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THE NEW RULES OF PROCUREMENT STRATEGY

**RULE 1**

**REIMAGINE  
STRATEGY**

COLLABORATORS



**SEISMIC CHANGES IN THE ECONOMY, POLITICAL  
INSTABILITY, RISING COSTS, AND INFLATION STRIKE FEAR  
IN MANY, YET OTHERS SEEK OPPORTUNITY FROM CHAOS.**

**THE ROLE OF PROCUREMENT HAS NEVER HELD MORE  
CORPORATE CURRENCY. FOR MANY YEARS, PROCUREMENT  
PROFESSIONALS HAVE BEEN ACTIVELY SEEKING STRATEGIC  
INFLUENCE, ACCESS TO THE RIGHT PEOPLE, DATA,  
TOOLS, AND TALENT TO DRIVE TRUE VALUE AND IMPROVE  
OPERATIONAL EFFICIENCIES.**

**NOW IS PROCUREMENT'S TIME TO SHINE!  
WHETHER YOU'RE A SEASONED PROFESSIONAL OR JUST  
STARTING OUT, THIS IS YOUR MOMENT.**

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# THE OLD RULES FOR PROCUREMENT ARE DEAD

**As global economies, enterprises and business leaders leap from one mega crisis to the next, the focus on continual growth seems to be out of sight for many. As a response, organisations pivot attention to cost control, risk mitigation, supply chain resilience and digital transformation. The focus to drive greater efficiencies, control risk and generate profitability from within is now business critical.**

Seismic changes in the economy, political instability, rising costs and inflation strike fear in many, yet others seek opportunity from chaos.

The role of procurement has never before held more corporate currency. For many years procurement professionals have been crying out for strategic influence, access to the right people, data, tools and talent to drive true value and improve operational efficiencies.

Now is procurement's time to shine! Whether you're a seasoned professional or just starting out, this is your moment.

# Procurement's Paradigm Shift

## OLD WORLD

- Seen as a barrier for innovation and growth
- Limited influence at a strategic level
- Disparate systems and siloed data
- Misalignment of goals and strategies
- Legacy systems, cost and usability restricting technologies impact
- Unforeseen risk and opportunity
- Poor collaboration and stakeholder engagement
- Limited performance cost savings
- Lack of business-wide value creation

## NEW WORLD

- Actionable, decision-ready data
- Seamless integration and adoption
- Leveraging risk opportunity
- Automation and efficiencies
- Fast effective collaboration and stakeholder engagement
- Intuitive user experience and customer centricity
- Focus on diversity, inclusion and environment
- Strategic influence at board level
- Driving profitability and growth
- TCO, ROI, rapid time to value

