CIPS Celebrating 80 Years
1932-2012

Years of
CIPS

CIPS Celebrating 80 Years

22 June 2012, Hilton Metropole, NEC Birmingham
to all those who have helped
make the past 80 years
such a success
This year has been marked by some significant landmarks – most recently, for those of us in the UK, by the Queen’s Diamond Jubilee. And I am very proud to be the president of CIPS as the institute marks its 80th anniversary.

As with all anniversaries, this is a time for reflection – as well as a time to look to the future. If you were to Google the year 1932, you would find a very revealing snapshot of life at a time when the pioneers of our profession were forming the foundations of the institute we know today.

Then, as now, it was an Olympic year, with the 1932 games taking place in Los Angeles. Other notable events of that year included the opening of Sydney Harbour Bridge, the launch of the Mars Bar, the discovery of the neutron and the first ever solo flight by a woman – Amelia Earhart – across the Atlantic.

2012 is a special year for CIPS and we have much to celebrate. It is 80 years since our predecessor, the Purchasing Officers’ Association, was founded and it is 20 years since we were awarded our Royal Charter. We’ve come a long way, as a profession and as a professional body.

When the Institute was first founded by a group of around 100 members, I doubt whether anyone could have foreseen the CIPS of today: the biggest purchasing association in the world, with more than 66,000 members in 150 countries; the qualifications we issue now delivered electronically and in various languages; our standards recognised by governments and organisations worldwide; and procurement rising higher and higher up the business agenda. This is quite a success story and we deserve to be proud of all we have achieved.

And for that reason, this anniversary is relevant to all of us in this profession – whether you are just starting out or you’re looking forward to retirement. All purchasing and supply professionals have a vital role to play: in our organisation’s success, in securing our credentials and in helping to attract new talent to the profession.

We are now a strong, global organisation that has gone from strength to strength. With offices in Australia, the Middle East, South Africa and now China, the future for the Institute and for our profession looks bright for a long time to come.

If the first president of the Institute, Leonard Swinbank, were to look at the range of our profession’s activities cross the globe – or even at the CIPS website – he would be amazed by how far we’ve come.

David Smith
President
Chartered Institute of Purchasing & Supply
WHO, IN 1932, COULD HAVE PREDICTED how the Purchasing Officers’ Association (POA) would develop? Not many could have foreseen its growth to 66,000 members in 150 countries in 80 years. In the 1920s, 15 companies set up the Management Research Group No 1; its purpose was to discuss topics of mutual interest. By 1929, this group had formed a buying section, inspired by the US-based National Association of Purchasing Agents (NAPA). Leonard Swinbank was controller of purchases at ICI, and was a member of NAPA. He contacted the buying section and a meeting took place on 13 May 1931. The seven people sat around the table decided to establish a British association. By autumn 1931, a constitution had been drafted and annual membership was fixed at three guineas.

Getting together
The first AGM of the British Industrial Purchasing Officers’ Association took place on 8 June 1932, with Swinbank elected founder president. This body was formally incorporated in 1935, with a Memorandum and Articles of Association. By 1939, the POA had a raft of colleges signed up to deliver purchasing-related education, but World War II intervened. By the outbreak of war, the POA had several hundred members, a share in its own magazine, a promising education scheme, an annual dinner and a national conference – all the elements of a professional association.

The 1940s
War saw the association evacuated to Bath. Of the nearly 500 members, about 100 served in uniform, although there is no definitive list of casualties within the profession. Unlike in the US, the UK Ministry of Supply and other bodies made no formal effort to work through the POA, yet many buyers were drafted into the war supplies effort. By 1946, the first elements of an education scheme were announced, run co-operatively alongside the Institute of Industrial Administration. Some 40 technical colleges were initially involved.

The first issue of the POA’s journal came out just before the winter of 1947. In March, the second issue reported: “The country has experienced a period of crisis unequalled in living memory. Purchasing officers have had to deviate their energies to the procurement of diesel engines, tractors and field-generating sets in an effort to get some sort of power and maintain some degree of activity in their factories.”

