

Supply & Procurement trends for tomorrow

Which Competences ?

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EIPM Dean & Director



1. EIPM A SCHOOL DEDICATED TO P&SM

What is the EIPM Group?

- The EIPM is an **Executive Center** dedicated to Applied Research, Education, Trainings & Coaching in Purchasing & Supply Chain Management.
- The EIPM **develops & is the owner** of all the contents which are deployed around the world by the EIPM Branches Trainers. All EIPM Trainers are « **EnterTrainers** » with a strong background in Purchasing & Supply Chain.
- The EIPM develops **applied research** to propose leading edge contents to Companies trainings & open education
- The EIPM is **self financed** and invests around 20% in R&D, finances 100% of its Research, develops 100% of the different solutions, produces directly 80% of the different trainings around the World
- The EIPM is quite **30 year old** and has been working with the largest Groups in the World. The EIPM has a strong DNA based on Values, Research, Global footprint, Education & Companies training making EIPM unique.

What is not the EIPM Group?

- **The EIPM is not a Consultant.**
 - 👉 **Education & Training** are our core business, it is not a way for us to sell more consultancies
 - 👉 Trainings are delivered by **Professionals** « EnterTrainers » with a strong background in Purchasing & Supply Chain.
- **The EIPM is not a University.**
 - 👉 The EIPM research activities are applied researches dedicated to Clients permitting EIPM to bring new tools, new practices and leading edge applied contents;
 - 👉 The EIPM is leading a Club to help Companies to Benchmark & Network
- **The EIPM is not a Professional Association**
 - 👉 The EIPM is not seeking for Members

The EIPM 3 Pillars

Benchmark : EIPM Peter Kraljic Awards



Education



- Global Executive MBA
- Certification Programmes
- Training Modules
- MSc

Research



- CPO Round Tables
- Workshops
- Annual Conference
- Value Creation Observatory
- Journal of Supply Excellence
- EIPM Club

In-Company



- Customised / Standard
- Certified / Practices
- Foundation / Advanced
- "À la Carte" Modules
- Coaching

Learning solutions and tools (cases, videos, distance e-learning, survey, analysis for research)

Online Talent Assessment, Online Assessment of the Organisation

200 participants/year

4.000 participants/year

The EIPM Global Footprint



(*) Training is delivered through an EIPM Interpreter.

EIPM can deliver training in any of these locations and in any of the languages here above.

Specific [Country x language] can be considered by the EIPM, upon request.



The EIPM MBA: the Flagship



12 intensive residential modules spread over 18/ 30 months

Foundation Modules

1. International Economics & Finance
2. Finance & Management Accounting
3. Business Strategy
4. Leadership & HR Management

Specialisation Modules

5. Purchasing Strategy
6. Operations & Supply Chain Management
7. Innovation & Entrepreneurship
8. International Negotiation & Influencing Skills
9. Latest Development in Purchasing

Complementary Modules

10. Shaping Responsible Future
11. Business to Business Marketing
12. Strategic Information Systems

EIPM Certification and Global Recognition



3 days

Fundamentals of Purchasing

2 days

Inventory Management

3 days

**Financial Risks / Opportunities
in Supply Management**

2 days

Contract & Legal Aspects

2 days

Cost Analysis

3 days

**Practicing Negotiation
Techniques**



3 days

Key Category Management

2 days

**Supplier Relationship
Management**

3 days

**Advanced Cost Reduction
Tools**

2 days

**Supplier Development &
Optimisation**

2 days

Value Contribution

3 days

**The Soft Skills in Hard
Negotiations**



3 days

**Purchasing Management:
Strategies & Organisations**

2 days

**Purchasing Management:
Skills & Performance
Indicators**

2 days

**Supply Chain Optimisation
Management**

3 days

**Leadership & Change
Management**

The FLeX Certification



The EIPM Professors Emeriti



Prof. John Heptonstall
Geneva Business School



Prof. Dr. Corey A. Billington
University of Wyoming



Jean-François Baril
CEO Connecting Partners



Prof. Andrew Walker
London School of Business &
Finance



Prof. Richard Lamming
University of Exeter



Prof Dr Peter Kraljic
PhD Technical University Hannover,
Director Emeritus McKinsey



Prof. Dr. Arjan van Weele
Eindhoven University of Technology

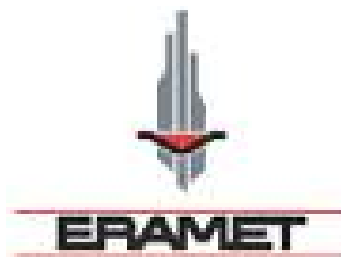


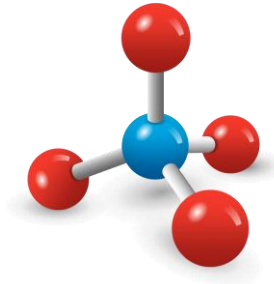
Prof. Rhoda Davidson
EMLyon



Some references across industries







Our core belief

VALUES... FOR VALUE!



