

The Deloitte Global CPO Survey 2013



Welcome



Welcome to the 2013 findings of the Deloitte Global CPO Survey.

This year we are yet again able to present you with a truly international outlook, reporting on the responses of over 180 Chief Procurement Officers and Procurement Directors from 17 different countries across the Americas, Europe, the Middle East, Africa, Asia and Australasia.

The Survey continues to be a benchmark of Procurement sentiment, tracking key business indicators such as cost, supply market security and price volatility as well as the CPO's perceptions of financial prospects, plans and expectations for the immediate future.

This release contains specific insights into the challenges of business partnering, the growing accountability for risk management, the opportunities associated with the digital revolution and the development of top talent.

In the report you will find:

- Chapters on the major topics, with infographics presenting the key findings.
- Observations and practical tips from Deloitte and some of the senior Procurement professionals operating in the market today.
- A breakdown of the major differences between industries and geographies.

We hope you will find this report a valuable tool to help you in your role as a trusted Procurement leader. To the many executives who have provided input into the Deloitte Global CPO Survey 2013, thank you for your time and your insight. We look forward to continuing the dialogue with you.

James Gregson

Head of Sourcing & Procurement, UK
Partner, Deloitte LLP

Executive summary

EXECUTIVE SUMMARY	VIEW FROM THE MARKET	PARTNERING NOT PROCESS	RISK ACCOUNTABILITY	THE DIGITAL AGE	TOMORROW'S TALENT	INDUSTRIES	REGIONS	ABOUT THE PARTICIPANTS	CONTACTS
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This year’s CPO Survey describes a function that is performing strongly, while at the same time concerned about its broader impact in the business. CPOs are proud of their achievements with 88% having delivered or exceeded their savings plans, but with almost two thirds feeling they have been only somewhat effective at delivering value to their stakeholders.

As we start to move into a time of economic recovery and growth, we witness global corporates starting to reprioritise the development of new products and new market entry. CPOs are becoming acutely aware of the limitations of the cost-reduction agenda they have been playing to and the shortcomings in their arsenal as they face the call from the business to pivot and serve a new expansionary agenda.

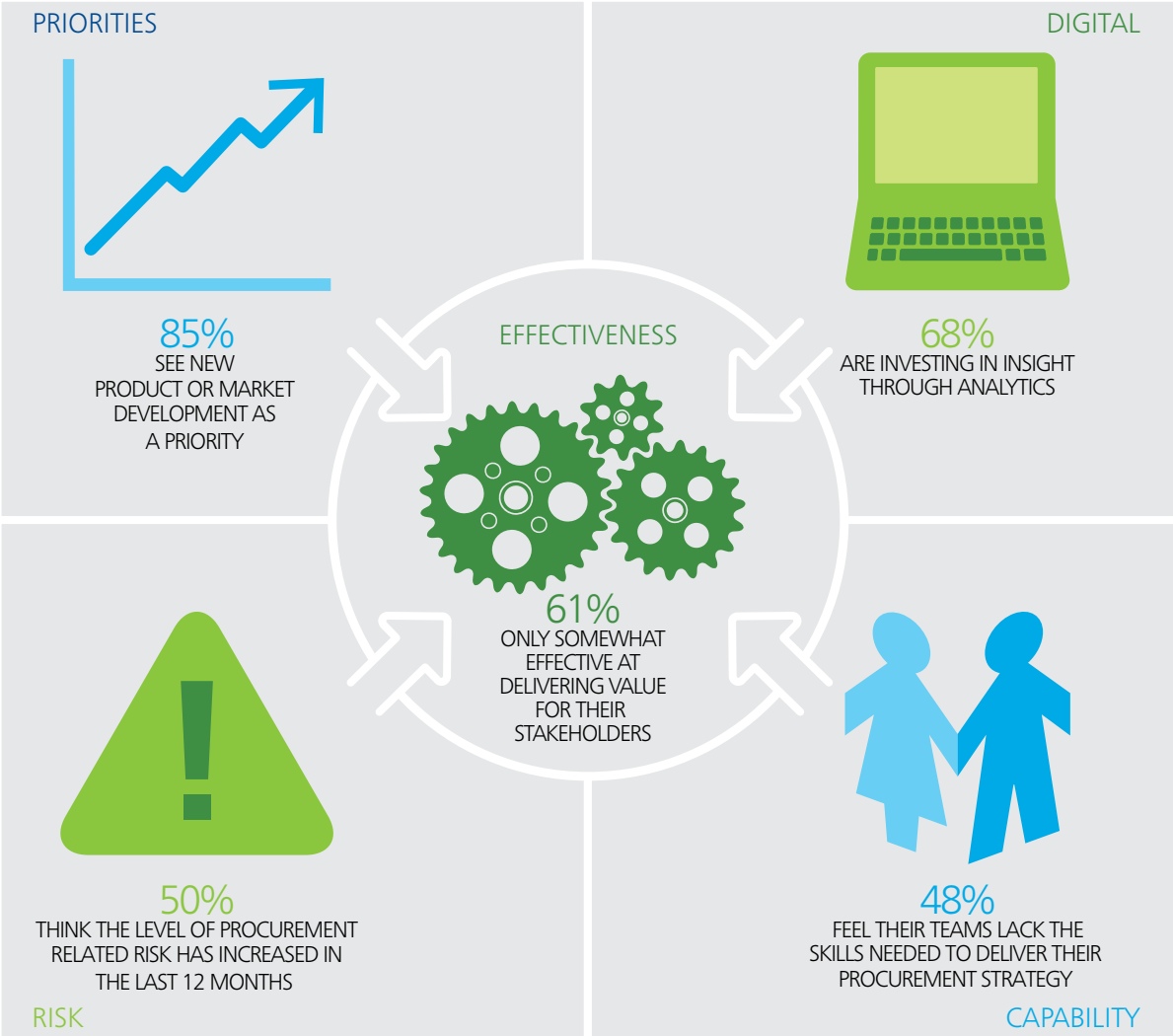
Growth will still need to be funded, so cost management and cash releasing strategies will continue to be a priority. But expansion will also likely mean the need for new suppliers and more innovative supplier incentive models as businesses lean on their supply chains for competitive advantage. The nature of the risks associated with this shift in strategic focus may be different to recent years but just as prevalent, if not more so. Procurement’s ability to service, or in some cases shape this agenda, will be defining of its continued relevance during this next stage in the economic cycle.

In this report we examine how CPOs are responding to these challenges and looking to close the expectation gap by:

- Reviewing their business partnering models to improve their internal engagement and influence
- Recognising the need for their teams to become more embedded in the risk management agenda
- Investing in new analytics solutions to improve supplier insight and enhance the overall experience of working with Procurement
- Prioritising broader business acumen over traditional procurement skills in their teams, and taking fresh approaches to developing the talent of the future.

Procurement must continue to adapt and evolve to remain relevant. Such a shift may require handing back, abandoning or outsourcing those activities that once defined Procurement but now are seen as easy to replicate or adding little value. Funding growth, mitigating its associated risks and working alongside the business to develop differentiated and robust supply models will be the indicators that demonstrate Procurement’s ability to deliver value for their stakeholders in the years ahead.

VIEW FROM THE MARKET ►



View from the market **Key findings**

EXECUTIVE
SUMMARY

VIEW FROM
THE MARKET

PARTNERING
NOT PROCESS

RISK
ACCOUNTABILITY

THE DIGITAL
AGE

TOMORROW'S
TALENT

INDUSTRIES

REGIONS

ABOUT THE
PARTICIPANTS

CONTACTS

What happens after “green shoots”?