At the national conference in June 1947, D Wragg read a paper entitled The Purchasing Officer’s Responsibilities, launching a debate that continues to this day. With membership already having doubled, POA claimed control of £1 billion-worth of expenditure. In January 1949, the POA appointed its first patron – Lord McGowan, who was chairman of ICI. At the time, POA had 1,750 members and 21 branches or groups, almost all in the UK.

In August, buyers saw a relatively new phenomenon – falling prices. By 1951, the country had what was then regarded as rampant inflation, rather than deflation. The buying and selling of many major commodities was still vested in government. The collieries, iron and steel, most road, rail and inland waterways, and many aspects of energy supply, had been nationalised. Was the buyer’s role no more than to signal demand to state monopolies? POA members didn’t think so and the economic pages of its journal, not to mention the correspondence between the
POA and the various government agencies and nationalised industries, have a political content almost unthinkable nowadays.

The first contract to reopen on the London Metal Exchange was for tin, in November 1949, after a strident campaign in the pages of the POA's journal. It accused the Ministry of Supply of profiteering by £5.5 million, by fixing its selling prices well above world market rates. The market wasn’t fully free until the copper contract in August 1953. Until then, purchasers had no option other than to buy through government agencies, under onerous terms and conditions.

One perennial debate has its origins in the POA journal of June 1949, in a paper called Standardising the Purchasing Officers’ Title – a one-off campaign for which the institute can claim no success as, by the late 1990s, the technical department ran off a booklet listing no fewer than 153 job titles.

The 1950s
The Swinbank Medal, in honour of the man who can be considered, above all others, as the founder of the institute, was first awarded at the 1950 national conference. By 1955, the event was well established. New materials – silicones, terylene and titanium, among others – were discussed, as was the potential for east-west trade with India, China, Japan and Burma. By 1959, the POA had more than 5,000 members across 43 branches and groups both in the UK and overseas.

The 1960s
Europe was a big topic as the decade began – Bill Deedes (then a junior minister, later editor of the Daily Telegraph) described Europe as a “dormant giant” at the national conference in 1962.

In 1963, the Advanced Purchasing Course focused on a likely increase in European trade, whether or not the UK joined the EEC.

This era also saw the first formal student recruitment; and in April 1963, the first one-day Spring Conference coincided with the first National Dinner.

The POA and the Institute of Public Supplies Officers (IPSO) collaborated far more than might be supposed. A refresher course for hospital and local government officers was run in 1962 and 1963, and beyond. At this time, some 80 per cent of the POA and IPSO syllabuses was common, which greatly help their subsequent merger. A joint exam board was set up early in 1966. The possibility of unifying POA and IPSO was announced at the national conference, and the two institutes merged to form the Institute of Purchasing and Supply (IPS) on 19 June 1967. The first president of IPS was Mike Taylor, group purchasing controller at Metal Industries.

“The pound in your pocket has not been devalued,” said Prime Minister Harold Wilson, after devaluing sterling. For industrial buyers, who were necessarily dependent on imported raw materials, this was a challenge.

The qualifications scheme was also modified to allow membership by submission of a treatise.

The 1970s
At the end of 1970, there was a strike in the power industry, followed in 1971 by a postal strike – in some areas the journal was individually distributed by branch members. It was a fraught year for purchasers. Rolls-Royce – where IPS had 52 members, plus students – went bust and had to be rescued by the government.

THE CIPS TIMELINE

- Autumn 1931: constitution drafted and annual membership fixed at three guineas – unchanged until 1963.
- May 1936: first dinner to incorporate the Purchasing Officers’ Association (POA).
- 1939: first POA national conference is held in Cheltenham; World War II sees the association’s honorary secretariat evacuated to Bath.
- 1944: a survey reports that the 500 or so POA members were responsible for a spend of £500 million. With the membership doubling by 1947, POA claimed control of £1 billion of expenditure.
- 1946: JR Blinch is appointed first ‘professional’ secretary, with Harry Hughes as assistant secretary.
- January 1949: POA appoints its first patron – Lord McGowan, chairman of ICI; the association’s journal goes monthly.
- 1952: membership reaches 2,100.
- 1955: the national conference discusses new materials, as well as the potential for east-west trade; the east London branch hosts a talk by English Electric on ’Electronics for Computing and Control’.

