

# Leadership at the crossroads

The capabilities required for world-class procurement are changing significantly. They call for a very different leadership profile

by Jon Hughes, Sarah Lim and Gerco Rietveld

**T**op executives want procurement to step up and deliver. With competitive pressures and market drivers supporting the procurement cause, there remains a considerable mismatch between boardroom expectations and current leadership. Supply and demand of talent are out of balance, and there is a need for much bolder transformational leadership if procurement is to break through the glass ceiling and become strategically aligned with the business drivers that matter. In this article, we examine this assertion through two themes: defining "next-generation" leadership profiles, and the need to build an organisation-wide procurement leadership capability. They are illustrated by case studies drawn from AstraZeneca, Group 4 Securicor, Merck, the NHS Purchasing & Supply Agency, Nokia and Philips.

Damon Jones, director of procurement at Group 4 Securicor, a leading international security services company with operations in 100 countries, sets the tone. "Procurement has to forget about its legacy," he says. "There is no point concentrating on tactical, commoditised procurement and its associated functional mindset. The challenge is to operate at the C-level in procurement and, by business-aligned behaviour and actions, achieve credibility with CFOs and CEOs. There is still a vast shortage of people in our field capable of doing that."

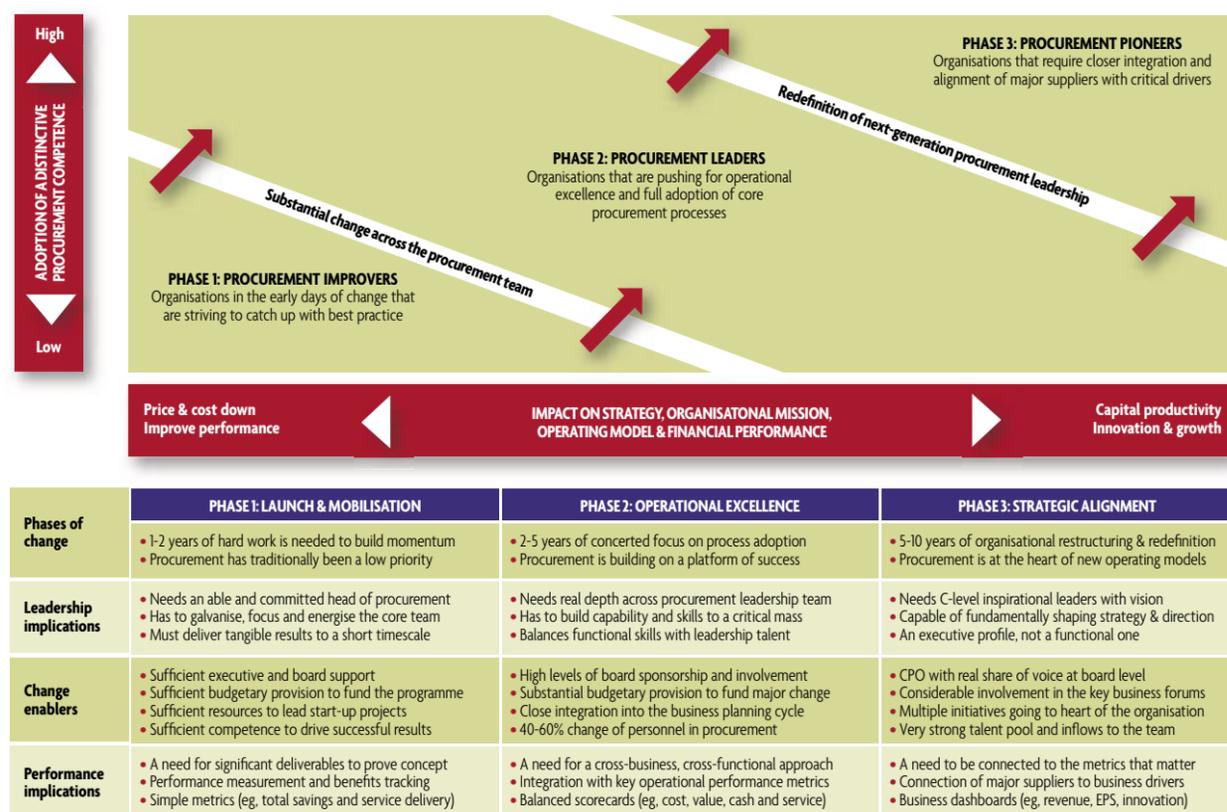
#### DEFINING NEXT-GENERATION LEADERSHIP

