Is Procurement Ready for the Mobile Revolution?

The PC's dominance of global personal computing is at an end – a fact reinforced quarterly by computer manufacturers, who continue to announce huge swings from traditional Windows-based PC sales to tablets, phablets and smartphones.

For much of the computing and communications revolutions of the 20th century, expansions in personal and home technology were led by workplace adoption. From fax machines to flat screens to laser printers and the first cell phones – business users drove adoption and use.

Today, our experience with technology in our personal lives (quality, utility, ubiquity, creativity) is setting our expectations about what can and should exist in the workplace. Further still, the pervasive adoption of always-connected, smart mobile devices is having an incalculable impact how we think about, organize and perform our work.

This paper delves into the dynamics of increasingly mobile work and lifestyles, and their impact on the procurement function. The paper also offers practical tips and advice to help procurement pros gear up and capitalize on mobile technologies.

What Actually Is Mobile Computing?

Surely, one might argue, mobile computing is nothing new. Since the earliest days of the "luggable" portable PC, we have been able to operate as if in the office — from home, airport lounges or wherever, correct? Well, only in as much as we can use many of the same systems and be limited by the same restrictions as if we were in the office. Only now those limitations travel with us. Of course, we can create documents, compose emails and work on spreadsheets using laptops regardless of where we are. Indeed, in recent years, the challenges of getting online in order to send and receive information have pretty much evaporated. Yet, this mode of working is just a relocation of the office. It hasn't brought with it any real benefit other than the ability to be in the office 24/7. And honestly, who does that really benefit?

True mobile computing is a wholly different paradigm and one that is only just beginning to take off. Mobility, in this sense, is far more to do with being able to execute the right action at the right time, rather than just having the office with you. Again, in this sense, mobility — as in the ability to move — is the catalyst for a change in working practice and expectations rather than an end in itself. The mobile computing technologies of today and tomorrow are as much about doing it differently as doing it elsewhere.

> Today, 91% of employees report doing work outside of traditional work locations.
>
> – Knoll Workforce Research

The confluence of small, lightweight devices, high-bandwidth cellular connections, compelling user interface designs and the ubiquity of such technologies afforded by consumer demand has made it possible for procurement technologists to conceive of whole new ways of conducting day-to-day procurement activities — ways that are more natural, more efficient and less constrained by the technology itself.

Impact on the Workplace

That transformation of how we conduct our business will be dramatic for procurement professionals. Admittedly, a purchase order will remain a purchase order and a contract will be a contract, but the future looks very different in terms of efficiency and speed of execution. Any one of the documents or steps in the procurement process will be possible regardless of the location or time zone of any of the parties involved.

This all pre-supposes that these seismic shifts in the technology landscape are both desirable and permitted.

Particular concerns about data security, cloud storage, cross-border, government-led snooping and the likes are all very much on the agendas of CIOs across the world. In the final analysis, however, the decision to adopt the cloud, or not, must take into account the reduction in security risk as well as any perceived increase. In procurement, the data to be concerned about, which details all the purchases, spend, tenders and invoices, might reasonably be expected to be kept well and truly out of sight, buried deep in ERP systems behind the corporate firewall. This makes it well and truly secure but it also makes it inaccessible to those legitimate users who happen to be outside the firewall.

It is never the data in its raw form that is of interest, in any case. What has been the process, then, is that reports are commissioned, graphs are plotted, the raw data is distilled into something easily digestible and that precious metal mined from the bulk is distributed to all and sundry via email, replicated to laptops, tablets and phones. The attempts to be super secure have actually let the data genie out of the bottle.

Least desirable of all is an insecure system that puts business information in the public domain. But this is already happening, to a very large extent, due to the expectations of a fast-growing mobile workforce. VPN solutions have provided a stop gap option, but they are expensive, can be unreliable and beyond the means of many SMEs in terms of complexity and operating cost.

With a growing number of companies adopting a "bring your own device" (BYOD) policy, and with analysts warnings that too restrictive a data policy will result in the failure of such schemes, the procurement business needs to look carefully at what "mobile" actually means.

Simply seeing mobile devices as more efficient messaging devices is missing the point. It also adds to the security headache.

