

Skills That Supply Leaders Will Need For The Future

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What a great time to be in the field of Procurement and Supply. That is, if you've developed the new skill sets that are needed to be successful.

The Procurement and Supply discipline has undergone more dramatic and fundamental change than perhaps any other field of business services. In a matter of 25 years Purchasing has evolved from a highly manual transactional "place and chase" environment (placing orders and expediting receipts) to a highly strategic planning and execution organization where even driving value beyond cost savings is now expected.

Many Procurement organizations are beginning feel the pressure of the CEO's demand for greater Procurement value and the inability to meet that demand due to under-skilled employees. And, it's questionable if and how the technology savvy "millennials" will fill the gap. Unfortunately, the number of "tweets" or Facebook followers doesn't equal the ability to think critically.

But all is not lost. There is a relatively straightforward solution! Today's leaders and tomorrow's superstars need to mold their behaviors to actively drive new value capture and more importantly new value creation through their ability to use technology and work collaboratively.

Whether you are new to the field or have been around for a long time, here are a few "must haves" to be successful in the future.

1. Understand and Truly Leverage Technology – Over a decade has passed since the introduction of modern Procurement technology including spend analytics, decision support tools, electronic sourcing including reverse auctions, and, electronic procurement tools to help perfect the full requisition to payment process. These and other evolving technology solutions now support all phases of the Procurement cycle including strategic sourcing, transactional purchasing, compliance, risk management and optimum cash management.

To be successful in the future you must become proficient in these technologies. Even better, you'll need to have a really good understanding of other technologies (not just the ones your company has) that are emerging or currently available. The best Procurement organizations will have significant influence when technology decisions are being made as opposed to being told by the Information Technology function. This will only become reality if an abundance of

Procurement professionals truly understand and use technology to *drive new procurement strategy versus supporting existing methodologies*.

2. Ability to Turn Purchasing Projects into a Recognized Business Case with a Mandate to Transform - Let's face the facts, it's hard for key business stakeholders to get excited about individual purchasing projects unless it's their idea or the value is so big it can't be ignored. Future procurement leaders will need to do a much better job of looking holistically at their areas of responsibility and position "purchasing projects" as an annual initiative with Business Case rigor and associated financials to gain key stakeholder support and the necessary resources to bring real incremental value year-on-year. Smart procurement professionals will segment spend so that their annual Business Case is comprised of no resource/quick wins, low resource/low risk wins, and fully collaborative/strategic initiatives.

3. Possess a Collaborative Approach that Helps Drive Organizational Latency - This is currently a major weakness of most Procurement organizations. Unfortunately, the traditional, professional procurement skill set has been primarily focused on leveraged negotiations, contract development and supplier management. Unlocking the "untapped potential" (latency) of both the buying organization and the supplier community will take a different focus and new skill sets. The ability to drive real collaboration will require procurement professionals who can promote and operate within an environment where participants are willing to share their expertise versus being experts, one which is built on trust and seeks to create the "ideal", and finally one which benefits all parties involved.

While this can look like a daunting task, it doesn't have to be. These are all skills that can be learned through practice. First you need to forget about being the "procurement expert". Start honing your *influencing* skills and your *listening* skills. You'll need both to successfully drive collaboration. Try a small project with willing stakeholders and supplier(s). Don't accept the status quo or just incremental improvement. Get the project team to "look beyond the obvious". If you create the right environment where everyone can participate and where people build on each others' ideas you'll be surprised at what can be accomplished. As a resource on how to get started, read Chapter 11 of the book *Next Level Supply Management Excellence: Your Straight to the Bottom Line® Roadmap*.

4. Be a Truly Respected and Valued Business Partner - The more you model your actions and abilities as outlined in the previous three discussion topics the more likely you will become truly respected and valued as a business partner within your company. As the competitive landscape continues to evolve, "C" level executives will be looking for individuals that operate much more like the really talented General Managers and less like the traditional Procurement Professionals.