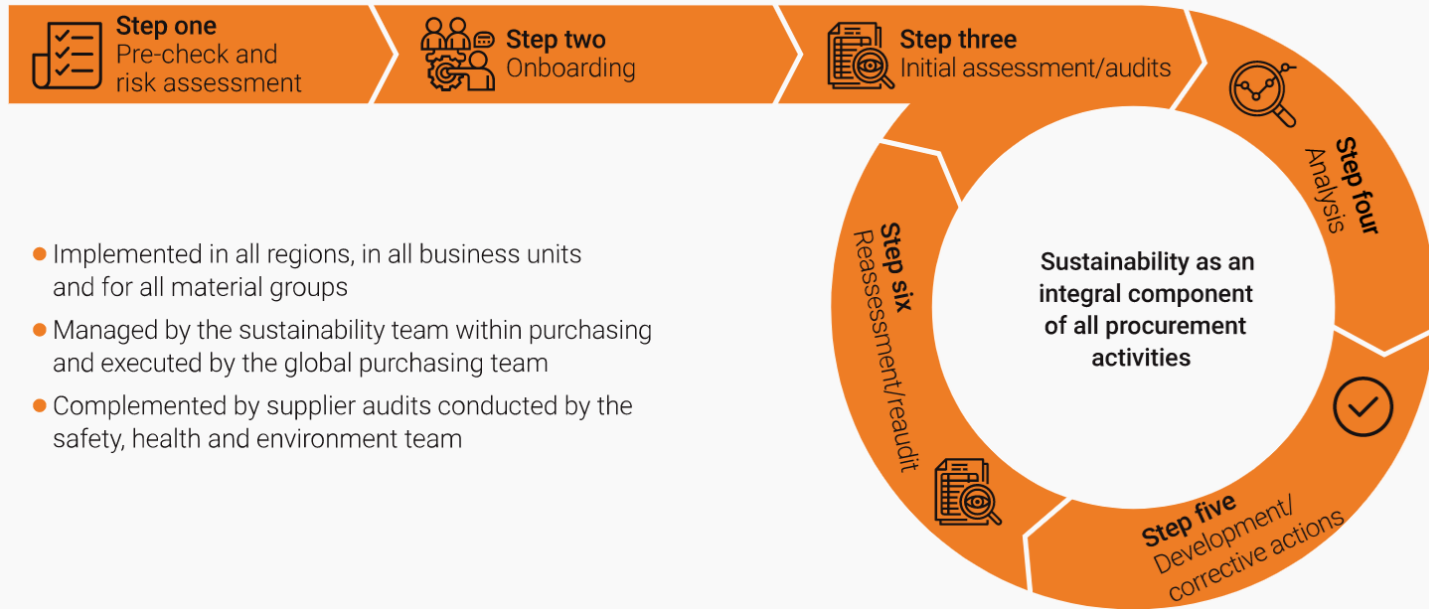
A chemical
company's approach
to syncing sales with
buyer data



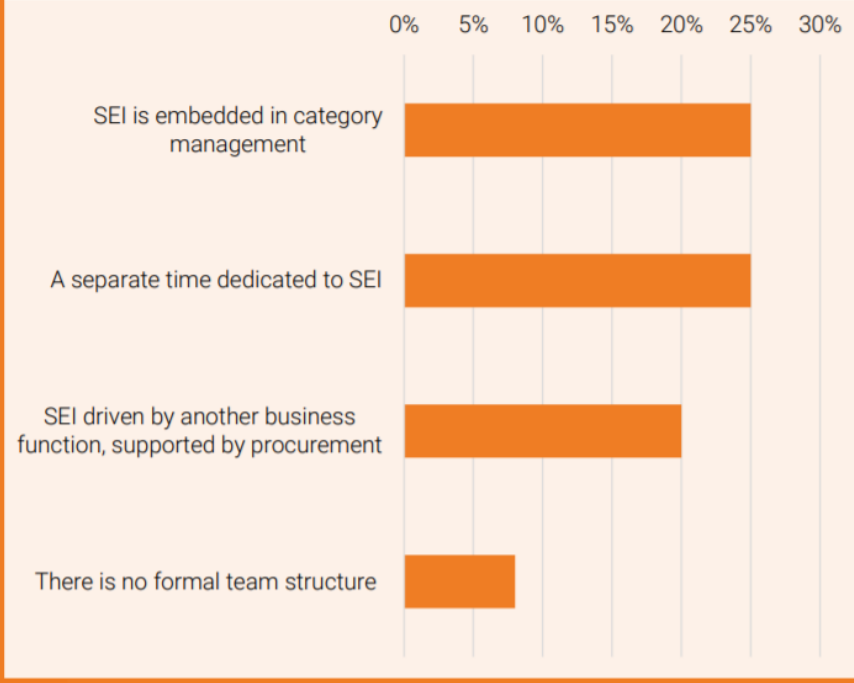
Risk management



Responsible sourcing



Percentage of supplier ideas turned into projects by SEI's organizational structure