Connect mobile devices to the data directly however, and, with the right applications on board, the procurement professional will always see the most up-to-date reports, that one version of the truth. Their dealings with suppliers — from bid to invoice can be conducted in real time up to the point of digital signature on the contract and beyond into PO and GRN.

Participation in those dealings, be it bidding on a tender or scoring a supplier's performance will be made easier and more efficient when the usability paradigms of the mobile devices are realised in the next generation of procurement software.

You can have your employees bring their own devices by all means but without the applications the minimal savings on hardware costs will be in no time.

It remains to be seen whether truly mobile-enabled procurement technology can be a catalyst for a wider corporate information system migration in its own right, but in the years to come, any business system that does not explicitly include mobileoperation in its architecture will begin to lose traction in the market.

Third-party cloud computing is yet to prove its value in all circumstances but the synthesis of highly-usable interface, portable hardware and always-on, always-available data will drive businesses to seek out the proof points. In fact, it will be individual users of the technology that will drive the business to move forward.

Anecdotally, young procurement professionals are seeking employment not just with firms offering decent remuneration packages but those offering a mobile workstyle. The change management overhead associated with the deployment of a new system is always minimized when the new system is one that people actually enjoy using. In this decade, office-based business information systems have to compete not just with each other but with social networking, shopping sites, touchscreen apps and on-demand media for the attention of the users.

It may sound trivial, but the attractiveness and usability of a procurement system may be the single-most important driver of ROI.

The Future of Mobile Devices

WIt is this competition for the individual's time and mindshare that is increasingly, and perhaps insidiously, dictating the pace of modern business.

What we think of today as mobile computing devices are now certain to replace the PC as the de facto tool for personal processing power.

Critically, for today's mobile devices to cement their foothold in the corporate world, they are going to have to deal cleverly with a number of human factors.

Ergonomics are key. We love touchscreens, we love their bright colours and the stretchy images. We love to flip through catalogues as if turning a page. We love their lightweight, but solid feel. But when it comes to writing a long document, it's back to the keyboard.

Ten thousand words hammered onto a Gorilla Glass panel is positively painful. The flexi-keyboards and docks are getting there, but so far they are not quite up to the mark, or of course, not mobile – which is surely the whole point. Voice recognition has come on leaps and bounds but that has only ever been really useful in private. The current vogue of "Fliptops", laptops which craftily swivel into tablet mode are a useful transitional design enabling the innovation of touch-enabled business applications.

But the next salvo in the mobile revolution will come from a yet unknown device; one that really delivers the best of both worlds and not some compromise between them.

Then there is multi-tasking. A huge shortcoming of the mobile device and "apps" is the one-track-mind of the underlying operating systems. This is fine when switching between games or social networks or media, but in business, users shuttle data from one document to another, from one application to another, watch one process while working on another. This isn't just a user experience requirement. Deeper in the systems, the processes need to persist without intervention while the user does something, or several things completely different.

Simply put, while the mobile devices are taking the market by storm, they need to be better at the important stuff.

Beyond mobile computing is the much touted "internet of things", where an increasing number of devices surrounding us are connected — giving us the possibility of always-on, always-available, device-independent access. It's quite likely that the choice of hardware or interface method would be as irrelevant tomorrow as your choice of telephone operator is today. What you will be able to do and how you can work will be determined by personal preference rather than being dictated by a device or a system.

While we still have a lot of distance to cover, we are closer to it than ever before..

Impact on Procurement Activities

Inevitably, there will be some inertia. A good number of organisations will carry on regardless, following process steps and using systems that have been in place for some time, for, "if it ain't broke, don't fix it." Yet, there is a subtle flaw in that argument.

The processes and systems that many of us are using today, are not the way they are because they somehow represent the best way to do things. Rather, we have shoehorned our working practices into odd contortions to fit the limitations and strictures of the systems available.

To be more specific, managing relationships with key suppliers, once upon a time, might have had more to do with the golf course and the restaurant than the spreadsheet and the email. Without doubt, the transparency, audit trails and compliance that systems and technology have brought to supplier relationship management have been a good thing, ensuring, as they do, fair and reasonable business practices.

Increasingly, however, they have led to a disconnection in the relationship between mutually reliant trading partners.

This is not because of some new "hands-off" philosophy for supplier management, it is rather a direct result of our being tied to the desk, to the PC, and ultimately to the data source.

