



Global
Digest

Strategic Procurement

Background

CASME held Strategic Procurement RoundTable meetings in Asia, Australasia, the EMEA region, Latin America and North America. The following main topics were discussed:

- Strategic development
- Strategic value
- Stakeholder and supplier engagement
- Trends and technology.

This Digest provides the key points, good practices and insights into future trends identified by CASME members at the RoundTable meetings held around the world.

Strategic Development

- Procurement's efforts to be regarded as a strategic and critical function by senior management, and as a flexible, trusted advisor by the stakeholders include:
 - Determining what the stakeholders and senior executives consider to be strategic value and prioritising delivering this over achieving cost savings; and prioritising projects with a strategic and/or critical impact on the business
 - Customising Procurement's communications according to the roles and preferred communication channels of individual stakeholders and senior executives, and engaging with influential stakeholders to obtain their support in cascading procurement communications throughout the business
 - Developing relationships with the stakeholders in different business units and geographic locations across the organisation through constant communications and regular meetings, to gain an understanding of their objectives and assist them with achieving these
 - Educating the stakeholders regarding the strategic value Procurement can provide, and consistently demonstrating this value and procurement excellence during engagements and projects, to change their perceptions and expectations of Procurement, gain credibility and trust, and the ability to influence their decision-making
 - Providing timely data and information to the stakeholders and senior executives regarding market conditions and trends that could impact their current strategies
 - Providing spend data, insights, expertise and guidance to the stakeholders to support strategic decision-making and assisting them in identifying risks and opportunities for innovation
 - Conducting quarterly business reviews (QBRs) between the senior executives of Procurement and other business functions, to highlight Procurement's achievements and obtain top-down support across the organisation
 - Partnering with Finance and Legal to identify mutual strategic objectives and opportunities to jointly support and influence the business to achieve the organisation's strategic objectives
 - Conducting strategic meetings with Finance to improve the cost forecasting and budget planning processes for specific categories, and obtain recognition of the value Procurement delivers through cost avoidance and mitigating the impact of inflation on costs
 - Holding weekly or monthly meetings between procurement teams to exchange information, discuss strategic objectives and identify solutions to challenges
 - Automating and outsourcing tactical and operational procurement processes in order to focus on strategic activities; and establishing a procurement centre of excellence (COE) to support strategic sourcing and category management.
- Procurement is establishing outsourcing as a viable strategic option for certain indirect categories, functions and processes, by introducing a business process outsourcing (BPO) programme to assess the costs and benefits of outsourcing versus in-house delivery, and sourcing service providers and/or automated solutions that add value to specific procurement functions.
- Important factors for consideration when outsourcing procurement functions include the:
 - Cyclical trend of insourcing and outsourcing business support functions, and the amount of time required for the organisation and Procurement to adapt to each strategy and achieve optimal results
 - Potential impact of outsourcing on business efficiency due to the loss of internal knowledge and capabilities, and the need to maintain sufficient expertise in-house to effectively monitor and measure the performance of outsourced service providers

- Importance of clearly defining the objectives of outsourcing and the scope of the activities to be outsourced, and of retaining decision-making in-house to maintain control and reduce dependency on the outsourced service providers
- Potential for outsourcing to decrease the opportunities for Procurement to engage with the stakeholders and suppliers, and the need to define engagement policies and procedures to ensure that Procurement remains the primary point of contact for both.

Strategic Value

- Procurement is demonstrating and delivering strategic value to the stakeholders and the business by:
 - Collaborating with the stakeholders to develop strategies and identify solutions to overcome challenges and achieve their objectives, and assisting them in defining their requirements and developing scopes of work before conducting RFxs
 - Recommending strategies to the stakeholders to optimise their budgets and spend, and increase the return on investment (ROI) of purchasing projects
 - Providing support to the stakeholders through important procurement activities, such as developing and negotiating contracts, and managing risk and compliance in the supply chain
 - Obtaining valuable market intelligence, business insights and benchmarking data from external sources, and providing the information to the stakeholders to support their decision-making
 - Conducting benchmarking and spend, market and competitive analysis, to identify potential improvements in procurement strategies, processes and decision-making, and developing effective procurement strategies and processes that increase efficiency and productivity within the business
 - Aligning Procurement's strategies and key performance indicators (KPIs) with the requirements and strategic objectives of the stakeholders and the organisation
 - Conducting monthly and quarterly meetings with suppliers to review their performance and provide feedback, and ensure that they fulfil the requirements within service level agreements (SLAs) and KPIs
 - Conducting supplier relationship management (SRM) to optimise supplier performance and position the organisation as a customer of choice for suppliers in order to gain priority status
 - Communicating best practices and facilitating the visibility of data and information across the business
 - Collaborating with the stakeholders and suppliers to develop and implement innovative solutions
 - Developing and leading strategies and initiatives to assist the stakeholders and the organisation in achieving their environmental, social and governance (ESG) objectives, and to increase sustainability within the business and the supply chain.
- The approaches that are being applied for increasing Procurement's early involvement in the strategy development process for purchasing projects to deliver additional value include:
 - Promoting to the stakeholders the benefits of engaging Procurement early in projects and the strategy development process, to improve perceptions and reduce resistance to Procurement's involvement
 - Establishing dedicated roles for procurement personnel who are responsible for engaging with the relevant stakeholders at the start of each new project
 - Locating procurement personnel within the business units that represent high levels of spend
 - Identifying the added value Procurement has delivered through early engagement, compared to the risks and missed opportunities resulting from later engagement, and presenting the data to the stakeholders and category managers to incentivise early engagement, and to senior management to obtain top-down support for increasing early engagement.