# INTRODUCING THE NEW RULES OF PROCUREMENT ENGAGEMENT

## **RULE 1:**

### **Reimagine strategy**

Challenge the past to define the future

## **RULE 2:**

### **Reevaluate sourcing**

Transform market access and performance

## **RULE 3:**

### **Reshape supplier relationships**

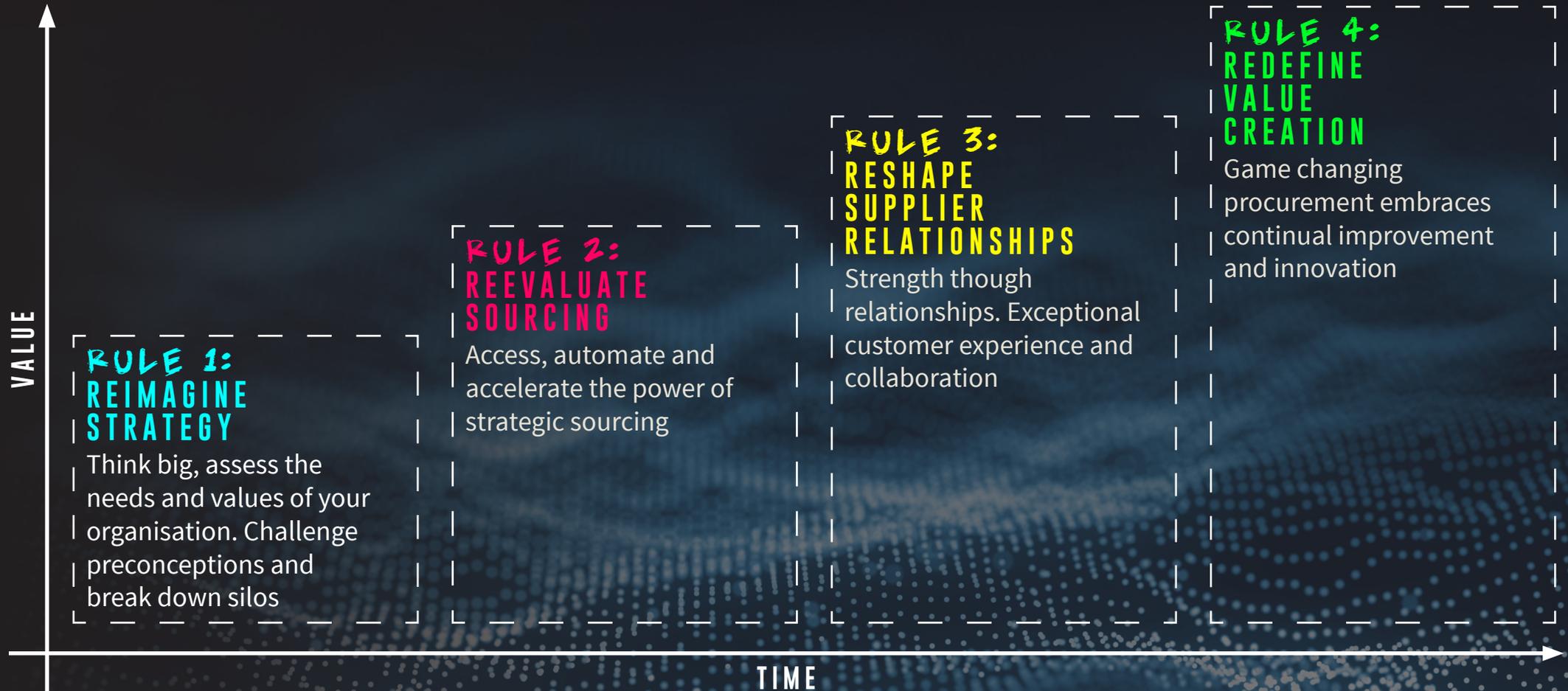
Connect experiences and insight

## **RULE 4:**

### **Redefine value creation**

Revolutionise continual innovation

# THE NEW RULES BLUEPRINT



Your blueprint to procurement transformation

# WHAT IS PROCUREMENT STRATEGY?

## Definition

**A procurement strategy is an intelligent long-term plan that outlines how a company will acquire the goods and services it needs from suppliers to maximise competitive advantage and performance.**

**The goal of a procurement strategy is to ensure that the company gets the best possible value for its money, while also maintaining a strong relationship with its suppliers.**

A procurement strategy typically includes the following elements:

- A definition of the company's procurement goals. What does the company hope to achieve through its procurement activities? For example, the company may want to reduce costs, improve quality, champion digital transformation, accelerate ESG credentials, or speed up delivery times.
- An analysis of the company's current procurement practices. What are the company's current strengths and weaknesses in terms of procurement? Who are the company's current suppliers at both an operational and strategic level?

- A review of the market for the goods and services that the company needs. What are the prices of these goods and services? What are the quality levels of different suppliers?
- A development of a plan to align with the company strategy and achieve procurement goals, for example digital transformation, supplier diversity, sustainability and so on. This plan should include also a strategy for selecting suppliers, negotiating contracts, and monitoring performance.

A well-crafted procurement strategy can help a company save money, improve quality, and speed up delivery times. It can also help the company build positive customer experiences and strong relationships with its suppliers, which can be essential for long-term success.

Typically, a procurement strategy tends to be reactive and responsible for driving costs down. In this new world, we recognise that the procurement professional is essentially the 'gatekeeper' to the flow of goods and services throughout the organisation.

Procurement can shape goods/service quality, ESG, compliance, diversity and, if tracked correctly, have deep insights into the organisation and marketplace to truly shift company strategy to capitalise on business and market opportunity. No longer just the 'cost cutter' but the strategic advisor and value generator.

The world moves fast, there is a new breed of procurement professional who recognises the shifting sands and is capitalising on this unprecedented opportunity to influence the top table, whilst driving greater efficiencies, reducing cost and building strong relationships.

If you are not on this wave of change, be prepared to be left behind. Now is the time to challenge preconceptions, breakdown the barriers and silos and embrace both tech and talent and new ways of working to future-proof your role and your organisation.

**We will be engaging with some of the world's leading procurement thought leaders and practitioners, from global powerhouses to tech wizards, to understand what is driving this change and how to think, act and perform differently to become a true Changemaker in your field.**

# THE PSYCHOLOGY OF A CHANGEMAKER

## Characteristics of a Changemaker

*“A changemaker has empathy for others and is driven by the genuine goal of making the world a better place. Motivated to act. A changemaker gives themselves the permission to do something about a social problem, and keeps trying until they have made a difference.”*

*“Simply put, a changemaker is someone who is taking creative action to solve a social problem. Thus, whether sparking a global movement or stopping a classroom bully, a founder of a social enterprise or an employee of a multinational company, every changemaker is intentional about solving a social problem.”*

Source: **Ashoka, More than Simply “Doing Good”:  
A Definition of Changemakers**



**CHANGEMAKER (N) –  
A TERM COINED BY THE  
SOCIAL ENTREPRENEURSHIP  
ORGANISATION, ASHOKA,  
MEANING ONE WHO DESIRES  
CHANGE IN THE WORLD AND,  
BY GATHERING KNOWLEDGE  
AND RESOURCES,  
MAKES THAT CHANGE HAPPEN.**



# MEET THE CHANGEMAKERS



## **NICK DREWE**

Co-Founder & COO Market Dojo  
[linkedin.com/in/nickdrewe1](https://www.linkedin.com/in/nickdrewe1)

“Like most procurement professionals, I found myself working in the role by chance!

I have a Masters in Mechanical Engineering but honestly, I always had an entrepreneurial streak that I had to pursue. It was after a five year stint managing reverse auctions that I realised there was a better way, which is why I co-founded Market Dojo. We spotted a gap in the market for **on-demand**, accessible eAuctions for the masses.