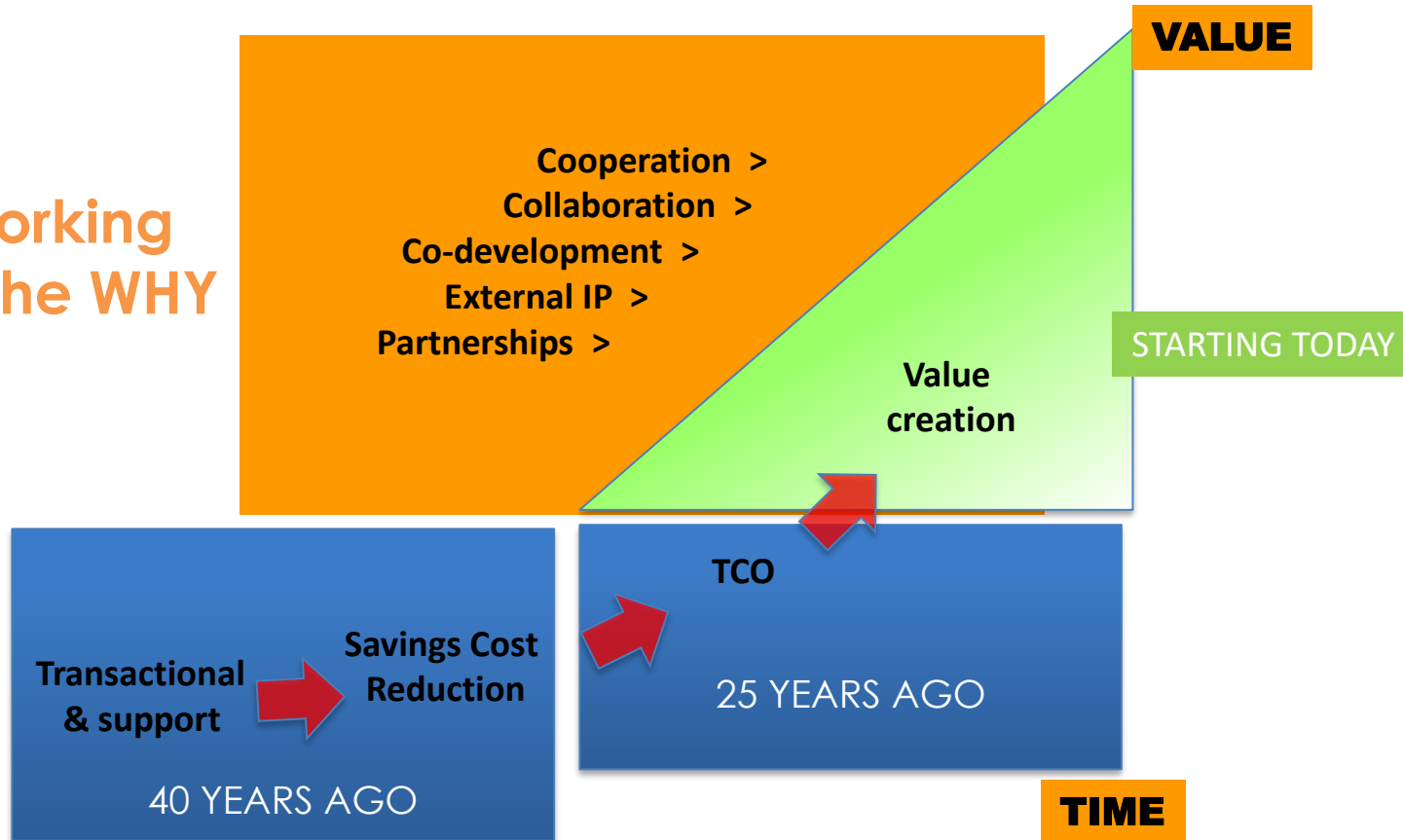
1.P&S.M. ACROSS TIME

WHAT HAS NOT BEEN CHANGING

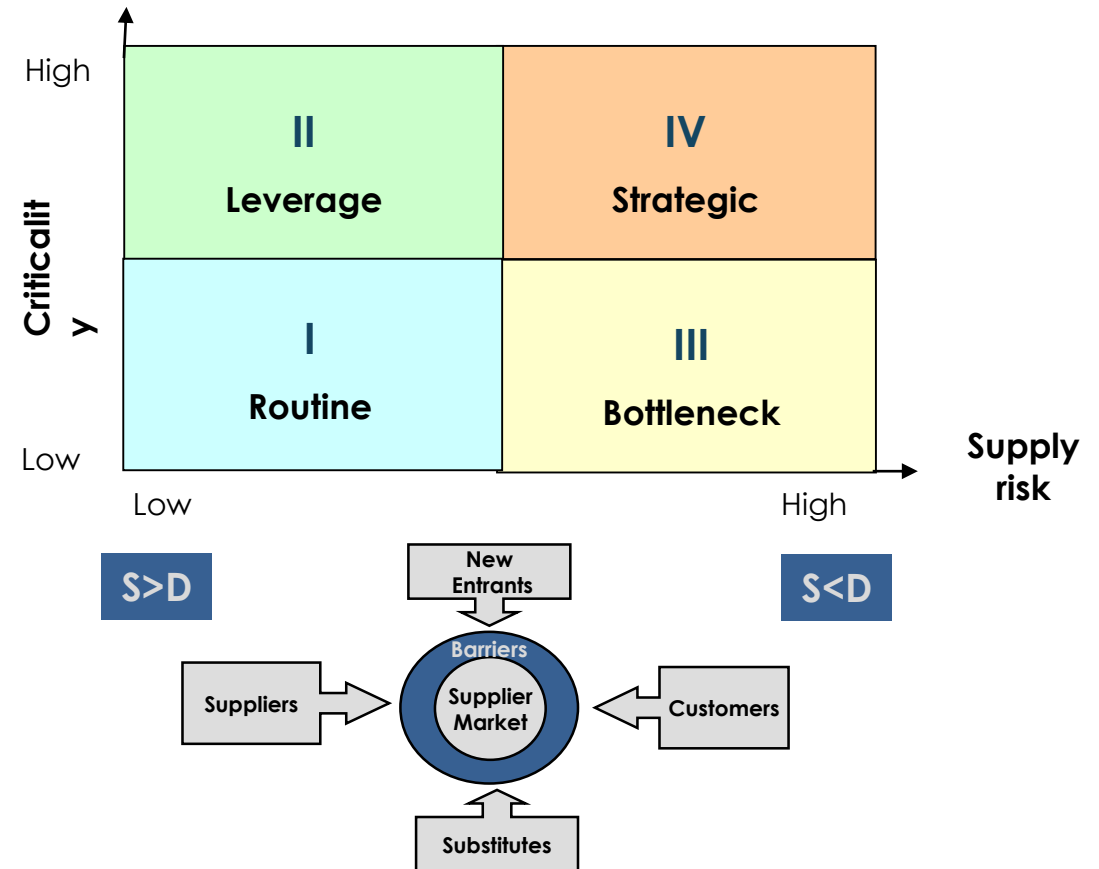
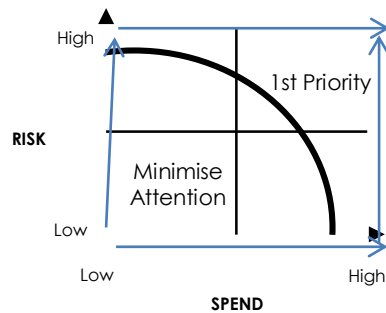
**Are Purchasing & Procurement
becoming strategic??**

Over time, Evolution of Concepts but reality!!

Working
on the WHY



No many changes in Procurement since Peter Kraljic's Matrix



Similar Practices overtime

- **Some similar tools**

Competition,