By examining closely the critical components that comprise functional and business transformation in procurement, it is possible to baseline precisely where organisations are in the maturity of their change programmes. Three broad phases have been identified (*see figure 1, page 22*). There is an initial phase of catch-up and functional improvement as organisations that are relative laggards begin the journey. They are in the relatively early stage of creating a proper operational structure, and are invariably under-resourced. Success, however, breeds success. As procurement leaders and their teams deliver excellent results, so credibility and momentum build. Business expectations increase and as they move into the second phase they begin to impact previously off-limits expenditure, processes and projects.

John Taylor, global vice-president for purchasing at the pharmaceutical company AstraZeneca, is well aware of the scope for embedding procurement more thoroughly in the mainstream of business decision-making. "Our challenge is to understand and impact the multiple value chains running across our organisation," he explains. "We have to get under the skin of the value proposition with our internal customers and prompt discussions on next-generation value. This needs strategic thinking, sophisticated interpersonal skills and real business alignment." >>

FIGURE 1

The three phases of change and their implications for next-generation leadership



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This is not just the preoccupation of private-sector organisations. It applies equally in the reform and modernisation of government. "Strategic procurement is about aligning business needs with existing key markets, or intentionally created new ones, in a robust manner," says Rob Knott, chief operating officer of the UK's NHS Purchasing and Supply Agency (Pasa). "There is no doubt we are operating within traditional and emergent multi-market supply chains. Ultimately, our focus is the strategic management of these key markets in order to secure policy outcomes."

This positions procurement as an enterprise-wide activity of strategic significance. A key mission for its leaders is to work closely with the rest of the organisation, breaking down departmental barriers and boundaries, while facilitating an enthusiasm for pioneering supply market opportunities. Without moving through phase two into the third phase of change, procurement

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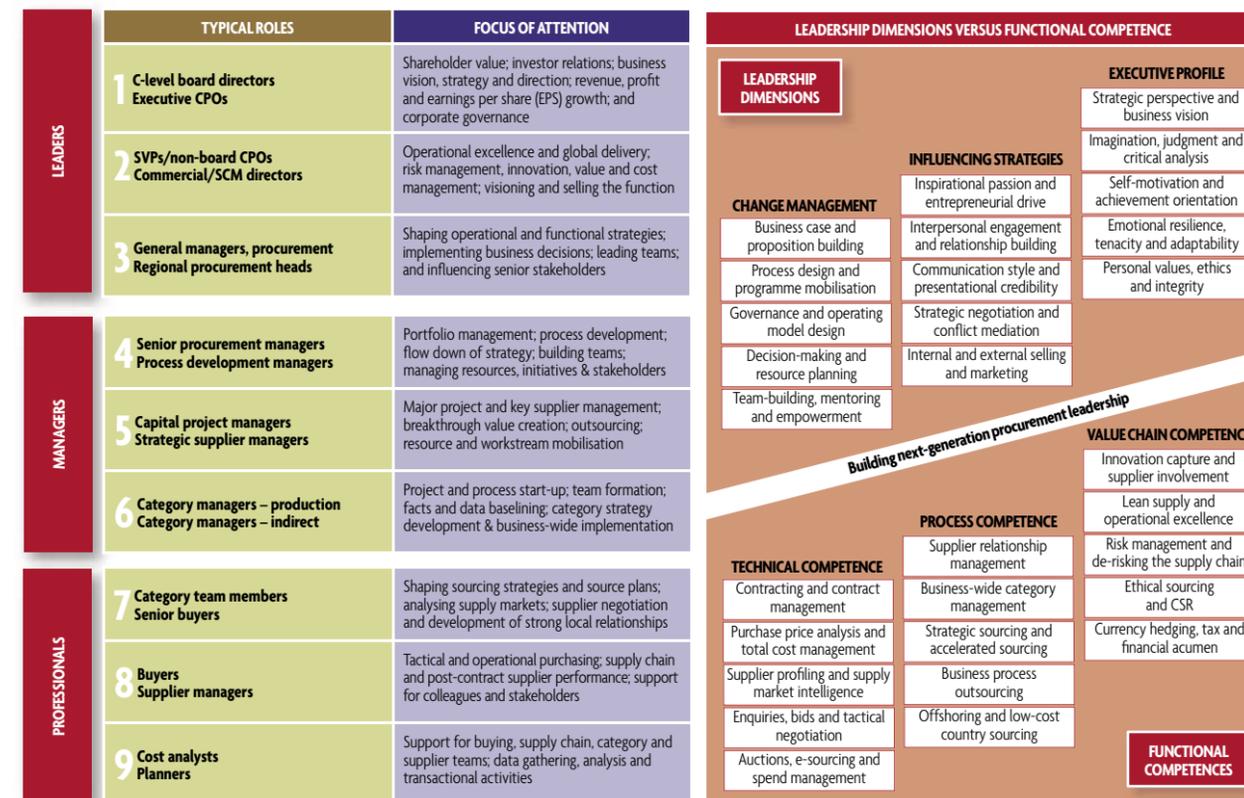
leaders fail to maximise value generation. This is the crossroads where many CPOs find themselves at the moment. It is a real test of the depth of competence and capability achieved during the earlier phases of change. It requires vision, commitment and resilience to progress, while also, on occasions, revisiting the past. "You have to be aware of, and address, older internal legacy relationships," says Alf Noto, vice-president of operating resource sourcing at Nokia. "Mental maps are created of how procurement can add value. These change over time. There is often a need to break earlier paradigms, address potential inertia and reinject a lot of energy into internal partnerships."

