Purchasing practice, and the associated relationships developed with other companies (and sometimes governmental bodies), is one of the principal activities by which the reputation of a company is measured.
Managing P&S Management Resourcing and Competencies

It is an established fact that up to 80% of an organisation’s non-payroll expenditure is handled in the purchasing arena. Resourcing is therefore a key lever for the effective management of costs, itself an increasingly strategic differentiator for companies. Purchasing practice, and the associated relationships developed with other companies (and sometimes governmental bodies), is one of the principal activities by which the reputation of a company is measured.

CIPS Positions on Practice

CIPS believes that, in line with good business practice, effective resourcing within organisations, using competent professionals, helps organisations achieve corporate objectives.

CIPS sees a professional as having:

- a working knowledge of current excellent purchasing and supply management practices, tools and techniques
- the ability to demonstrate practical use of the above to add value to the organisation
- access to support from a professional purchasing institute.

For the purposes of definition, 'resourcing' is a strategic activity, and 'competencies' are the skill sets required of the individual.

A Traditional, Transactional Mindset

CIPS believes that traditionally, the purchasing function has been seen as a non-strategic activity within an organisation. The purchasing department’s remit did not extend beyond the narrow definition of purchasing.

CIPS research indicates that those who traditionally worked in purchasing did not choose it as their career of choice. The profession is in a transitional phase with some organisations recognising the strategic input to the primary business process.

Transformation within the Profession

The profession continues to develop in line with the changes in the business environment. An increasingly proactive stance has resulted in purchasing impacting upon an increasing number of areas within the supply chain (which itself is more akin to a supply network than a supply chain).

Organisations are increasingly realising the strategic benefits of professionally managed purchasing and supply management.

CIPS has identified two main strategic changes affecting the profession. One has been the development of the purchasing specialist, with an in-depth knowledge of their particular industry and sector, and using differing processes, supported by technology to deliver results. The use of technology has changed the nature of the work performed by lesser-skilled workers.
The other main development relates to purchasing professionals working within an integrated product/service delivery team (IPT). An IPT is a cross-functional team formed with the responsibility and authority to see a project through to its conclusion. These developments have led to changes in the skill sets required within the profession.

CIPS has identified some of the softer skills purchasing professionals in the 21st century should use to complement their technical skills.

**Required Competencies**

The purchasing and supply management professional must be competent with interfacing internally within their own team and organisation, and externally with suppliers, customers and other stakeholders.

### Interfacing internally

- Good knowledge of the legal and financial framework within which the organisation operates.
- Knowledgeable about financial, legal and CSR (corporate social responsibility) issues.
- Ability to appreciate technology and IT in its capabilities, limitations and opportunities for exploitation.
- Competent project manager.
- Ability to analyse, evaluate and recommend on risk.
- Ability to develop positive relationships with other departments.
- Ability to convince others of the benefits of purchasing within the organisation.
- Ability to manage people effectively within their own team.
- Ability to coach and develop those within the team.

### Interfacing internally and externally

- Good awareness of the business environment and own organisation’s objectives.
- Ability to analyse issues at the macro-level (globally) for implementation at the micro-level (locally).
- Involved in stakeholder management, including the development of suppliers.
- Ability to live and work with ambiguity.
- Expert knowledge of purchasing tools and techniques.
- Ability to proactively employ lateral thinking for solving problems.
- Ability to manage diversity.
- Ability to influence, and at ease presenting at Director level.
- Comfortable working in a range of ethnic and cultural environments.

**Resourcing Implications**

CIPS believes in the importance of encouraging individuals with the requisite interests and attributes to develop their careers as professional buyers.

CIPS also believes that the purchasing and supply profession offers an attractive and challenging career option for individuals who are looking for a professional foundation from which they can move into general management and/or business leadership at the highest level.

Career opportunities in the profession should be communicated widely through a structured approach, involving schools, colleges, universities and organisations.
Resourcing activities of the Human Resources Department need to reflect the increasingly strategic contribution purchasing makes to organisational success. Skills analysis is used in some organisations to identify the skill set for a purchasing professional in a set role. This framework is then used to drive an individual's personal development. This approach can be effective in developing professional skills.

However, the skills analysis should also contain requirements for softer skills; these are often overlooked. Sustainable performance can only be achieved through ongoing development within the purchasing team, and a culture supporting individual development does need to be nurtured.

This marks the distinction between a clerical role and a professional role.

Career progression outside the profession should be highlighted where it is an advantage to have gained a good commercial understanding by adopting purchasing and supply management as a first career.

**Conclusion**

This position statement acknowledges that the purchasing profession has gained in strategic importance in many organisations, in different sectors. However, progress in some sectors is lagging behind.

As a result, those who are achieving results in the profession have an enhanced portfolio of skill sets. To this end, organisations should plan to resource their business with competent professionals. This will be to the benefit of the profession, the organisation and society as a whole.