Consolidation,
Negotiation,
Risks Management,
Cost Breakdown
Design to cost

- **Some similar Objectives:**

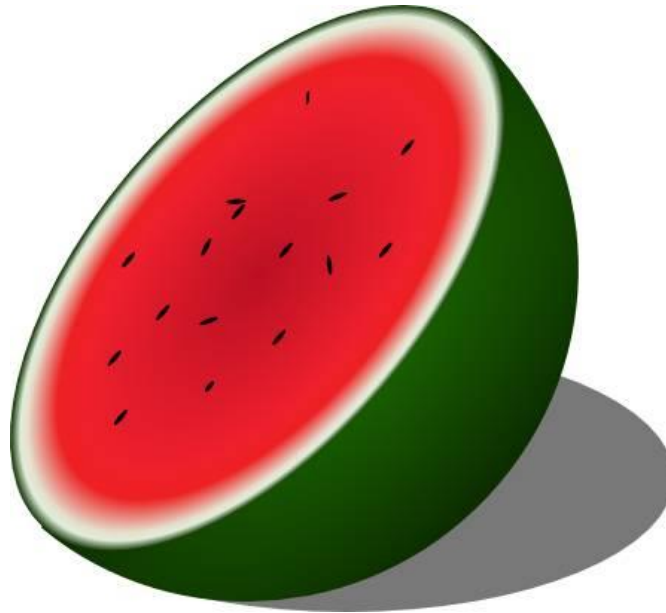
Savings
Suppliers Portfolio reduction

Why things have not been changing

Same things, same words, same complains since years as mentionned Franck

WHY???

We still measure more savings than value





2.P&S.M. ACROSS TIME

WHAT IS CHANGING NOW

What for the next 25 years?