As procurement evolves through the three phases of change, so the leadership profile evolves with it. While the trend away from relying on technical, functional competences has been clear for some time, it is increasingly apparent that those tasked with business leadership of procurement must possess a broader and more challenging set of leadership attributes.

It is essential to have a defined model and explicit framework that provides a common leadership language and a development road map. Figure 2 (opposite page), drawing on best practice and illustrated in the case studies, demonstrates the linkages between defined roles, their focus of attention and six broad clusters of functional competences and leadership dimensions. This

FIGURE 2

Business procurement leadership versus functional procurement competence



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is an evidence-based and outcome-orientated perspective, typified by Damon Jones's comment that "you have to segment out the two broad skills types. There is commodity procurement, focusing on the traditional activities and deliverables of category management. Then there is absolutely mission-critical procurement, focused on the major supplier relationships and their impact on key customers. This must be client-centric."

Prerequisites for such business impact are an appropriate combination of change management skills, influencing strategies and a personal profile credible with key stakeholders. Alf Noto recognises that "the internal customer's view of the whole sourcing process is extremely dependent on the individuals in front of that customer at any point in time". Which is why, explains John Miller, global purchasing process and capability development director at AstraZeneca, "we have placed as much emphasis on internal influencing as on external negotiation". Central to the company's approach is "a procurement leadership operating model calling for individuals capable of developing meaningful discussion around the correct interpretation of real value for internal customers. We acknowledge the balance between creating new sources of value and traditional service delivery (needs versus wants of internal customers). We have to influence the stakeholder agenda better and faster, but without edicts."

This is not to underestimate the technical, process and value chain competences that underpin high-performing procurement operations, embracing critical levers such as category management, supplier relationship management, outsourcing and offshoring, lean supply, supplier innovation, ethical sourcing and the intricacies of currency hedging and fiscal management. Building real depth of understanding and applying disciplined operational intensity to the application of these levers remains high on the agenda. However, it calls for real quality of leadership to engage the enterprise in the full scope of their application. This is the challenge that now has to be addressed.