These days the ‘Dojo’ brand has expanded into a best-of-breed software supporting the entire Source-to-Pay (S2P) value chain. Our mission then, and it’s still true today, was to think smarter and to advance and democratise this technology and the value it can deliver to all, be it a consultancy, start-up or global organisation.”



## **CANDA S. ROZIER, CIAP**

Founder and President, Collabra Consulting  
[linkedin.com/in/csrozier](https://www.linkedin.com/in/csrozier)

Canda Rozier is the Founder and President of Collabra Consulting, focused on procurement transformation, sourcing excellence, and cost improvement.

With over 30 years industry experience, Canda was most recently SVP Global Procurement & Real Estate at NTT Security, and previously CPO and SVP Global Real Estate at First Data Corporation. Other roles have included senior positions at Unisys/Burroughs and American Express.

Canda has served on the Advisory Board for the Sourcing Industry Group (SIG), and is based in Colorado with a BA from Davidson College. She is a Certified Intelligent Automation Professional (CIAP), a frequent contributor to sourcing industry publications, speaks at industry conferences and events globally, and is a 2019 Sourcing Star Award Winner of the SIG Future of Sourcing Award.

# MEET THE CHANGEMAKERS



## **RICHARD NIXON**

Head of UK & Nordics SpendHQ  
[linkedin.com/in/richardjnixon](https://www.linkedin.com/in/richardjnixon)

Richard is Head of UK & Nordics for SpendHQ, leading its rapid growth in this region.

Prior to this he had more than 20 years' procurement consulting experience, plus 10 years in line roles in automotive. He has worked with Hackett Group, KPMG, where he was Partner of the UK Procurement Consulting team, and EY.

He has extensive experience of deploying procurement technologies to transform the performance of complex, multinational businesses and has written for the FT, The Times, CPO Agenda and CIO Magazine.



## **CAROLINE PATRICIA HUBERDEAU**

Indirect Purchasing Director, Leroy Merlin  
[linkedin.com/in/chuberdeau](https://www.linkedin.com/in/chuberdeau)

With 10 years of international experience in purchasing and procurement management roles, Caroline has worked for multinational companies; in multiple sectors such as consulting, retail, banking, pharmaceutical services; across EMEA, Asia Pacific, North America, and Latin America.

Caroline champions a goal-oriented approach to achieve efficiency in procurement and sourcing strategies coupled with skillful negotiation to achieve cost-effective deals.

She believes in "Always prioritising how to bring value to the company and empower teams!"

**RULE 1**

# **REIMAGINE STRATEGY**

**Challenge the past  
to define the future**

# WHY NOW?

It's time to think big, assess the needs and values of your organisation, understand past data, challenge preconceptions and break down silos.

The Procurement Changemakers are exploring ways to reimagine strategic sourcing and spend analysis to understand where the real opportunity lies whilst using category management and pipeline analysis to identify short, medium and long-term wins.

There must be an understanding of both micro and macro, internal and external forces that will elevate the vision of the procurement function and allow procurement to have influence at a board level and lead from the front.



E 1

STRATEGY

# WHY NOW?

## **Procurement must challenge the strategic plan.**

A clearly defined strategy enables procurement leaders and teams to not only align and respond proactively to company strategy but also to elevate their strategic influence and help shape the vision and roadmap to improved performance and sustainable business growth.

Measurable benefits of a procurement strategy include the ability to

- drive greater savings
- understand true total cost of ownership (TCO) and lifetime value of goods and services
- drive the digital agenda - digitise and automate for better efficiency and strategic insight
- manage and mitigate risk successfully
- provide business continuity and resilience
- identify and accelerate board-level initiatives

The previous shackles of poor technology, legacy systems, low adoption and limited influence have been removed.

