

NIGP
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Editor: Tonia Lawson

Upcoming Events:

August 28-
September 1, 2021
NIGP FORUM 2021
Anaheim, CA



September 12-15, 2021
NASPO 2021 Annual Conference
Austin, TX

October 10-13, 2021
2021 NAEP FL/TAGM Regional Conference
Sheraton Panama City
Beach Golf & Spa Resort
Panama City, FL



Data and analytics to become 'core business function' in 2021: Gartner

*by Roberto Torres
March 19, 2021*



Data can help businesses overcome disruption, responding to everything from consumer demand to logistics challenges. Real-time information became even more important during the pandemic, as visibility helps supply chains react and adjust to uncertainty and volatility.

“Early in the pandemic, the supply chain was one of the most acute pain points. How do you forecast

demand, supply, trucks, staffing, in an entirely unprecedented period of time?” Matthew Hartwig, the company’s associate director of product management for data infrastructure, said during a

Virtual event in January. For Wayfair, one of the answers was sharing supply chain data with consumers, which became a high priority, he added.

Data has also been critical during the pandemic in the healthcare supply chain. Real-time data has helped healthcare systems, distributors, purchasing organizations, and state and federal governments manage supplies and model staffing needs.

For example, tracking the number of emergency medical services calls helps data company ESO foreshadow the rate of positive diagnoses and hospital admissions for COVID-19, which can affect hospital staffing and usage of personal protective equipment.

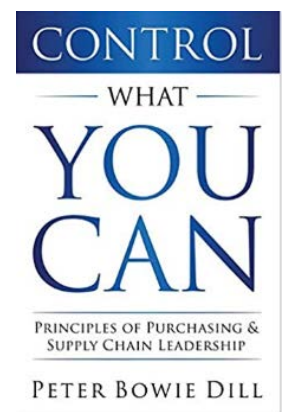
As organizations demand more data analytics capabilities to compete, more businesses are funding these efforts. Two-thirds of senior executives plan to increase investment in automation and AI as the COVID-19 recovery phase advances, according to a report from McKinsey.

Gartner expects leaders looking plug data and analytics into their business processes will leverage cloud marketplaces, low-code and no-code solutions to create build analytics applications in a more composable way.

A GOOD READ

Control What You Can: Principles of Purchasing & Supply Chain Leadership
by Peter Bowie Dill

Make the Decision to Control what you Can In the midst of the 2019-20 COVID pandemic, Peter Dill faced the same daunting challenges in his professional life as a Purchasing Manager that along with the many who struggled around the globe.



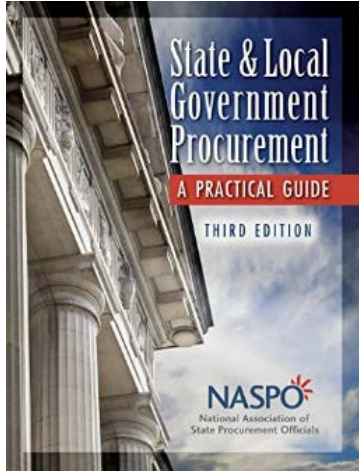
Rather than allowing circumstances to define his path forward, he plotted a new course and put it into play. Based on three decades of success leading global Purchasing and

Sourcing teams, he shares 12 concise, interlinked essays which are founded on the Forgotten principles of Supply Chain Leadership. Control what you Can is a must read for new and seasoned procurement professionals who believe they can inspire their teams to lead and deliver.

State and Local Government Procurement: A Practical Guide, 3rd Edition

by NASPO

The National Association of State Procurement Officials is proud to make the State and Local Government Procurement: A Practical Guide, 3rd Edition, available to government professionals, students, suppliers, educators, and others interested in learning about public procurement. Whether you are a seasoned procurement professional or new to the field, this guide should provide you a valuable reference tool in your efforts.



This edition of NASPO's flagship guide features many changes, improvements, and additional content. This 3rd Edition of State & Local Government: A Practical Guide (hereafter referred to as Practical Guide) identifies the current and rapidly changing forces that are encountered by state or local government procurement officers and suggests ways in which they may be addressed. The text also describes the principles and practices that are at the heart of a procurement system that must remain both flexible and accountable. A combination of the factors that are discussed in the pages of this Practical Guide indicates that the challenges that public procurement officers are facing are rapidly evolving. State and local central procurement offices are obliged to find creative and innovative ways to adapt to new situations while still upholding traditional legal and ethical standards. There are several differences between this and the second edition:

- Issues such as the procurement of information technology (IT), sustainability principles in procurement, and the use of eProcurement systems have been updated. Additionally, the narratives relating to the bones of the state and local government procurement process—such as procurement planning, source selection methods, evaluation of bids and proposals, quality assurance, and contract management—have been significantly expanded.

