## **Shaping the Future of Procurement**



Presented by

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### 2014 Forum Review



# Leveraging the Power of Procurement The Keys for Procurement Success

- **≻**Alignment
- **≻**Category Management
- Supplier Relationship Management
- > Technology
- **≻**Talent

### 2015 Forum Review



### Building Partnerships in Procurement

- ➤ Define Stakeholders, strategies, leadership, success
- ► Role Lead by influencing business strategy
- ➤ Value Strategic role to reach goals, increase value
- ➤ Suppliers Partner, enable, leverage their innovation
- ➤ Customer Define internal and external customer
- Engagement Proactive support, planning, interaction
- Connect Stakeholders who matter
- ➤ Deliver Relevance, Value, Credibility to be successful

# 2016 – Shaping the Future of Procurement



- Practical Exercise
- DVICS an imagined public body or agency
- You are the new CPO / Procurement Chief
- Situational Challenges Determine and rank type of <u>Challenge</u>, <u>Risk</u> and <u>Priority</u> of each
- Use Keys to procurement success develop approaches to shape procurement future

### 2016 "Shaping the Future"



#### Exercise

- 1. Read Case Study "Shaping the Future of Procurement in the DVICS Agency"
- 2. Determine Type of <u>Challenge</u>, <u>Risk</u> and <u>Priority</u> for each issue
  - Individually 10 minutes
  - Group 20 minutes
- 3. Elect spokesperson for table or person whose birthday is closest to Nov14th







# Discussion



# Let's Play!





	ROLE of Procurement / Supply Management		VALUE of Procurement / Supply Management
Leading Influence Business Strategy	Effectively harnesses supply power, market innovations, SRM, and joint side-by-side collaboration with business leadership, finance, others to meet strategic goals	Value Management	Assists reach goals, increase value from managing "supply" (spend + suppliers), rather than just "demand" (reducing magnitude of spend)  Strategic
Exceeding Value Broker	CRM, money management, and influencing demand requirements and specifications	Demand Management	Reduces unneeded demand activity, complexity, immediacy, variability  Operational
Achieving Cost Reducer	Cost modeling; supplier + market analyses, basic SRM, supply planning, project mgt and risk mgt.  Negotiation	TCO Reduction  Purchase Cost Reduction	Helps reduce or avoid supply costs  Tactical  Right price and quality
<b>Lagging</b> Firefighter	"Expeditor." Trench-level, site- specific buyer, order taker. Tyranny of tiny tasks	Supply Assurance	Right stuff, right place, right time  Reactive