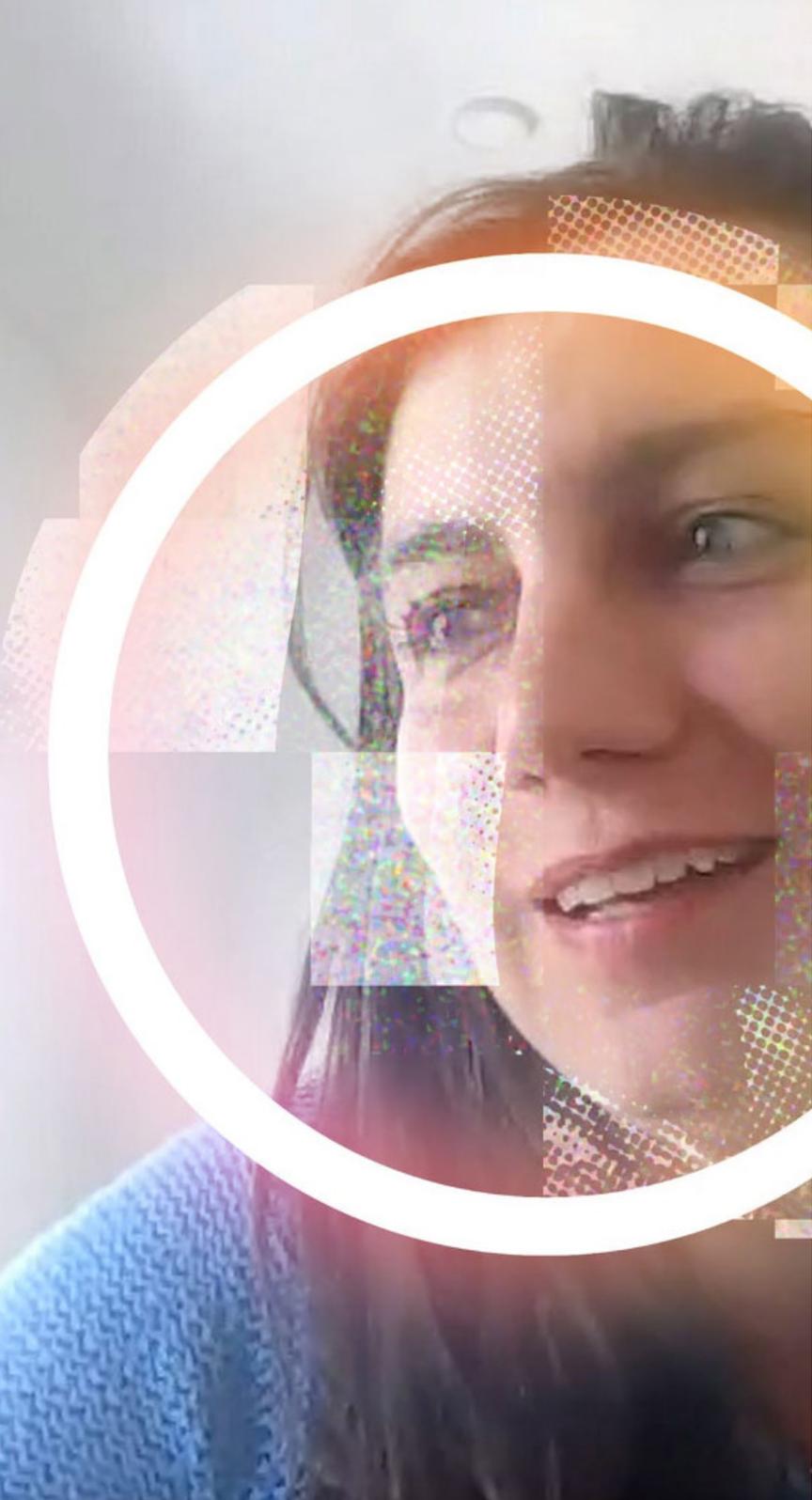
By leveraging the right people, process and technology, procurement can create a path to drive better adoption and internal and external collaboration which will empower modern organisations to thrive against a volatile, competitive backdrop. All the while, evolving this previously under-loved and undernourished function into a high-value strategic resource.

# THE **NEW RULES** OF PROCUREMENT STRATEGY

**ALIGN TO  
UNLOCK  
TRAPPED  
VALUE**

**DISMANTLE  
OUTDATED  
SILOS**

**STRATEGY  
DRIVEN,  
TECH  
INFORMED  
AGILITY**



# I. ALIGN TO UNLOCK TRAPPED VALUE

FACE THE CHALLENGES

EMBRACE ESG

TACKLE TALENT SHORTAGE

THINK STRATEGICALLY

SHOW THE ROI

# FACE THE CHALLENGES

*“Procurement is very much in the spotlight to drive forward all the issues around sustainability, rising costs, high inflation, and many other business challenges. Procurement really is the best placed function in a business to deliver on those opportunities.”* Nick

*“In purchasing departments, a lot of companies are facing the same issues; clearly the economical context, strong inflation, and a lack of raw materials that are crucial for operation.”*

Caroline

In the face of recent challenges and ongoing economic turmoil, procurement has the opportunity to take on a more visible and strategic role in an organisation. But, to deliver real business value, procurement must be closely linked to business needs and goals.

And, this is just the beginning!

Procurement’s connections with suppliers and manufacturers put them in a unique position with a finger on the pulse of changing market conditions, governance, and compliance requirements. This enables them to steer the business in terms of what it really needs, where it might need to pivot, and how it can optimise its operations.

For more ways on how to strategically navigate through the increasing pressures within procurement, download Market Dojo’s **Procurement Pathfinder eGuide**



Alun Rafique  
CEO, Market Dojo

# EMBRACE ESG

***“ESG cannot be overstated in terms of how critical it is for procurement teams to get this right, because this will become a board issue.”*** Richard

ESG undeniably has become a board-level issue. With governments introducing new climate-driven legislation, industry and environmental bodies exposing ‘greenwashing’ tactics and public/social opinion driving brand reputation, ESG is firmly on the agenda.

Procurement is one of the best placed departments to embrace ESG and embed it into the fabric of organisations and their wider marketplaces.

Steps to drive forward on ESG goals and compliance:

- Increase the use of sustainable products and services - collaborate with suppliers to identify and source sustainable products and services.
- Choose suppliers that have strong ESG practices - conduct due diligence on suppliers to assess their ESG performance in terms of their environmental impact, their labour practices, and their commitment to human rights.

- Manage ESG risks - identify and manage risks that could derail meeting ESG goals such as supply chain disruptions, threat of reputational damage, or the risk of financial losses.

By taking advantage of its influence and connections across the supply chain, procurement can play a change-making role in driving ESG adoption and making the world a more sustainable and ethical place.

