



# Mapping out your Career to CPO

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## Mapping out your Career to CPO

If you are between 1 – 5 years into your procurement career and feel uncertain how best to make the right decisions in navigating your way through to be a CPO, I have posted some tips to help you make the right decisions to achieving this goal.

### Why Procurement?

This is important before we start. Take the time to find out who you are, what you want out of life and what you enjoy doing. Procurement may not be your passion and if you are in procurement for the wrong reasons you will not be successful.

From personal experience, my parents steered me into accounting at 18 as I was lost and did not know what I wanted out of my career. I wasted 6 years of my life doing a role I had little passion or aptitude for, and it took genuine courage to swap careers and move into recruitment. This was against the advice of many and I had to start my career again from scratch.

### What skills make up procurement?

Take the time to think about why procurement exists, what skills make up the fabric of the function and evaluate if the profession is a good fit for your character. Procurement has a broad skill set from analytics, stakeholder management, contract formation, process design, systems implementation and negotiation. If you are planning on being a CPO, you need to be aware that your coverage of these skills needs to be broad not necessarily deep. The priority skill is engagement. If your style is introvert or analytical then CPO may not be the right path for you. Consider specialising in the areas that you enjoy and become an expert in that area of the skill spectrum.

The role of a CPO is to engage and empower both the internal customers and the procurement team to work together. It is to understand what culture, framework and skills are required to execute the businesses strategic objectives re goods and services.

### What is the end game?

Do you want to be secure, wealthy, retire early, have a large family, travel the world or focus on your activities outside of work? What does it mean to you to be a CPO? How will you feel if you obtain this role? Once you are a CPO, what then? These are key questions that should be qualified and answered early on in your career. You may not have all the answers now and will only be able to make decisions on what you can answer today. Key things are to review your position annually so that you are moving with purpose and make changes where necessary.



**CPO** - A successful CPO takes the time to understand a business both mechanically and politically. They are strong leaders, master influencers, and have the experience to achieve the businesses objectives via many different paths. They are decisive, accountable and understand when to pull and when to push. They are not fazed by complexity and are master delegators.

## Tips for CPO

- Embark on an MBA or Economics Degree.
- Do not rush your career steps. Take at least 2 years in each role early on in your career unless you know the current role is not in your best interest. If possible, do at least 5 years in consulting with a reputable firm. This will teach you how to think laterally and methodically. A single year in consulting is worth two – three years in a BAU Industry role.
- When you move roles think about development not company brand or money. Take on new skills that compliment your current development to create natural development arc.
- Target a 10% improvement on base remuneration for the 1<sup>st</sup> 6 years. Accept that when you network, your peers maybe paid as much as 30% more than you. Don't let this distract you from your path. If you are confident you are gaining the relevant experience, compartmentalise this and move on.
- Never let your pay grade overtake your true capability. As a rule, you want to be more competent than your title indicates. This allows you to over achieve and keeps your personal brand intact. Confidence and credibility are key to progression.
- Set up your personal commitments re finances and responsibilities so they empower you to make decisions without compromise. Do not stack the odds against yourself with large fiscal commitments. Exploit your early years to learn and develop. The dividends will come later.
- Be pro-active and accountable. Take on as much responsibility as possible and do not get caught up re how much you're paid for this extra activity. Think development not reward.
- Work for businesses that are sophisticated, innovative and empowering. Your skills and development are intrinsically linked to your current employer. You are only as good as your employer will allow you to be. Select businesses with layered org charts. If possible, steer away from flat structures and crude departments. If the spend is \$200m and the current FTE is 3 people with no view to build true capability – steer clear
- Learn how the people who are successful in your business interact with stakeholders. Watch them closely. Listen to how they interact. Watch their body language. If in doubt as to why they have behaved a certain way, ask politely and listen.



- If possible, work close to Head Office. Select Organisations where the Board are in your time zone and ideally in your building. Think about what the priority market/markets for a business is and where they are located. As a rule, this will indicate how relevant and tactical the role will be.
- The bulk of your progressive career should be in businesses where supply chain is critical to EBIT performance. Do your research re organisations revenue stream, market share, growth plans etc. As a rule, businesses that generate huge profits do not value procurement and engagement can be very difficult. Stressed businesses, businesses with high competition, businesses that are being set up for sale or which have just been acquired by PE consistently offer the most rewarding roles in procurement.
- Attempt to take on direct and critical spend projects. Understand now that direct, in-direct, critical and non-critical elements of spend are not the same for every business. If you have a passion for ICT spend, steer yourself towards businesses where ICT is direct, critical and touches the customer. Banking would be a prime example of this.
- Understand early that relationships are key as your career progresses. Successful CPO's are capable at the technical elements but are masters of engagement, building trust and empowering the people around them.
- Career skills to focus on are Analytics, Project Management, Strategy and Leadership. Make sure you understand in depth all the aspects of procurement and where possible break down definitions as they vary from business to business.

I hope this information has been of some assistance to you thinking about your career and making the right decisions to achieving the goal of being a CPO. Life is ultimately about making the right decisions. We can all make wrong decisions and we often do but having a road map and a clear understanding of your end game can help you minimise this. It is when wrong decisions are compounded that we find ourselves too far of the right path.

Good luck for 2019 and I wish you all success in your procurement career.

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