- Each chapter of this Practical Guide includes a comprehensive list of recommended best practices that are pertinent to that chapter's topic. Lists of recommended topics for statutory and regulatory coverage have been eliminated in favor of more practical best practices lists.
- A comprehensive list of the resources that were used in the text of this Practical Guide is noted for each chapter through endnotes citing those resources.
- There is a significant increase in cross-referencing within each chapter to demonstrate the interrelationships among the various subject matter.
- Many of the changes in this edition are aimed at providing foundational definitions and explanatory overviews to benefit those readers who have no knowledge of state and local government procurement.

Supplier Spotlight



IM Supply is the premier solutions provider for electrical equipment and supplies. Members have access to a broad scope of electrical and related products from a unique mix of manu-facturers, providing options that a standard distribution model simply cannot meet, including lighting products, fuses, controls, general supplies, wiring, cables, conduit, and more.

Supported by a distribution network of more than 3,000 locations, members can expect dedicated attention from a local distributor who is connected to the communities they serve. Stocking locations may also be able to provide same day deliveries, so members can get products on site quickly and when they're needed most.

Members of the IM Supply Distribution Network include the leading locally-owned and operated electrical and lighting distributors in the United States. Check out our [list of companies](#) ready to meet your needs.

IM Supply distributors are experts in lighting, controls, wiring devices and energy efficient products as well as safety/security items which E&I members can utilize to accomplish the following objectives:

- Create a physical space which enhances the teaching and learning experience
- Reduces energy costs and helps facilities reduce their 'carbon footprint'.
- Protect and enhance the quality of the facility's power supply.
- Enhance security levels for teachers, students, and visitors.

Contract Highlights:

- Delivery from over 1,000 stocking locations
- Focus on customer service
- Market basket price lists
- Aggressive category discounts
- Tiered rebate structure
- Detailed implementation launch plan

This contract was the result of a competitive solicitation based on E&I RFP #683483.

For assistance in locating your distributor contact:
salesinfo@imsupplygroup.com.



Jenna Brabham
Travel Coordinator
Gulf Coast State College



1. What year did you join the chapter? **2019**
2. How long have you worked in the procurement profession. **3 years**
3. What organization do you work for? **I work for Gulf Coast State College as the Travel**



Coordinator. I handle travel arrangements for college employees and student travel.

4. What is the most interesting, unusual or challenging purchase in which you have been involved? **Our Art department always takes a trip to Greece. It's always a challenge watching the exchange rates and making sure their trip is runs smoothly. Many kudos go to the professor that is in charge. She truly makes it much easier on my end because she is always organized and stays in constant communication with myself as well as the folks in Greece that work on their end.**

5. What professional certifications do you hold? **None at this time.**
6. What is your number one goal (career or personal)? **My number one goal in life is to provide for my family as best as I can and to set a gret example for my children.**
7. What is your favorite past-time or hobby? **Favorite hobby is being on the water - the beach, river, gulf, creeks or springs. I love all of it.**
8. Share a little known fact about yourself. **I was diagnosed with Melanoma in 2018. It was caught early, thankfully, and was easy to treat. Now, I am a big advoacte for regular skin checks, lots of sunblock, and shade!**

We all deserve this cup for our morning coffee!



Summer is here!

GOOD QUESTION

Do you expect a resurgence in reshoring to the United States? Why or why not?



NO. I don't expect a significant increase in reshoring. I do expect a significant increase in multi-sourcing of key products in the supply chain. Reshoring to a significant degree requires huge infrastructure changes that I do not believe today's consumer is ready to fund in price increases and reductions in convenience.

- Bill Denbigh, Sr. Director, Product Marketing, Tecsycs

YES. I do expect a reshoring of manufacturing in the United States, though the process will be arduous and expensive. First, I expect this process will be spurred by federal and state lawmaking. There are some industries – most notably defense and pharmaceuticals – in which the United States has sensibly decided it needs more control over the supply chain. Those industries will be reshored first, because they have to be.