For the first time since we launched the CPO Survey in 2011, economic commentators have moved away from talk of double or triple-dip recession and may now be reaching for a new phrase to describe what happens after the “green shoots” of recovery. While confidence signals are mixed across regions – Europe and China have falling confidence but it is picking up in the UK and US – the World Bank’s latest Global Economic Prospects report shows overall global growth on the up, with aggregate GDP now rising at 2% a year.

Growth is not likely to return to pre-crises levels any time soon, however many indicators have reversed more recent trends. Industrial commodity prices are easing as new supply comes online, M&A activity is picking up, and 54% of CFOs say now is a good time to take greater risk onto the balance sheet – the highest for 6 years¹. In the words of Deloitte’s Chief Economist Ian Stewart: “Austerity is out and expansion is coming in. Cost control and cash conservation are moving out of favour. Expansion is, once again, the top priority for corporates”.

Cost still the top priority for CPOs

As the global economy navigated turbulent and often unpredictable waters, CPOs remained certain of their focus – taking cost out and supporting a return to profitable growth. This focus has not changed, with cost reduction still the top priority of respondents, but expectations are changing. Our respondents recognise this shift and new products and expansion have risen to join cost reduction at the top of CPOs’ priorities for the coming 12 months.

As the agenda starts to change, CPOs seem to recognise the challenge to their status quo and are questioning their ability to stay relevant. While 88% of CPOs stated they either delivered or exceeded their savings plan last year, a large number commented that sustaining this level of value delivery was the primary cause of sleepless nights. This uncertainty is reflected in the wide range of levers respondents plan to use to deliver value.

Re-badging

This shift will pose a number of major questions to Procurement leaders: Are they set up with the right skills and tools to address new challenges? How can alignment be driven between Procurement and its stakeholders in this new climate if they have become synonymous with a cost cutting agenda? How will Procurement ensure the supply base makes a real contribution to the shifting business agenda through the introduction of innovation? In many ways, Procurement’s ability to manage a change in priorities will prove whether or not the function has come of age in the way many commentators have been claiming for some time.

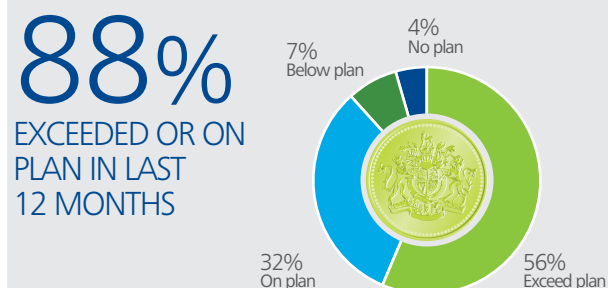
1. Deloitte CFO Survey, Q3 2013.



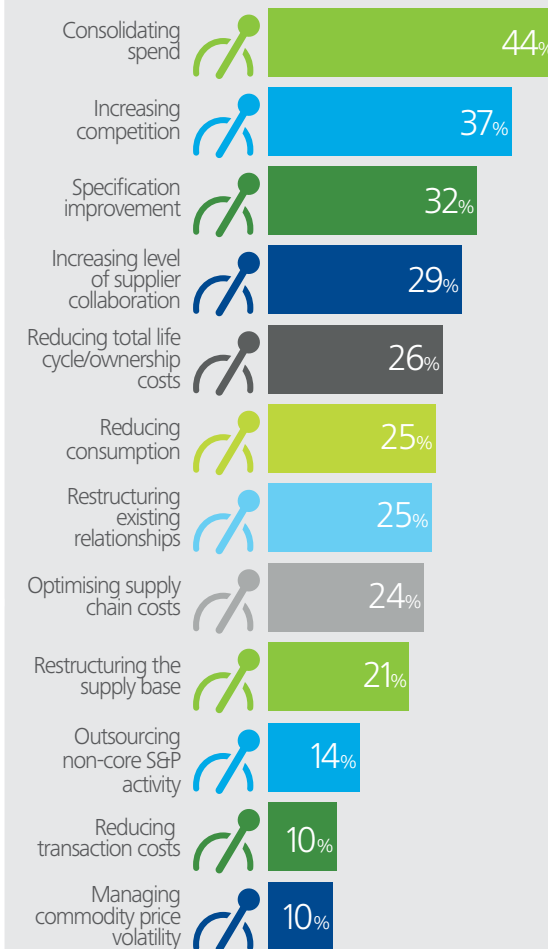
CPOs TOP 3 PRIORITIES



PROCUREMENT PERFORMANCE



CPOs WILL DEPLOY MULTIPLE PROCUREMENT LEVERS



PARTNERING NOT PROCESS ►

Partnering not process Key findings

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Creating the right agenda

Effective business partnering is recognised as a critical component of any successful enabling function today. However, when asked to self-assess, the clear majority of CPOs felt that their ability to deliver against internal stakeholder expectations was only somewhat effective.

When you consider that almost 9 out of 10 CPOs delivered or exceeded their plan last year, this raises questions as to whether that plan was correct, or more pertinently, if the business placed sufficient value in that plan.

Making measures relevant

Cross-functional working and physical co-location with internal stakeholders are clearly not the only answers to successful alignment as three quarters of respondents are doing that already. It appears more likely that a lack of true integration between Procurement and broader business objectives is hampering effectiveness. The Survey shows that, in a third of cases, Procurement is not sharing its objectives with the business at all.

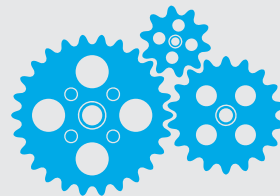
That 56% of respondents have no formal measure of internal customer satisfaction is something that can be addressed rapidly. But alignment will be driven by a broader set of measures than just satisfaction. With fewer than one third of CPOs measuring innovation, operational efficiency or compliance, there is clearly still some opportunity to balance the Procurement scorecard. Ultimately, Procurement should be looking to adopt the language and measures of the business rather than defining its own indicators of success. This in turn may make it more palatable and relevant for CPOs to communicate their results outside of the function (something that only 57% are doing today).

Making the time to partner

Balancing the Procurement scorecard will have a direct impact on the time invested in non-sourcing related activities. Business partnering, like supplier management or risk management, is frequently underinvested due to the prioritisation, or singular measurement of sourcing related savings.

This might force a review of activities undertaken within the team as 36% of CPOs today do not feel they have sufficient resource to optimise value delivery. However, we believe that prioritising the development of business partnering skills, and dedicating time and resource to these activities, will significantly advance Procurement's influence in the business and improve its overall effectiveness at delivering stakeholder value.