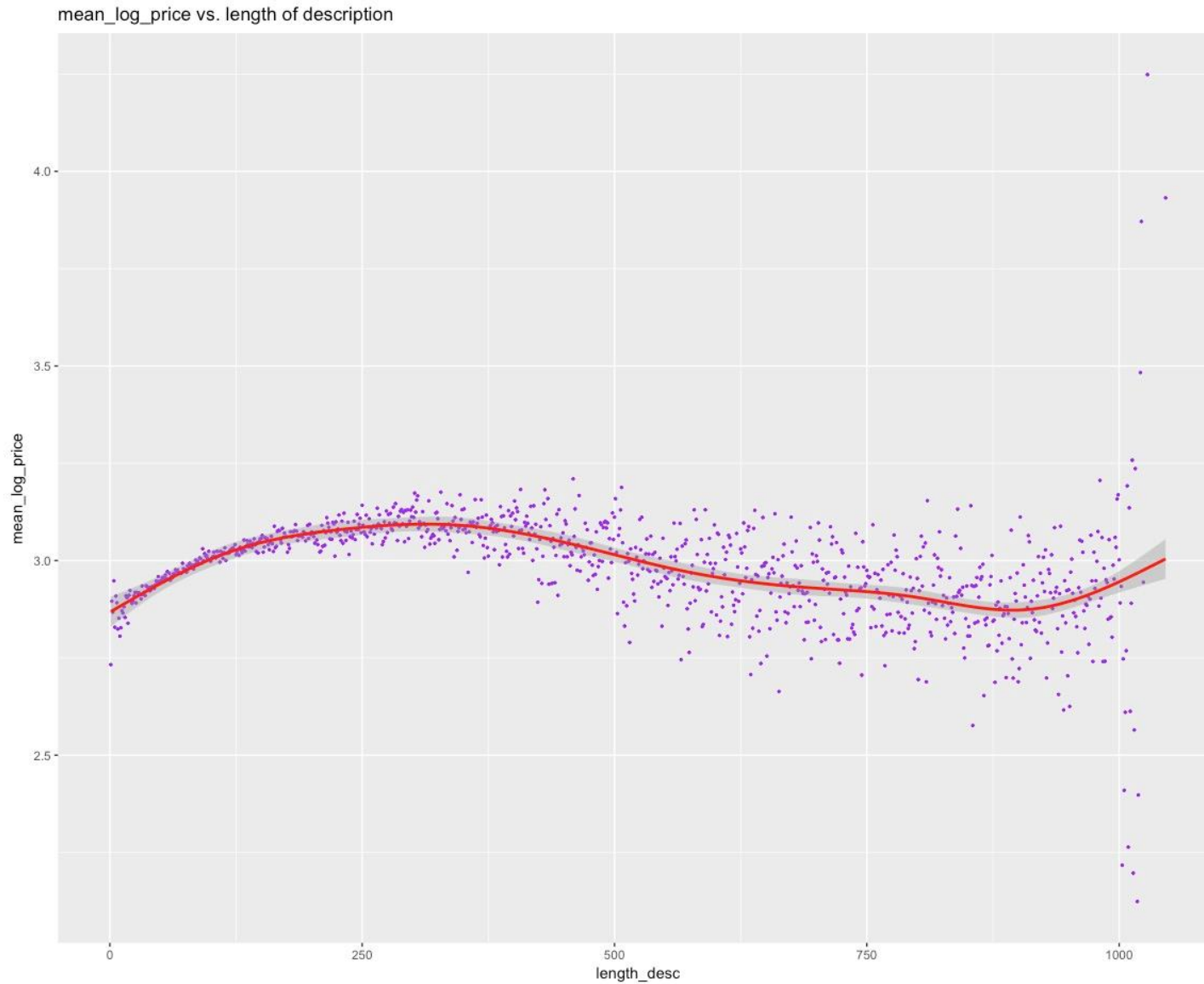
...the world is changing



The World is changing: New Challenges

- Speed / Agility
- Digitalisation
- Personalisation
- Big Data
- IOT
- A.I.
- Innovation
- Start ups
- CSR
- Globalisation
- Limited Number of Suppliers
- JIT

Big Data...Data crunching



Evolution

- From PriceST Savings
- To TCOLT Savings
- To Value ContributionBusiness Support

Strategic Purchasing role has to change to support Business

Moving

From being a **Financial support**:

to support by Prices /costs reductions, Payment terms

To become a **Business Enabler**:

to support in selling more or in selling better

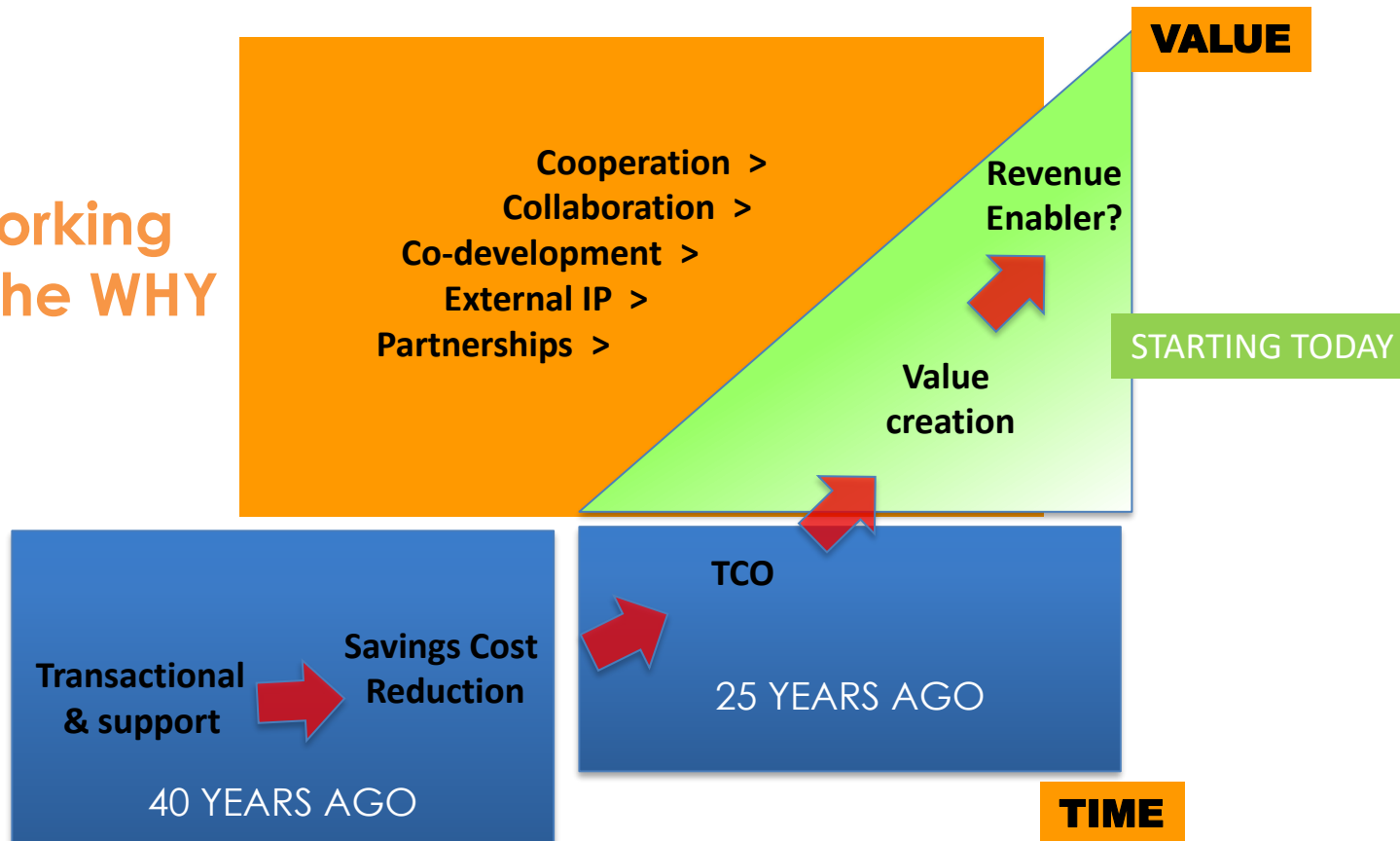
Purchasing Value contribution is based on the fact that