The second wave of reshoring will likely be a reaction to the growing trade imbalance between the United States and China – not for any specific policy or principled reason, but rather because that imbalance has made the logistics of procurement from China less reliable.

The third wave of reshoring will once again likely be legislatively inspired, as I suspect federal, state, and local governments will start contemplating initiatives. Conversely, however, some tech products and industries have come to be literally exclusively made in China. These will be the most difficult to reshore.

- Sara Rathke, Partner, Squire Patton Boggs

NO. Reshoring has not turned out as advertised. A booming China suggests while some things have changed, many supply chains are still the same or in a slow transformation process. A trend toward regional supply chains is intact but may take years to play out.

- Rich Bolte, Chairman & CEO, BDP International

YES. We will continue to see more U.S. companies move manufacturing closer to their U.S. market – reshoring to the United States and nearshoring to Canada and Mexico. Shorter supply chains will reduce freight costs and time to market. Increasing levels of automation in manufacturing will further accelerate this trend.

- Marcus Karten, VP Global Business Development
Arvato Supply Chain Solutions

NO. Reshoring will slow. While President Biden enacts legislation supporting American manufacturing, the United States will attempt to re-enter international trade agreements. These countervailing effects will make companies reconsider how aggressively to reshore manufacturing – especially given that the country has proven as susceptible as many other industrial nations to the COVID outbreak.

- Culle Hilken, CEO, 3Diligent

YES, BUT..... We may see nearshoring behavior along with a resurgence of domestic hardline items. We anticipate most CPG business will remain domestic. To avoid delays at ports, suppliers may bring in goods earlier and build inventory domestically. Potential tariffs from President Biden's proposed "Buy America" plan may also become a factor.



- Kevin Williamson, CEO, RJW Logistics

Using the NIGP Code for Reaching Diversity Goals

by John Walters, co-founder of Periscope Holdings
3/2/2021

As the United States continues to grapple with issues related to systemic racism and inclusion, government procurement finds itself center stage. Born of the 1960's civil rights movement, government diversity programs were kickstarted in 1971 when President Nixon created the Office of Minority Business Enterprise. He further moved the initiative forward with the issuance of an executive order directing federal agencies to develop comprehensive plans and specific program goals for a national minority business enterprise (MBE) contracting program (Larson, 2020). That definition has expanded to include small-business enterprises (SBE), woman-owned enterprises (WBE) and disabled veteran-owned enterprises (DVE). The U.S. Small Business Administration estimates there were 8 million minority owned businesses in 2018, generating 2.2 minority owned

businesses in 2018, generating 2.2 million jobs and \$49 billion in revenue for local, state and federal governments (Alexis Bateman, 2020).

So how can agencies continue to help expand supplier diversity in the present? While not readily apparent, a classification taxonomy like the NIGP Code can help agencies identify opportunities, recruit suppliers, and measure success. The NIGP Code is a classification taxonomy that provides a mechanism for entities to classify the suppliers, procurement types, and inventory using a standardized hierarchy. Since the mid 1980's the NIGP Code has been used extensively by state and local governments to classify and report on procurement activities. But how does that help supplier diversity? Peter Drucker is credited with the saying, "What gets measured gets managed." The NIGP Code becomes the measuring stick for supplier diversity within the organization.

Often in discussions with agencies, supplier diversity is viewed in relation to total spend as a pie chart. A goal of NN% is set either through statute or common agreement. If the total percentage meets that goal, success is declared. While technically accurate, it can create a spend "gerrymander" where MBE spend may be packed into a small band of spend categories and grossly underrepresented in other areas. Using the charts below, if the agency uses only total spend, it misses out on visibility of spend with MBE suppliers by spend category. Classifying spend using the NIGP Code provides visibility across spend categories and provides a window to identify categories where supplier diversity is needed.



Once supplier diversity deficiencies are identified, the task of recruiting suppliers begins. Recruiting a diverse supplier base is not a one-time event, rather it is an ongoing, intentional effort. The effort extends beyond the procurement staff, to the end user departments that interact with the supplier community as well. User departments must understand that having a diverse supplier base is an asset to the organization. It not only creates an environment of greater participation, but also reduces the potential for supply chain shocks, and it increases competition which drives value for the organization. In some cases, local diverse suppliers may not be available, which may require reaching out regionally or nationally to recruit suppliers to the process.

