

CPO interview with Uwe Wehnes (CPO at LafargeHolcim, Aug'2017)

1. Why is procurement your passion and career choice?

Well, indeed – it was an unexpected career turn which I still appreciate a lot. It goes back to the time when I worked for the R&D department at Boehringer Mannheim (later Roche Diagnostics), in Germany. I left the company to study biochemistry/biotechnology and after I had my degree I continued my education with a second degree in industrial engineering, opening the door to new assignments in Procurement where I was acting as the interface between R&D, Procurement and operations. Before joining Procurement, I also had the chance to collect additional professional skills in the area of sales and marketing, preparing the strong ground for the roles that would heavily rely on complex stakeholder networks orchestration. Later I was invited to join the procurement function and it has been the career path for the rest of my professional life so far.

2. What is on your agenda today? Any success story to share?

In my latest position at LafargeHolcim we have in the meantime built a successful centrally-lead procurement organisation. This required a highly intensive work during the last few years since the merger was announced between the two legacy companies. It was a challenging but highly interesting journey to define, align, design and roll-out the operating model in a decentralized business across around 80 countries and several business units. After two years, the organisation well in place, major synergy related initiatives are being executed, and it is time to drive further advancement of the procurement function at LafargeHolcim. It is mainly about the people, how we train and develop our talented members in order to reach next levels of the functional excellence. Furthermore, we focus a lot on enabling procurement visibility on the top management level to steer mid and long-term strategies in order to successfully unlock sustainable value for and with our business partners.

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

Well, I think it has changed quite a bit during the last 10 to 15 years. The perception and the role of the function has been transformed from a back-office support into a truly value adding competence provider that has its place in key corporate agendas. But, there is still a way to go, especially when it comes to getting to CEOs` agendas. CPOs main challenge is likely to remain in the areas of building, and creating internal and external networks to enable intelligent stakeholder orchestration. Everyone in the context of his or her business reality should seek unique ways of transforming the function from a cost centre to a profit centre of the business. Another critical aspect is developing a new generation of procurement professionals that should be prepared to face the new kind of challenges in a world of increasing volatility, uncertainty, complexity, and ambiguity.



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

I believe reporting lines are also linked to the specific industry you are in and how much value-add the procurement organisation can really contribute to the business and overall results. In my opinion, our function should be closer to the Executive Management level. And, again, it is important whether the definition of the function is one of a cost or a profit centre of the organisation.

5. Indirect Goods and Services is a hot topic in many organisations, but should indirect procurement go back into the client functions?

For me this is a more philosophical question, as I do not think there really is a right or wrong answer. If processes are well defined, the operating model is established, with people mature enough to run the show according to the required standards and governance policies, then, from my perspective, it is not important anymore, and reporting to the client functions could be an option. But it will not work when we talk about less mature function as it will create value leakage for the business, with many opportunities and quick wins missed. And, again, it is linked to the business agenda and model itself: in case there is strong focus on cost, procurement certainly should be centralized; in case of focus on innovation and supplier management, it could be an advantage to position indirect procurement within client functions.

6. From your perspective, which Procurement roles will be replaced by Artificial Intelligence?

I do not think that roles will be replaced, but some roles will get much stronger with leverage of analytics, automatization and process digitization. This is something that we already witness here, at LafargeHolcim. As soon as we talk about relationship management between two parties or companies, there are always human beings being involved and currently it is hard to believe that this will ever be changed.

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

From my perspective I would focus on one single element which is sometimes obvious but is always challenging to implement – dedicate maximum time to building the right team! But there are also two things to avoid: building ivory towers that promote silo thinking; and detachment from internal customers.

Always make sure that there is engagement and strong collaboration between all procurement members at all levels of the organisation; and that team members from the countries are participating in the process of decision making, to create a strong spirit of being one-team even in matrix organisations.

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

I think there are several elements. Switzerland achieved an ideal balance creating a business environment that supports the interests of both employers and employees. As a consequence of well thought-out and structured policies, the country became recognized as a Supply Chain and Procurement hub for many multinational companies. And its environment stimulates availability and access to the critical talent in order to make sure, as CPOs, we can deliver against our regional and global agendas.

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