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Picturing procurement in a perfect world!



What is the difference between *average* procurement and *outstanding* procurement? A dictionary definition of *'procurement'* is: *the act of obtaining or purchasing by the use of effort, care or special means*. In business terms, in particular, it is the effort, care and special means which matters the most – and for truly smart businesses it should be far more than just purchasing at the lowest price.

For so many businesses today, including many global corporates, their procurement departments have become nothing more than price comparison warehouses. So often these teams are measured against immediate, short term cost reduction rather than securing long term global and local added value. But the lowest upfront price is rarely the best, most efficient, practical or profitable for the business.

A buying function or strategic procurement department?

Statements that start with the phrase, *"In a perfect world..."* can usually be written off in an instant because they go on to describe hypothetical scenarios that simply don't exist. They lead to pointless, time wasting statements that ignore the very real problems which exist and need to be overcome first. Occasionally, however, they have complete relevance because they are based on proven, evidenced, operational fact!

In a perfect world, the procurement department for any global enterprise should focus 100% of its time on strategic activities, finding the perfect solution for every single area of the business. It should spend zero effort, time or attention on transactional sourcing or day-to-day *'buying'* activities. This procurement department should be able to focus on the contracts that deliver the highest return on investment, or generate the most revenue, rather than purely thinking about the cost. To do that, they would need to understand the niche requirements of each local market where the business operates, set up measures to ensure their compliance, and provide them with a user-friendly buying experience. Each individual supplier, operating under a centrally controlled global contract, could then be measured for performance and obliged to meet the standards required by the global contract.

In a perfect world, every element of the buying cycle would be controlled, measured, audited, fully integrated, revenue generating and cost effective. In a perfect world...

What about complexity?

If all a company ever purchased were simple products and services from sole suppliers, with no variations, minimal regulations, and access to the same standards all over the world – a simple eCatalogue would suffice. The problems arise and rapidly stack up when there are complex items involved – in other words in the real (not the perfect) world. The solution,

therefore, is not to create a perfect world, but to find the perfect system which can manage the complexity on behalf of the procurement division. That reality is possible!

That system would comprise of an end-to-end solution from source-to-pay, including complex categories, and integrate seamlessly with existing ERP and logistics systems. It would also give you 100% spend under management and compliance, strategic working capital support, detailed spend analytics and a stunning user experience.

That is the difference that a perfect eCataloguing system can make for a global business, operating in localised environments. OK, maybe *'perfect'* is too bold a claim – but we are certainly confident enough to call it **Geneus**.