

Xmas has passed, I am now broke and we are a quarter into the new calendar year. Pre Xmas, when my wallet was healthier, my daughter was busy dragging me around every toy shop she could find to assess what toys she was going to include in her list for Santa. Pre Xmas for my 8 year old is August by the way. If I was to mirror this behaviour, I would now start sourcing my coffin. Over the months between August and December, there were many changes to her wish list as new toys come to market, new trends amongst friends gathered momentum, or simply the thing she wanted was yet to evolve or be designed by science. The reason I am highlighting my 8 year old Xmas planning, is it struck me that my 8 year old is exhibiting a quality that all sourcing professionals should be doing at a corporate level but sadly don't.

If you are a sourcing professional, in which your sole role exists to understand the market, what it has to offer, its limitations, its opportunities and where developments should materialise, then why is the function so reactive. Why are sourcing professionals waiting for the business to request something before any pro-active steps are taken? I often hear sourcing professionals say that they are engaged too late in the process. Could this be because you stakeholders have a deeper market awareness than you do? Could it be they know if they engage you they are going to get a process and not a solution?

I have highlighted many times that sourcing in Australia and Asia is mostly a mechanical function that is tactical and operational. This does not mean the function cannot be extremely valuable if executed correctly. The value in sourcing needs to come from pro-active market engagement.

Let's take a look at sales. If you are in a business development role, most of your investment is spent meeting potential buyers of your product or service. You are not sat there waiting for a buyer to call you, unless you are very bad at business development. This is why many people in sales are given company cars, as they are out in the world meeting the market, discovering what opportunities are available and sowing the seeds for future business. If you are a sourcing professional and you are sat at your desk 8 hours a day, are you really on top of your game? Why are sourcing professionals not offered company cars?

Sourcing needs to be far more pro-active, like an 8 year old planning their Xmas list. The value is in the pro-active effort, independent of stakeholder demand. Sourcing value comes from knowing every supplier, their culture, how they work, what they can really do and what are the unique differences between the brands and services that differentiate them. This planning of information gathering can then be positioned in detail to the category team and stakeholders enabling much faster decision making re who to engage and the drivers behind it being risk, quality, price, ROI, Innovation. Procurement departments need to be fluid and lubricate operations, not disable them. Not all goods or services needs to be tendered. Not every supplier base needs to be rationalised. Not every \$ needs to be addressed via a contract/tender.

Procurement needs to place more emphasis on commercial risk and less focus on process risk. Many times a business simply wants a solution and that solution to be identified and implemented in a couple of weeks and not 12 months. The only way to do this successfully and robustly is to plan and be pro-active. Stakeholders need to be engaged before a need. Stakeholders need to have information positioned with them before the need. Suppliers need to be met with (not emailed) before the need and the info on them accurately maintained. Only then can a procurement process be nimble, fast and add value and be a part of the process at the embryonic phase.

Let's re-think how we operate in sourcing. Make the change. Keep it simple, Keep it logical. Think about how to make a genuine difference and get out of the rut that all procurement departments are in. Your stakeholders do not care about your process, they do not care about your perceived risks, and they certainly do not like your time frames. They only care about the outcome.



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