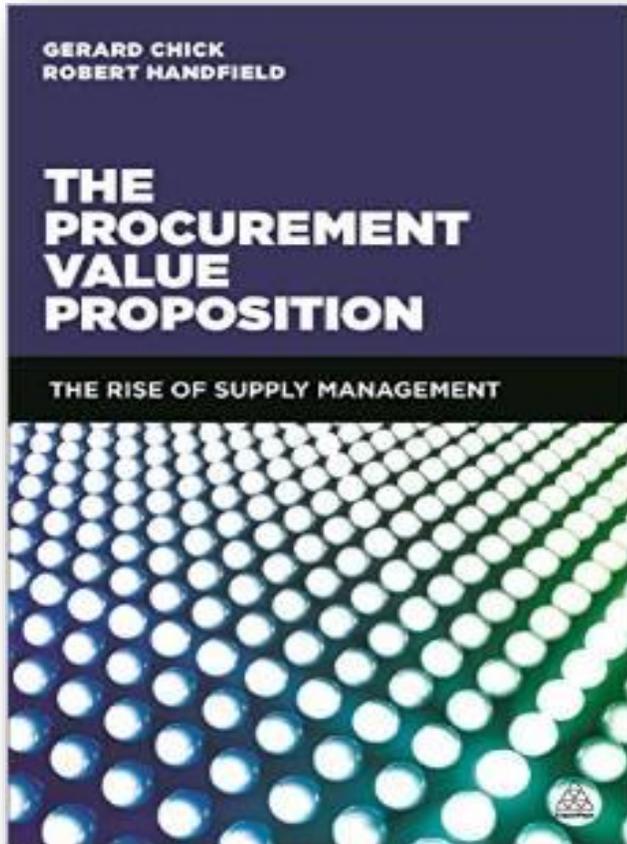


# The Procurement Value Proposition to Business

Gerard Chick

Helsinki 28<sup>th</sup> September 2018

# Where am I coming from?



## Some key words:

- Presence
- Awareness
- Appropriateness
- Understanding
- Competence

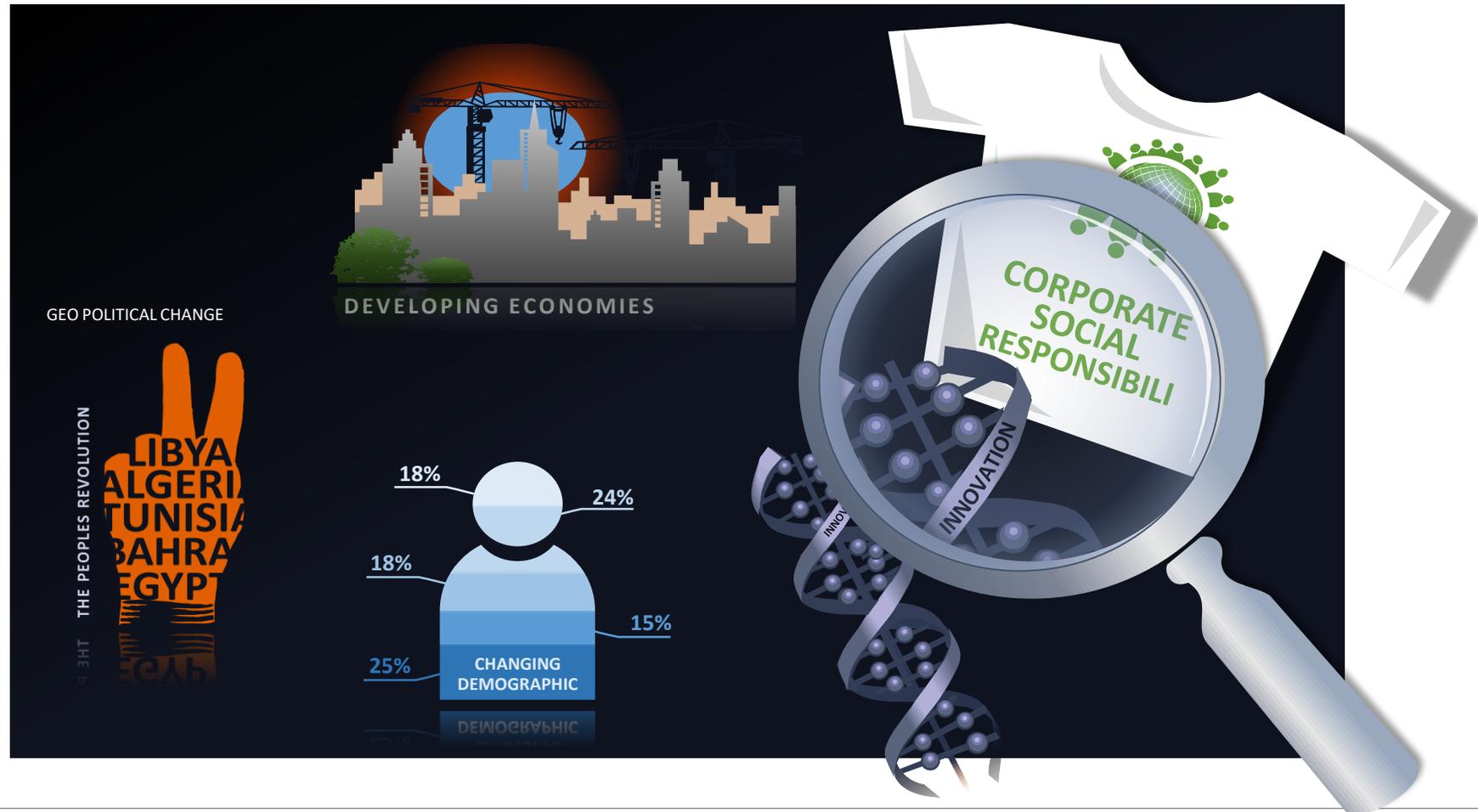
My book published in 2014; winner of the prestigious Grand Prix ACA-Bruel and ACA –Bruel Lauréat 2015.