Purchasing should not be considered any longer as a **COST CENTER** ,
but should be considered as a **PROFIT CENTER**

Purchasing is to SUPPORT the BUSINESS

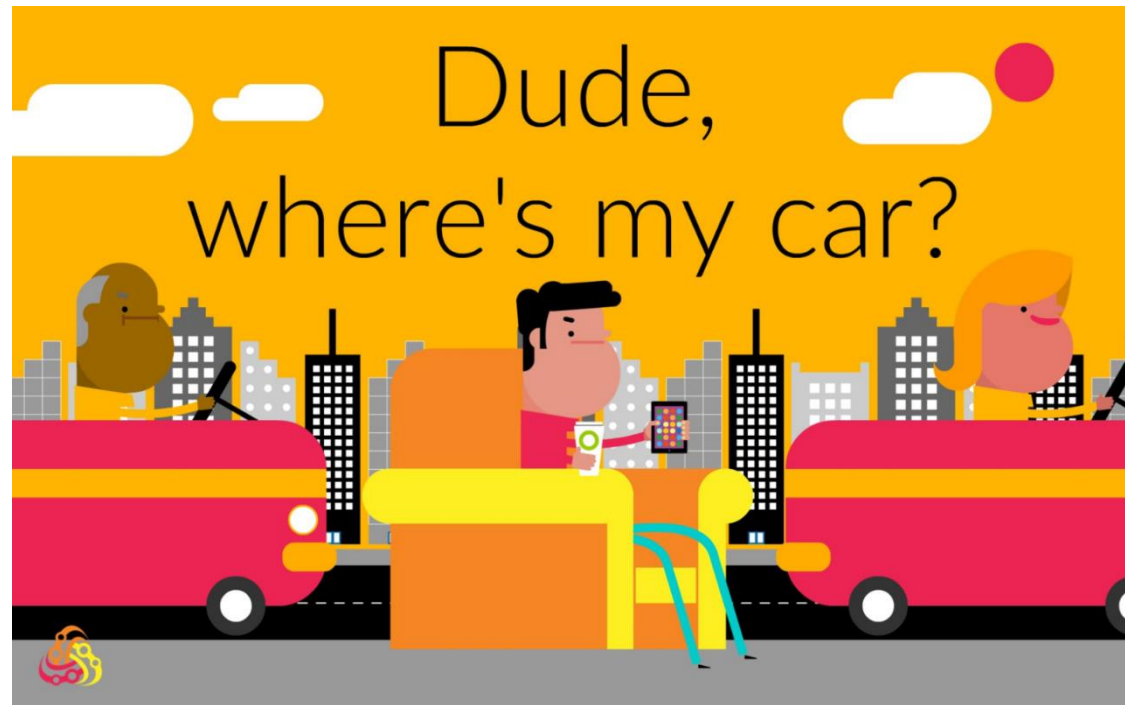
Purchasing has to become strategic for Business

Working
on the WHY





3. IMPACTS OF THOSE EVOLUTIONS



88% of automotive strategy officers agree that by 2030 at least one major automaker will earn more revenue from selling data and mobility services than from selling cars and auto parts.