PROCUREMENT EFFECTIVENESS



61%
ONLY SOMEWHAT
EFFECTIVE AT
DELIVERING VALUE
FOR THEIR
STAKEHOLDERS

CUSTOMER SATISFACTION



ONLY
44%
MEASURE INTERNAL
CUSTOMER
SATISFACTION

PARTNERING STRATEGIES



77%
WORKING IN CROSS-
FUNCTIONAL TEAMS



63%
HAVE PROCUREMENT TARGETS
JOINTLY OWNED WITH
INTERNAL STAKEHOLDERS



57%
MEASURED AGAINST
BALANCED SCORECARD



45%
PHYSICALLY CO-LOCATED
WITH THEIR STAKEHOLDERS

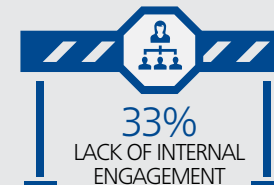
BARRIERS TO DELIVERING VALUE



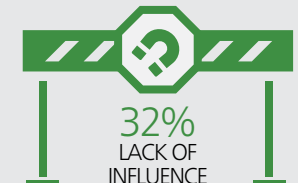
45%
MISALIGNED
OBJECTIVES



36%
LACK OF
RESOURCE



33%
LACK OF INTERNAL
ENGAGEMENT



32%
LACK OF
INFLUENCE

Partnering not process Next steps

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WHAT CAN PROCUREMENT LEADERS DO TO GET CLOSER TO THE STRATEGIC EDGE OF THEIR ORGANISATION AND BECOME A MORE EFFECTIVE BUSINESS PARTNER?

Why does the business need you?

One of the organisations we have recently spoken to has run sessions with senior members of the Procurement team challenging them to ask why their business should even have an internal Procurement function. With an increasingly capable Procurement outsourcing market, and Procurement process no longer being a value differentiator, consider what you should be doing, not what you can do. In doing so, look to foster an environment where you create a true pull for your expertise from the business.

Tailored measures and accountability

The implementation of a true Balanced Scorecard for Procurement should help to articulate your current activities and how they connect to corporate objectives. Build your scorecard as a cascade of your stakeholders' objectives and be prepared to be measured by unconventional metrics such as P&L impact and quality. Talk risk and quality with your head of manufacturing, management and cost avoidance with the COO and P&L numbers with the CFO. Make sure your measures include a true take on customer satisfaction and ensure they are visual, relevant and timely.

Come prepared

In this fast moving market, the business requires insight in a timely fashion. Using RFPs and RFIs as the primary means of collating information is seldom acceptable. Challenge yourself to understand needs before they arise and approach your stakeholders with as much insight as you can based on data, research and a deep understanding of the supplier market.

See partnering as a distinct skill

Building relationships, shaping strategy and being seen as a trusted advisor is a distinct skill set that, in many cases, requires a certain sort of individual. As these soft skills are often difficult to teach, consider creating dedicated partnering roles, or at least making business alignment the responsibility of a nominated group of individuals. Reflect on who is best placed to act as the front-window of Procurement, and then arm them with the support of the other assets and tools that have been built up within the Procurement function.



MY TAKE

John Dickson
Ex-CPO H J Heinz and Diageo plc

"The Procurement function does need to be more business savvy and more holistic in their view of the business and its activities. I think part of the challenge is educating the business, and helping them to understand the Procurement function from A-Z, but I also think that it requires Procurement to be able to stand in their stakeholders' shoes. To do this, Procurement must get under the skin of what the business needs by being able to ask the right questions."



Point of view
John Dickson
Ex-CPO H J Heinz and
Diageo plc



Point of view
Guy Hubball
Vice President Indirect
Procurement and Group
Real Estate, BP

Risk accountability Key findings

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More often, more expensive

Through this recent economic cycle it is clear that increased regulation and financial weakness seemed to heighten risk awareness in Procurement. However, this is no longer expected to be a temporary trend. CFO appetite for taking risk onto balance sheets is at its highest level in six years, and the fresh drive for profitable growth will place new pressures on the function and its leaders.

There is strong evidence to suggest that the complexities created by the rise in the levels of outsourcing and global sourcing have significantly increased the likelihood of risk events occurring. There is also little doubt that the financial cost of these events are greater and longer lasting than in the past.

So what is the role for Procurement?

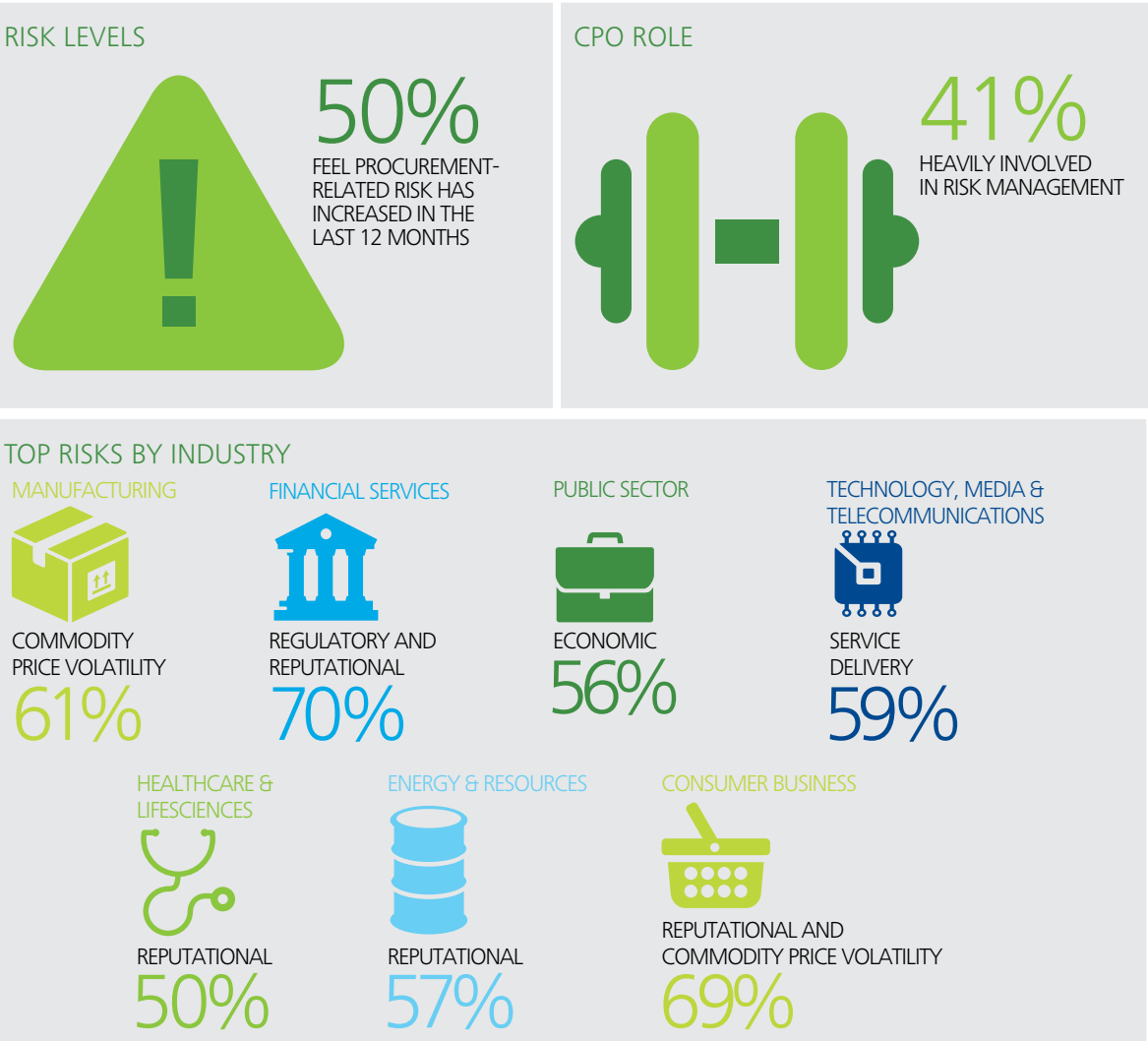
In recognition of the growing impact being made by those making the sourcing decisions, almost all CPOs responding to this survey confirmed that they now have a role to play in risk management. However that role is evolving.