Source: Supplier-Enabled Innovation Center, 2019

Innovation

- ✓ Prioritising innovation in day-to-day activities
- ✓ Acting as the bridge between business needs and supplier capabilities

New skills and capabilities

Key enablers to driving the activities of the future

Embrace new tech capabilities

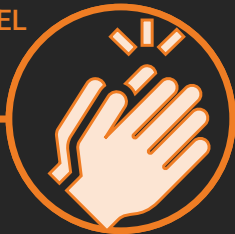
- Emerging developments with transformational potential

Develop new skills and capabilities

- Becoming rounded business people that advise stakeholders with data-driven recommendations
-

Data is driving a new value proposition

A LOWER-TOUCH, 'SELF-SERVICE' PURCHASING MODEL



Procurement can reduce its administrative and transactional burden by using data to inform and optimise a self-service approach.

- Resource can shift from transactional and administrative tasks to more strategic activities.
- Improves user-experience of purchasing platforms.
- Reduces process cycle times.
- Enhances procurement's return on investment.

ENTERPRISE INSIGHT ENGINE



With a remit to focus on enterprise-wide initiatives, procurement teams can identify opportunities to deliver value beyond savings.

- Advisory role extended beyond cost reduction to address enterprise-level operational efficiencies, product/service enhancement and resilience.
- A proactive partner in company-wide strategic planning, offering specialist expertise in innovation scouting, risk and sustainability.

VALUE CHAIN COORDINATOR

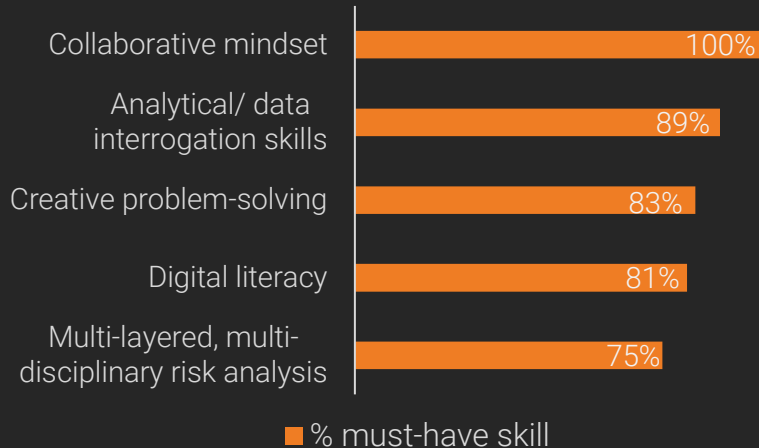


Procurement can strengthen its position as an interface between suppliers and the business, using data to identify and manage partnerships.

- Proactively align suppliers with enterprise objectives.
- Facilitating interactions between internal and external stakeholders.
- Pipeline for supplier innovation to enter the business.