This era also saw the first formal student recruitment; and in April 1963, the first one-day Spring Conference coincided with the first National Dinner.

The POA and the Institute of Public Supplies Officers (IPSO) collaborated far more than might be supposed. A refresher course for hospital and local government officers was run in 1962 and 1963, and beyond. At this time, some 80 per cent of the POA and IPSO syllabuses was common, which greatly help their subsequent merger. A joint exam board was set up early in 1966. The possibility of unifying POA and IPSO was announced at the national conference, and the two institutes merged to form the Institute of Purchasing and Supply (IPS) on 19 June 1967. The first president of IPS was Mike Taylor, group purchasing controller at Metal Industries.

“The pound in your pocket has not been devalued,” said Prime Minister Harold Wilson, after devaluing sterling. For industrial buyers, who were necessarily dependent on imported raw materials, this was a challenge.

The qualifications scheme was also modified to allow membership by submission of a treatise.

The 1970s
At the end of 1970, there was a strike in the power industry, followed in 1971 by a postal strike – in some areas the journal was individually distributed by branch members. It was a fraught year for purchasers. Rolls-Royce – where IPS had 52 members, plus students – went bust and had to be rescued by the government.
Ford workers rejected a 14.2 per cent pay offer. Oh, and VAT was introduced.

In 1972, proposals were published for reorganising local government. To IPS's dismay, “purchasing was almost ignored”.

It was clear that royal charter status would depend in part on IPS becoming significantly more representative of the purchasing profession as a whole. The arguments are interesting: “Purchasing is about acquiring, which is passive; procurement is about spending, which is active.” Council responded: “The definition of what procurement entails will be bounded only by the initiatives of individuals and the circumstances in which they find themselves. The function itself is unable to offer any resistance.”

Female membership had been slow to grow, so the Liverpool branch felt it important to report that it now had three women on its committee (two from the public sector and one from Plessey).

Also important at this point was the development, and eventual promulgation, of the Code of Ethics by which IPS members agreed to be bound. The ultimate objective – of becoming a truly representative institute that would merit a royal charter – was never lost, but these were difficult times: rampant inflation, industrial strife and the retrenchment in British manufacturing that meant many members were out of a job.

In 1977, it was envisaged that a royal charter might take 10 to 15 years to achieve (accurate, as it turned out), but public recognition equivalent to that of other comparable bodies might take 20 to 30 years (you judge).

Research shows that IPS members spent £75 billion a year (£54.5 billion in the UK) at July 1977 prices. In 1978, IPS launched a Price Monitor service. It was important enough to be condemned by Roy Hattersley, Secretary of State for Prices and Consumer Protection, as it suggested that prices, especially of inputs, were rising at a much faster rate than the government recognised. It was clear that royal charter status would depend in part on IPS becoming significantly more representative of the purchasing profession as a whole. The arguments are interesting: “Purchasing is about acquiring, which is passive; procurement is about spending, which is active.” Council responded: “The definition of what procurement entails will be bounded only by the initiatives of individuals and the circumstances in which they find themselves. The function itself is unable to offer any resistance.”

In 1977, it was envisaged that a royal charter might take 10 to 15 years to achieve (accurate, as it turned out), but public recognition equivalent to that of other comparable bodies might take 20 to 30 years (you judge).

Research shows that IPS members spent £75 billion a year (£54.5 billion in the UK) at July 1977 prices. In 1978, IPS launched a Price Monitor service. It was important enough to be condemned by Roy Hattersley, Secretary of State for Prices and Consumer Protection, as it suggested that prices, especially of inputs, were rising at a much faster rate than the government recognised.

One of the first actions of the new Thatcher government, in 1979, was to scrap the Prices Commission. IPS had been very active in making representations to that body and was cautious about the effects of its demise, but saw that a freer market “gives opportunities for purchasing and supply to prove its value”.