**BUILDING A BUSINESS-WIDE LEADERSHIP CAPABILITY**

**1 Strengthening procurement leadership from the top down**

A close colleague, Dr Peter Jackson, former board-level director of human resources at SmithKline Beecham and past president of the UK's Chartered Institute of Personnel and Development, argues that "it is always easier to get the right team rather than trying to get the team right". In any enterprise, the appointment of appropriate leaders is the most critical determinant of business success. Since all organisations are ultimately

constrained by their capability, it is essential that forming a strong procurement leadership team is tackled with real conviction. This decision is invariably taken by C-level executives, up to and including the CEO. It may make uncomfortable reading, but there are some home truths that need to be acknowledged.

Our contact with business leaders, through executive search and consulting, confirms an upbeat perception of procurement and supplier initiatives as central to competitive differentiation, financial performance and innovative product or service delivery. While not able to articulate the detail of the multiple procurement initiatives required to secure sustainable success, they are increasingly emphasising its centrality. The discouraging aspect is considerable dissatisfaction with the performance of some procurement leaders. Without doubt this has been a major contributing factor behind the removal and replacement of a number of CPOs, as well as the increasingly common practice of strengthening the function by appointing high-potential general managers and commercial directors sourced from elsewhere in the business or the wider employment market.

Many current procurement leaders are clearly failing to meet board expectations. There are real concerns about the capability of those within the function to take on the necessary leadership roles at CPO level. A number of procurement change programmes have run out of momentum or are under-performing against key financial parameters. There appears to be serious misalignment of expectation versus reality. An emerging consensus is that traditional procurement staff lack the broader leadership dimensions and strategic perspectives necessary to function at board level or its equivalent.

Now for the good news. While vision and leadership skills may be in short supply, there is high demand for a new breed of procurement leaders, focused well beyond narrow functional boundaries, who are highly credible with their senior executive peers. This is the challenge that procurement has to embrace by addressing rather than denying it. Damon Jones echoes this sentiment by arguing that "procurement has to become more aligned with business needs. In Group 4 Securicor, every third-party contract can have a huge impact on our clients and customers. It is vital to have staff who can operate as business people first and foremost, not just good procurement technical specialists."

## 2 Developing a human resources and leadership strategy

Real depth of procurement leadership across an enterprise does not happen by accident. Supply and demand is chronically out of balance: there are insufficient people with broad functional competence, as well as deep business experience, capable of leading the function while also operating at board level. An intelligent, well-thought-out human resources strategy, soundly implemented and funded, is the key to success in this area. This is not a one-off exercise, but calls for continuous investment in leadership capital. The necessary holistic focus connecting business drivers and the requirements for leadership behaviour are illustrated by the case studies opposite (see figure 3) and on page 26. A number of elements need to be highlighted.

● **Become a preferred employer.** Highly competent individuals face a multitude of employment choices. Smart people pick the organisation, not always vice versa. "Progressive, high-performing procurement professionals are highly mobile, both within and outside our organisation," says John Taylor at AstraZeneca. "We have adopted a holistic approach to recruitment, retention, renewal and reward to ensure timely deployment, balancing risks and opportunities. This is about developing a new breed of leader, capable of operating as a business manager." Unfortunately, some companies and a number of government bodies fail to appreciate this. Indifferent executives, narrow interpretations of the procurement role, stop-start change programmes, inadequate resources, ambiguous remits, constrained freedom to act and inappropriate remuneration packages are unlikely to attract and retain real talent.

● **Recruit against a new profile.** The old adage that "people are your most important asset" is insufficient. Competitive advantage is created by the *right* people. Understanding the more sophisticated profile mapped out in figure 2 is at the heart of both recruitment and team-building initiatives. It calls for "a combination of change management, entrepreneurialism, and sales and marketing", says Damon Jones. "People who combine project execution, persuasive communication, the ability to create and develop a workable solution, tenacity and determination to achieve results, while building up strong, positive internal and external relationships."

It may even underpin a complete reappraisal of the procurement operation. "In 2004, Philips General Purchasing was founded as a brand-new, separate business entity," recalls Jaap Pipping, its CEO. "All procurement employees were assessed and, inevitably, many did not attain the required profile. This provided a huge opportunity to recruit staff who did. The quality boost also facilitated a 25 per cent reduction in total employees."

