



#### (4) Always keep enablers simple and straightforward

When implementing new or revamped enablers, remember to involve the key stakeholders impacted by the process, system or tool. The launch of new or amended enablers should be widely publicized so people are fully aware. Finally, technology enablement is important; leveraging technology offers massive opportunities for streamlining, better governance and enhanced productivity.

### **3. Adopt robust supply base management**

The supply base is an external component of the enterprise value chain. Managing the supply base robustly is particularly vital for the very reason that it is external. No matter how slick the internal purchasing infrastructure is, procurement will always be limited or augmented in its overall capability and performance by the capability and performance of suppliers.

Supplier performance and relationship management (SPRM) and structured risk management are the most critical requirements here. Good SPRM always includes some essential elements like well-structured supplier scorecards and periodic “Supply Business Reviews.” Crucially, the supplier relationship must never be segregated from actual performance—they go hand-in-hand.

Risk management must be driven by a defined process and harmonized risk registers. A good risk register should identify pertinent supply risks, the risk probability and severity ratings, the risk priorities, and the related mitigating actions. Sound risk management, coupled with effective SPRM, accords a pathway to secure optimal value (not the same as cheapest cost!) safely, ethically and efficiently.

### **4. Apply appropriate performance frameworks**

Great procurement performance only comes from great performance in the three performance engines:

- (i) Individuals in the function
- (ii) Specific projects or initiatives run by procurement
- (iii) Suppliers into the enterprise

Individuals in procurement must have SMART objectives aligned to procurement’s goals. They should also be calibrated so that performance is not just about the numbers or hard tangible results, the behaviours and attitudes exhibited are just as important as the numbers. Likewise, suppliers must be given clarity of the expected dimensions and standards of performance desired. Procurement projects or initiatives should be managed with the discipline of project governance, including a sound communications approach.

Functional performance management starts with the procurement objectives defined up-front. These objectives must be aligned to the corporate priorities, and progress tracked with appropriate KPIs in a defined scorecard. Effective KPIs always balance the different dimensions of performance – they should indicate results achieved as regarding purchasing operations, financial contribution, internal customer fulfillment and employee development.

### **5. Build your procurement brand**

The procurement brand is the pinnacle of procurement effectiveness; it reflects everything about procurement. Everything you get right with the other four steps helps build your procurement brand. Additionally, procurement professionals can employ certain marketing tactics, including:

- Incorporating customer-centricity in all that procurement does. Think of “stakeholders” as your customers – after all, every user of third-party materials or services *is* a customer of procurement

- Getting close to internal customers to develop insights on what's important to them, and educate them on procurement's value proposition beyond the traditional "cost savings"
- Developing interpersonal savvy to connect with individual stakeholders at an emotional level, nurture productive relationships and sell the procurement agenda through persuasive communication
- Utilize astute PR to propagate a positive image of procurement, e.g., through stories on the intranet site or newsletters, for example.
- Remember, as a purchasing person you are a procurement ambassador. Ensure that everything you say or do creates a positive perception of procurement as a credible business partner function in stakeholders' consciousness.

Procurement success demands functional effectiveness – doing the right things to get the desired functional outcomes. The right things are not always the most popular or widely-accepted actions. Yet, if you examine instances of procurement functions achieving their mojo – delivering sustainable success for the individual, the function and the enterprise – you will find the embodiment of procurement effectiveness outlined above.

*Sigi Osagie helps organisations and individuals achieve enhanced effectiveness and performance growth to accomplish their goals. He is the author of the widely-acclaimed book, "Procurement Mojo – Strengthening the Function and Raising Its Profile," and can be reached at [sigiosagie.com](http://sigiosagie.com).*