

THE SPARK

Sourcing and Procurement Flash Report

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PROCUREMENT BRAND

A View From the Other Side: An Argument for Procurement to Break Out of Its Comfort Zone



Several years ago, I had an opportunity to attend a sales conference in Chicago. To my knowledge, I was the only "Procurement" person there. Unsurprisingly, I was out of my element. I wasn't there to get the latest insight into pricing structures, or to get information for an upcoming negotiation. I was there to learn how Sales leaders thought about their interactions with Sourcing and Procurement teams, as they are often the first avenue for suppliers to begin to build relationships with potential clients.

In between sessions, I would work my way into various groups and conversations and ask a simple question: "What are your experiences working directly with the Sourcing and Procurement team within a prospect organization?" Here's what I learned:

- Many shared that they avoid engaging with Sourcing and Procurement, preferring instead to work directly with the end client
- + There is a perception that Procurement doesn't understand the needs of the business
- Procurement has a transparency issue, with many sales leaders feeling like they are only interested in nickel-and-diming a deal

All-in-all, it was a fairly predictable assessment, but still a harsh reality for myself and others in my shoes. If this was the widespread perception held by the people we must often work closely with, Procurement had a dire image crisis that needed quick correction. Since then, I have made it my mission to change the perception of Sourcing and Procurement, both internally with key stakeholders, and externally with suppliers. I have found that the success of Sourcing and Procurement professionals is rooted in 4 key principles:

Transparency - There is a time and a place for your poker face, but 9 times out of 10, you can be transparent without giving up your negotiating leverage. Successful partnerships are built when both sides openly share needs and wants, and collectively build the solution.

Inclusion - Sourcing efforts go awry when stakeholders are not involved in the process every step of the way. Bring your stakeholders into supplier meetings early and often, it will result in a better deal, and you will get there much faster.

Humility - No one has all the knowledge and answers in any one category. Why pretend to? Be humble with what you know and what you don't, and don't be afraid to ask suppliers and stakeholders for their opinion and expertise.

A Fresh Perspective - No two sourcing efforts are the same. Sometimes you need to run a full RFP, other times, you may have to pick a supplier and whiteboard a solution with them. You can be creative in your approach and still maintain the integrity of the sourcing process.

In the end, the success of procurement, sales, and other endeavors in which people create outcomes, demands resilient, productive relationships. And getting those relationships right can push us out of our element and reveal some difficult truths about how we see ourselves. If you're asking the right, tough questions, you might not always like what you learn. It's what we do with that information that makes the difference. I could have told those sales people how wrong they were, that their experience was not representative of the truth. Instead, I took their objections to heart, and committed to change. Your Procurement team can too. You'll be amazed at what can happen once those relationships find solid footing.



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We want to hear about your business challenges.

Contact thespark@logicsource.com to start the conversation