Attending risk related meetings is currently the primary means by which Procurement have involved themselves in risk management, whilst process governance and policy guidance are the two most commonly used mitigation methods. This may have been sufficient in the past, but in order to support the growth agenda, CPOs will need to play an improved auditing and monitoring role. This should not be a policing role, but more advisory, raising visibility and accuracy of risk related information, working with the business to understand and manage the trade-offs and options available.

Capability to deliver

In many industries, Procurement is still coming to terms with this increased accountability and most of the methods being used reflect that immaturity. If Procurement is to meet the expectations of the business then CPOs will require more sophisticated tools and approaches to evaluate and monitor future supply market risk. These capabilities do not necessarily need to be in-house, but CPOs need to be accountable for providing them.

If Procurement is to bridge this capability gap then solutions and techniques such as real time reporting of supply chain risk through interactive dashboards, and scenario planning through the use of predictive analytics, are very likely to increase in prevalence in the near future.



Risk accountability **Next steps**

EXECUTIVE SUMMARY	VIEW FROM THE MARKET	PARTNERING NOT PROCESS	RISK ACCOUNTABILITY	THE DIGITAL AGE	TOMORROW'S TALENT	INDUSTRIES	REGIONS	ABOUT THE PARTICIPANTS	CONTACTS
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AN INCREASED FOCUS ON THE RISK AGENDA FROM BUSINESS LEADERS OFFERS ANOTHER EXCELLENT OPPORTUNITY FOR CPOs TO DEMONSTRATE THEIR WORTH.

Shareholders are concerned with the potential reputational, operational and, of course, financial impact of supply chain failure. So, how can Procurement leaders support their businesses to build a resilient supply chain?

Visibility

Ask yourself: Do you have full transparency of your supply chain? Of the tiering structure and the inter-relationships between suppliers? The tsunami that devastated Japan in 2011 brought this question to the forefront, as global manufacturers suddenly understood their reliance on several critical tier two or three suppliers for technically complex parts. What about full visibility of your suppliers' operational and financial performance? Visibility enables businesses to address supply chain issues before they become problems. Leading companies are now recognising this and are investing in advanced predictive analytics tools to help with this challenge. However, as our survey shows, with over two thirds of respondents stating that they rarely or never use such tools, there is a long way to go.

Flexibility

Whilst supplier consolidation and outsourcing can bring benefits in terms of economies of scale, they can also increase risk levels. Such risks need to be identified with appropriate mitigation strategies in place. For example, approval of alternative sources or facilities for supply and changing specifications to use more commonly available raw materials. Being flexible is critical to avoid lengthy production stoppages and delays in the event of supplier or supply chain failure.

Collaboration

Working closely with critical suppliers has always been an aspiration. However, how suppliers are identified as being critical and what the focus of that collaboration is can be challenged as risk management becomes more important. Have you identified, and are you working with, those suppliers deemed high risk, not just those suppliers with the largest spend? What if they are not your direct suppliers?

Skills

To ensure the right accountabilities in your organisations, risk management skills need to be embedded in your category or supplier management teams. Risk management capability should not be seen as a bolt on, or a luxury to be provided by somebody else. Key risk management skills for your Procurement team should build on their supplier market understanding and include things such as scenario analysis and contingency planning. Ensure you invest in up to date risk management training and use your analytics capability to bring insight and support decision making.

THE DIGITAL AGE: KEY FINDINGS ►



MY TAKE

Dan Crease

Global Head of Outsourcing and Supplier Management, HSBC

"I think CPOs need to ask themselves a number of key questions on a regular basis to truly understand their risk profile. Things like: 'Who are our key suppliers?' 'Who is managing these suppliers on behalf of the organisation?' And, 'which executives are sponsoring those individuals' efforts?' Visibility of the answers to those questions is the first step in taking control of your supply base. Once you start to answer those questions, those questions begin to form part of your team's day-to-day working. That will then drive you towards more effective performance management of suppliers, and the investment in risk control practices that support an ever complex and growing business."



Point of view

Dan Crease
Global Head of Outsourcing
and Supplier Management,
HSBC



Point of view

Kristian Park
Partner, Deloitte

The digital age **Key findings**

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Technology on the agenda

Technology remains a high priority for CPOs with seven out of 10 respondents planning some or heavy investment in technology over the next year. With recent economic performance so positive, it is perhaps no surprise that Procurement is expecting to be given further permission to invest, especially in tools with the promise of unlocking more value. According to this year's results we can expect to see a reprioritisation of data analytics in 2014. This is back after being the most popular area of CPO investment in 2011. We have seen the nature of analytics solutions change in those three years, becoming more multidimensional, dynamic, and insightful. However, for the majority there still appears to be some way to go.

Hindsight, insight, foresight

Seventy five percent of our respondents have acknowledged that their teams' analytical capabilities are still exclusively based on retrospective data. Whilst still the norm for most, it has been encouraging to see the rise of more live and even predictive analytics, creating insight and modelling capabilities that can underpin a much broader and more valuable dialogue with the business.

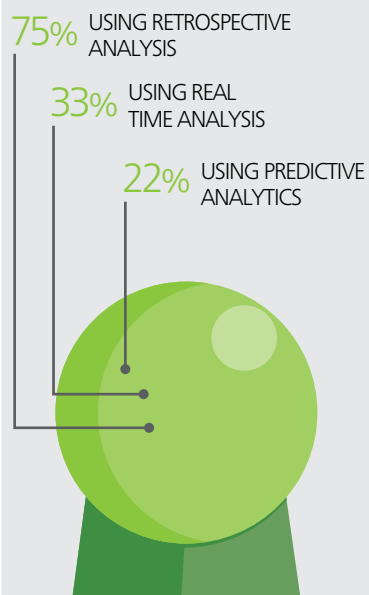
This move from hindsight to insight, and on to foresight will be a key enabler of better business partnering. Procurement will be enabled to make a meaningful contribution to decision making, whether that is the identification of strategic opportunities, earlier identification of risks, or more proactive management of suppliers. Data quality remains the key barrier to generating actionable insights, but similarly, there is a recognised talent gap, with these skills and experiences less prevalent in many Procurement teams.

Bringing B2C to B2B

In our personal lives, we are being provided with increasingly user-friendly and mobile technologies, whether that is click-and-buy on Amazon or trustworthy reviews from Trip Advisor, we are coming to expect simplicity and clarity from all our commercial and personal online interactions. The question is how to extend this into the Procurement.

Fifty four percent of respondents indicated that they are currently investing in technology to improve the user experience, with investment most likely to take place in self-service portals, online eCommerce and mobile technologies. There might be a challenge to the traditional mainstream Procurement solution providers, reflected in some leading organisations looking to tailor other tools or developing bespoke solutions. This has been exemplified by the revitalisation of the niche vendor market in Procurement. If the user experience can be improved then these investments will enable Procurement to realign customer expectations, and focus on the broader propositions it has to offer.