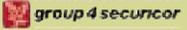
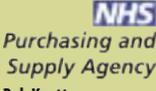
● **Take talent management seriously.** Increasingly it is knowledge-based, intangible assets of leadership, influencing skills and the harnessing of productive relationships that generate high value for procurement. Managing these assets properly brings about seismic shifts in organisational performance.

● **Develop a total remuneration package.** It is increasingly necessary to work in partnership with senior human resource colleagues on all the elements of a holistic approach, particularly the development of a total reward structure in which pay and compensation are explicitly linked with non-financial rewards connected to personal and career development.

● **Use performance management to reinforce required behaviour.** Tools such as objective setting, individual and team appraisals, competence-based assessments, 360-degree feedback and performance-based reward are being applied more rigorously to procurement. They provide clear "line of sight" between individual action and corporate objectives, together with their implications – reward and development, or replacement and relocation. Indeed, organisations usually replace between 30 per cent and 70 per cent of their incumbent staff as they progress through the three phases of change.

FIGURE 3

## A holistic approach to business leadership – aligning behaviour to strategy

	CRITICAL ISSUES & BUSINESS CHALLENGES	REQUIREMENTS FOR LEADERSHIP BEHAVIOUR	IMPLICATIONS FOR LEADERSHIP DEVELOPMENT
 <b>Damon Jones</b> Director of procurement	A combination of globalisation (and the internal capability to operate in that way); adapting to technological shifts and labour shortages; ensuring greater business alignment and balancing the pressures for cost out while enhancing service levels. Third-party contracts have a huge impact on clients and customers.	Moving right away from traditional, legacy-based, commoditised, tactical procurement. Building real credibility and positive relationships with CEOs and CFOs. A combination of change management skills, tenacity and determination, entrepreneurial behaviour, and the ability to step back from key problems and develop solutions.	Overcoming insular national behaviour. Breaking down cultural inertia. Traditional courses are a waste of time. Key staff to be exposed to business forums and challenging operating areas alongside top functions. An agreed pairing of the top team with MDs from other countries and cultures acting as mentors.
 <b>Richard Spoor</b> Vice-president, global procurement	Procurement has to operate as a profit driver, securing significant economic return. Adjusting cost structures (a \$13bn cost base with external spend approximately 50% and \$1.2bn savings target 2004-08) while building more variable costs. Understanding and leveraging external capabilities. Consolidation and optimisation.	Leadership of change and the resilience to follow it through. Situational awareness as we enter the second phase of change. Strong customer service orientation and becoming a trusted internal partner. Being connected into the company and its drivers in the right way. Shaping, advocating and selling a business case.	Embedding sourcing management and supplier value management requires a global operating framework and the critical enablers behind it. A strong central team shapes global performance solutions and capability development. Personal development planning and coaching are taken very seriously. Concerted focus on pivotal roles.
 <b>Rob Knott</b> Chief operating officer	Supporting phenomenal change in healthcare commissioning. Dealing with frequently contested objectives of multi-billion pound investment, while striving for significant cost savings. Creating new supply markets, aligning policy and procurement cycles, and balancing supply and demand requirements.	Deep understanding of the mission, dynamics, top executive priorities and operating model of the business. Initiating change and shaping policy, as well as implementing it. Credible and convincing internal selling. Proactive creation and management of an influencing network. Tough business negotiation where needed.	Commissioning and strategic procurement of outcomes, rather than just commodity procurement. Visibility for high-potential future leaders capable of taking charge of their development and profile. Applied learning, intensive coaching and building on strengths, not just overcoming weaknesses. Action-orientated learning, not just workshops.
 <b>Alf Noto</b> Vice-president, operating resource sourcing	Supporting business growth in emerging markets; accelerating speed of business; managing scope extensions of activity with new stakeholders and new markets; supporting the creation of merger with Siemens' networks business; improving business productivity in cost of goods and cycle time; and managing the really big relationships.	Persuasive, proactive, assertive individuals who can really make a difference and manage value in a productive manner. One cluster around core values (integrity, ambition and determination to succeed) with another around behaviours (advocacy and an ability to influence relationships, balancing local and global pressures).	Building organisational capability and proactive leadership in a strong culture of personal and team development. Bottom-up PDPs; regular high-potential reviews; coaching and mentoring programmes; explicit links between job roles and competence profiles; core sourcing training; and softer skills such as emotional intelligence.
 <b>Jaap Pipping</b> CEO, Philips General Purchasing	Going beyond cost savings to source and measure value from suppliers. Achieving much more with far fewer. Procurement intelligence, anticipating and reacting to opportunities in global supply markets. Business process outsourcing on a global basis. Centralised reporting, with decentralised staff close to customers.	Buy-in from business management is the key to procurement success. Deployment of category experts from the same stakeholder discipline. Functional competence and product expertise, in conjunction with vision, inspiration, consistency, backbone, stamina and building propositions. Always balancing leadership with delivery.	Huge changes in personnel and profile. Massive recruitment (90% from outside), assessment centres, deployment of category experts on functional boards, clear role distinctions, "comply or explain" compliance, core supply management curriculum, high potentials corporate-wide programme and PGP tools-based induction.