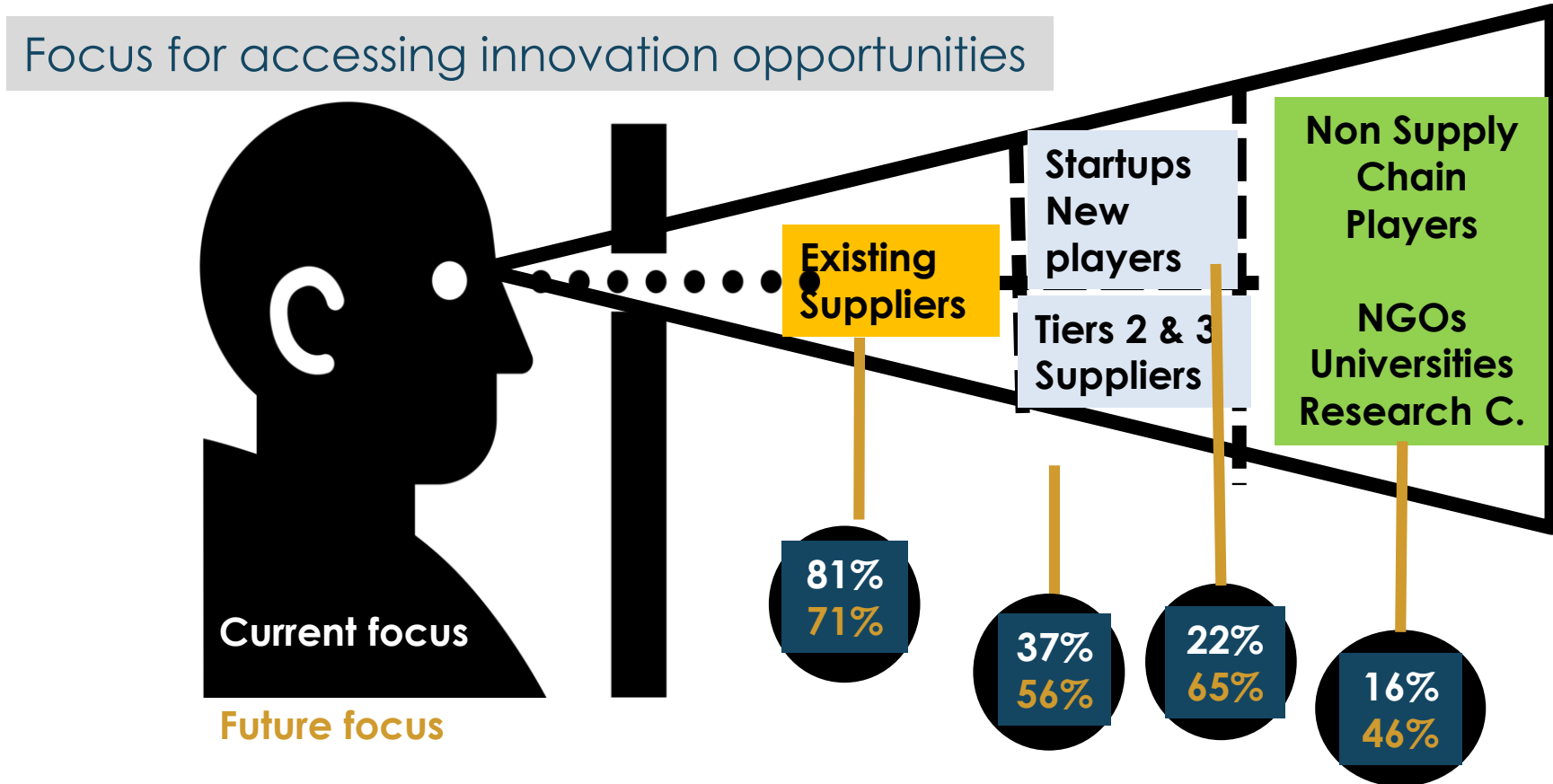
World Economic Forum 2016

2nd Quizz😊: What has been changing for you?

In your business,
In your Company,
In your Department

What has been changing along those past last months in terms of innovation and you technologies?

Innovation: Role of procurement



3rd Quizz😊: Suppliers selection criteria

What are the selection criteria
you will be using to select Start ups
to enter your Portfolio of Potential suppliers?

Agility & Relation



*I always end up using
power, massification &
scale
But deep in my heart I
would love to collaborate
more*



*A few of us do
things
differently But
we keep quiet*

Agility & Relation

We have diversified our practices,
We complement each other!



New necessary relations

Internal Clients vs. the **Internal Business Partners**

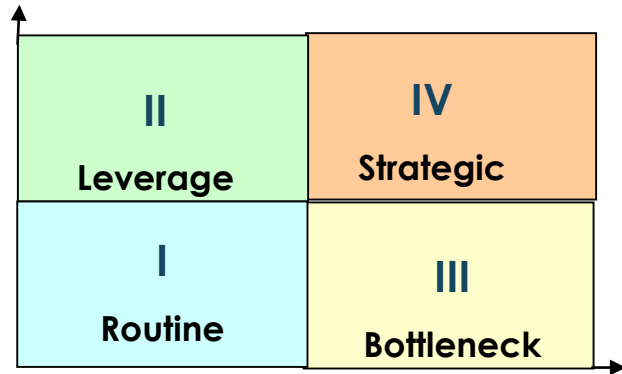
Suppliers vs. the **External Business Partners**



