

2018 November Edition

Jan Patrick-Willmes, Chief Procurement Officer

Company: Swiss Post

1. How and when did procurement & supply become your passion and career choice?

Well, I got exposed to procurement very early thanks to the fact that our family owned the business that focused on wholesale trading of building materials and steel. That is where I was learning and observing some basic supply management and business development skills in the company that was stuck in the middle - between large steel suppliers and our customers. After graduating from university in 1997, I have joined Siemens global procurement trainee program and that gave me an opportunity to build solid base in sourcing and to enter multinational corporate world. You see, procurement really has a unique place in business – it is in the center of everything, connecting upstream and downstream value chain activities, it is highly diverse, internally and externally focused. At the same moment compared to other, more mature functions, it still got a great opportunity for process improvement. Those two factors are major reasons why I stayed loyal to this discipline most of my professional life.

2. What are your reflections on transitioning from corporate business to the organization like Swiss Post? What surprised you and was new?

Swiss Post is a public enterprise that is regulated under special laws and supervision that requires kind of participative leadership. It is also a great opportunity that allows me to test my ability to adopt, to fit myself into new culture in order to find optimal ways of driving sourcing excellence within a quite complex ecosystem. We also have to accept the fact that it got its own sense of urgency, compared to typical corporate jobs – one that requires much more patience and dialogue.

Of course there is no pure competitiveness and competition in all parts of our business. Though only 13% of our top line 8 bn CHF sales are “protected” by law and regulations – the rest is operated in a free market environment.

At the same moment the perception of procurement here was not different from what we often hear in some businesses – bureaucratic, disconnected function. So, it sets a challenging stage where sourcing needs to drive and own the change.

3. What is on your agenda today? What takes most of your time currently?

There are few core priorities: it is a bottom line EBIT contribution and activation of the customer centric procurement organisation by improving proximity to my users and demand owners. But to get there, there are two important fundamentals that have to be activated.

First is fulfilment of our peoples` potential with an overriding commitment to international understanding, cooperation and drive for development.

Second is operational excellence through lean and six sigma, while exploring the sources of agility. And I am proud of first results we already can see at Swiss Post – it now only takes 6 month instead of 6 years to deliver some of procurement initiatives. And we will not stop there.

Basically we are on a journey to define our own unique way of challenging the status quo within Swiss Post environment. We are not there yet, but it is a journey and we are ready to give it necessary time to mature.

There are some other important initiatives like full scale roll-out of SAP Ariba, changes of sourcing controlling guidelines that will to enable procurement practice maturity and upskilling.



4. What is your opinion about procurement and Sustainable Development Goals (SDGs)? Any interesting examples to share at Swiss Post?

We do have a corporate sustainability strategy and sustainable sourcing being an integral part of it. For example, we aim to audit 300 strategic suppliers before 2020 with ranking and corrective actions assigned for major areas of risks. But it is not everything as there are many other great examples about how we live and deliver on sustainability values with recent examples related to office and printing services where we have managed to save 1.3 Mio kWh of energy or fleet management optimisation resulting in 4600 tons CO2 savings. All this by rethinking category and supplier management strategies. We also acknowledge that there is still a lot of work to do.

5. How do you see the CPO role evolving next 3-5 years?

For me it is more about having special attitude rather than processes, tools or technologies. I am talking about bringing true entrepreneurship mindset into procurement leadership positions. Even in my case, I see myself as businessperson who continuously looks for the value for the company, manages complex trade-offs, scouts for innovation and technology, takes risks and most important – inspires people to be the best version of themselves. That is when CPO becomes a true C-level value creator and trusted advisor representing best available knowledge and competences. Well, there is another alternative - of accepting a status quo and staying in your company as `upstream cost centre`.

6. Where should Procurement report in the organization in order to enable sustainable performance?

To where it belongs and what it deserves. Yes, there are always pro and cons for CFO, COO or CEO reporting lines. But at the end what really matters is your ability to manage and lead procurement professionally. You own your destiny, so do not wait until someone comes and tells you where to sit.

7. After centralized category management, could client-partnership move procurement back towards functions and business units?

All depends on positive organizational and strategic maturity, compatibility and fit. Professional services oriented functions like sourcing need to support and drive the current and future business case. If this requires partner management, operational excellence and / or center of competence – it has to fit culture, structure and strategy. In our case, we will not push centralized structures as networked and centrally led approach is more feasible for the current strategic period 2018-20. My recommendation is to drive results and not to worry too much about organization – however you are organized you are always wrongly organized because the environment is highly dynamic and continuously changing.

Speed is a new currency.

8. In what ways do you see procurement's effectiveness being improved by digitalization (AI, robotics, analytics, connectivity)?

Speed, user centricity, accuracy and real time availability of insights and data. Collaboration and innovation will be fostered by new platforms and sharing opportunities. Also knowledge fluidity and availability will increase – hope capabilities and capacities of skilled individuals and teams will match and make the best out of the mix of humans and technology.

9. What would be your one piece of advice to the future procurement leaders?

Well, first of all do not stick to ranks or titles, but give a maximum effort to deserve a seat at the table. Second is to embrace lifelong curiosity and learning, to remain ambitious, continuously growing and developing others. And last one – accept and create culture of failure tolerance. Be open minded and flexible.

10. What differentiation does Switzerland offer as a place to do business?

“Swissness” is a much cited factor and mix of flexible Labour & tax laws. Great higher educational institutions, diversity of languages and cultures, high (>24%) of foreign workforce and citizenship. Against all odds it's all about the mix of natural beauty and richness, history of independence, culture of federal peace and harmony. Last, but not least, loads of best-in-class chocolate and cheese.

The above CPO interview is part of a series of management-level insights from Swiss-based global procurement leaders. Switzerland is home to some of the most successful multi-national companies and non-government organizations. CIPS Switzerland uniquely engages with them and offers our community best-practice events, workshops and networking opportunities. More info via:

<https://www.cips.org/en/community/branches/branchlisting/switzerland/>.