**To learn more about the benefits of ESG, read [5 Key Benefits of ESG and Building Sustainable Supply Chains](#)**

# TACKLE TALENT SHORTAGE

Many articles have been written by HR and recruitment experts on the “war on talent” but whether this is a self-styled situation or not there will always be a ‘pull’ on the best and brightest talent.

***“I do think that the bigger challenges are ones like talent, both retaining your current talent and finding talent in procurement and strategic sourcing.”*** Canda

For procurement to attract the new breed of procurement professionals who are looking for more than just a job, it must address their aspirations and ambitions, position procurement as an attractive career path, and equip people with best-of-breed technology and tools they need to be successful.

***“Procurement does need to compete with many other industries/many other professions to try and attract the best talent to drive the profession forward.”*** Nick

According to **DHL’s Talent Gap Insights**, demand for supply chain professionals is estimated to exceed supply by a ratio of 9:1.

Ways that procurement can attract new talent and develop the roles of existing team members:

- Understand what motivates and drives the new breed and create a work environment that allows them to thrive.
- Embrace and lead with technology and best-of-breed tools by investing in the latest technology and tools, and using them to improve efficiency and effectiveness.
- Develop a strong talent development programme by providing employees with the training and development they need to succeed in their roles and creating a culture of continuous learning and improvement.
- Support diversity, equity and inclusion in the workplace by recognising modern workforce needs, such as flexibility, culture and aligning to a vision of shared success.
- Create a positive and supportive work environment by valuing employees’ contributions and celebrating individual and team wins.

# THINK STRATEGICALLY

*“It was the best of times, it was the worst of times.”* Charles Dickens, A Tale of Two Cities

The past few years have been a time of great challenge for procurement. However, the fires have been put out, or at least have been dampened down to smouldering embers. This is a time of opportunity and growth for procurement. It is time for procurement to move from a back-office function to a strategic resource.

Procurement is essential to success... not only by continuing to deliver on the holy trinity of controlling costs, mitigating risk, and ensuring supply chain resilience but through using technology to gain powerful data insights which will drive smarter, faster procurement decisions.

Proactive procurement professionals are stepping up and taking on a more strategic role. It's not just about getting the best deal or negotiating the best contract but aligning with the wider business initiatives to support the organisation's long-term development.

While it might be difficult to step away from the 'day job' to focus and spend time on strategy but, by using best-of-breed tools to streamline and automate administrative and repetitive tasks, time will be freed for strategy formation.

Thinking strategically and taking the time to gain sponsorship at a C-level and with key stakeholders is key to elevating procurement's value and influence.

***“You can do any project or the best negotiation ever, but if it's not aligned with the business and you don't have a sponsor, you will not be able to go anywhere.”*** Caroline

***“I also think you've got to constantly engage the business. It's no good procurement once a year engaging the business, getting their objectives, going away to their Ivory Tower for a year and working on those initiatives in isolation.”*** Nick

# SHOW THE ROI

To gain active sponsorship from C-level stakeholders, procurement must show the business value and ROI. Similarly, if procurement processes are not considered to be aligned with business needs then optimisation efforts will be thwarted, including digital transformation programmes.

***“If procurement teams are looking for investment in technology or in supply chain CapEx investments, they now need a very robust business case for soliciting that money from finance and with payback much quicker than might normally have been considered.”*** Nick

Procurement teams need to work on their business case, to cross all the t's and dot all the i's! To think in terms of a 'framework of success' that encompasses planning, decision-making, implementation, and review.

Four key questions to answer in a business case:

1. Your why: What is the problem you are trying to solve? Is the initiative aligned to company strategy, vision, and mission? How does this fit and add value (i.e. make it an easy sell to the C-suite and senior levels)?
2. The specification: What are your requirements for the solution? What standards should it meet? Will the solution allow for growth and innovation?
3. Success metrics: How will the success of the solution be measured? Make sure metrics are clear, measurable, and achievable.
4. Risk evaluation: What are the risks associated with your project? Identify both big and small risks. Develop a plan to mitigate these risks.



## **II. DISMANTLE OUTDATED SILOS**

**ENGAGE WITH STAKEHOLDERS**

**FOCUS ON USER-CENTRIC PROCESSES**

**CONNECTED COMMUNICATION IS KEY**

# ENGAGE WITH STAKEHOLDERS

*“After the Ivory Tower Falls”* Pulitzer Prize-winning journalist Will Bunch

Gone are the days of working in isolation. Procurement must build relationships with department ‘heads’ and buy-in from its internal customers is critical for procurement to manage this transition from a support function to a catalyst and enabler of positive change.

***“People see the purchasing department as a support department not as an added-value department for the business. They see it as administrative, that we don’t have value and that they’ll lose time or power to go through the purchasing department.”*** Caroline

Effective stakeholder engagement stems from first understanding who you should be communicating with and building relationships with these people. Ask yourself, “who am I here to serve and how best can I do this?” Most procurement professionals will, at some point, have been on the receiving end of push-back and resistance to working with other departments. People can feel threatened by procurement’s intervention into their day-to-day purchasing activities and, at worst, may feel that there will be negative consequences for ‘letting procurement in’. This type of resistance can’t be ignored or underestimated.