Stakeholder and Supplier Engagement

- Procurement identifies, engages and collaborates with key influential stakeholders by:
 - Conducting stakeholder mapping based on criteria such as their roles, their involvement and level of influence in strategic projects, and the amount of spend they represent, and allocating appropriate procurement personnel to engaging with specific stakeholders
 - Obtaining information from Finance and senior executives within Procurement and the business units
 - Developing relationships with the strategic stakeholders in each key market before expanding the engagement programme to other stakeholders
 - Establishing a business process council of representatives from Procurement, Legal, HR, Finance, Sales and Operations, to develop agendas for the next two years that align with the organisation's strategic objectives
 - Meeting regularly with business unit managers to determine their departmental requirements, discuss strategies and objectives, and align Procurement's strategies and objectives with these

- Attending meetings with project managers and decision-makers to gain an understanding of their strategies and requirements
- Arranging meetings with new stakeholders to develop relationships with them, gain an understanding of their requirements and objectives, and ensure strategic alignment
- Involving global, regional and local procurement teams in stakeholder engagement activities.
- The skills and attributes that are most important for procurement professionals to effectively engage with the stakeholders, be involved in their purchasing projects, and influence without authority include:
 - Technical and strategic procurement skills
 - Category-specific knowledge
 - Strategic planning capabilities
 - Project management and leadership skills
 - Problem-solving skills
 - Business acumen
 - Technological and digital proficiency
 - Data analytics
 - Communication and listening skills
 - Relationship development and management capabilities
 - Influencing and negotiation skills
 - Flexibility, adaptability and responsiveness
 - Coaching and mentoring skills
 - Professionalism and respect for others
 - The willingness to learn and receive training
 - Sales and storytelling skills
 - Cross-functional work experience
 - Innovative aptitude
 - Cultural awareness
 - Emotional intelligence
 - Curiosity and confidence to ask questions and provide valuable input during meetings.
- Personality assessment tools such as DiSC are being used to identify the characteristics of individual procurement professionals, in order to improve teamwork and communications within Procurement.
- Procurement establishes collaboration and strategic alignment with and between the stakeholders and suppliers by:
 - Conducting research and analysis in preparation for meetings with the stakeholders and suppliers
 - Collaborating with the stakeholders to develop the strategies for engagements with suppliers
 - Meeting with new suppliers to obtain insights that can assist with relationship development
 - Tiering the suppliers according to the strategic value they provide, to determine the types and frequency of Procurement's engagements with specific suppliers
 - Meeting with the stakeholders in advance of conducting QBR and SRM meetings with the stakeholders and suppliers
 - Conducting 360° surveys, followed by feedback sessions with the stakeholders and suppliers to review and discuss the results
 - Facilitating collaborative meetings between the stakeholders and suppliers, encouraging the stakeholders to discuss operational activities directly with their suppliers, and coaching them in developing strategic partnerships
 - Establishing a supplier management framework with joint objectives designed to improve collaboration
 - Conducting innovation workshops attended by the stakeholders and suppliers
 - Documenting good practices to develop and maintain guidelines.
- SRM has been enhanced as a result of the pandemic due to:
 - Procurement improving communications and relationships with suppliers, gaining an understanding of their challenges and collaborating with them to identify solutions and mitigate risk
 - Frequent communications between Procurement and the suppliers regarding market conditions and trends
 - Additional personnel being allocated to strengthening relationships with critical and strategic suppliers
 - Suppliers approaching Procurement to initiate discussions, develop and improve their relationships with the organisation, and generate greater mutual commitment.

