

CIPS provides framework for transformation

Laing O'Rourke is on a mission to build resilience and create value across its procurement function. Throughout, it has relied on CIPS' Procurement Excellence Programme to provide a framework for transformation and a way to benchmark its activities against global best practice. When turbulent times hit, this robust approach came into its own, enabling Laing O'Rourke to react and adapt quickly and effectively.

Laing O'Rourke, the UK's largest privately-owned construction company, had been introducing improvements to de-risk and digitise its procurement activities for a number of years. Then the world changed. The Covid pandemic, Brexit, conflicts, hyperinflation and fuel and material shortages demanded faster action and greater agility than ever before.

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The Procurement Excellence Programme enables our function to benchmark itself against industry best practice and because there will always be new factors such as regulations and world events that impact the industry, it is essential to be re-assessed against our processes every two years.”

Kevin Horner

Procurement Operations Leader
Laing O'Rourke

 **CASE STUDY**
PROCUREMENT
EXCELLENCE
PROGRAMME





The best possible place

Having already created the structure and momentum for change, the procurement function found itself in the best possible place to respond to each crisis as it unfolded, while also continuing its development journey. By the end of 2022, a mapping exercise revealed that 25% of its operational practices had changed.

This was also the moment for Laing O'Rourke's next Procurement Excellence Programme reassessment, giving it a timely opportunity to discover how these changes stacked up against the highest standards worldwide.



Ready for everything

The process of evidence gathering and evaluation across every aspect of procurement brought out that Laing O'Rourke had developed some highly effective mechanisms to deal with today's market challenges.

The CIPS Assessor highlighted its de-risking of projects through the identification of supply chain risks up front and a pre-tender approach to market analysis and vendor profiling. It also found the procurement data portal to provide exceptional visibility of every part of the function plus pertinent external financial and market data for decision making, planning, control and cost saving. A new career toolkit linking Laing O'Rourke's capability and behaviour requirements with the CIPS Global Standard was also highly rated.

The benefits for Laing O'Rourke

According to Laing O'Rourke, the Procurement Excellence Programme assessment and award enable the procurement function to:

- Demonstrate it has sound procurement policies, strategies, procedures and processes which have been independently verified
- Provide internal and external stakeholders with assurance that the function is operating effectively, diligently and in compliance with the requirements of its day-to-day procurement activities
- Identify opportunities for creating better ways of working leading to efficiency savings
- Demonstrate that it operates within a robust ethical framework
- Build reputation and credibility within the marketplace with stakeholders including investors, vendors, clients and competitors
- Provide a development opportunity for the team showing what good procurement practice looks like
- Have a positive effect on the morale of its people through engagement, empowerment and evolution of how the 110-strong team performs
- Increase visibility of the value team members bring to the company.



Working in sync

For Laing O'Rourke, its successful Procurement Excellence Programme reassessment confirmed the commercial value of its mission-driven focus on risk and understanding the impact on its work of what's going on in the supply chain and wider world.

The award also meant it knew for sure that every element of procurement, from strategy to systems and people to processes, is working in sync in terms of focus and level of performance. This in turn boosted the function's profile internally, showing it is raising the level of suppliers throughout the business and that the company's strategic goals can be met through its supply chains.

As the assessment framework is regularly revised, the company could be confident that procurement had been benchmarked against slightly different factors second time around, proving it is keeping abreast of contemporary issues, concepts and solutions.

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Re-engaging with the accreditation after two years allows the procurement team to reassess everything from strategies to policies and ensure they have the tools to meet current and future challenges.”

Jane McAuliffe
CIPS Assessor



25%

Change in how the function operates

5%

Time saving through strong risk mitigation controls

10%

Attribution rate - less than half the industry average

92%

Of **procurement team trained** in circular economy

Progress achieved



On target to achieve operational net zero by 2030



The CIPS Procurement Excellence Programme is an independent and comprehensive assessment of your procurement team function designed and delivered by world-class, leading experts.

- Globally recognised award
- Demonstrates how well your procurement function is performing against an internationally recognised standard
- Helps your organisation build a function fit and ready for future challenges



Scan the QR code for more information

Want to see how we can develop your procurement and supply team?

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