True mobility will free us from being bound to a location to get access to the information required to guide our dealings with our vendors. It sounds trivial – mobile technology will allow you to be…well… mobile. But it is not to be underestimated. Mobile technology can re-engage the human aspect of procurement. With access to performance data, direct from the source, with all the orders, invoices and contracts literally on hand in a mobile device, the buyer can sit side-by-side with the supplier and talk candidly about all aspects of the relationship.

The emailing of a report or spreadsheet, while technically fulfilling the same requirement, just doesn't have the engagement that a conversation can and does have. Yet this is now the standard practice. This is how "we have always done things". Mobile technology gives us the opportunity to return to how we have always done things but still retain that key layer of compliance, visibility and trust.

Imagine the scene. At the end of an auction, the buyer and the best-bidding supplier meet for final negotiation of terms. Using the technology, the buyer can create a contract directly from the final bid. Together, quite literally, the two parties can agree on and write terms into the contract, and once they reach agreement, they can sign the contract – with a stylus, a fingertip, a fingerprint or an old-school password. The contract is immediately in force and, elsewhere in the buyer's company, purchase orders are being raised against the contract, just moments after it is signed.

> By 2020, nearly 90% of large organizations globally will offer app-enabled mobile work options to employees
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> – Citrix,
> Mobile Workstyles Survey

A fantastical vision of the future of procurement technology. Except that it isn't fantastical or futuristic. It is available today. A significant theme of this revolution, then, will be not the development of technology as such, but its adoption.

If the capability exists already then the quantum leap will be in how and where it is put to use. That, in turn, might change the very complexion of the industry and redefine the leaders in procurement.

The inertia that may prevent some companies taking this sea change seriously might soon be seen as a kind of protectionism or conservatism.

This, in turn, could have two profound effects — neither of them has been a feature of working practices and business in the procurement world to date but, will conceivably play a major part in the future.

First, the early adopters could find themselves with significant competitive advantage and negotiating power and, second, companies with state-of-the-art procurement technology will be able to attract the real talent to their workforce.

As more efficient, accessible and usable procurement technology enters the market, it will attract the attention not only of forward-thinking buyers but that of the suppliers too.

SMART by GEP

Companies offering faster turnaround times through easy-to-use technology that positively impacts the bottom line of their suppliers would be able to get the best pricing and develop mutually beneficial relationships with their vendors.

Put simply, if the same tender takes a week to respond to for one company and a day to respond to for another, there will be a prioritization of effort. Which business would you chase in a competitive market — the deal that takes all your resources to respond to or one of five that can be completed in the same time?

Of course, from your team's point of view, there will always be suppliers queuing up to do business and perhaps you don't need to concern yourself with how much effort they need to put in to a tender response. But that might be a grave misreading of the dynamics of the marketplace in the next decade.

> The "Internet of Things" will have more than 30 billion connected devices by 2020.
>
> - IDC

Besides attracting important suppliers to the table, how about attracting – and retaining – the important members of your team? Far into the twenty-first century, there will be more ways of mapping out a career in business than ever before. The notion that your team of procurement professionals will be with you for your entire tenure is basically flawed.

Increasingly, businesses are moving graduates around from department to department to give them a chance to develop, gain wider perspectives and flower into professionals in their own right.

The procurement professionals of tomorrow might only be in the job for a couple of years, on their way from facilities management to who knows where.

Yes, there may be a skills gap to be managed but, in all likelihood, the sourcing practitioner, the contract manager and the category lead will have steep learning curves and then be gone before you've looked twice. Companies are taking on bright young things to re-engineer procurement divisions and implement new systems and, in the metaphorical blink of an eye, those same individuals will be off doing something else.

What will be key, then, is attracting the right people at the right time, getting them up to speed quickly and being able to execute a seamless transition when they move on. Flexible, usable and always-on, always -available systems that can be accessed from anywhere, will provide grease to ease that flow.

Thus, what may seem to be a trivial point is nevertheless a reality in tomorrow's workplace. The right choice of technology could absolutely determine your attractiveness as an employer

Are You Ready For The Revolution?