## 3 Creating a business-wide leadership platform

Procurement success is directly proportional to the quality of leadership and organisation-wide talent at its disposal. Some resides in procurement, while other talent is located in functions such as research and development, marketing and operations. It is important to adopt a holistic approach and regard procurement leadership as a distinctive, business-wide capability with implications for organisational structure, operating model design and procurement's mandate to act (*for more on this, see "Managing the matrix", CPO Agenda, Winter 2005*). Clearly, the precise requirements for a particular enterprise vary with its culture and business context, but a number of elements in building the leadership platform can be identified:

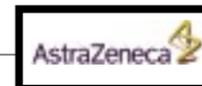
● **Invest in a leadership cadre.** A common mistake is to focus only on a small number of high-profile leaders, making leadership a privilege for the chosen few. Leadership development needs to be extended right across the organisation, facilitating a strong culture and cadre embedded within the complex matrices found in most organisations.

Richard Spoor, vice-president of global procurement at the US pharmaceutical firm Merck, argues for investment in leader-

ship team strength and believes that "if you are doing procurement properly, then you are leading and driving change. That is not just the CPO, but the whole of the procurement leadership team having to influence and engage the very top of the business." There is a need for a critical mass of procurement leaders, as well as a network of highly capable professionals.

● **Recognise the importance of pivotal roles.** These are positions capable of transforming the perceptions of internal stakeholders and unlocking value. Staff occupying these roles have a huge impact (one way or another) on the overall credibility of procurement and the initiatives it is pursuing. At Nokia, Alf Noto is completely convinced, arguing: "You have to operate at a number of levels. We are raising the sights of the whole team to manage value in a productive manner. We are also deploying high-potential individuals who can really make a difference, impacting new areas of the company for us such as marketing."

● **Align closely with internal structures of power.** There is always a need to build robust, influential bridges with business line management and the various boards, operating groups, forums and councils within which decision-making is exercised. It is only by influencing these groups that the added value



## Unlocking next-generation value requires a new breed of leader

AstraZeneca is one of the world's leading pharmaceutical companies, with sales of \$24 billion, addressable spend of \$8 billion and a purchasing network of 450 full-time staff. A commitment to top-tier financial performance alongside continuous innovation underpins its purchasing transformation journey. However, John Taylor, global vice-president for purchasing, and John Miller, global purchasing process and capability development director, argue that the approach adopted is highly relevant for most organisations, not just large, multi-locational global companies.

### Key learning 1: Create a vision, strategy and fit-for-purpose operating model

A straightforward but compelling vision – “to obtain best value for AstraZeneca from all its external expenditure by leveraging and linking our resources to fully meet business needs and exploit our suppliers’ capabilities” – drives a clear strategy and interconnected tactics around three core areas: “managed spend” (through category management); “working together” (with particular emphasis on role clarity); and “enhancing capability” (through an integrated and holistic approach).

AstraZeneca operates through a decentralised organisation of multiple business areas, sites and functions. Business areas have considerable autonomy, and managing across the matrix is central to success. Creating appropriate governance and providing persuasive leadership with internal stakeholders, without recourse to edicts and mandates, calls for sophisticated influencing skills.