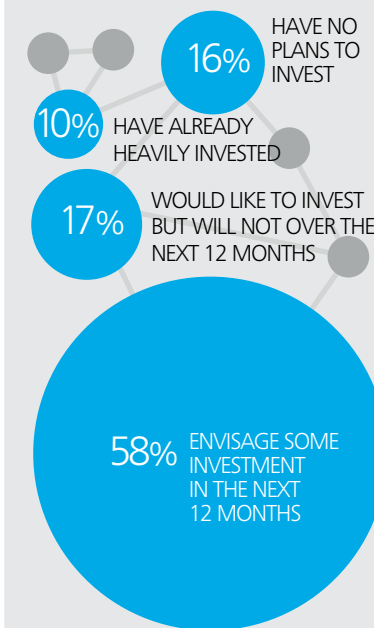
USE OF DATA



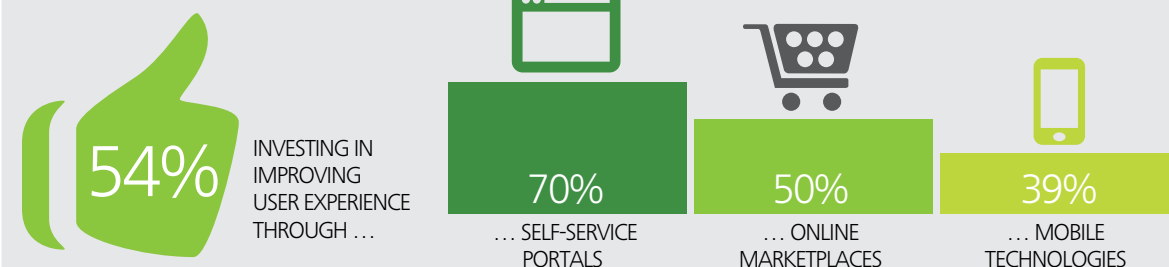
BARRIERS TO EFFECTIVE USE OF ANALYTICS



ANALYTICS INVESTMENT



USER EXPERIENCE



The digital age **Next steps**

EXECUTIVE SUMMARY	VIEW FROM THE MARKET	PARTNERING NOT PROCESS	RISK ACCOUNTABILITY	THE DIGITAL AGE	TOMORROW'S TALENT	INDUSTRIES	REGIONS	ABOUT THE PARTICIPANTS	CONTACTS
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HOW SHOULD THE CPO BE THINKING ABOUT THEIR DIGITAL INVESTMENTS?

Time to look through the windscreen

Spend analysis remains a priority investment area for CPOs, demonstrating that this perennial challenge is yet to be fully addressed. Too much effort has been spent on trying to maintain the perfect spend cube but to limited effect. Spend analysis is still, in effect looking in the rear view mirror. External data enrichment providers can build and maintain your spend data for you, it is the cross referencing of spend information with other data points that are already at your disposal in your business that will bring impact and value.

Face up to true value reporting

Aligning the procurement scorecard to the measures and KPIs of the business is a prerequisite to credibility. And using analytics to map supplier costs and contribution to internal budgets and profit lines will visualise the impact of Procurement and develop the role of the function.

Self-service

Your business wants to be able to do the straightforward things themselves. Based on your prioritisation of core Procurement activity (see the 'Partnering not process next steps') look to technology to enable quick, efficient delivery of non-core activities. This might even include running RFPs. The technology solutions for these needs may not sit within the existing Procurement modules of the big ERP platforms, so be innovative and consider the potential of low-cost workflow platforms to give your users a better experience.

Getting analytical

With so many CPOs looking to invest in analytics, and get more insightful use of the goldmine of data they have at their disposal, here are some further thoughts on how to get started:

Play with (Procurement) talent – introduce Procurement experts to analytics, not analytics experts to Procurement. That way, your data crunching efforts will be focused on delivering meaningful insight that supports your priorities, not just data for data's sake.

Look to the source – getting value from data starts and ends with its sources. You should understand not only your own data, but also the third party sources available to supplement and extend your range of vision.

Start the clock – big data projects can spiral in complexity and scope. Start small – delivering something quickly before the business users lose interest.

Manage expectations – choose specific domains in which to begin, focusing on places where your people are most knowledgeable.

Good hygiene – big data is still data and you will still need data disciplines. Core data management, master data management, integration and stewardship are important – even for the small domain slices upon which early efforts are focused.

Stay on target – before you can determine the right questions to ask, you will need to illuminate the possible questions that could be answered. Then define relative priorities and associated metrics to assess what changes could be enacted based on insights.

TOMORROW'S TALENT: KEY FINDINGS ►



Point of view
David Rees
Director, Deloitte



Point of view
Mike Manby
Director, Deloitte

Tomorrow's talent Key findings

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Broader skills required

Throughout this report there have been several references to the importance of Procurement talent, and more specifically the breadth of Procurement skills required within today's function. Whether that is business partnering, risk mitigation or analytical intelligence the agenda and the expectations of the range of capabilities required have changed markedly.

Almost half of our respondents felt that their teams did not have all the skills required to deliver against the evolving requirements of the business. Soft skills, and even more so leadership skills, were by some margin identified as the biggest gaps. Whilst this is clearly a pain point for our current CPOs it is nothing new, with these issues raised consistently over the last three years.

Traditional skills delivered through non-traditional means

Complementing the drive for broader business partnering skills has been the appreciation that core traditional Procurement processes do not have to be delivered by the front line Procurement team. One in five of our CPOs is now starting to increase the extent to which they outsource, not just operational buying and requisition to pay activity, but also previously core activities such as category management and strategic sourcing.

Seemingly supporting this, less than half of CPOs planned to invest in training their people in technical Procurement skills.

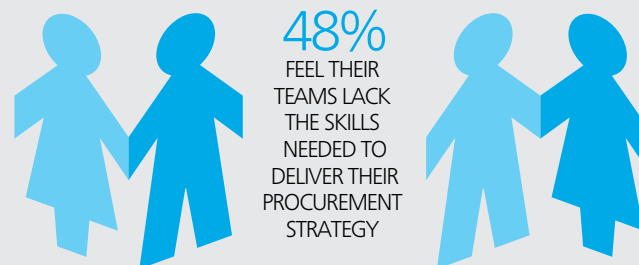
Developing the next generation

The majority of CPOs rated retaining talent as their highest people-focused priority, and 50% felt the market for talent has become more constrained over the last 12 months. This imbalance between supply and demand will only increase as the economic recovery takes hold and will certainly be made no easier with 40% of CPOs looking to increase the size of their teams over the coming year.

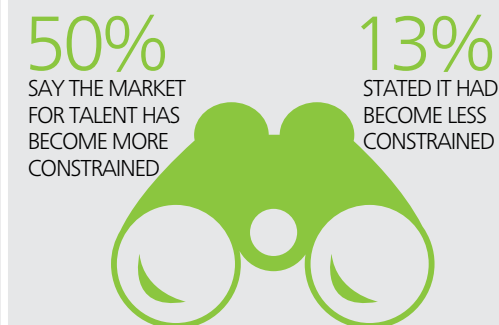
We have identified that only a limited number of leading organisations are continuing to invest in training, creating opportunities for growth for existing team members, and progressing with targeted recruitment, and even fewer continue to provide formal procurement programmes for graduates. These organisations may be investing more now in the hope of building the talent of tomorrow and might just steal a march on those who do not.

