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Marc Roth, VP Procurement

Company: Hero Group

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

That passion started in my teens, when I was importing IT hardware from Taiwan in the mid 90ies. With an affinity for global good flows rather than Swiss banking, I chose to study international business. But the universities had little to offer on procurement and supply at that time.

As a strategy consultant with Bain & Company, I had the chance to work on a 9-month supply chain transformation project for a power and automation multinational, which brought me right to the heart of strategic sourcing. I then founded my own sourcing company operating out of China for 7 years, offering sourcing services to western companies that exported from or set up operations in China. This was my life-school in tactical sourcing, operational purchasing, and international trade.

The China market was highly dynamic those days and started transforming from a global sourcing hub into a huge consumer market, triggering interest from many multinational companies to establish their in-country footprint.

Hero Group was one of them. So, I helped Hero to establish their supply base for a greenfield project in China. Later, I was invited to join their headquarter in Switzerland, where I am currently leading the group-wide procurement function. For me, Hero proved a fantastic company, allowing me to leverage my entrepreneurial background with practical sourcing knowledge.

2. What makes you proud of your team? What is the success story you would like to share with international procurement community?

“Community” is the key word here. When I joined Hero in 2011, it was managed like a holding of independent companies, thus, we wouldn’t even dare dreaming of central category management.

In procurement we’ve seen the opportunity of working together. I mean, with 750M CHF total spend we’re anyway not really a heavy-weight in the consumer goods industry, thus, at least to keep this together. Thus, I’ve founded the “Procurement Community” to virtually integrate resources, to reshuffle sourcing responsibilities into lead-buying mandates based on business need and supply market. The Procurement Community mastered several rounds of Corporate operation model changes, and always delivered focused services and 3% savings y-o-y. Last November we’ve received the prestigious General Manager’s “Power of One” award, for having championed the “community” way of work, which has become a role-model for the other functions at Hero.

I must admit that it wasn’t one-year journey. The procurement members got it quickly, but we had to spend lots of time with cross-functional stakeholders proving that we can add value and deliver reliable outcomes. The important factor was communication – making visible even small success stories enabled by procurement community. Ability to tell the right story is a critical factor here.

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

I don't believe that central vs. decentral is the right question in a progressively integrated world, where communication technology blurs lines of space and time, where employees increasingly work remote, contingent, or are automated away. At Hero Group, we've actually changed the approach several times to adapt to continuously changing business requirements.

For me the big questions are organization vs. performance, process vs. project, planned vs. agile, work vs. mission. Thus, my vision prioritizes initiatives and projects based on the mission, allocates resources to projects based on capabilities and experience independent from function or unit, and measures success based on contribution to mission rather than budgets. We already came a long way at Hero, but if you see what's happening in the IT world, with enabling platforms like LinkedIn, I believe we're all just at the beginning of a journey as digitalization is certainly going to change the way we source the goods, materials and services.



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

I think CPOs won't have much to do with tactical and operational purchasing processes and resource management any more. Instead, the focus will be on driving value with strategic value-chain decisions, technology setups, and managing the complex stakeholder landscape around it. A few years ago, the question was how to effectively and competitively source raw materials and services for our operations, today we ask how we configure supply networks, whether make-or-buy, which value steps we acquire or divest, tomorrow we may be looking at whether companies like Alibaba or Amazon are replenishing our client's inventories, or LinkedIn is servicing the resource needs for our projects. So, the procurement needs to develop the capability to integrate those various aspects into a consistent solution to effectively perform in the new reality.

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

We've invested quite a bit into advanced descriptive analytics last year, and it's fantastic to see how fast this boosts productivity of our lead-buyers. Once we can further enrich this data with external sources ("big data") and use AI-type of mechanisms to make sense out of all that data, analytics can really be taken to predictive and prescriptive spheres. With this strategic sourcing decision making would become a commodity. With robotics and connectivity, we can further tap back into the real world. For example, today our agronomists at Hero regularly sample soil and baby-food grade fruit deliveries for pesticides - in the future, through sensors in the fields and the crates we could exchange real-time info directly with the crops, monitor quality of the proceeds, and maybe even adjust nutrients to our specs. How small a step would it then be to order your custom specs through a platform like Alibaba?

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

In 5-10 years procurement will look completely different and for me this is the major point instead of being concerned with reporting lines. When it comes to Hero Group, I've had it all – CEO, CFO, CSCO, even CMO, and I think each was an opportunity in its own. Under the CEO we've pushed the sustainability agenda, under the CFO we've advanced savings tracking, under the CMO we've got better access to portfolios and product specs, under the CSCO we've integrated procurement within the global supply chain organization.

When I reflect on the journey we have made so far, the best is to review or change the reporting lines of procurement function based on changing business directions and agenda. I also believe that changing reporting lines occasionally is an opportunity to not being stuck in the comfort zone.

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

The only constant is change, think the impossible! 10 years ago, who would have thought that we'll do half of our personal shopping on our mobile phone? So, who doesn't believe that professional purchasing will be fully automated in a few years from now?

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

Switzerland has a great pool of experts, the country's stability, life-quality, and beauty, which attracts some of the world's best talents. We also need to consider the efficiency of running the business out of Switzerland as many things are just much simpler and more pragmatic compared to our neighbour when it comes to the tax administration, labour laws and so on. The costs of resources to run and manage your business are increasing everywhere, so this efficiency aspect is very important to sustain competitiveness of a country.

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:

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