Proactive procurement professionals know that they need to get off their seats, leave their offices, and for some, out of their comfort zones. That they must talk to people in other departments to truly understand people’s needs in terms of core/mandatory requirements versus not critical but potential value-add requirements. Armed with this information, or ‘needs analysis’, it can be aligned with the organisation’s needs which will ensure greater success of the project.

However, even when there is departmental and organisational alignment it can still be met with resistance. This is where communication comes in. And by that we mean more than saying “our analysis tells us this so here’s what we’re doing”. It’s about effectively communicating the value, the benefits and the subsequent wins of the project, not just from procurement’s point of view, but for the company as a whole. There’ll be more on communication later in this chapter.

**Struggling to get stakeholder buy-in? Read [Tactics to Convince Your Stakeholders to Run eAuctions](#)**

# FOCUS ON USER-CENTRIC PROCESSES

User-centric processes focus on putting the user in the centre of the design. Considerations are:

- What are the users' goals?
- What are their pain points?
- Is the design clear and intuitive?
- How long does it take to complete each task in the process?
- Is the process efficient?
- Does the process meet the users' needs?
- Does it help the user achieve their goals?

Optimal results will come when finance, engineering, product innovation, supply chain, procurement, and other key departments are involved in designing the process. This collaboration ensures the process is designed with all of the relevant considerations in mind.

It may be tempting to rely on technology and assume that it will solve all the problems. But technology should be an enabler, not the driving force. Identify first the desired result or outcome from a new process, then look at the solutions and tools available that can help to achieve this.

Read how **Imperial Brands** took this approach to ensure successful digital transformation of its procurement processes.



Finally, it is important to get feedback from users on a regular basis. This will help to ensure that the process is meeting the users' needs and that it is working effectively. Frequent touchpoints and feedback will give visibility into how well the processes work day to day.

# CONNECTED COMMUNICATION IS KEY

*“People don’t resist change. They resist being changed.”* Peter M. Senge, The Fifth Discipline: The Art & Practice of The Learning Organisation

Communication is key to so many areas of procurement’s activities, and as such is a common thread running through our Changemakers’ insights.

For procurement to move from the back-office and be seen by the rest of the organisation as a strategic function it requires a change in the way things have been done and in people’s mindsets. And, as with any change management programme, communication is key.

**Gartner** cite that “73% of change-affected employees report experiencing moderate to high stress levels, and those suffering from change-related stress perform 5% worse than the average employee. Effective change communications can counter these trends and support business transformation.”



*“Change management is not easy work in the purchasing department, I would say that half of my time is dedicated to communication and influencing.”* Caroline

This sentiment is echoed across the industry. According to Ardent Partner’s latest **CPO Rising 2023** report “Most CPOs that were interviewed said that they are trying to build a more collaborative culture and open communication within the sourcing team and with internal stakeholders/functions and strategic supply partners. They want their teams to work proactively to prioritise the development of stronger relations with critical suppliers.”

As mentioned earlier in this chapter, consistent communication is needed to help stakeholders understand the value, benefits and the subsequent wins of any procurement project. And this requires time, effort and an effective process to be done properly.

We asked our Changemakers for some practical tips to take communication to the next level.

# CONNECTED COMMUNICATION IS KEY CONTINUED...

## Changemaking Tips for Effective Communication

- Understand people's preconceptions of procurement's remit within the organisation, this will tell you where procurement is perceived on the administrative versus strategic spectrum i.e. how big a task you have on your hands.
- Address any fears that people may have for 'letting procurement in' for example, that their decisions will be questioned, relationships with suppliers threatened, or their job replaced through procurement's involvement.
- Take people on the journey together in terms of why it's important to the company and what it means for the future success of the organisation.
- Don't let the 'send' button get stuck on! Make sure that you 1.) ask for, 2) receive, 3) listen to and, 4) act on feedback. People are more likely to support change if they feel their concerns are being heard.
- When they happen, celebrate the wins, and not just as a procurement department but as a collective group of people on the same mission.

*“So it’s all about communication and letting people understand how we will work together and to make them part of the project. If they’re not part of the project, you will not be able to implement the project and the savings that you presented, so it’s really key.”* Caroline

*“Sometimes we are missing some really key negotiation just because they don’t feel at ease to work with purchasing or because they don’t want to feel that they’ll lose control, or we will judge the work if we find a lot of savings.”* Caroline

*“Another couple of points that are ‘keys’ to the change management process is to celebrate your successes, sometimes even small successes, both at a personal level and at a department or organisational level. That’s where tracking things like KPIs become so important because it gives you the data so that successes can be quantified, and tracked, and celebrated.”* Canda



### **III. STRATEGY DRIVEN, TECH INFORMED AGILITY**

**PEOPLE FIRST, THEN PROCESS & TECHNOLOGY**

**SUPPLIER INTEL**

**CLOSE THE LOOP**

# PEOPLE FIRST, THEN PROCESS & TECHNOLOGY

The trifecta of your procurement strategy

## People

To be agile first requires having the right people, then the right processes and technology. But what does this really mean?