TOMORROW'S TALENT: NEXT STEPS ►

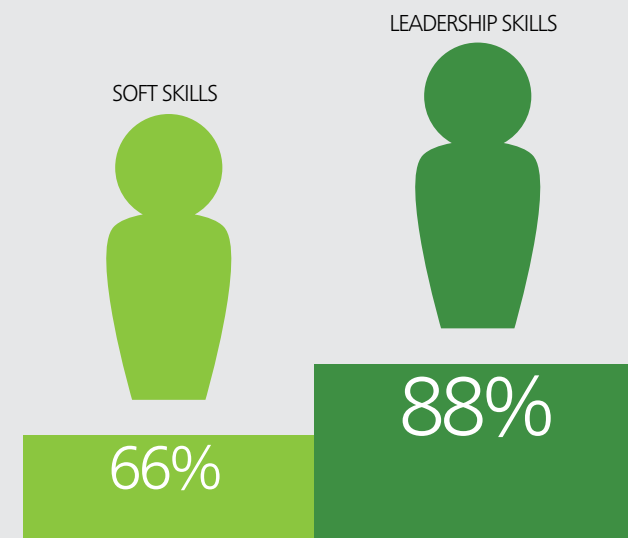
TEAM EFFECTIVENESS



SOURCING TALENT



BIGGEST SKILLS GAPS



OUTSOURCING

NUMBER OF CPOs PLANNING TO INCREASE THE LEVEL OF OUTSOURCING IN THE FOLLOWING AREAS OVER THE NEXT 12 MONTHS



Tomorrow's talent **Next steps**

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THE SURVEY RESULTS CONFIRM THAT THE WAR ON TALENT CONTINUES TO INTENSIFY.

CPOs believe it is becoming harder to attract talent, yet they want to grow their functions, leading to more focus on retention. Skills do not align with the needs of the business so what can Procurement leaders do to enhance capability and attract the top talent?

Recognise distinct skill sets

The Procurement organisation of today (and the future) requires a significantly broader set of skills than just the core professional skills of the function. Just like all other enabling functions such as IT, Finance and HR, it is now time for Procurement to more fully recognise the increasing number of specialist roles required to deliver the full value of a Procurement function. Specialised roles with distinct responsibilities, organised across a broader business agenda. The skills required to fulfil these roles are not the Procurement skills of today, but if done correctly they will become the Procurement skills of tomorrow.

Invest in your internal teams

Training budgets have fallen and then stagnated over the three years that we have been conducting this survey. With the constrained market for talent, and the need to focus on a set of new skills for Procurement teams, investment in internal capability should become more of a priority. Look outside category management training to other areas – leadership, influencing skills, finance, and analytics. Consider attracting and developing young talent through your graduate and school leavers schemes, and building the leadership skills of your more experienced talent by exposing them to various new opportunities.

Be targeted and creative in your recruitment

Procurement has proven to be successful during the recent period of economic recession. The focus on Procurement has never been higher. This is the perfect opportunity to capitalise on that and make supported investments in taking the next step. Consider what it is you are looking for from outside your organisation and how those skills can be harnessed. Don't hunt in traditional waters for new recruits and exacerbate the competition. Look to other professions where you see the skills you lack and consider outsourcing to service providers for the rest.

INDUSTRIES: KEY FINDINGS ►



MY TAKE

Guy Hubball

Vice President Indirect Procurement and Group Real Estate, BP

"To expect our Procurement people to be effective negotiators, strategic thinkers, deeply analytical, and capable of building deep lasting relationships with both stakeholders and suppliers is, in my view, asking them to be somewhat superhuman. To address the increased expectations of our Procurement team, we have started to stratify our resources at BP to create specialism through dedicated roles. We are then investing heavily in training people with the skills that are relevant to these roles, and in parallel, we are also focused on creating a talent pipeline through a dedicated graduate scheme that helps us to build capability and knowledge internally".



Point of view

Lucy Harding
Head of Practice, Procurement
and Supply Chain,
Odger Berndtson



Point of view

Guy Hubball
Vice President Indirect
Procurement and Group
Real Estate, BP

Industries Key findings


EXECUTIVE SUMMARY	VIEW FROM THE MARKET	PARTNERING NOT PROCESS	RISK ACCOUNTABILITY	THE DIGITAL AGE	TOMORROW'S TALENT	INDUSTRIES	REGIONS	ABOUT THE PARTICIPANTS	CONTACTS
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<p>MANUFACTURING</p> 	<p>FINANCIAL SERVICES</p> 	<p>PUBLIC SECTOR</p> 	<p>CONSUMER BUSINESS</p> 
<p>TECHNOLOGY, MEDIA & TELECOMMUNICATIONS</p> 	<p>BUSINESS & PROFESSIONAL SERVICES</p> 	<p>ENERGY & RESOURCES</p> 	<p>HEALTHCARE & LIFESCIENCES</p> 

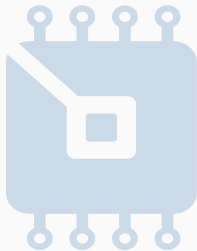
Industries Key findings

EXECUTIVE SUMMARY	VIEW FROM THE MARKET	PARTNERING NOT PROCESS	RISK ACCOUNTABILITY	THE DIGITAL AGE	TOMORROW'S TALENT	INDUSTRIES	REGIONS	ABOUT THE PARTICIPANTS	CONTACTS
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MANUFACTURING




TECHNOLOGY, MEDIA & TELECOMMUNICATIONS




BUSINESS & PROFESSIONAL SERVICES




PUBLIC SECTOR




ENERGY & RESOURCES



CONSUMER BUSINESS



HEALTHCARE & LIFESCIENCES



Manufacturing

More likely to:

- Report that the level of financial and economic uncertainty has decreased over the last 12 months.
- Attempt to understand internal stakeholder requirements by embedding Procurement members in cross functional teams.
- Focus on delivering value from freight, packaging and raw materials over all other categories during the next year.

Less likely to:


- Experience misaligned objectives between the Procurement function and the rest of the business.
- Identify a lack of Procurement influence upon the rest of the organisation.
- Measure supplier satisfaction or internal customer satisfaction as part of a balanced scorecard.

X


Industries Key findings

EXECUTIVE SUMMARY	VIEW FROM THE MARKET	PARTNERING NOT PROCESS	RISK ACCOUNTABILITY	THE DIGITAL AGE	TOMORROW'S TALENT	INDUSTRIES	REGIONS	ABOUT THE PARTICIPANTS	CONTACTS
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MANUFACTURING



FINANCIAL SERVICES



Financial Services

X


More likely to:

- Have no Procurement balanced scorecard in place.
- Feel that their Procurement function has a lack of influence upon the rest of the organisation.
- Be focused on consolidating spend over the coming 12 months.
- Be actively managing risk through regular multi-functional risk meetings.


Less likely to:

- Attempt to understand internal stakeholder requirements by embedding Procurement members in cross functional teams.
- Be investing in supplier relationship management over the next 12 months.


CONSUMER BUSINESS




TECHNOLOGY, MEDIA & TELECOMMUNICATIONS




BUSINESS & PROFESSIONAL SERVICES



ENERGY & RESOURCES



HEALTHCARE & LIFESCIENCES



Industries Key findings

EXECUTIVE SUMMARY	VIEW FROM THE MARKET	PARTNERING NOT PROCESS	RISK ACCOUNTABILITY	THE DIGITAL AGE	TOMORROW'S TALENT	INDUSTRIES	REGIONS	ABOUT THE PARTICIPANTS	CONTACTS
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Public Sector

More likely to:

- Have fallen short of their savings plan for the last 12 months.
- Feel more pessimistic about the financial prospects for their organisation than they did 12 months ago.
- Experience misaligned objectives between Procurement and the rest of the organisation.
- Feel that they have a lack of Procurement resource to engage with the rest of the organisation.
- Be looking to grow the Procurement function over the next 12 months and have found it easier to attract talent over the last 12 months.