**The 1980s**

This period saw huge growth in overseas membership. There were difficulties serving members, especially in countries such as Nigeria where it could take three months for the journal to pass through customs. Nonetheless, African members were adamant that they wanted to see ever-higher standards. Council took these views on board when it considered the changes that appeared necessary to obtain the coveted royal charter.

The POA’s golden jubilee was celebrated in 1982 and the national conference reached its height. A breakout session on ‘computer applications’ marked the first realisation that the profession would have to engage with the electronic age.

In 1983, the institute moved from leasehold property in Ascot to a freehold in Easton on the Hill, near Stamford in Lincolnshire. Not only did this free the IPS from uncontrollable property costs, it also bolstered the bank balance. New premises allowed new systems. Membership records had been computerised in 1981, but a new editor, Mark Barrett, saw the scope to use technology to reduce cost and improve the quality in the journals.

The ‘green’ or ecological movement started to be reflected in the journals and in IPS activities. The 1988 national conference took the theme ‘strategic purchasing’ and from then can be dated the modern profession’s view that purchasing and supply is about much more than functional excellence. This wider viewpoint would in time demonstrate itself in exam syllabuses, journal...
content, technical and professional activities and, indeed, the way the profession is presented to the wider world.

A Central Unit on Purchasing had been established and in 1989 the outgoing head, Mike Willacy, told the journal: “Value for money improvements of £252 million, or 3.9 per cent of reported expenditure, had been achieved.” In 1989, the civil service announced that purchasing was to be an established and recognised career path. The IPS was not slow to devise training courses.

The 1990s

A new publication, the Report on Business, carried the Purchasing Managers’ Index, developed in collaboration with analysts NTC. Initially, the focus was on manufacturing – separate reports on the service sector and construction were later introduced. The report was an immediate success, influencing Treasury and Bank of England decisions – because it captured the intentions and expectations of buyers – and almost guaranteeing a monthly mention for the institute in any serious business paper.

In 1992, the diamond jubilee year of the old POA, the long-sought royal charter was granted – on 15 July, IPS became the Chartered Institute of Purchasing & Supply (CIPS). Membership was now around 21,000 – enough to allow the institute to claim to be representative of the profession.

In 1996, the NVQ level 4 was launched, which matched the full academic requirements for corporate membership. In 1999 there was another revision of the qualification scheme and a simplification of the membership structure to five categories: associate, member, fellow, affiliate and student. In 1998, the first formal graduation ceremony took place while in 1999, the supervisory-level qualifications were replaced by a Certificate and an Advanced Certificate in Purchasing & Supply.

Government inadvertently gave a major boost to the public perception of purchasing through its public sector proposals on Compulsory Competitive Tendering and Market Reviews. Since then, public purchasing, contracting and ‘value for money’ have rarely been off the front pages.

CIPS appointed honorary regional officers to help branches survive and develop, leading to the appointment of membership development managers in selected areas, with some success. A degree of ‘regionalisation’ of branches was piloted in 1997.

In 1995, the first three-year business plan was approved, with robust measures to judge how effectively CIPS was doing. Publication of the in-house journal was outsourced to a London firm that produced the journal of the Chartered Institute of Personnel & Development. The result, from March 1996, was what we have today, this monthly journal, Supply Management.

2000 and beyond

CIPS saw in the decade with the launch of a 400-strong Hong Kong branch. A regional group formed in Africa, bringing together branches in Zimbabwe, Botswana, Malawi, Uganda, Kenya and Zambia.

In 2000, the Kellys/CIPS awards were launched. These have now become the CIPS/SM Awards, growing to attract more than 900 guests. The first female president, Jeannie Bevan, was appointed in November 2001 and by the end of her tenure, 70 years after the inception of the POA, membership had hit 30,000. The year 2000 also saw CIPS launch its first fully functional website, giving members a brand new channel of communication.