By classifying spend using the NIGP Code, the organization creates a data source that can be used to cross match spend by supplier, by NIGP Code, and by MBE/WBE/SBE status.

Questions can be asked of the data including:

- What is the depth of supplier diversity within spend

categories?

- What is the level of solicitation participation by spend categories by diverse suppliers?
- What is the success rate of diverse suppliers for solicitations by spend category?
- What is the participation level of diverse suppliers as subcontractors on projects?
- What is the level of participation by diverse suppliers on contracts?
- What is the level of spend with diverse suppliers by spend category?

Beyond the "feel good" factor of promoting a diverse supplier base, concrete benefits are evident, especially during the COVID-19 crisis. From the Harvard Business Review, "An inclusive procurement strategy widens the pool of potential suppliers and promotes competition in the supply base, which can improve product quality and drive down costs. And by providing more sourcing options, inclusiveness can make supply chains more resilient and agile — an increasingly important advantage in these uncertain times." (Alexis Bateman, 2020). These efforts point to supplier diversity efforts as a journey, not as a destination. Intentional policies and actions by procurement and public organizations as a whole, are required to make meeting these goals a reality.

PAPER CHASE

"On average, every shipment in the supply chain requires around 200 documents shared between as many as 28 organizations, from terminals and forwarders to shipping companies and customs. For a global forwarder, it can amount to



thousands of spreadsheets, Word documents, PDFs, and images moving between entities each day. The lack of a single system to corral the chaos between stakeholders throughout the supply chain makes the task of leveraging data seem impossible."

- Niklaus Sievers, VP of Global Customer Success, Slync.IO



Getting In Line, Not Online

Consumers are setting expectations for in-store

experiences as they begin to plan for reduced social distancing measures. That's pushing retailers to configure technology strategies for physical stores.

16% of American consumers say they would spend more in brick-and-mortar stores that used tech to improve the customer experience.

31% of consumers say they would like sales associates to use mobile devices that allow them to purchase items on the sales floor instead of at the cash register.

24% say checking inventory availability and pricing via these devices would provide a better in-store experience.

62% of consumers say they expect safety features – COVID-contact tracing, device ID, and hand sanitizer stations – to remain in-store after the pandemic.

Source: *From Bricks to Clicks: State of Mobility in Retail 2021 Report, SOTI*

Make a Difference - Become a Mentor

"A mentor is someone who allows you to see the hope inside yourself." - Oprah Winfrey

Friend. Guide. Motivator. Mentors play a vital role in our lives. A true mentor is a source of empowerment who encourages and supports the growth and development of the mentee.

Our Mentorship program has become a tremendous success, as a result we are looking for more Mentors to join the team.

Do you have what it takes to be a mentor?

A mentor guides a less experienced person by building trust and modeling positive behaviors. An effective mentor is dependable, engaged, authentic, and tuned into the needs of the mentee. Does this describe you?

There's no better time to **share your insights with the next generation of procurement leader.** Be a source of wisdom,

teaching and support. We encourage you to consider mentorship.

To apply to be a Mentor, we ask that you meet the following requirements:

- Be a member of NIGP and have held or currently hold a position in public procurement.
- Adhere to the NIGP Code of Ethics, and the NIGP Participant Code of Conduct.
- Attend any mandatory mentor/mentee training required by NIGP.
- Be available to fully support the relationship for up to a 12-month period.
- Complete an end of program evaluation.

Applications will be reviewed by the NIGP Mentorship Committee.



Newly awarded Sourcewell contracts

Contracts are competitively solicited and delivered through your local dealer or representative.

Fleet and Facility Related Vendor Managed Inventory

Managed inventory solutions for parts, fluids, equipment, and supplies for vehicle, truck, fleet, and warehouse operations, including storage, service, and parts room operation; logistics management solutions, including warehouse and transportation management services and professional services.

110520-GPC & 110520-MAN

OEM Auto Parts

Original equipment manufacturer (OEM) parts, supplies, and services for gasoline, diesel, CNG, propane, electric, and hybrid automobiles, sport utility vehicles (SUV), light trucks, motorcycles, and heavy-duty vehicles.