# A Bigger Splash

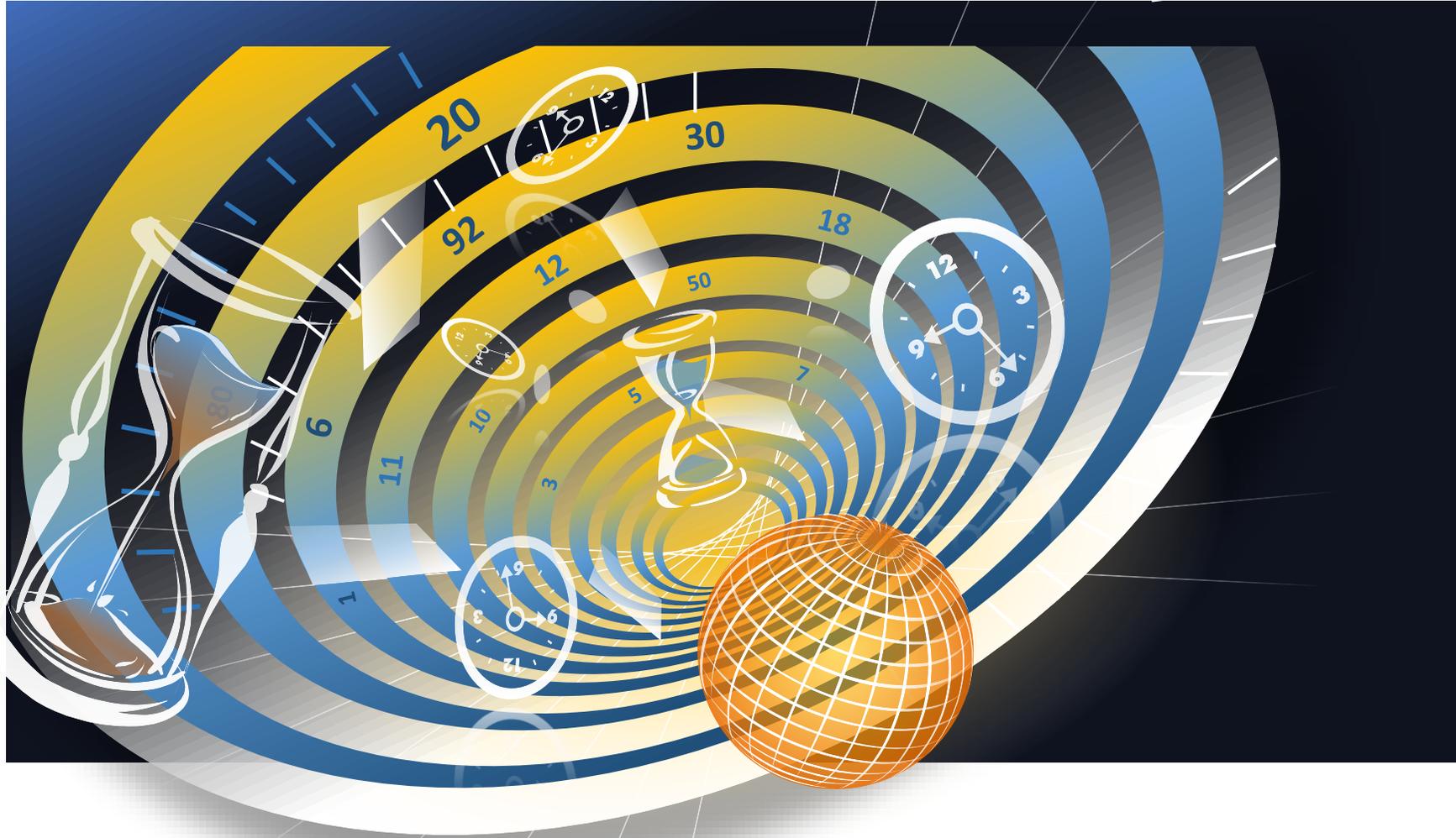


©David Hockney 1967

# The 5 Game Changers



# Certainty versus Uncertainty





# Has our concept of risk changed?

NEW  
ECONOMY.  
NEW GAME.  
NEW RULES.

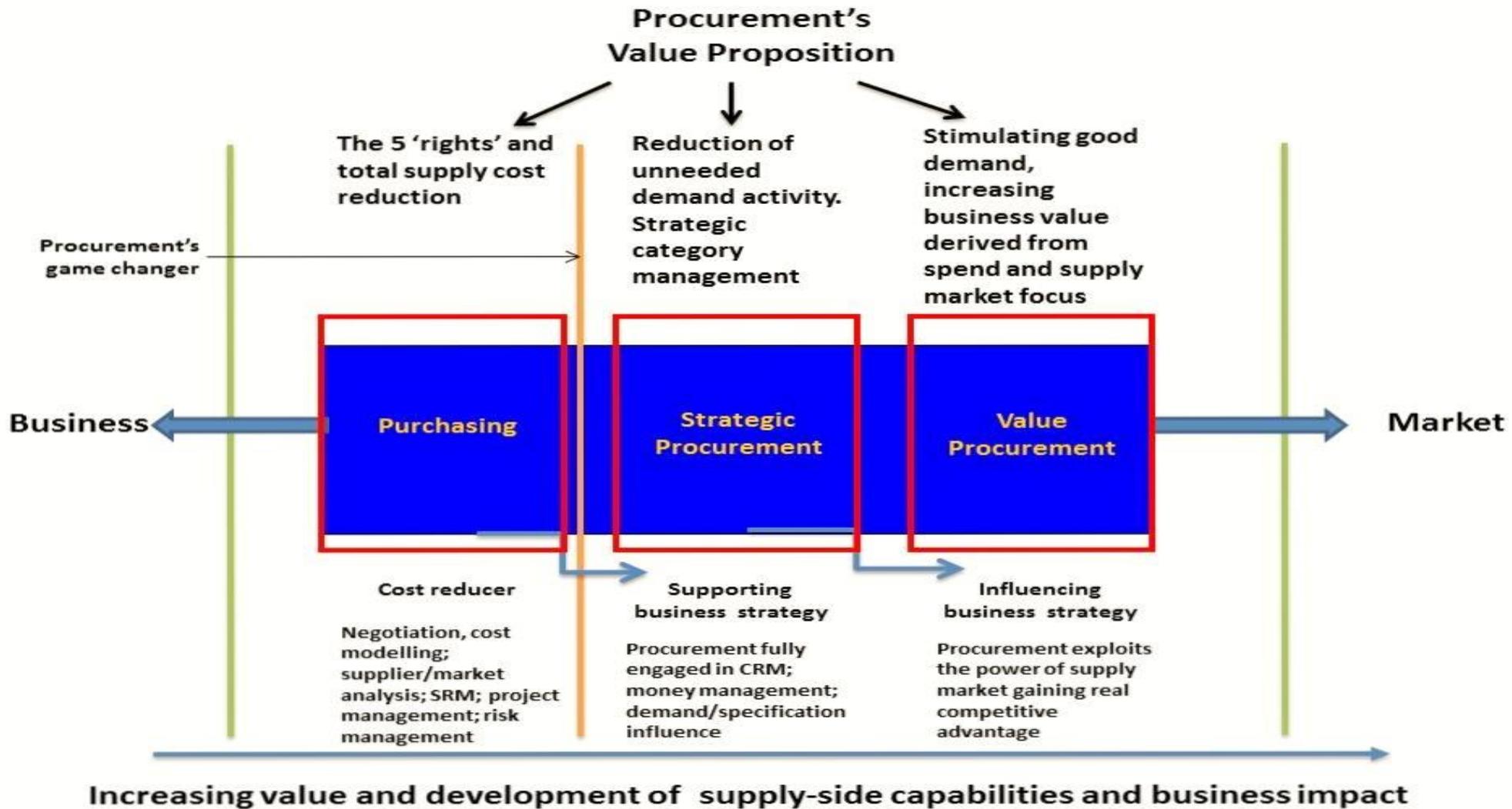
	Conventional	New
Risk management paradigm	Uncertainty-based	Complexity-based
Rating mechanism	Probability of Default (PoD)	Current State of Health
Time frame	Mid/long term	Short term
Economy	Smooth, regional	Turbulent, globalised
Measure of Success	Growth	Survival
Approach	Fragmented	Holistic
Mathematical techniques	Statistical/MCS models	Model-free