1990s

- Professor David Ford of Bath University offers the national conference the following view: “There is only one major challenge – achieving world-class purchasing – and this means doing new things.”
- The Report on Business carries the Purchasing Managers’ Index, an immediate hit in the world of commerce, influencing Treasury and Bank of England decisions.
- 1992: the diamond jubilee year of the old POA; IPS receives its Royal Charter to become the Chartered Institute of Purchasing & Supply; CIPS confirms the establishment of the UK’s first chair, Richard Lamming (above left), in a purchasing-related subject, the first to be part of a university.
- 1996: launch of the NVQ level 4, which matched the full academic requirements for corporate membership.

2000-2007

- 2000: CIPS sees the launch of a Hong Kong branch, with some 400 members; launch of the Kellys/CIPS awards, which have now become the CIPS/SM Awards, growing to attract more than 900 guests.
- 2001: CIPS appoints its first female president, Jeannie Bevan (above).
- 2002: membership total reaches 30,000.
- 2005: CIPS Australia forms.
- 2006: CIPS qualifications are overhauled and relaunched.
post, he became the first procurement professional in the top job in more than 20 years.

With the UK and most of the rest of the world in recession, Noble pledged to help put procurement at the heart of organisations. “There’s never been a better time to be in this profession,” he said.

“Chief executives are looking to procurement to ensure they maintain and grow their businesses. In this economic environment, growth is not going to come from marketing and sales, but from how well you manage your resources.”

His was not the only notable appointment, however. Dr Bola Afolabi, project director for the Nigerian National Oil company, was named international president for 2008-09, becoming the first non-European in the role. Former chief executive Ken James, meanwhile, who led the organisation from 2001 to 2008, was awarded an OBE for public service in the Queen’s Birthday Honours list of 2008, while the appointment of David Smith, commercial director at the Department for Work and Pensions, as 2011-12 president, also demonstrated the ability of both the organisation and procurement to influence at the very highest levels.

Much of the organisation’s most notable progress has been made overseas. April 2010 saw the creation of CIPS Southern Africa, following a successful relationship with the Institute of Procurement and Supply South Africa. This led to the launch of an office in Pretoria, representing South Africa and other countries in the region, including Angola, Botswana, Lesotho, Mozambique, Namibia and Swaziland, as well as the pan-African conference and awards. In April, CIPS Africa was launched, incorporating all 16,000 members across sub-Saharan Africa.

The 2010 World Cup put South Africa itself very much in the spotlight, and CIPS Africa is working to raise standards and increase skills at the heart of government and businesses. The body has since launched Free State CIPS – a new membership group providing networking opportunities for the South African province’s procurement community – and recently signed memorandums of understanding with the University of Pretoria and the University of the Free State in Bloemfontein, aiming to raise the industry’s profile among students.
CIPS has also been able to extend its influence in other emerging regions. In 2011, having worked with large multinational companies and public sector bodies in Qatar, UAE, Saudi Arabia, Oman and Bahrain, it opened a new office based in Dubai to oversee the Middle East and North Africa region, where it also helps support the established member branches in Abu Dhabi, Qatar and Oman, as well as Dubai.

The body has also worked closely with the Lebanese government to devise a public procurement reform programme as part of the wider financial management reforms taking place in the country, while 538 professionals in the kingdom of Bhutan received training in professional procurement after the completion of a two-year institutional capacity building project.

Other areas have also benefited from CIPS training, including staff of the Afghanistan Reconstruction and Development Services, a World Bank funding project designed to help the Afghani government with the procurement of goods and services needed for the development work taking place in the country. And in 2012, 19 senior Bangladeshi government officials completed an accreditation programme, including CIPS levels 4 and 5, at the Institute of Governance Studies.

Meanwhile, CIPS Australasia saw membership surge in 2011, rising by 22 per cent to a total of 4,458.

The past five years have also seen a number of key international projects and partnerships. Most significant was the 2011 tie-up with the United Nations Office for Project Services (UNOPS), a central resource for procurement within the UN, where CIPS was able to develop the procurement and supply chain management capabilities of local procurement professionals in national governments through a range of consulting, training, qualification and certification services.

Speaking at the time, Jan Mattsson, executive director of UNOPS, said: "Developing national capacity through training and certification, as well as by the introduction of internationally recognised standards, is a sustainable way to promote development and ensure national governments own the process."