1010520-FMP, 101520-FMC, 101520-GNL, & 101520-NVS

Skatepark, Bike Park and Pump Track

Materials, equipment, and accessories for skateparks, bike parks, or pump tracks; and related services for design-build, site assessment and preparation, installation, maintenance, repair, and warranty.

112420-ARC, 112420-ART, 112420-CAS, & 112420-SRI

TRAVEL PROCUREMENT

Delta Projects 'Significant Increases' in Corporate Travel in the Fall

By: Michael B. Baker, Contact Reporter
April 15, 2021



Delta Air Lines reported a "slow but steady" recovery in corporate travel, with a stronger rebound—as well as a return to overall profitability—on track for after the summer months.

As of March, corporate travel levels were about 20 percent of what they were pre-pandemic, an improvement of five percentage points from where they were at the end of 2020, Delta president Glen Hauenstein said in an earnings call on Thursday. The carrier's most recent survey of its corporate customers showed that about a third planned to increase travel volumes in the second quarter, and the majority plan for employees to return to offices in the second half of the year, he said.

"We anticipate the significant increases [in corporate travel] will occur after Labor Day as we enter the more traditional business travel season," Hauenstein said. "That will happen as vaccinations become even more widespread and offices continue to reopen."

Domestic leisure bookings, meanwhile, have recovered to 85 percent of their 2019 levels, and the carrier expects leisure demand to continue to build in the coming months, particularly as Delta ends its policy of blocking middle seats next month. Pricing, however, is not recovering at the same pace, with domestic leisure yields down 15 percent from 2019 levels and unlikely to improve until late in the summer, according to a research note by Cowen.

"Management forecasts 75 percent load factor in May, followed by mid-80 percent range in June," the note said. "At that point, they can yield manage again. A major opportunity will be when business and international traffic start returning in a major way."

Delta reported passenger revenues of \$2.7 billion in the first quarter, down 70 percent from the first quarter of 2019, and total operating revenue was down 60 percent from that quarter. The carrier expects total revenue in the second quarter to be down 50 percent to 55 percent compared with the second quarter of 2019, and scheduled capacity will be down about a third.

"If recovery trends hold, we expect positive cash generation for the June quarter and see a path to return to profitability in the

September quarter as the demand recovery progresses," according to Delta CEO Ed Bastian.

Delta reported a net loss of \$1.2 billion for the first quarter.

USPS STEPS UP ITS FLEET GAME



The U.S. Postal Services (USPS) invested in the most significant modernization of its fleet in three decades. It recently awarded a 10-year contract to Oshkosh Defense to manufacture a new generation of U.S.-built delivery vehicles as part of a multi-billion dollar effort to replace the entire fleet.

The new vehicles will be equipped with either fuel-efficient internal combustion engines or battery electric powertrains. Oshkosh Defense will assemble 50,000 to 165,000 of the next-generation delivery vehicles (NGDVs) in the next 10 years.

The NGDVs will include AC and heating, improved ergonomics, and advanced technology such as 360-degree cameras. They will also have increased capacity to accommodate higher package volumes resulting from e-commerce growth.

- Source: USPS

SHOVE READY



Supermarket chain **Aldi** broke ground on a distribution center near the Port of Mobile in Loxley, Alabama. The 570,660-square-foot divisional headquarters and distribution center will service more than 100 stores in Southern Alabama, Mississippi, Louisiana, and the Florida Panhandle.

Amazon is opening a 20,000-square-foot last-mile delivery station in the Long Island City neighborhood of Queens in New York City. The e-tailer has opened, or will open 2022, at least eight other delivery stations in the city.



Phoenix-based mattress producer **Brooklyn Bedding** plans to build a 648,165-square-foot manufacturing facility and new headquarters in Glendale, Arizona, by December 2021.

Celebrating the unsung heroes of the COVID-19 pandemic: Procurement professionals

By Marcheta Gillespie
April 2021



We look forward to it every year. We rejoice in the celebrations and acknowledgements of all the amazing procurement professionals who create a significant impact in their entities and their communities. March is Procurement Month and our profession rises to the center of the spotlight. However, as this past year has demonstrated, a single celebratory month each year is surely not sufficient to recognize the tremendous value of what procurement professionals do every day.

