

Strategic Value Beyond Savings

Procurement & Supply Chains role in Delivering Sustainable Business Success

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Leading global excellence in procurement and supply

Complexity is everywhere



The New York Times

"The majority of the public... believes that executives are bent on destroying the environment, cooking the books and lining their own pockets."



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“A more complex form of capitalism is emerging that has the potential to enhance corporate performance AND advance the quality of life for billions of people on the planet.”



..complexity of connected economies needs a new brand of leadership based on collaboration & innovation through partnership

CIPS President – an opportunity to start a new dialogue?

- Raise Awareness & Profile of Procurement & Supply Chain as a Profession
- Build responsibility for Leadership & Legacy in our Community of Practice



CIPS President – an opportunity to start a new dialogue?

- To Promote & Develop our Value proposition – a new winning strategy that goes beyond cost savings



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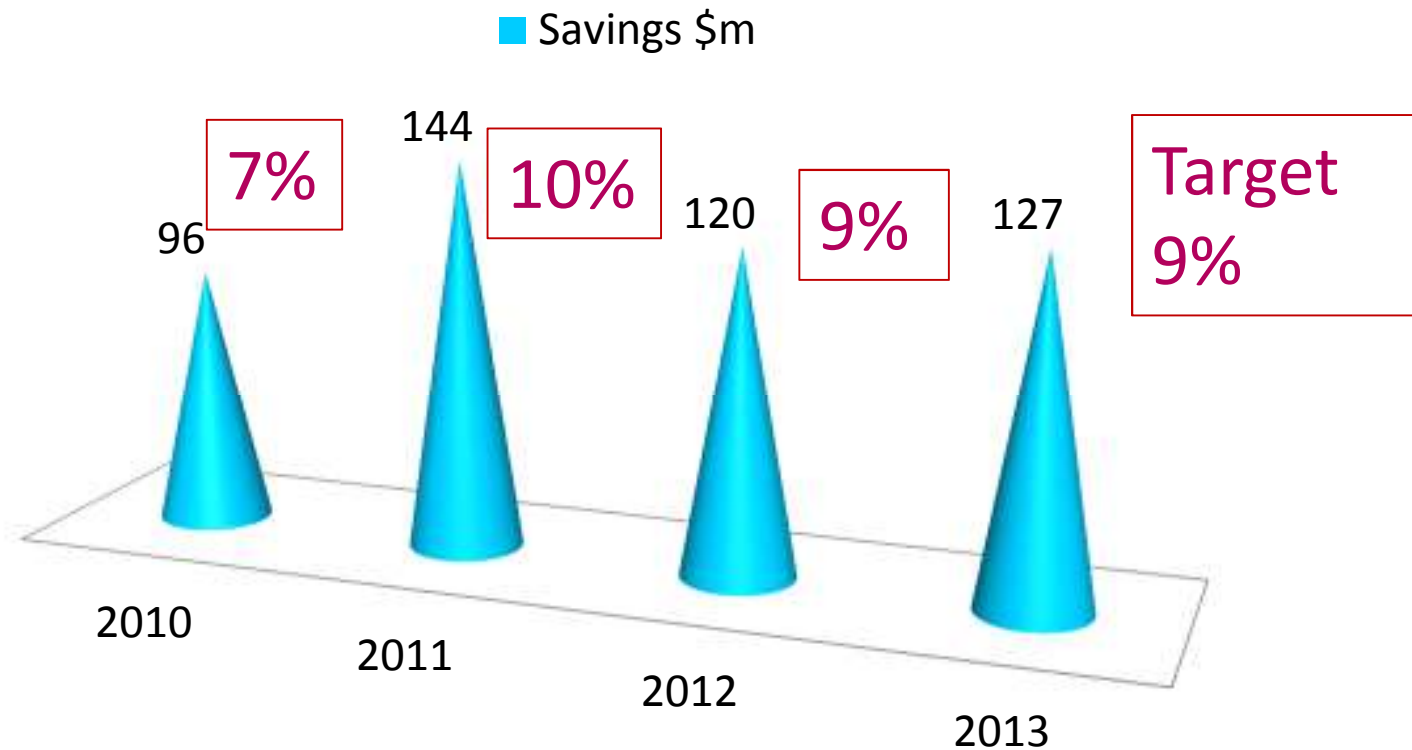
Our focus is on patients



Our purpose is to care and cure.
We provide medicines to treat and prevent diseases,
ease suffering and improve quality of life.