There have been other notable partnerships, too. In 2010, a reciprocal agreement with the Institute for Supply Management (ISM) in the US enabled CIPS members in the UK holding the MCIPS qualification to receive the CPSM credential from ISM, as well as the other way round. The arrangement created a platform for the future development of an international standard in purchasing and supply management, which will only serve to raise standards further around the globe. The same year saw a similar arrangement with the Purchasing Management Association of Canada (PMAC).

“We continue to see an increasing demand from global organisations for procurement professionals highly qualified to a common standard across their operations,” said Noble. “This agreement serves to further enhance the profession’s standing and credibility as a truly international discipline.”

More recently, in 2012 CIPS has been working with the US organisation the National Institute of Governmental Purchasing to bring together expertise and professionalism that will serve as a bastion of best practice for public sector organisations globally.

The partnership has resulted in tools, processes and guidance for public procurement organisations and may include organisational assessments and people development training programmes. Central to this will be the development of a maturity framework, which will help raise standards in people development, and benchmark organisational development, processes and policy setting.

There has also been considerable progress domestically. In 2011, CIPS opened a new office based in Dubai to oversee the Middle East and North Africa region.
80 YEARS OF CIPS

the CIPS/Cranfeld Centre for Strategic Procurement and Supply Management. The centre is committed to delivering best practice built around research-led executive development programmes and providing links between business and academia. The project launched with the Executive Procurement Network, which brings together executives, directors and senior managers in private, public and third-sector firms involved in procurement and supply chain management.

The launch in 2012 of CIPS Intelligence as an information service for members has further equipped professionals with the ability to access leading-edge knowledge online, offering information on not only procurement and supply management, but other business disciplines too, such as finance. “CIPS Intelligence has been developed in line with the professionalising of our day-to-day jobs and will be of significant help to members in their careers,” said Noble. “It will enable them to build up their capabilities to ever-higher levels, reaching not just senior posts, but also CEO level.”

Other services have been launched to help professionals. In 2011, the CIPS sustainability review tool was released, to help organisations measure and monitor their supply chain sustainability and provide suppliers with a means of demonstrating their credentials to customers. The tool supports the BS8903 procurement sustainability guidance standard and was developed after a survey by CIPS revealed that 50 per cent of businesses now have a sustainability policy and feel under pressure from customers and stakeholders to develop one. The launch of the Sustainable Purchasing and Supply Summit in 2011 – and subsequently in 2012 – also helped to position CIPS as a leading organisation in this field.

The development of the CIPS recruitment service at the start of this year is also making life easier for those looking to recruit new talent or move jobs in the sector, as well as helping to attract new blood into the industry. Launched in collaboration with Hays Procurement, Langley Search & Selection, Barclay Meade and Supply Management magazine, the service provides candidates and organisations in the private, public and third sectors with specialist procurement and supply management careers support, and fits in with the presidential theme developed by Smith.

The start of 2012 saw a major refresh of both the organisation’s website and logo, drawing on feedback from stakeholders and members, as part of a desire to reflect a more modern, dynamic and vibrant identity. As well as reorganisation of the content, the new site also includes a ‘CIPS community’ space, where members can get together and share ideas, and the use of local content tailored to wherever in the world the user logs on.

Further evidence of the growing prominence of both procurement and supply management and CIPS can be seen in the numbers of members and those sitting examinations. The period between October 2010 and November 2011 saw a record 68,974 individual assessment entries, while membership now stands at an all-time high of 66,000 – a 20 per cent increase since 2009.

Finally, when the Olympics kick off this summer, just as CIPS celebrates its 80th birthday, it’s worth remembering the role it has played in helping London put on the greatest show on earth.

The body has developed a close relationship with LOCOG – the organising committee of the London 2012 games – working on the enhancement of its certification standard, and has helped to ensure transparency throughout the process, something procurement director Gerry Walsh referred to back in 2011. “The eyes of the world are upon us,” he said. “We need to show that we are conducting a fair procurement process.”
80 years and counting

Congratulations and best wishes to the global team past and present on 80 years of success

SUPPLY MANAGEMENT AND REDACTIVE PUBLISHING