Trends and Technology

- The approaches that are being applied or considered for recruiting and managing procurement talent to fulfil future demand and support Procurement's strategic transition include:
 - Recruiting talent to supplement the existing knowledge and fill skills gaps in the department, with customer-focused and strategic capabilities, and the experience and skills required for using digital technology and performing processes such as big data analysis and data visualisation
 - Conducting succession planning in order to recruit personnel with the skills and attributes necessary to fulfil specific roles within Procurement
 - Establishing internship and mentoring programmes to provide career development opportunities within Procurement to improve employee satisfaction and retention
 - Recruiting talent with business acumen and category-specific knowledge rather than technical procurement skills that can be learned through on-the-job experience; including professionals from within the organisation with specialist category knowledge or technical skills
 - Developing and promoting a positive and supportive company culture to assist with recruiting and retaining procurement talent
 - Emphasising the company's ESG, diversity and inclusion (D&I) and ethical labour policies, and recognising generational expectations and ways of working in order to recruit young professionals
 - Investing in the professional development of procurement personnel to enable them to progress to strategic roles within Procurement, and providing them with internal training and access to external training to develop their procurement knowledge and skills.
- The trends and technological solutions that will have the most significant impact on strategic procurement activities and Procurement's transition to a strategic function include:
 - Robotic process automation (RPA) to digitalise and improve transactional and operational procurement processes, increase efficiency, and enable Procurement to focus on strategic activities
 - Digital applications that use artificial intelligence (AI) and machine learning technology to analyse data that assists with increasing visibility, improving risk management and developing future strategies
 - Best-in-class dedicated platforms to support specific procurement activities, such as contract, project, risk and relationship management, e-Sourcing, spend analytics, and monitoring progress against sustainability targets
 - Integration between procurement systems and processes to increase visibility and automation
 - Self-service catalogues within procurement systems, to increase Procurement's visibility of spend and control over the stakeholders' purchasing activities, as well as to identify trends and opportunities
 - Operational and transactional process being separated from strategic procurement activities, and performed by dedicated outsourced or internal teams or COEs
 - Procurement COEs being established to support procurement teams and category managers in strategic activities
 - SRM and ESG being prioritised as strategic business objectives, with greater emphasis on incorporating SRM and ESG into procurement policies, practices and processes.

Resource Centre Links

The following are links to the full meeting reports for each region:

- [Asia](#)
- [Australasia](#)
- [EMEA](#)
- [Latin America](#)
- [North America](#)

Important

This report is a summary of the facilitated discussions held between the CASME members who attended the meetings. CASME is not a consultancy and does not provide advice. The accuracy or validity of any recommendations or references, particularly to legislation and regulations, contained in the report should be verified by the reader prior to being acted upon. Any third-party organisations named in this report are not recommendations but are examples of companies mentioned during the meeting that may be considered when sourcing the relevant products or services. These are not intended to form an exhaustive list and it is likely that other organisations not listed also provide similar products or services.

Any intellectual property (IP) (including, but not limited to, copyright and database rights) in this work is vested in CASME, which is the trading name of Market Focus Research Limited, and the document is issued in confidence for the purpose only for which it is supplied. It must not be reproduced or distributed in whole or in part in any material form or medium except with agreement or consent in writing from CASME, and then only on condition that this notice is included in any such reproduction. Full terms and conditions can be accessed at the CASME Resource Centre: www.casme.com.

ADDITIONAL INFORMATION

Global Digests provide valuable category and strategic insights to CASME members, as part of a much wider subscription service that is delivered to hundreds of corporate indirect procurement teams worldwide.

CASME connects the authentic experiences and perspectives of its global membership network, comprising thousands of procurement professionals, and delivers information services that enrich personal knowledge and team performance.

With more than 200 events, and 1,000+ insight materials and benchmarking reports to choose from, CASME is a great resource for networking, learning and personal development.

Our members actively benefit from:

Unrivalled EVENTS AND NETWORKING

- Interactive Events – including RoundTables, Mini-RoundTables and Panel Discussions
- Briefings – such as Category SpotLights, Guest Webinars and Podcasts
- Link-Ups – which are one-to-one facilitated introductions

Comparative INSIGHTS AND INTELLIGENCE

- Peer Intelligence – Reports and Recordings from events, and Global Digests
- Procurement Guides – ToolKits, and Good Practice and Category Strategy Guides
- Partner Intelligence – such as research papers

Unique and Authentic BENCHMARKING

- Procurement Examiners – including extended studies, SnapShots and Panel Discussion Reports
- Best in Class – with Maturity Matrix and Index.

Furthermore, our impartial services are delivered across 24 indirect procurement categories and practice areas, without input or influence from suppliers or sponsors.

ALREADY A MEMBER?

[Log in](#) to the CASME Resource Centre to register for an event, personalise your Dashboard, or print your CPD/CEH certificate as proof of accredited CIPS/ISM/PASIA professional learning hours.

Talk to your local [CASME client services representative](#) to discover how we can help.

NOT A MEMBER?

Visit casme.com for more information, and [Request a Demo](#) or [Contact Us](#) to discover how CASME membership will provide vital information to support the achievement of your strategic objectives and category plans.

CASME is the trading name of Market Focus Research Limited
EMEA and Head Office: 1 Holt Barns, Frith End, Bordon, GU35 0QW, United Kingdom
 T: +44 1420 488355 W: casme.com E: info@casme.com



Europe & Head Office

T: +44 1420 488355

Americas

T: +1 973 218 2566

Asia

T: +65 6832 5584

Australasia

T: +61 2 8216 0942

casme.com



CASME_Network



@CASMENetwork

INSPIRING PROCUREMENT EXCELLENCE