The table presents a comparison between the uncertainty and complexity-based philosophies behind risk management. The fundamental difference lies in the idea of a rating:

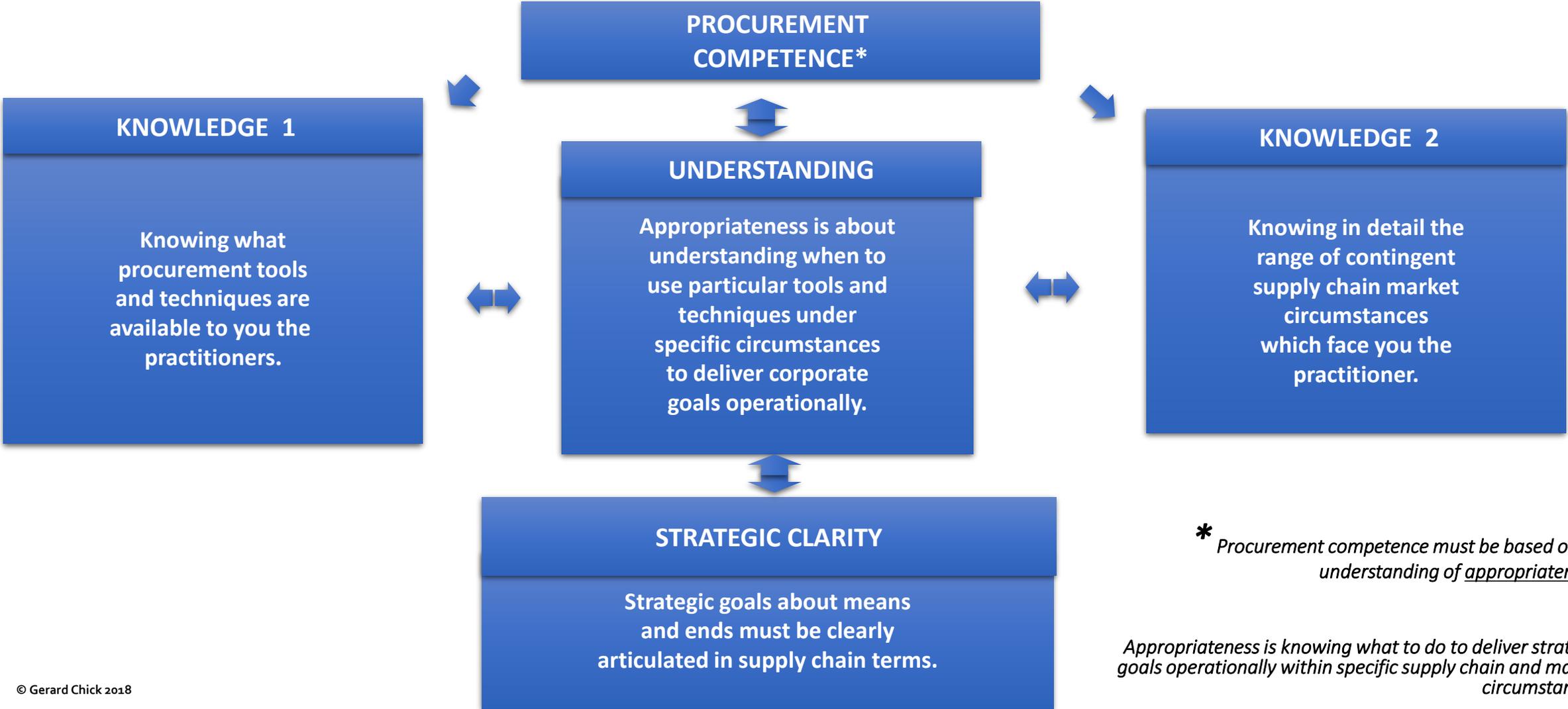
- Conventional risk rating: Probability of Default within a certain period of time ( i.e. years).
- Current risk rating: measure of the present state of health, no future projection (e.g. like doctors).