An Example

Novartis Pharma - Development Gen Meds Cost Reduction Performance



A new strategy for a new game

Productivity

Deliver financial measurements (savings, cash flow) & supporting business bottom line

Innovation

Drive innovation by creating collaborative culture with suppliers & business partners

Growth

Speed to market. Contribute to lunch excellence and support the blockbusters.

Protecting the business

Ensure quality compliance & integrity, supply risk & ethical behaviors.

Organization Excellence

Providing efficient and effective processes and systems, timely, accurate data and easy to use.

Organization & Governance

Global category strategy, cross divisional structure, value creation

Business Partner

Understand business needs, bring insights to partners & deliver joint goals & aspirations

People

Create a diverse culture & attract, develop & retain best of class talents

Value Delivery

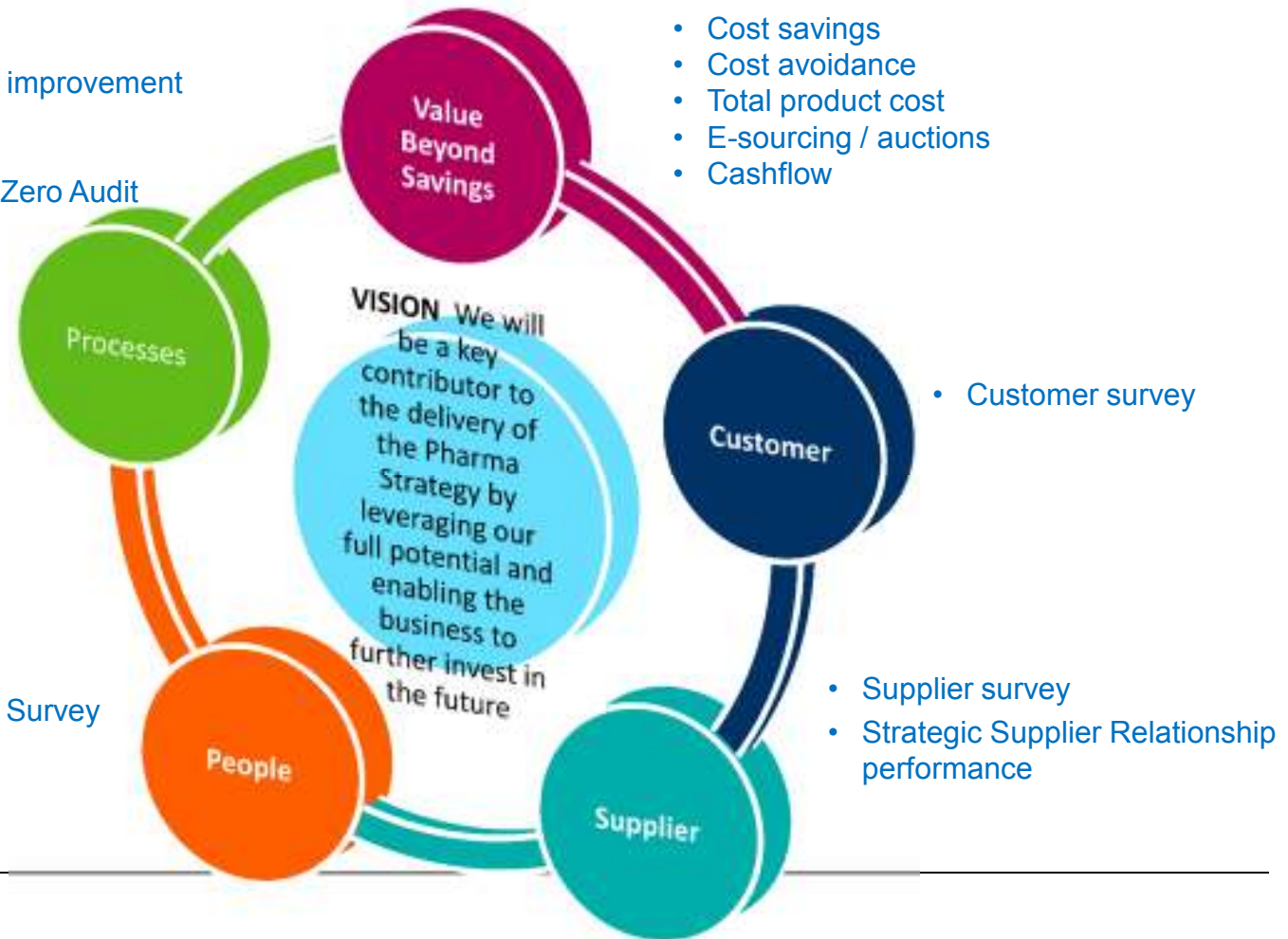
Value Enabler

What does Value Beyond Savings look like?