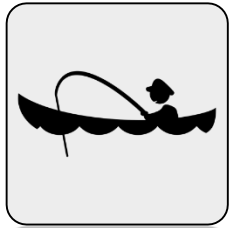
4. A NEW ROLE

A New Role

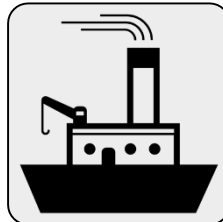
- How to manage recurrent **category management** roll out



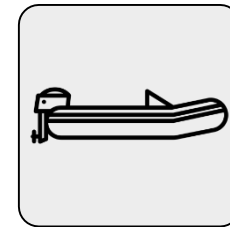
- With compulsory **agility** to catch up with **innovations & start up?**



*Fishing in the
neighbourhood*



*Shaping future
fishing grounds*



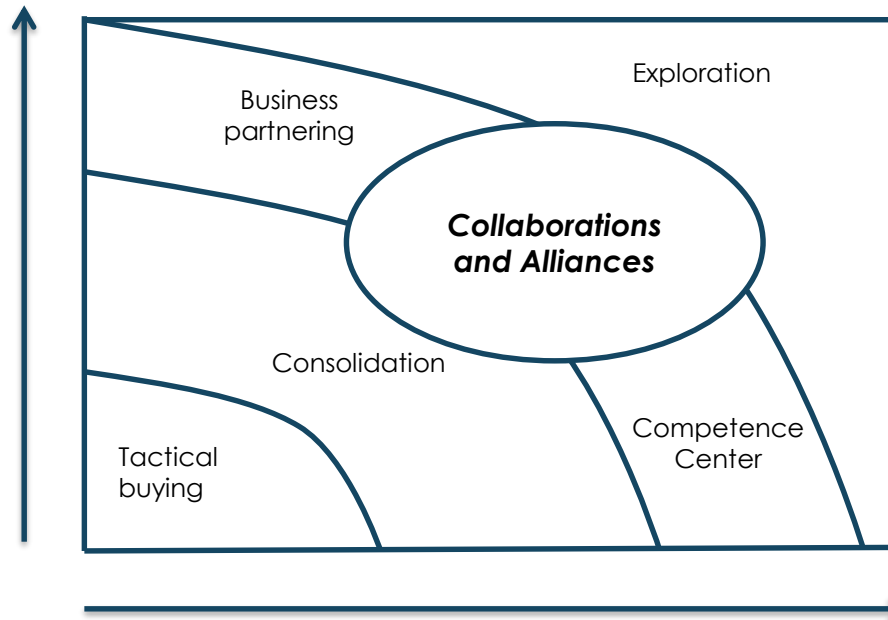
*Fishing in
unknown
territories*

Next Generation Purchasing

**Speed of change on
the demand side**

Focus on innovation

More Business Model
Innovation
Increased
Complexity and
uncertainty



**Speed of change on the
supply side**

Focus on innovation

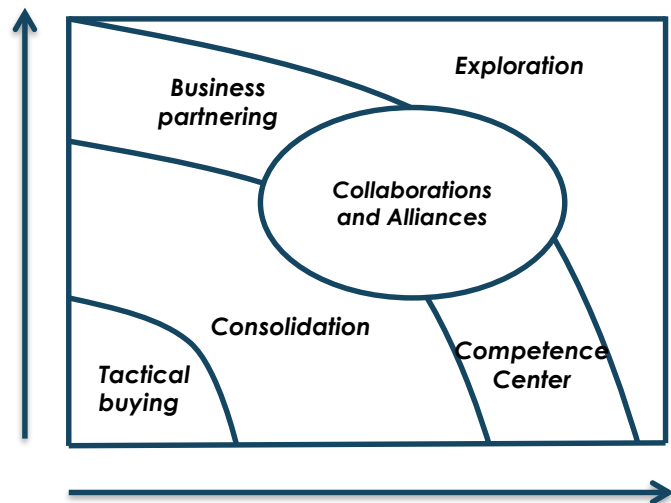
Access to distant capabilities
Increased Complexity &
Uncertainty



5. WHICH COMPETENCES?

What does this mean

Speed of
change on the
demand side



Speed of
change on the
supply side

Tactical Buying

- Automation and Simplification
- Expanding role of Aggregators
- Aligned on Business Services

Consolidation

- Not a dominant logic anymore
- Cross-functional engagement
- Cost reduction and User benefits

