



Procurement Processes Should be Enablers, Not Inhibitors

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Please welcome this post from Sigi Osagie, expert on effectiveness in Procurement & Supply Chain Management and author of Procurement Mojo – Strengthening the Function and Raising Its Profile. Sigi can be contacted via www.sigiosagie.com.

I've frequently expounded the importance of the softer elements of organisational success, the intangible factors like culture, leadership, attitudes and behaviours which typically differentiate top-notch Procurement functions from the mediocre. But this in no way detracts from the value of tangible enablers (processes, systems and tools) for Procurement success.

Deploying enablers that are fit for purpose is vital to enhance Procurement effectiveness. The fitness-for-purpose requirement is more important than the slavish quest for “world-class” or “best-in-class.” Best-in-class may not always be best for your Procurement function and its particular context. What's crucial is having Procurement enablers that are effective (focused on the right things) and efficient, ‘enabling’ purchasing people and end users to do their work with minimal hassle.

Importantly, the problems most Procurement functions face here often relate to human factors. When you examine Procurement processes, systems or tools that are not fit-for-purpose, the underlying root-cause issues can usually be traced back to decisions, thinking patterns and actions by ‘people.’

A common example is when people tasked with developing or improving purchasing processes, or implementing related systems, end up applying a Rolls-Royce solution to a mini-car problem. Another is the behaviour of those who deliberately circumvent defined processes, such noncompliant behaviours, are often predictable – typically, because the processes are ludicrous.

Purchasing processes that are cumbersome or entail too many worthless activities drain value from Procurement's work. Rather than enabling the work to be done slickly, such defective processes become inhibitors to Procurement's performance and negate its contribution to enterprise success.

Lousy processes can also have a demoralising effect on staff, on top of the waste created through reduced productivity and the poor service quality that internal and external customers experience as a consequence. It's no coincidence that **robust business processes is one of the hallmarks of truly successful organisations.**

You don't have to be a genius to establish sound processes. All that is required is understanding and application of basic process thinking, and dexterity with organisational dynamics.

Oh, yes, and a massive dose of common sense.

Purchasing processes must imbibe three sacrosanct principles applicable to all effective business processes:

1. **Focus on organisational responsibilities and goals.** Purchasing processes must be geared towards Procurement's defined functional obligations.
2. **Think of the end user.** Purchasing processes must make life easy for the people who use or are impacted by the processes, they must enable Procurement staff and stakeholders to perform their duties in a streamlined manner. If your processes (and any related systems or tools) are arduous, don't expect high levels of compliance.
3. **Think of the customer.** Who is the customer for the output of the process, and how does the process reflect the 'voice of the customer'? Purchasing processes must robustly address the needs of internal customers and, where relevant, external customers also.

Procurement transformation programmes can sometimes become efforts to build Rome in a day. The lure of fixing everything, including all functional processes, often wins over pragmatism and common sense. But taking a good look at existing processes will probably reveal that some things work well – they may not be so-called "world-class" but are fit-for-purpose and adequately underpin the Procurement agenda.

Improvement efforts should be targeted at those processes in dire need of revamping. Some important tips here:

- Purchasing processes should always incorporate the pertinent policies and values. And adherence to defined processes should be enforced across the wider organisation, augmented by appropriate leadership behaviours. This ensures operational practices are in line with Procurement's ethos.
- Involve the stakeholders impacted by the process. The people doing the job are usually a key source of tacit knowledge that may be lost or overlooked.
- A critical step in developing good processes is to 'walk the process,' e.g., pretend you have a real sourcing requirement to test out your draft sourcing process. Walking the process and piloting it usually flush out process flaws that may otherwise go unnoticed.

- Keep it simple and straightforward. People find it easier to understand and follow streamlined processes. Most folks are turned off by convoluted processes or process specifications that contain too much flow-charting jargon or technical lingo.
- Leverage technology to optimise process visibility, seamless flow and efficiency (but don't get carried away with the technology capability and forget the process objectives). It makes a big difference to ease of use.
- Publicise the launch of a new or amended process so people are fully aware, emphasising the benefits to stakeholders and the wider enterprise.

Procurement functions that want to up their game must ensure their efforts are not inhibited by suboptimal processes – **make sure that those tasked with implementing or revamping functional processes incorporate sound process thinking and the ethos of effectiveness**, because it is people who *make enablers fit for purpose*, or not.