For people it's about having the right:

1. *resources and skills* to carry out the many different functions in procurement—supplier management, category expertise, data analysis—and coupling people's skills and experience with easy to use tools
2. *people* with the right mindset, vision and aptitude and actively nurturing this talent

***“You need the right people in your team that are best aligned to doing the right job whether that’s managing relationships with suppliers, running sourcing activities, or the data.***

***There’s a big influx of good data coming to procurement now thanks to technology, so you need the right people that can understand that data and turn it into meaningful insight.”*** Nick

## Process

***“It’s all about making sure that procurement is there to best support the business. So, you’ve got to come up with processes that will allow for that.”*** Nick

An agile process is facilitated by the ongoing development and implementation of your procurement strategy to identify opportunities for innovation, for example

- Understand your supply chain to help make better decisions – exploring alternatives where supply is scarce such as raw materials or textiles
- In high risk categories, it might be advisable to use a core set of suppliers (already on-boarded) to avoid supply chain issues
- Where cost savings are important a larger number of suppliers will deliver better results – what is the optimum number of suppliers needed for each category

# PEOPLE FIRST, THEN PROCESS & TECHNOLOGY CONTINUED

- What level of approvals, risk assessment and compliance is required for each tender and how does this change based on goods/services, size of tender, or geography
- What is the best type of negotiation – RFP, RFQ, reverse auction, Japanese auction etc. Without this knowledge and visibility employees may revert back to emails and phone calls with their preferred suppliers which re-introduces the risks and limitation of a non-digitised process

Download Market Dojo's infographic: **“What Reverse Auction Should I Use?”**

# PEOPLE FIRST, THEN PROCESS & TECHNOLOGY CONTINUED

## Technology

Technology helps drive better decisions and brings a greater level of professionalism to procurement activities but only when you first understand what the business needs and how technology will deliver it, for example

- Spend and category management – gain data-driven visibility into spend and activities
- Cost savings – access data to negotiate better deals with suppliers
- Risk management – identify and mitigate risks associated with the supply chain
- Cycle time – reduce the time it takes to go from identifying a need to awarding a contract and supplier on-boarding
- Compliance – ensure compliance with all applicable laws and regulations

- Supplier performance – track and manage performance against chosen KPIs
- Procurement agility – help organisations to respond quickly to changes in the market and the needs of their customers

Procurement technology is a valuable tool for organisations of all sizes that are looking to improve their performance by creating a leaner, smarter, more collaborative environment.

The impact of digitisation within procurement using today's best-of-breed tools is seamless interoperability and integration into existing suites to consolidate, automate and future-proof tech stacks.

***“In really simple terms, I think technology has the ability to completely change the role of procurement and transform the way we do things and how we think about them.”*** Richard

# SUPPLIER INTEL

We have talked about how important stakeholder engagement is to your procurement strategy, now we turn our attention specifically to suppliers.

It may seem obvious but you can't buy goods and services without suppliers. And, after the last few tumultuous years, it's become apparent that reliable suppliers should be valued highly. Moreover, procurement teams will benefit from having a process to actively gather data from suppliers to ensure supply chain resilience and to provide intel for executing your procurement strategy.

***“Engaging with suppliers is key. A lot of intellectual knowledge is locked up inside suppliers just ready for businesses to unlock by just engaging with them better.”*** Nick

***“Procurement has the ability to gather data either directly or indirectly from suppliers as a part of the sourcing process and as a part of your category management process that then can give you data which can really become a baseline for benchmarking.”*** Canda

The *new rules* of supplier engagement is to embrace the subtle power shift from supplier selection to supplier relationships with the aim of creating a mutually beneficial situation.

Proactive procurement professionals are shifting away from tactical suppliers to more strategic and collaborative supply partnerships, or ‘RFPartner’.

**Market Dojo's** collaborative procurement tools provide a better understanding of the marketplace and supplier relationships, providing a platform for trust, transparency and growth.

# CLOSE THE LOOP

A strategy is only as good as its execution. And strategy execution relies on continuously monitoring progress toward your goals and adjusting where necessary.

But, how do you know when to make adjustments?

In an ideal world, strategy is a linear process where a plan is formed, implemented, and the goals are achieved. In reality, regulations and policies change, macroeconomic factors fluctuate, customer needs shift, technology evolves and competitors get in the way.

So, to execute a strategy amongst all these potential changes, procurement professionals must gather information internally, from suppliers (see previous section) and through market sources to make informed decisions on any course corrections that are needed and, perhaps more critically, when to make them.

How do you know when to make a course correction?

By continually measuring progress and performance against the business needs.

To effectively measure progress, numerical metrics, or key performance indicators (KPIs), need to be determined at the planning stage which are regularly tracked and monitored to assess performance or whether changes need to be made to the strategy.

KPIs range from ESG targets, customer satisfaction, procurement cycle time, supplier risk, supplier performance, cost savings, contract compliance, quality and so on. Specific metrics will vary from company to company, but it's important to identify the best KPIs in the context of the organisation's goals and objectives.

***“Procurement, or any department, shouldn't set their KPIs and metrics in isolation. They've got to set them in the context of the corporation's objectives and direction. When you do that, and you do that successfully, you then have created this dynamic feedback loop between the organisation, your internal stakeholders, and procurement. And so you're constantly measuring your success from a procurement standpoint, in the context of your stakeholder partnerships and the overall corporate objectives and goals.”*** Canda

# THE FUTURE OF PROCUREMENT STRATEGY

We asked our Changemakers to share their thoughts on the main drivers of procurement strategy in the future.