### Key learning 2: Drive transformation and focus on next-generation value

AstraZeneca regularly achieves cost savings in excess of \$250 million a year. This alone rarely drives transformation or enthuses business leaders and demanding internal customers. The challenge is to understand and articulate the real nature of the value proposition across complex, multiple, internal value chains, in order to harness the full potential of externalisation of industry and innovation. Going way beyond

traditional, tactical definitions of purchasing, it is as much about prompting business development through internal influencing and persuasion than buying and external negotiation.

### Key learning 3: Leverage new tools and leadership capabilities

All purchasing leadership teams have to make resource investment and deployment decisions, typically covering spend management platforms, renewal of business infrastructure, and design of rigorous category management and supplier relationship management processes. However, the ability to leverage such investment is dependent on the overall quality of purchasing leaders and the depth of team resources. Leadership and team strength is the real multiplier of value, rather than technology, processes and tools alone.

### Key learning 4: Redefine leadership profiles, roles and competences

The required profile is always driven by business needs. However, a real organisational challenge has to be confronted. Key stakeholders must be convinced that there is value added from purchasing. This calls for real dialogue and a meaningful “share of voice” on management teams. Without confidence, enthusiasm, empathy, influencing and engagement skills of a high order, it cannot be achieved. One leads to the other. Traditional purchasing staff are rarely able to exercise this level of engagement. There is no alternative but to refocus on to a new breed of leader. AstraZeneca has paid considerable attention to defining these roles, thinking styles and competences.

### Key learning 5: Invest in enterprise-wide learning and development

Broad business-wide interventions with clearly defined elements, designed to address specific needs and challenges of the new breed of purchasing leaders and category team members, include:

- **Role and competence definition:** 20 generic role profiles have been carefully identified, together with 16 associated competences, of which

one is language, six are commercially focused, and the other nine are business orientated.

- **Self-assessment and management review:** the purchasing network participates in evidence-based self-assessment on a five-point logarithmic scale against defined competences, culminating in joint validation of outcome with line management. This creates an individual development plan (IDP).

- **Core learning programme:** purchasing and category management team members actively participate in a structured, modular programme designed to build core purchasing skills.

- **Purchasing accelerated development programme (PADP):** while the core programme is conventional, the PADP is pioneering. Over 100 staff are involved in at-the-job coaching and mentoring, compressing two years of normal development into six months. “Unfreezing workshops”, action learning, expert external mentoring, master classes, networking, forums and participation in communities of interest provide challenging exposure to new frameworks and behaviours in leadership, strategic thinking and change management practice.

- **Finger on the pulse:** a range of modules, looking into emerging trends in the external business environment, is available.

- **Career pathways:** real encouragement is given to bringing in high-potential managers from other parts of the company, as well as the recruitment of external people. These inflows provide developmental opportunities as well as enhancing the purchasing leadership profile.

John Taylor argues that “leadership and capability development, by necessity, is a long journey. Ad-hoc, tactical and spot interventions just don’t work.” Furthermore, there is a real awareness that high-quality, high-performing individuals have a wide range of options available to them. AstraZeneca is making the investments necessary to ensure the attraction, retention and renewal of this new breed of purchasing leader, capable of unlocking next-generation value.

from procurement is understood and accepted. Jaap Pipping explains: “A procurement population with the necessary business talents is a precondition for success. It has to be linked with other best practices. These include stakeholder consultation whenever a key person in procurement is being recruited, and being full members of the Philips functional boards, who in turn are actively committed to and steering Philips’ performance, underpinned with clear plans, targets and compliance.”

- **Recognise the limits of the mandate.** The aim of successful leadership is purposeful engagement of enthusiastic followers. A leader takes people where they want to go. A *great* leader takes people where they do not necessarily want to go, but ought to be. Those aspiring to lead need to understand the true relationship between leader and led. Merck’s Richard Spoor recognises the challenges: “There has to be recognition that internal and external change can be a complex model. Mapping categories of spend and key supplier relationships globally and locally, with the right geographical footprint and strong links to critical stakeholders, calls for people with real influencing and advocacy skills, even when you believe you have a mandate.”