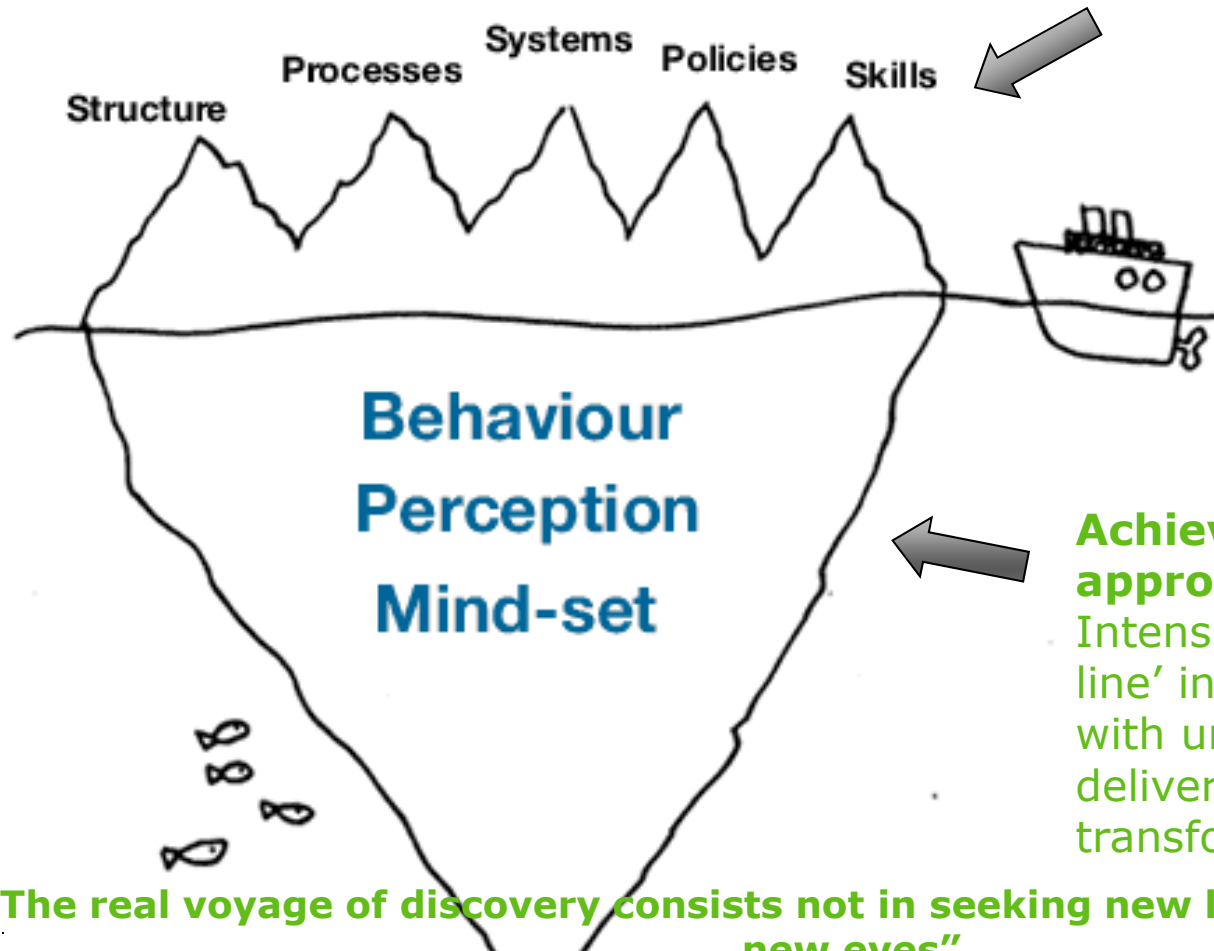


Measuring Delivery of Our New Game

- % time on Core activities
- Key Process Continuous improvement (contract cycle time)
- Quality and compliance (Zero Audit findings)



.... to transform the way we work we need a new approach



Traditional Approach starts here: 'above the water-line' intervention delivers marginal improvements and low sustainability

Achieve Breakthrough approach starts here: Intensive 'below the water-line' intervention combined with unique innovation delivers genuine transformation.