A less complex company is less exposed and can better confront an uncertain market.

# Procurement's Value Proposition to business

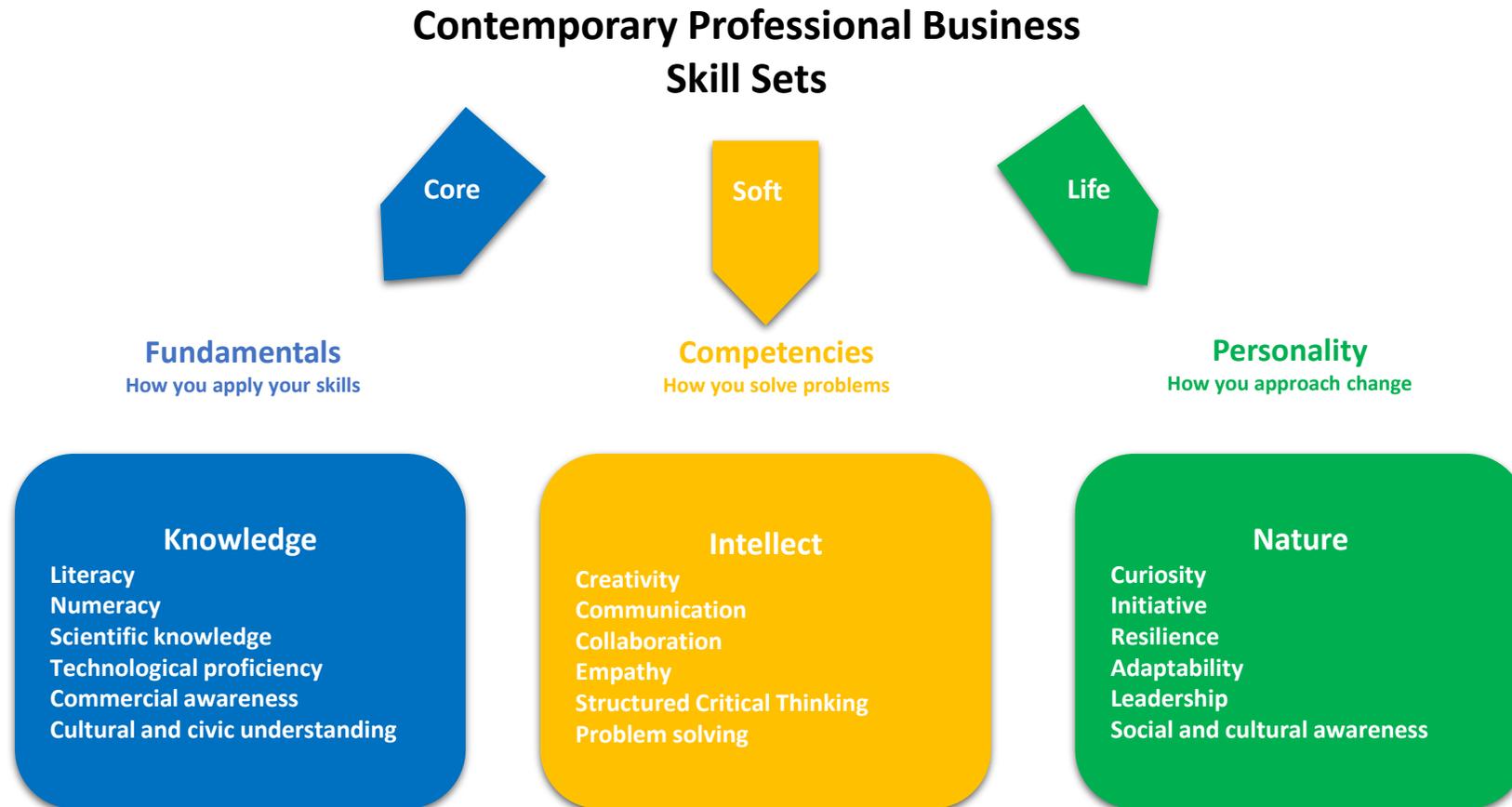


# Secret to success in Procurement: competent people



© Gerard Chick 2018

# Procurement Skill Sets in 21<sup>st</sup> Century



# Who do we need?

## Business Savvy



They will be professional; polished; intelligent; respected; influential; persuasive; visionary; strategic; sharp; global; and collaborative.

## Part Commercial

## Part Analyst

Technology - smart phones, tablets, embedded chips, have created a mobile work environment for procurement professionals



## Tech Savvy

## Enablers



Procurement professionals will deliver strategic impact, in organisations they just won't be part of a large, discrete, enterprise-level function any more.

Procurement professionals will know everything, from the science, economics, law and politics of their supply markets on a global scale.