Their predictions fall into four areas:

**PROTECT THE PLANET**

**LEVERAGE AI & AUTOMATION**

**DISRUPTIVE INNOVATION**

**EXPEDITE DIGITAL TRANSFORMATION**

Here is what they said.



# THE FUTURE OF PROCUREMENT STRATEGY

## Protect the planet

Following the latest United Nations Climate Report, it's evident that we need to push the ESG agenda harder otherwise we're going to fall short of our targets not just as businesses, but as a nation, as a planet.

For procurement this means sourcing alternative products that meet ESG goals, for example finding local suppliers to reduce carbon footprint.

***“In the future, we will lose some raw materials so we have to find a way of replacing this kind of product to protect our planet. We have to find a way of using our resources in a better way and check how we can recycle them to not affect our environment. So I think there will be a lot of innovation regarding sustainable products.”*** Caroline

To get ahead of the curve, integrate ESG goals into your supplier onboarding processes with SIM Dojo, which includes an ESG Supplier Profile Questionnaire containing 90 questions to get you started. **Watch the Six Minute On-Demand Webinar** (requires registration).

## Leverage AI and automation

AI and automation can be used to improve supply chain efficiency by automating repetitive tasks, streamlining established processes, and deconstructing supply chains to identify areas where efficiencies can be made.

Also, by drawing inferences from data, AI can help to reduce total cost of ownership (TCO), identify cost-saving opportunities, improve forecasting, measure supplier compliance, and reduce risk.

These are just a few examples, as AI continues to develop we can expect to see even more innovative ways in which it is being used.

***“I think automation is going to have a huge role to play in procurement strategy moving forward. Once you've identified all the different processes within your strategy and the people to drive those forward, you can then look at the technology in terms of how you can automate as much of that as possible and make it as light touch as possible from the procurement function point of view.”*** Nick

# THE FUTURE OF PROCUREMENT STRATEGY

## Disruptive innovation

Procurement needs to learn from the world of disruptive innovation to move away from big-ticket, incumbent solutions available to only large procurement departments to best-of-breed, agile solutions.

The new generation of CPOs need to lead the way in determining which technologies to adopt and which processes to focus on.

***“People will use technology that is intuitive, that’s easy to get into, whether they switch on their machine or flick on the app. So, in a world where procurement teams might be focused on one or two elements, best-of-breed undoubtedly is going to be in a position of strength.”*** Richard

## Expedite digital transformation

In order to keep progressing, and in some cases, make up lost ground, on their digital transformation journey, procurement leaders must learn from the last few years’ turmoil and be proactive to avoid future supply chain risks. Furthermore, embracing best-of-breed solutions enables smart-thinking around how to integrate seamlessly between systems and departments, including the shift for procurement to embrace Finance and the Accounts Payable landscape, evolving from a Procure-to-Pay (P2P) digital model to Source-to-Pay (S2P).

In short, they need to understand what the business really needs, have a short term and long term roadmap, remain agile and leverage knowledge from outside of normal points of reference for example, actively engage with suppliers to put in place strategies to mitigate risk and develop robust supply chains.

***“If we’ve learned anything in the last three years, it’s that we have to be open to change and that requires companies to ‘double down’ on embracing their technological journey, the transformational journey – meaning that they continue to look at what are the best solutions in the marketplace.”*** Canda

# ARE YOU READY?

How to apply the New Rules today

# APPLYING THE NEW RULES

By adopting the new rules of procurement strategy you will have the remedy for many of the pains common to procurement departments, for example

- Better access to data and insights to understand what has come before to shape the future
- Move from a tactical, reactive function to a proactive, strategic department aligned with business needs
- Use communication and digital tools to effectively collaborate and manage change with stakeholders
- Increase influence in the organisation through raising visibility of procurement's real business value

**We work with leading Changemakers and global brands to implement the most effective, innovative procurement strategies delivering best-in-class performance for a new generation of procurement leaders.**



# LEVEL UP

Take your next step in the **New Rules of Procurement Engagement**. Join the Changemakers in the next installment as we explore

## RULE 2:

### Reevaluate sourcing

Transform market access and performance

[Register here to join the movement](#)

Want support in fast tracking your transformation journey? Speak to our procurement professionals or simply self serve with our intuitive range of procurement best-of-breed tools.

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**“Fantastic company to work with great software and an extremely knowledgeable and friendly team in support.”**

**“The products are designed in such a way that they are very easy to set up and use. We have successfully used the product with both SMEs and big multinational companies.”**

# ACKNOWLEDGEMENTS



**SpendHQ** provides best-in-class solutions for Spend Intelligence and Procurement Performance Management following its merger with Per Angusta. With 20 years of procurement expertise delivered to 450+ customers, SpendHQ's solutions provide accurate, actionable spend insights and performance optimisation to drive better procurement financial and non-financial outcomes and demonstrate impact with data.

# DO YOU HAVE WHAT IT TAKES TO BE A CHANGEMAKER? JOIN THE MOVEMENT.

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Created by procurement experts for procurement experts, Market Dojo's mission is to democratise technology to help procurement teams of all sizes accelerate value creation, access decision ready data, mitigate risk and strengthen supplier relationships.

Our **on demand**, accessible, leading edge procurement tech rapidly evolve procurement from a reactive, back office function to a proactive, strategic enterprise resource.



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