Business Partnering

- Anticipation
- Advisor on existing solution
- Systematic and day to day

Collaboration and alliances

- Joint business planning / long term
- Continuity
- Importance of the Mindset

Competence center

- Advisor on forthcoming capabilities
- Ecosystem thinking
- Beachhead strategy

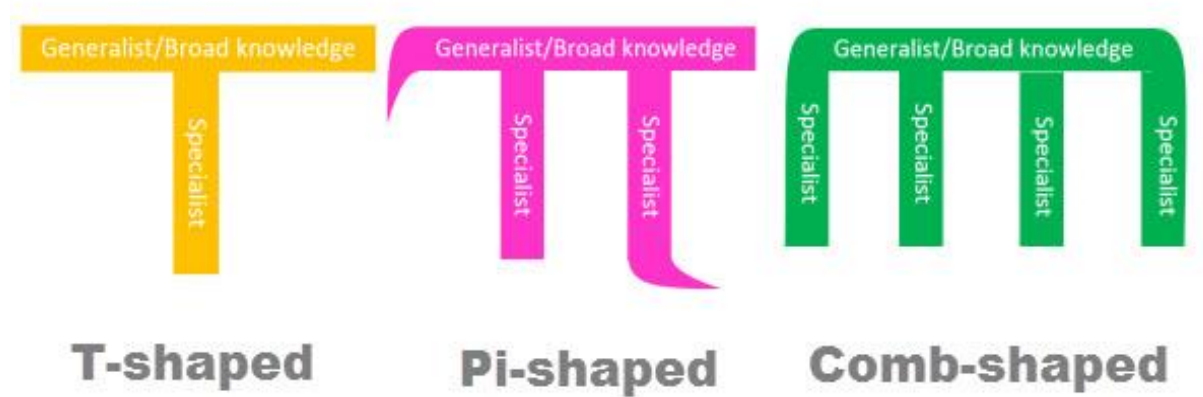
Exploration

- Building vision for/with the business
- Exploring and supporting exploration
- Cognitive fluidity
- Distributed / Differentiated / Separated

The New Challenges

- Speed / Agility
- Digitalisation
- Personalisation
- Big Data
- Data crunching
- IOT
- A.I.
- Innovation
- Start ups
- CSR
- Globalisation
- Limited Number of Suppliers
- JIT
- Number of technical categories increases

Set of Future Skills



- Knowledge of different markets and categories
- Ability to lead different efforts
 - (Sprint vs Marathons)
 - (Vision vs Planning vs Execution)
 - (Cross functional vs Cross Company)

How to change the Relations

To move away

from **CONFRONTATION**... to **RELATION**

Skills to improve Relations

Which are the skills necessary to improve the Relations with **Internal & External Business Partners** the Company's Business results

Same standard **technical expertise still necessary**

Some additional and specific **behaviours**

- **Marketing mind-set**
- **Business Acumen**
- **Entrepreneurship**
- **Leadership**
- **Communication skills & Active listening**
- **Agile**
- **Trust**
- **Humility**
- **Ethic**

Looking for the Ideal Profile

New **behaviours** will permit to **extract more Value** from the relationships between

IBP (Internal Business Partners) and **EBP** (External Business Partners).

The Purchasing Professional should, at the same time, be:

- A **Leader** to change the system.
- An **Entrepreneur** to solve new challenges.
- An **Analytical** to be data cruncher & analyse
- A **Commercial** to sell and convince.
- An **Expert** capable to add value.

3rd Quizz😊: Which KPIs to assess those new relations

Purchasing has been measuring

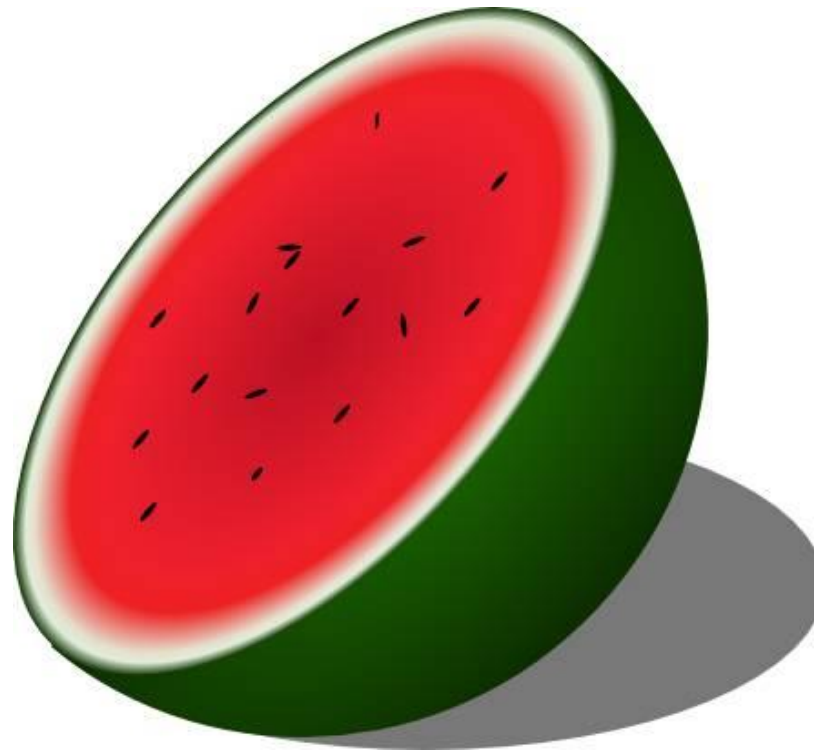
Purchasing efficiency & effectiveness with hard KPIs
on savings, terms of Payments, timely deliveries, quality...

Could we add some **soft KPIs**

Mutual trust, overcoming crisis, solving difficulties, markets gains

to cope with those new relations?

How to measure this Relation??





6. CONCLUSION

Some fundamental drivers to change

To move

From being a **Financial support**:

(to support by Prices /costs reductions, Payment terms)

To become a **Business Enabler** supporting the Business

(to support in selling more or in selling better)

It is compulsory

- to add to the classic hard KPIs' (Savings)
- some new soft KPIs measuring

Measuring **the Relation** (mutual trust, overcoming crisis, solving difficulties),

Measuring **the impact on business** (market gains)

Values for Value

Follow



<https://www.linkedin.com/company/eipm/>



<http://www.eipm.org>



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