To attempt to answer the question "Is procurement ready for the mobile revolution?" we must draw the conclusion that in many cases it's a resounding no. Not least because the revolution is already upon us, if not in full swing, and we've missed the "getting ready" part altogether. But more to the point is the mobile revolution ready for procurement? This particular IT revolution is the first (besides the games consoles, of course) to have been driven by the consumer and not by business.

The technologies which are determining our expectations and the acceptable paradigms of modern computing simply haven't been developed with the business user in mind. Nevertheless, the popularity

and attractive nature of these devices are hitting the business computing market harder than ever, perhaps with much greater impact than the tech giants — responsible for the tablets — had anticipated.

Now that they can see the possibility of total dominance over the good old PC, it is a fair bet that those companies will deliver a whole new raft of devices that deliver ergonomics, multitasking, hypersecurity as well as attractive branding and user delight.

Some procurement technology providers are ahead of the curve with mobile-enabled solutions already on the market or in development. These applications, once installed on the next generation of devices and connected directly to the big data sources, will present a degree of control, power and efficiency inconceivable just a few years ago.

That may well be the coup de gras in this particular revolution. And, while it is still a little way off, it is likely to happen sooner than you think.

What Do Procurement Professionals Have to Do?

In some cases, very little other than a willingness to consider alternatives. However, in many situations there will be significant challenges — operationally and even emotionally — facing you and your team when it comes to moving toward a mobile workstyle.

To date, procurement technology has been tightly bound to the megalithic ERP systems that take years to implement and have been expected to last for decades. The same expectations will simply fail to register in the world of mobile technology as the pace of development and change is only going to increase.

There needs to be a new thinking based on the idea that mission-critical systems will not have the longevity of previous decades. The long, drawn-out processes of business justification, evaluation, acquisition, operation and replacement – the good old "why, try, buy, fly, die" cycle will need to be overhauled when the "fly" phase is over in a matter of a few years.

And it will be like this, not because business demands rapid replacement of systems but because the mobile technology industry will dictate the cycle of obsolescence, driven — as they are — by consumer demand, fashion and a need for constant growth.

There are global corporations in existence whose product is efficiency, whose entire brand equity is centered on on-time delivery, cutting-edge service or some other industry-leading expertise. From motor manufacturers to logistics companies to big pharma there are companies, perhaps yours, who rely on being at the forefront for business success. Yet, in every sector there are firms from whom you will hear: "we don't believe in cloud computing", "our IT department will not allow access to our procurement systems from outside the firewall" and "we need systems that will work the same in ten years as they do today." There are car makers who are offering Wi-Fi in their latest models, but do not have it in their offices…for security reasons.

But there is another way to look at the world of mobile technology that involves a decoupling of procurement from the legacy of yesterday's information systems. A more progressive outlook might be able to surmise that while state-of-the-art mobile solutions might be upgraded and even superseded on a much more frequent basis, the rapidity of deployment, speed of adoption and thus speed to significant return on investment and savings more than outweigh the need to periodically upgrade.

Similarly the perceived risks of cloud-based systems and mobile device integrity must be weighed against the actual cost to the businesses of maintaining the status quo.

Inevitably, a move to mobile procurement technology will not be for everyone, but initially neither was the mobile phone or the computer network.

With the consumer now dictating the terms of development, the world of computing devices, networks and solutions is going to change. Rapidly, fundamentally, and in ways that defy accurate prediction.

So, are you ready for the mobile revolution? Given that some of us will be, but most of us will not, then on the balance of probability, the answer must be a no. Nevertheless there is another answer to that question that really should be considered. Are you ready for the mobile revolution? You'd better be. ■

Recommended reading for sourcing and procurement professionals

Procurement Software GPS: Strategies To Navigate The Technology Landscap

In this new white paper, noted industry veteran Andrew Bartolini of Ardent Partners and experts from GEP highlight strategies to help you find the right procurement software for your enterprise. The paper also shares useful tips and advice to help procurement teams gain maximum value from their current technology investments. **DOWNLOAD NOW**

Source-to-Pay Automation Playbook

This new white paper from Procurement Leaders Magazine shares authoritative insights and practical advice from leading S2P technology experts on what to do AND not do while implementing S2P Automation. An essential resource for procurement pros looking to drive higher savings and performance from source-to-pay software. **DOWNLOAD NOW**

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