

Finding Your Procurement Mojo and Gettin' Sigi Wit' It – Part Deux

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This spring, in <u>Finding Your Procurement Mojo and Gettin' Sigi Wit' It</u> (Part One), we began our review of Sigi Osagie's <u>Procurement Mojo</u>, an important book for many procurement professionals and organizations. Unlike most books which attempt to teach you how to do the job (that you already have a decent grip of), Sigi's book attempts to teach you how to explain to the organization what Procurement does, which is a critical issue that needs to be addressed since:

- 1. Procurement is still the Rodney Dangerfield of the organization (and still don't get no respect) and
- 2. most Procurement Pros don't know how to sell the organization on the unrealized potential that Procurement can bring.

In our first post we discussed how Sigi noted that a key to success was the Procurement brand, but in order to address the Procurement brand, one needed to:

- build an effective organization,
- deploy process enablers,
- manage the supply base, and
- apply performance frameworks.

Then we discussed some of the key points Sigi made with respect to each of these preliminary steps to building, and most importantly selling, the Procurement brand, but stopped short of discussing any of the game plan because some of his readers would get to hear the man himself and <u>Get Sigi Wit' It</u> at Trade Extensions' London event in October. However, now that the event is over, we're going to discuss the final part of the book and complete the book review.

Sigi outlines three main areas that need to be addressed to build — and sell — your Procurement Mojo:

1. Procurement Positioning

Make sure Procurement is positioned in the organization in the manner and place that will allow it to be the most effective in both delivering its functional obligations and adding value. This involves addressing both

reporting structure and enterprise involvement. Not all organizations require a CPO who reports to a CEO, some can do fine with a VP that reports to a COO (who is the CEO's right hand). For example, if the organization is a manufacturer and most of the spend is direct materials, this can work fine, as long as Procurement is also involved in other key spend categories by the CMO (for agency management), CFO (for back office spend), CIO (for systems spend), and other executives that also have large spend categories. As long as Procurement understands key company purchases and is able to convey the importance of those key purchases to the right stakeholders in a way that elicits their involvement, the reporting structure is not as important as general Procurement involvement.

2. Stakeholder Communication

Every other key Supply Management activity requires stakeholder engagement and support to be successful, so why should brand management and promotion be any different? The key to building, and selling, the Procurement brand (and making your mojo work for you) is regular, effective, stakeholder communication that provides messages relevant to them. Make sure you understand what your stakeholders value most — and address that. Cost savings? Innovation? The relationship? If you can't talk to their needs and report on value in their terms, it will be hard to break down the silos and sell the value, and brand, of Procurement. Sigi offers some great advice on how to effectively communicate with your stakeholders that most books don't, and this is a great section of the last chapter, which includes a discussion of how to create a stakeholder map to keep your communications on track.

3. Procurement PR

Good companies make good products. Great companies create a great brand image that people want and instill desire for products even before the products are released or, in some cases, people even know what the products are. Look at Apple. The brand made people want the iPod and the iWatch even before Apple even announced them.

But good PR isn't easy, especially for a function focussed on hard value and not soft messaging. However, once you know the right formula, it isn't that hard either. As long as your messaging consistently addresses activities and issues that are:

- Important,
- Sustainable, and
- Credible

and relevant to the audience being addressed, the PR will improve and the brand will grow. How do you do this? Sigi provides a number of examples of efforts that various organizations have used to achieve this goal. While not all will necessarily work for you, some will, and the book is a great aid here as well.

Again, we highly recommend that you check out Sigi Osagie's Procurement Mojo and Get Sigi Wit' It.

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