Less likely to:

- Report that levels of uncertainty and Procurement-related risk have increased over the last 12 months.
- Feel that the skills and capabilities of the current Procurement team are sufficient to deliver the Procurement strategy.
- Use predictive analytics.



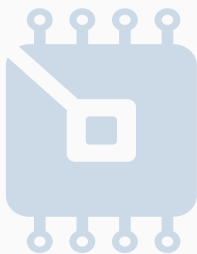
PUBLIC SECTOR



CONSUMER BUSINESS



TECHNOLOGY, MEDIA & TELECOMMUNICATIONS



BUSINESS & PROFESSIONAL SERVICES



ENERGY & RESOURCES



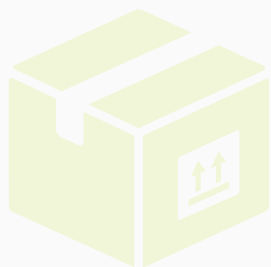
HEALTHCARE & LIFESCIENCES



Industries Key findings

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MANUFACTURING



Consumer Business

More likely to:

- Have exceeded their savings plan over the last 12 months and rate their department as 'very effective' in delivering value for internal customers.
- Feel more optimistic about the financial prospects for their organisation than they did 12 months ago.
- Focus on managing commodity price volatility over the coming 12 months.
- Jointly own targets with other internal stakeholders.
- Measure supplier performance as part of a balanced scorecard.
- Play a frequent and active role in risk management and mitigation.
- Be looking to invest in supplier relationship management over the next 12 months.

Less likely to:

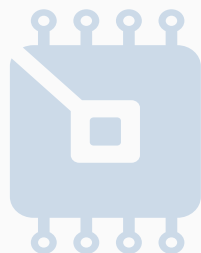
- Feel that the Procurement function has a lack of influence over the rest of the organisation.
- Have a clear owner for risk within the organisation.



CONSUMER BUSINESS



TECHNOLOGY, MEDIA & TELECOMMUNICATIONS



BUSINESS & PROFESSIONAL SERVICES



ENERGY & RESOURCES



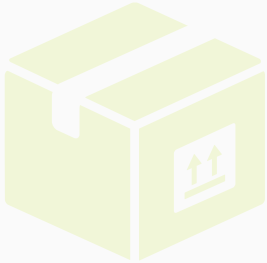
HEALTHCARE & LIFESCIENCES




Industries Key findings

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MANUFACTURING




FINANCIAL SERVICES



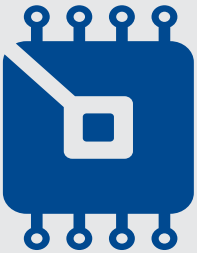
PUBLIC SECTOR




CONSUMER BUSINESS




TECHNOLOGY, MEDIA & TELECOMMUNICATIONS



RESOURCES



HEALTHCARE & LIFESCIENCES



Technology, Media & Telecommunications

X

More likely to:

- Feel more optimistic about the financial prospects for their organisation than they did 12 months ago.
- Feel that the level of Procurement-related risk has increased over the last 12 months.
- Feel that the Procurement function has a lack of resource to engage with the rest of the business.
- Be limited in their use of analytics within Procurement due to limited skills and capabilities of resources.
- Have found it easier to attract talent over the last 12 months but be looking to reduce the size of their Procurement function over the next 12 months.

Less likely to:

- Report that the level of financial and economic uncertainty has decreased over the last 12 months.
- Measure supplier performance using a balanced scorecard or use regular multi-functional risk meetings to manage risk.


Industries Key findings

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MANUFACTURING



FINANCIAL SERVICES



PUBLIC SECTOR



CONSUMER BUSINESS



TECHNOLOGY, MEDIA & TELECOMMUNICATIONS



BUSINESS & PROFESSIONAL SERVICES



X

Business & Professional Services
More likely to:

- Feel more optimistic about the financial prospects for their organisation than they did 12 months ago.
- Feel that the level of Procurement-related risk has declined over the last 12 months.
- Have a clear owner for risk within the organisation.
- Have had no savings plan in place over the last 12 months.

Less likely to:

- mitigation on a frequent basis.
- Identify limited skills and capabilities of resources as a barrier to the use of analytics.
- Be looking to invest in supply risk management over the next 12 months.

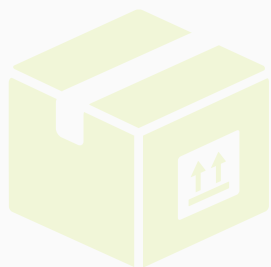
HEALTHCARE & LIFESCIENCES



Industries Key findings

EXECUTIVE SUMMARY	VIEW FROM THE MARKET	PARTNERING NOT PROCESS	RISK ACCOUNTABILITY	THE DIGITAL AGE	TOMORROW'S TALENT	INDUSTRIES	REGIONS	ABOUT THE PARTICIPANTS	CONTACTS
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MANUFACTURING



FINANCIAL SERVICES



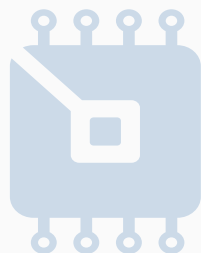
PUBLIC SECTOR



CONSUMER BUSINESS



TECHNOLOGY, MEDIA & TELECOMMUNICATIONS



Energy & Resources

More likely to:

- Experience misaligned objectives between Procurement and the rest of the business.
- Feel that the Procurement function has a lack of influence upon the rest of the organisation.
- Feel that their analytical capabilities are limited by their current resources.
- Grow their Procurement function over the next year.
- Feel that the current Procurement team has the skills and capability to deliver the Procurement strategy.

Less likely to:

- Measure supplier satisfaction as part of a balanced scorecard.
- Be involved in risk management and mitigation.



ENERGY & RESOURCES




HEALTHCARE & LIFESCIENCES




Industries Key findings

EXECUTIVE SUMMARY	VIEW FROM THE MARKET	PARTNERING NOT PROCESS	RISK ACCOUNTABILITY	THE DIGITAL AGE	TOMORROW'S TALENT	INDUSTRIES	REGIONS	ABOUT THE PARTICIPANTS	CONTACTS
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MANUFACTURING




FINANCIAL SERVICES




PUBLIC SECTOR



CONSUMER BUSINESS



TECHNOLOGY, MEDIA & TELECOMMUNICATIONS



Healthcare & Life Sciences

X


More likely to:

- Attempt to understand internal stakeholder requirements by embedding Procurement members in cross functional teams and jointly owning targets with internal stakeholders.
- Feel that the level of Procurement-related risk has increased over the last 12 months.
- Be involved in risk management and mitigation on a frequent basis.
- Feel that the skills and capabilities of the current Procurement team are sufficient to deliver the Procurement strategy.
- Have found it more difficult to attract talent over the last 12 months.