## Students of Industry

## Executive



Procurement professionals will focus on profitability, but will they concentrate on cost savings or revenue growth to get there. These people will make and take that decision

Procurement professionals will generate consensus around how to measure risk, and access standardised, readily available information for operational risk assessment.



## Risk Aware

## Commercially Prudent



Procurement professionals will share risks and rewards in contracts, and will accept greater risk in relationships so as not to de-motivate suppliers.

Procurement professionals need to be data experts, able to see major trends and important takeaways in a mass of data at a glance.



## Analytics



# The future of you

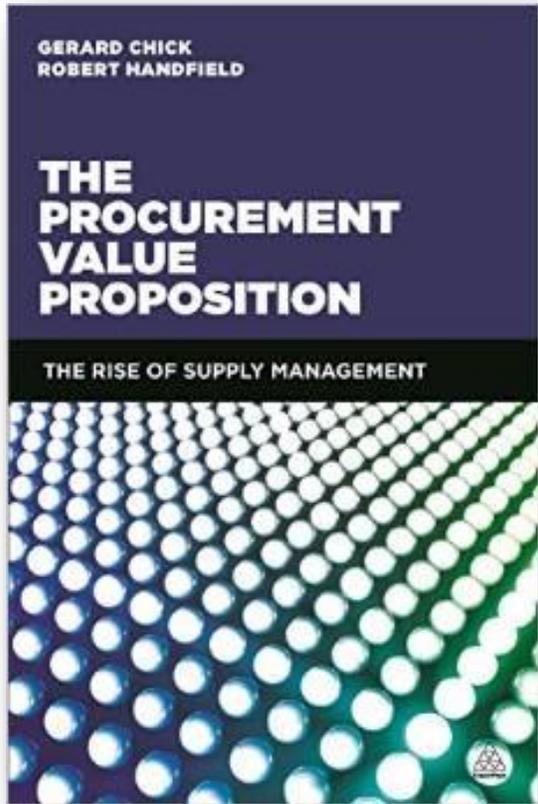


# What you should do next?



*"Truth will come sooner out of error than from confusion."*  
*Francis Bacon: The Advancement of Learning (1605)*

# Do you have any questions?



Contact details:

[gerard.chick@gmail.com](mailto:gerard.chick@gmail.com)

+44 7847 567010