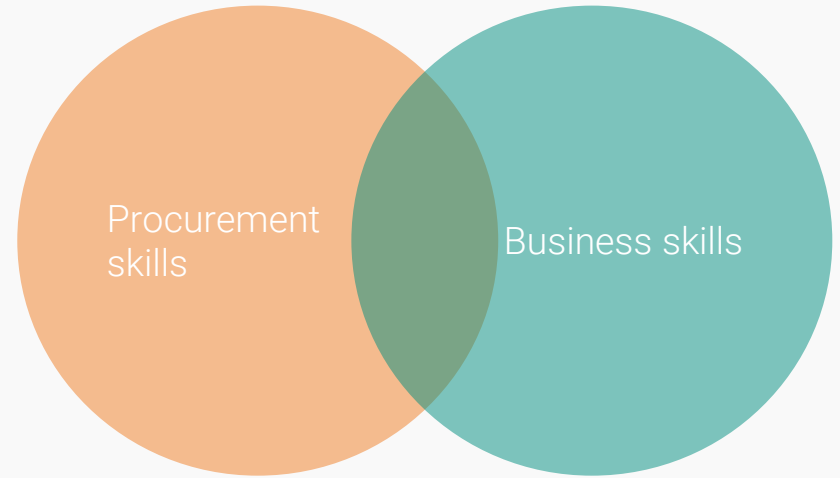
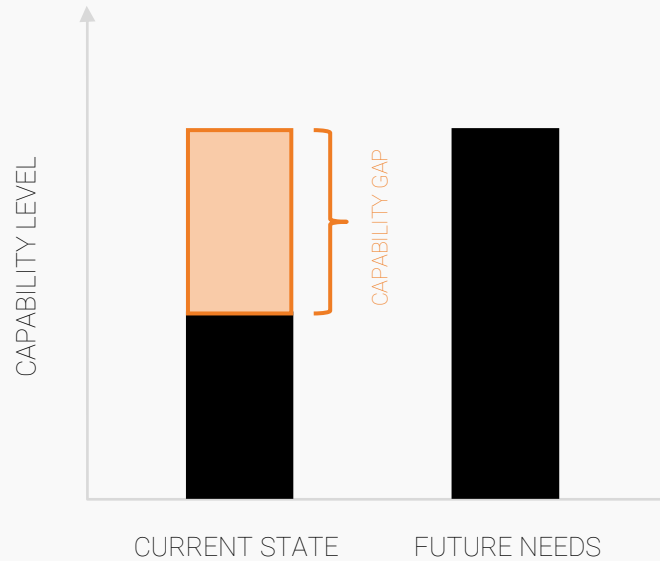
Develop the skills that will be needed tomorrow