Less likely to:

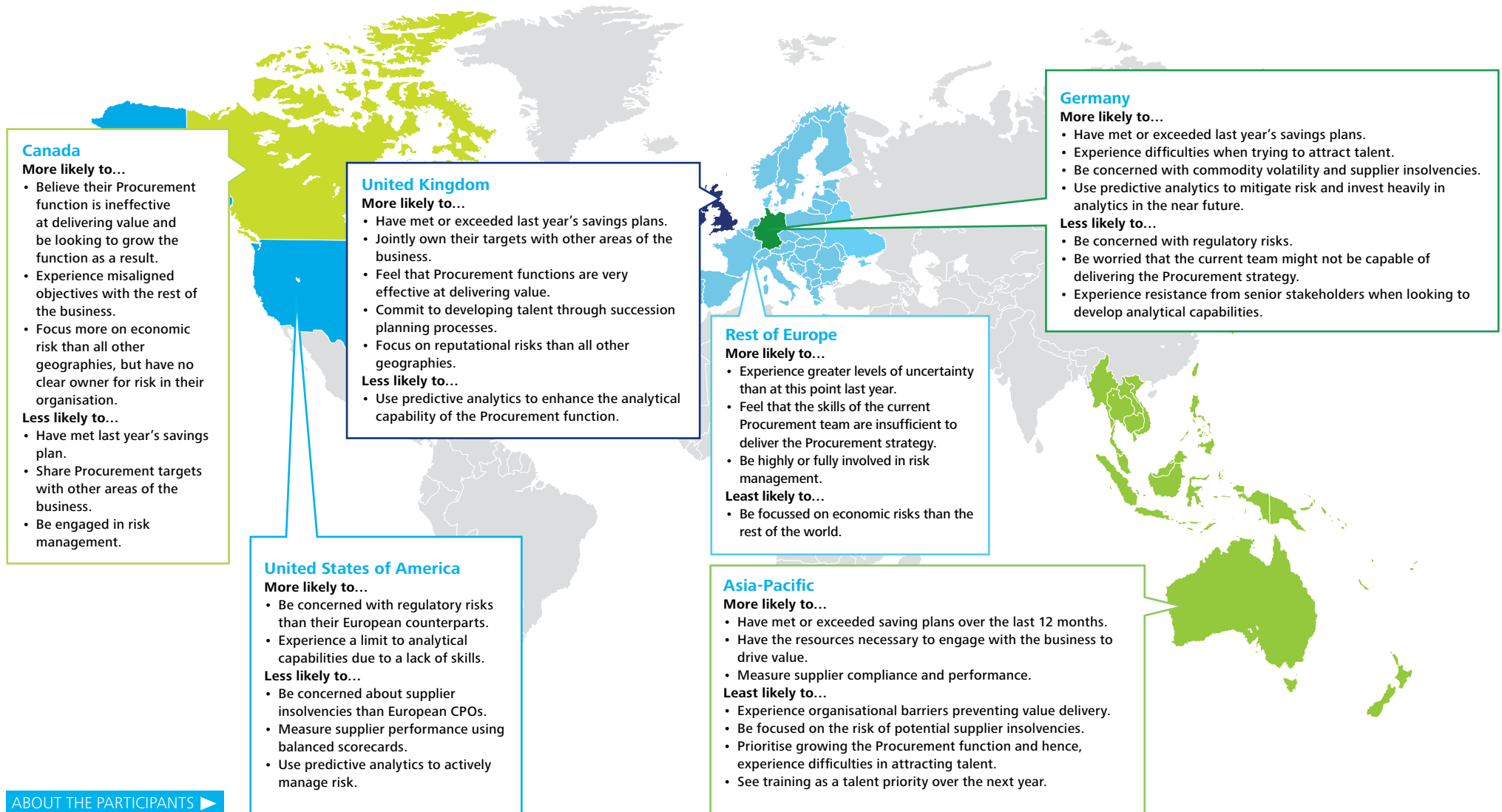
- Report that the level of financial and economic uncertainty has decreased over the last 12 months.
- Feel that the Procurement function suffers from a lack of resource to engage with the rest of the business.

HEALTHCARE & LIFESCIENCES



Regions Key findings

EXECUTIVE SUMMARY	VIEW FROM THE MARKET	PARTNERING NOT PROCESS	RISK ACCOUNTABILITY	THE DIGITAL AGE	TOMORROW'S TALENT	INDUSTRIES	REGIONS	ABOUT THE PARTICIPANTS	CONTACTS
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About the participants

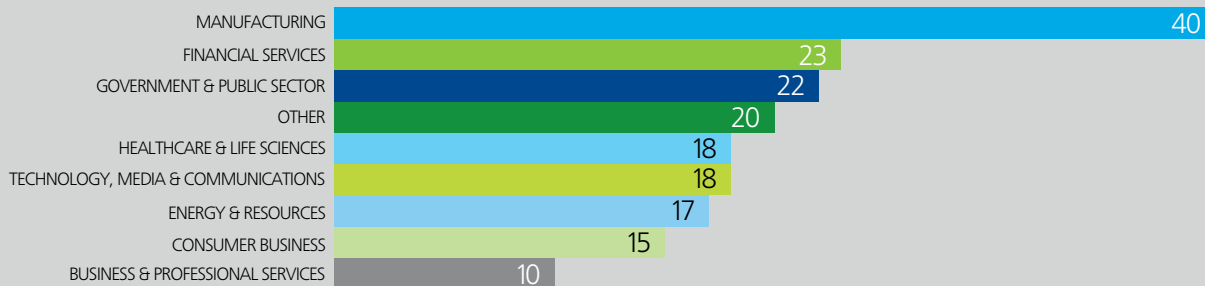
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RESPONSES BY GEOGRAPHY

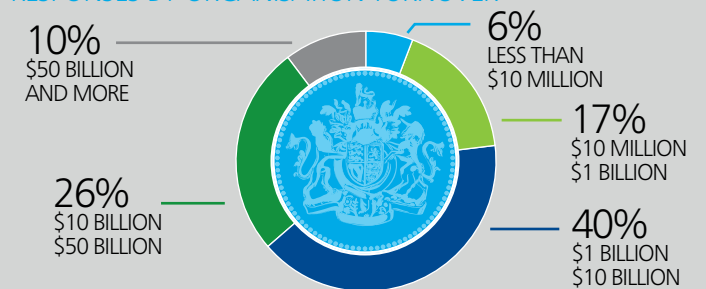
THE 2013 SURVEY COMBINES 183 CHIEF PROCUREMENT OFFICER OPINIONS ACROSS THE GLOBE.



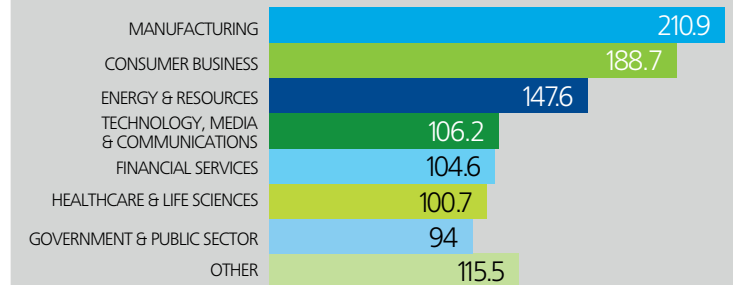
RESPONSES BY INDUSTRY



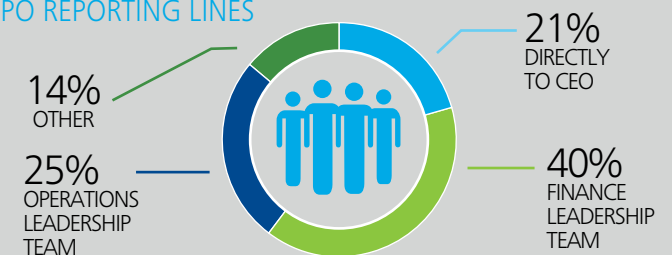
RESPONSES BY ORGANISATION TURNOVER



THIRD PARTY SPEND MANAGED BY INDUSTRY (\$BN)



CPO REPORTING LINES



Contacts

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