"The real voyage of discovery consists not in seeking new landscapes but in having new eyes"

Marcel Proust

Commitment to be a Trusted Partner

- Who understands the *business needs* to drive growth, innovation, productivity & to protect the business
- Who brings *valuable insights* to partner with the Business & improves the strategy to *develop* and *deliver* joint goals & ambitions
- Who fosters an affiliated & *collaborative culture* to greenhouse & implement innovative solutions & ideas from our third party partners & suppliers

We need to deliver breakthroughs in several areas

Permission and Confidence

- Stand as equals – belief and confidence
- Seeing and committing what it takes to be a Trusted Business partner
- Show up as expert through entire cycle of identification of opportunity, contracting through to delivery

Change Agency

- Supporting the business in a new way of working - 'blow' up the conventional wisdom, assumptions and habits that limit
- Experts at shifting the perception of the business

Skills to lead the agenda's

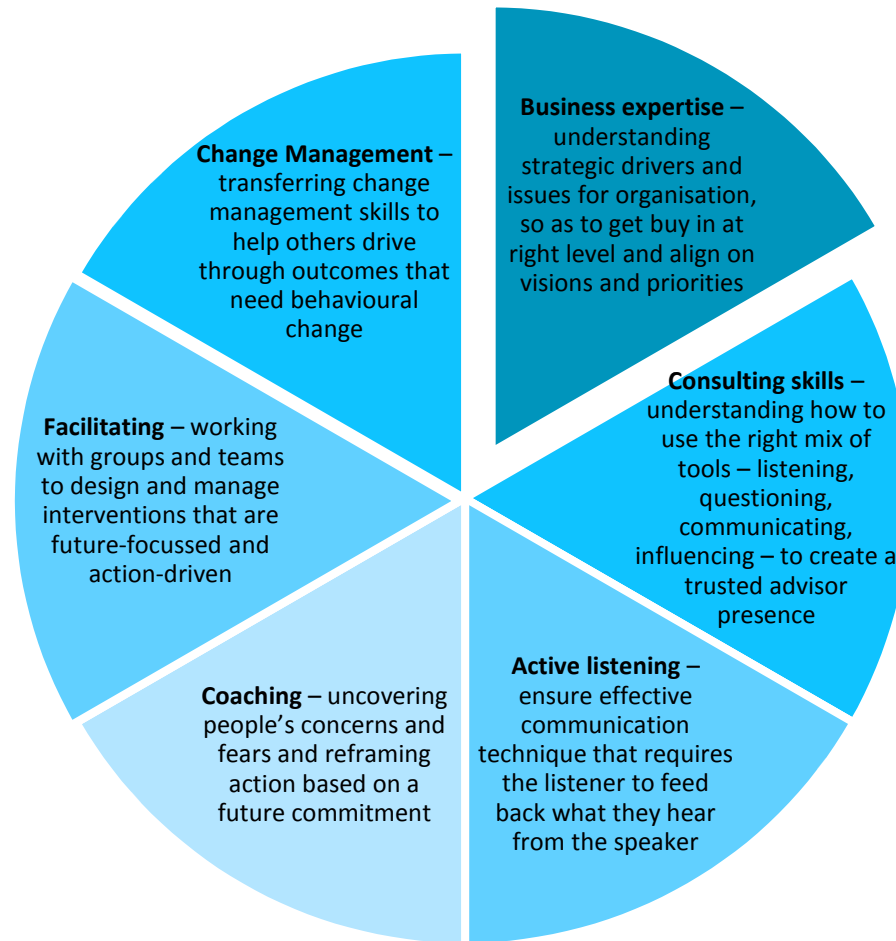
- Strategic Thinking, based upon business insight and organisational savvy
- Able to gain ownership of the agenda through listening to customers and weaving in sourcing agenda in a seamless way
- Able to jump between modes – expert, facilitator, coach, trainer

Executing the agenda

- Overcoming and navigating the dynamics of implementing change
- Creating an environment for innovation
- Turning resistance into a positive force going forward - enrolment

The goal is to develop a number of skills

In how we work & engage with both Customers & Suppliers





Thank you