Without procurement, state and local governments, schools, airports, universities and other entities could not carry out their missions. Procurement fuels valuable citizen services and programs, facilitates infrastructure modernization and expansion, and ensures operational continuity. At no time in our history have we seen procurement answer the call to support our communities on such a grand scale as we have throughout the COVID-19 crisis. We are part of the teams of first responders, we are working in the Emergency Operation Centers, we are on call at all hours to chase down critical goods and services needed to sustain field operations. We are innovators, we are problem solvers and we are public servants.

Change agents on the rise

While procurement isn't typically viewed as a "bleeding edge" profession, as a community we raced to the forefront of the pandemic to demonstrate our ability to be innovative and resourceful in the toughest circumstances. Through my work with NIGP Consulting over the past year, I've met with procurement professionals who are pioneering new processes, implementing state-of-the-art technology solutions and securing support from leaders on novel—yet effective—policies that will advance the public procurement practice into a new era. Entity leaders, decision makers and end users are recognizing the value of procurement as strategic partners and change agents.

Creativity counts

Procurement teams of all sizes have shown just how agile they can be, as they have learned to pivot throughout this season. I

recall my own experiences running tabletop exercises while at the City of Tucson to determine our emergency preparedness.

We would vet scenarios such as a fire or natural disaster that would prevent us from getting into the office to do our work. At the time, we couldn't fathom the idea of the entire procurement department, let alone the majority of the entity, working remotely for a year with no time to prepare. Yet, here we are—a year after most procurement professionals were suddenly told to go home and stay home—doing what we previously thought would not be possible. Most importantly, procurement professionals have proven they are adaptable and creative, coming up with practical solutions to the public sector's biggest problems.

Our commitment is unquestionable

Standing up a virtual operation was a bit jolting at first, particularly for those with antiquated policies, cumbersome processes and ineffective (or worse, non-existent) technological solutions. You didn't allow the unforeseen, the challenging, the lacking or the difficult to prevent you from stepping up, working harder and providing the critical support your entities and communities needed. In fact, the only thing harder to fathom than an entire workforce pivoting to a virtual environment overnight is the number of hurdles procurement professionals have cleared in such a short period of time under extremely extenuating circumstances.

Emergency Operation Center teams will confirm that pandemic procurement is nothing like post-hurricane procurement. Support from colleagues not experiencing the localized emergency is often available. That wasn't the case this time around. Government entities at all levels were literally bidding against one another to secure essential goods and services, sometimes sourcing from first-time vendors halfway around the world. Procurement was inundated with unknown sources, having to find ways to vet potentially unreliable, sometimes unqualified vendors. In spite of those challenges, the procurement community unified and leveraged its collective knowledge, skills and resources. Through synergy, procurement teams across the nation demonstrated the full power of our professional community.

Though I'm impressed at the collaborative sourcing that occurred for personal protective equipment (PPE), medical supplies and other high-value items, I'm even more proud to be part of a community that was willing to pause, even in the midst of emergencies, to provide help to peers throughout the country.

The alliances that were formed and strengthened between procurement practitioners across the United States—and even around the globe—inspired us to work through our collective difficulties. We shared our experiences, we combined data on vetted sources, and we offered ideas and solutions. We also conveyed our challenges more broadly and sourced possible solutions through virtual webinars, training sessions and coffee chats. Our stakeholder partners went above and beyond to ensure public procurement professionals had access to the tools, insights and support needed to help procurement rise to the occasion.

We have a long road to recovery, or to whatever our "new normal" may be, but I know without a doubt that this profession and all of you have what it takes to get us there.

Change is necessary

While it may not have been fully evident when we are in the thick of things, COVID-19 forced our profession to face certain realities. Processes that were broken, policies that were too rigid and systems that couldn't sufficiently facilitate a full procure-to-pay workflow quickly became glaringly apparent. This season of disruptive change forced us to expedite those long overdue assessments of our current state and have created new opportunities for us to consider a new, future state. Let us not lose sight of this incredible opportunity to envision a more effective and efficient "new normal."

By thinking and, more importantly, working outside the box, we have enabled our clients to achieve their goals. We have shown that we can accomplish a great deal working collaboratively with our internal and external stakeholders.

In the coming months, we'll start to reflect upon how well public procurement departments actually performed during the pandemic. We'll start to analyze the true value of quantified versus qualified metrics. We'll assess whether our established policies, procedures, systems and even staff fared well when under pressure. Along the way, we would be remiss if we failed to consider making changes, providing new training or refining our organization's best practices.

