



Procurement Talent: an Expanding Portfolio

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The procurement profession plays an increasingly strategic role in organisations. Today, procurement professionals are involved in a wider range of business processes, and have a higher level of contribution to the organisation's strategic decisions. Their performance is also monitored more closely by the top management.

Procurement professionals make crucial decisions influencing the whole organisation. These decisions apply to an extensive range of activities and several business areas (e.g. demand forecasting, warehouse location, transport mode, truck loading, information flow, inventories, and production). They are also linked to external processes and relationships with suppliers and customers. This arrangement needs procurement professionals to coordinate processes that are not necessarily within their direct control. They are typically expected to look after relationships with various sections within their company (e.g. sales and marketing, human resources, and finance). This may involve understanding and dealing with people in different levels and positions including senior executives, buyers, accountants, operational workers, quality inspectors, and product engineers.

In view of this, today's procurement professionals should be in a position to increase the stakeholders' values with a broader view, which is not limited only to transaction cost reduction. This reflects how procurement has been evolving from supply assurance, to purchase cost management, total cost of ownership analysis, demand management, and ultimately strategic value management.

The more strategic role of procurement demands a new talent pool containing knowledge of and skills in supplier relationship management, negotiation and contracting, network structure management, supplier performance management, and product and process development. Finding the right talent to oversee pivotal procurement responsibilities requires a thorough understanding of the capabilities necessary to lead modern procurement processes. Figure 1 summarises our recent research outcomes, and illustrates the expanding portfolio of procurement talent while the profession is evolving currently and in the near future.

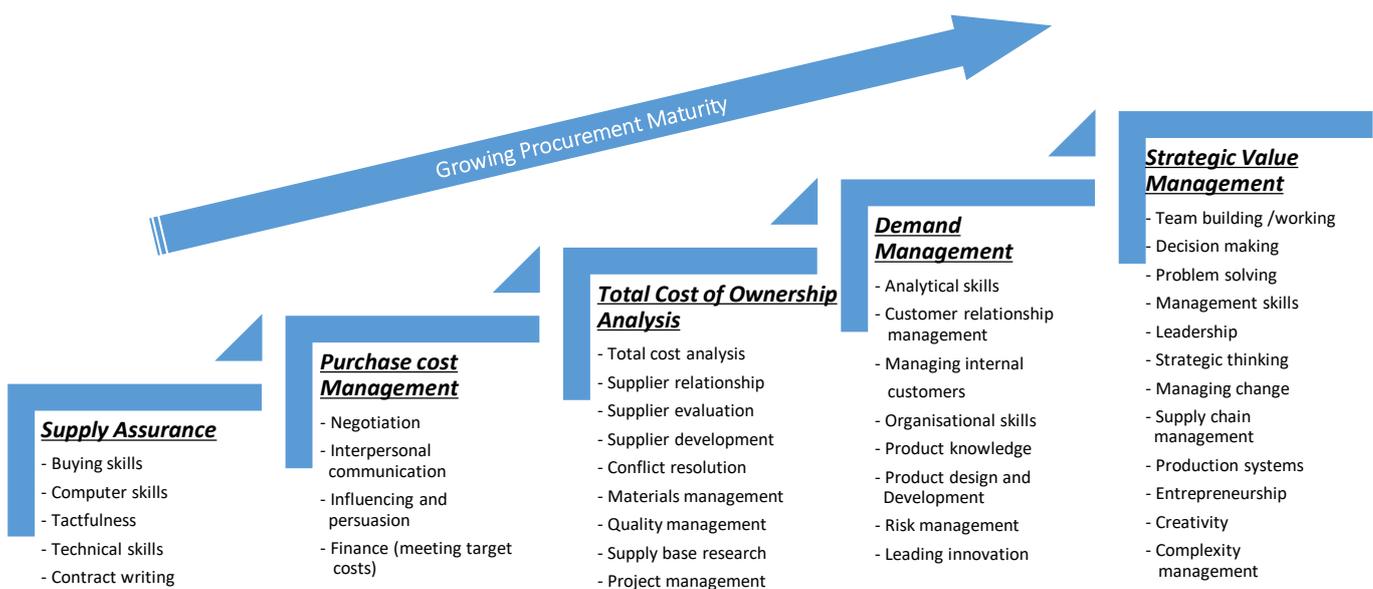


Figure 1. Procurement skills and capabilities, and the areas to be involved in.



The long list of required skills and capabilities for procurement necessitates a rigorous process for talent management. Accordingly, procurement talent management should

- understand how human resources can affect procurement and supply chain outcomes
- discover critical future capabilities for procurement talent development and management purposes
- identify the enhanced ways that procurement can provide value to the organisation and supply chain as a whole
- analyse the antecedents and consequences of procurement managerial performance.

Through this process, procurement professionals are transformed to an intelligent client who knows and defines what her organisation needs in terms of quality, price, delivery, specification, and after-sale services, and is also knowledgeable of supply markets their dynamics.

Cranfield School of Management and the **Chartered Institute of Procurement & Supply (CIPS)** have co-developed and co-delivered the Leading Procurement Strategy Programme at Cranfield.

The programme provides current thinking to:

- Drive working capital efficiency and implement effective cost management strategy.
- Build your personal effectiveness as a procurement expertise leader and that of your team.
- Win support from key stakeholders so that you are able to influence change.
- Foster effective supply chain collaboration and open the doors to financial and the reputational benefits that come with it.
- Be creative in responsible sourcing of products and services.

Learn more about our programme by visiting www.cranfield.ac.uk/som/lps

About the Authors:



Dr Soroosh Saghiri (Senior Lecturer) and Professor Martin Christopher (Emeritus Professor) are directors of the Cranfield's Leading Procurement Strategy open programme – an advanced 3-day programme, designed for procurement managers, who wish to excel in the latest strategic procurement practices. For more information about the programme, visit <http://bit.ly/2pkbpPu>