Top 5 must-have skills

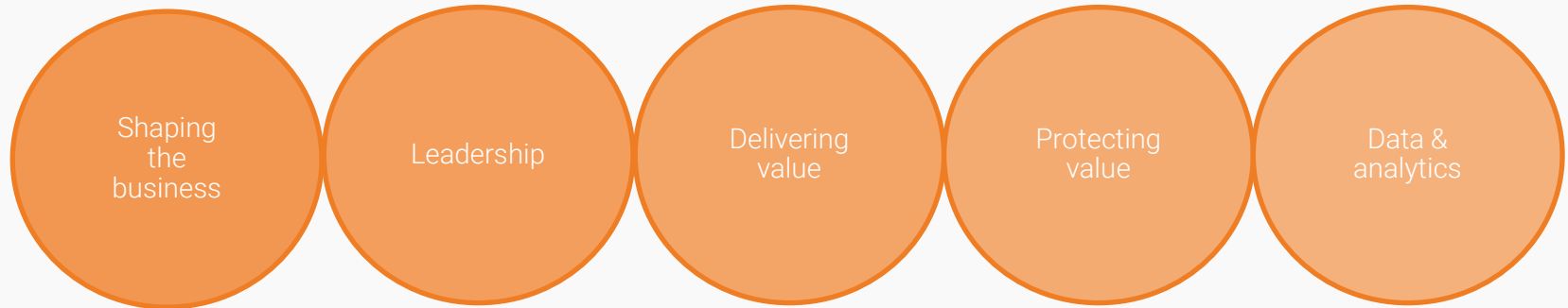


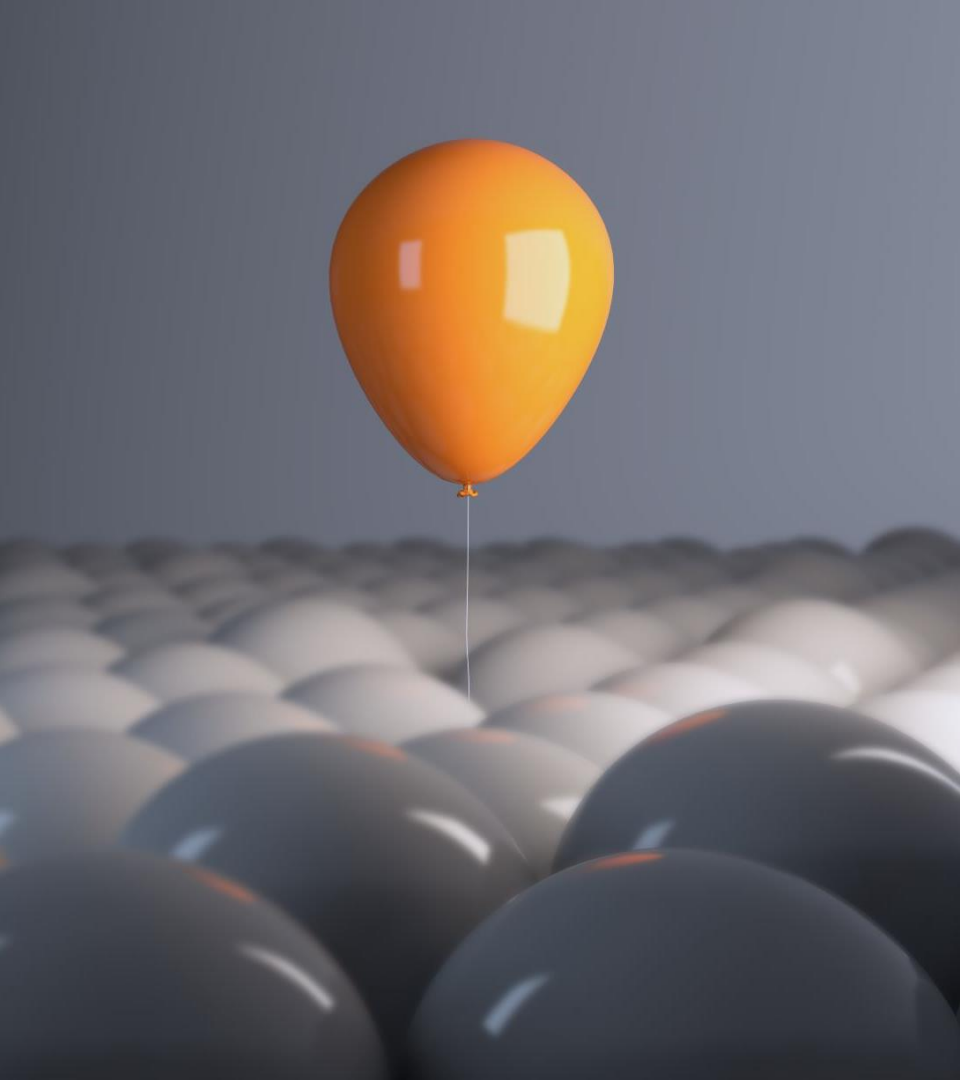
Developing new skills and capabilities

Capability gap: rounded business people



High-level capabilities of the competency framework

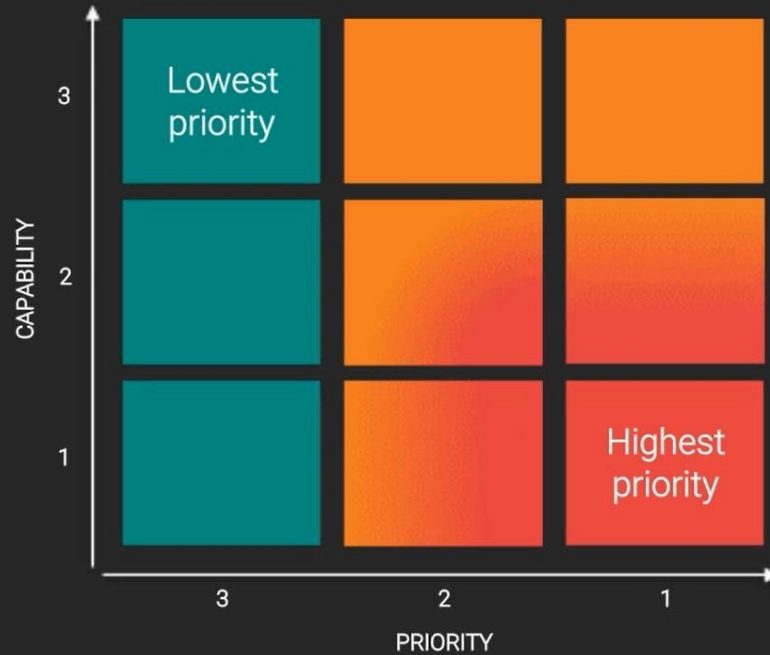




What is in a competency?

- ✓ Definition
- ✓ Capability indicators across three proficiency levels
- ✓ Skills and attributes
- ✓ Capability rating
- ✓ Priority scores
- ✓ Configurable to user' needs


The assessment output



**PROCUREMENT
LEADERS**

Thank you

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