People make the biggest difference in government's ability to successfully secure the goods, services, construction and systems needed to build thriving communities, but we need to ensure they are well-equipped to succeed in their tasks—no matter how big or small. We must ensure our staff and our colleagues feel valued, appreciated and supported.

Make it a priority to share what procurement has accomplished within your entity and your community. By acknowledging our continued challenges, embracing our collective strengths, and pooling our collective resources, we will continue to overcome and adapt to any situation—and elevate procurement's profile across the entire public sector. Remember, YOU are the unsung heroes of this pandemic and you are to be celebrated every day!

Marcheta Gillespie, FNIGP, CPPO, NIGP-CPP, C.P.M., CPPB, CPM, is president of NIGP Code & Consulting, procurement trainer/instructor for Periscope Holdings.

This article originally appeared in the Q1 issue of Government Procurement.

6 Procurement Skills Every Sourcing Hero Needs

by Mackenzie Oakley
April 14, 2021

To quote the Peter Parker principle: with great power comes great responsibility. And with great responsibility comes the need for a greater skillset.

No matter what position they hold in the organization, every procurement professional should possess "must-have" soft-skills and attributes including communication,

adaptability, resilience, and business acumen. In order for a Sourcing Hero to be successful managing several categories, they'll need to acquire an entirely new set of "harder" skills.

In this article, we list the top six procurement skills that will take your Sourcing Hero abilities to the next level.

Research

If you thought your research days were behind you when you finished college, you were mistaken. Research is a critical skill that enables Sourcing Heroes to gather market intelligence to support them to keep costs down, mitigate risk, and anticipate future disruption.

Intelligence can be sourced via desktop research, through your supplier ecosystem, through third-party intelligence providers, and even with the help of cognitive procurement AI. Research requires patience, commitment, curiosity, and the ability to critically judge the quality of the information you've uncovered.

Data analysis

It's no good gathering data if you're not going to put it to use. Sourcing Heroes use data analytics to guide decisions, reduce supply chain risks, evaluate supplier performance, predict future demand, and more. Data analytics requires technical know-how, critical thinking, data visualization skills, and presentation skills for communicating insights to others in your organization.

Supplier Relationship Management

Leading procurement professionals know that although immediate savings can be generated by simply choosing the cheapest supplier, much greater value can be gained over the long term through Supplier Relationship Management (SRM).

Benefits include continuous improvement, a higher likelihood of supplier-led innovation, better customer service, reduced costs, increased efficiency, and less price volatility. SRM requires highly-developed soft skills such as influencing, leadership, change management, and the ability to get the best outcome for your business in a negotiation without damaging a long-term relationship with a strategic supplier.

Looking beyond cost

What sort of value can your categories bring to the organization beyond cost reduction? The motivation to look beyond the purchase price is driven by factors including the overall focus of

organization, the current economic climate, and the maturity of the procurement function.

Factors beyond purchase price include lifecycle or Total Cost of Ownership (TCO), ethical, social, and sustainability considerations, and improved innovation.

Moving beyond costs requires a new way of evaluating suppliers, and may also require influencing and communication skills as you convince business stakeholders of the value of looking beyond the immediate purchase price.

Aligning with company goals

For the procurement profession to continue to thrive over the next decade, it has to remain relevant. Sourcing Heroes, therefore, need to link their activities, KPIs, goals, and targets to those of the wider organization. This is not the CPO's sole responsibility.

Keep in mind that enterprise-level goals are fluid, and can change dramatically in circumstances such as an economic downturn or with the commencement of a new CEO.

To help with alignment, Sourcing Heroes should employ the same language as that used by the organization and avoid procurement jargon. They should be able to articulate how each of their procurement-focused activities contributes to company-wide business objectives.

Strategic thinking

As Sourcing Heroes, procurement professionals are expected to be able to shift out of tactical mode to start thinking - and behaving - strategically.

Strategic thinking involves stepping back to consider the bigger picture rather than focusing solely on the immediate problems at hand. This isn't always easy to do so, particularly in under-resourced teams. In this situation, a Group Purchasing Organization can take on the day-to-day management of a category, freeing up the sourcing professional to think strategically about value, cost, risk, sustainability, and to make a plan.

Funny Procurement Memes