Rob Knott at NHS Pasa goes even further by arguing that “the procurement profession often confuses means and ends. It is still obsessed with control, compliance and seats on the board. Our *raison d’être* is to understand, shape and influence strategic policy programmes, through an effective, integrated, commercial operating model, and deliver successful outcomes.”

## 4 Embracing a broad portfolio of learning solutions

The case studies confirm that a change in emphasis is under way, from a reliance on conventional training to the adoption of more integrated development processes involving broad combinations of learning interventions. There is real scepticism about the effectiveness of old-fashioned, off-the-shelf training, and evidence of greater sophistication in the design of leadership development. As Damon Jones argues: “You have to break down insular, national behaviour and cultural inertia. You can’t do that through traditional training courses. It needs exposure to mentoring and working alongside highly competent individuals in other business disciplines.”

There is an encouraging commitment to significant investment in the development of broad-based learning and coaching cultures. This is typified at AstraZeneca, where John Miller says: “Our core programme and the purchasing accelerated development programme are neither remedial nor aimed at the chosen few. We have a real determination to maximise individual potential and provide our procurement network with a full portfolio of development opportunities.”

Isolated, disconnected, one-off courses are being replaced by portfolios of highly focused learning. These are designed to help people perform more effectively, with a strong behavioural content addressing the challenges of enterprise-wide procurement transformation. They use real problems in real time as the vehicle for learning, and typically include:

- **Just-in-time and action learning.** Consciously embracing work experiences to develop leadership expertise, and using learning sets, group work, facilitation, task forces and project teams as the learning vehicle. There is no shortage of business challenges, wide in scope and high in impact, capable of supporting such learning by doing.

- **Coaching and mentoring.** Increasingly seen as one of the most effective ways of developing leaders. Many different options are being applied, including one-on-one coaching, team coaching around category, process adoption and major supplier projects, and structured mentoring involving key stakeholders and business executives. As well as being a learning vehicle, this approach broadens the exposure and visibility of talented individuals coming up through the ranks.

- **Communities of interest.** Extensive networking, project-based interest groups, knowledge fairs, cross-functional projects and forums centred on common enterprise-wide business requirements are harnessed for leadership development.

- **Online learning.** Procurement portals, virtual collaboration tools, self-paced web learning, online forums and access to systematised intellectual property are increasingly used as a support framework. Procurement academies are also emerging, as they have done elsewhere in other functions.

- **Leadership and development reviews.** Regular assessment of strengths and weaknesses, personalised development planning and structured feedback from colleagues and internal customers drive more individualised, tailored development.

- **Tailored leadership programmes.** Conferences, summits, forums and executive development events, co-designed with leading universities and specialist consultancies, provide the necessary opportunities for procurement leaders to think deeply and creatively about the challenges being faced.

None of this implies that technical skills are being neglected. An appropriate focus is being maintained, as confirmed by Alf Noto. “You cannot afford to take your eye off the heartland core skills,” he says. “We have invested time and effort recently in ensuring that category management and strategic sourcing are being properly applied in a segmented manner (from simple sourcing right through to strategic categories), while also strengthening the core skills of negotiation and contracting.” But equally, “technical skills in procurement are no more than the foundation building blocks”, adds John Taylor. “They are necessary, but not sufficient.”

### From promise to performance

Considerable optimism from pioneering procurement leaders is coupled with pragmatic realism and full recognition of the scale of the challenge still to be addressed. Where procurement is well led, closely aligned with business drivers, actively engaging its stakeholders and with the appropriate mix of leadership qualities and technical strength, it genuinely impacts enterprise-wide performance. The accelerating transition from transactional backwater to a more strategic role is resulting in a considerable migration of focus away from purely technical skills to broader leadership dimensions.

The acid test of success is superior performance delivery in line with board expectations. This is a comment that resonates with Merck’s Richard Spoor, who concludes: “Having sold the promise, leaders have to have the capability to deliver against it and the resilience to follow through with successful execution.” ■