What makes one conference different from another? The presence of influential thinkers? An agenda of quality and on-point topics and speakers? An impressive venue? The World Procurement Congress 16, which took place at the InterContinental Hotel at The O2 London on 17-18 May, aimed to mark itself out on all three fronts and bring out the headline-making potential of procurement. Tweets flooded in using the hashtag #ProcurementCan as executives and speakers shared ideas of how the function could take the next step in its growth.

The agenda boasted two days of forward-facing content, featuring 80 speakers from organisations with a range of stories and approaches to advancing procurement. As host and chairman, Sidney Johnson, SVP Global Supply Management at Delphi with more than 30 years’ experience in procurement explained, the importance of shaping customer-centric procurement and driving innovation would be key themes of the discussion throughout the Congress. He also used his introduction to emphasise that procurement needs to use data and analytics to ensure it is ready to deal with changes in a fast-paced business environment, another critical strand to the event. With an audience of more than 600 delegates from 38 countries, with a skew towards senior executives, the question of strategy and future challenges for the function came to the fore as attendees grappled with ideas of how to bring meaningful change to their teams.
Procurement Can… be a leader in the digital economy

Tom Linton, CPO from Flex spoke passionately about the impact of real-time information on procurement and the seven new rules of supply chain management.

Dated information, he told delegates, prevents organisations from operating at full velocity and the increasing popularity of real-time information is shaping the business as a whole and is going to be a catalyst for change within procurement itself. It is live, fast and intelligent - just as procurement needs to be. However, real-time information within the supply chain can be deeply buried and therefore needs to be pulled out and visualised in order to make effective data-driven decisions.

"We are trying to get information that is concealed from view and using that to drive our business forward" said Linton as he highlighted the 7 new rules of supply chain management.

Procurement Can… be an exciting career opportunity

On the surface, a role in procurement can offer global travel, collaboration with external suppliers as well as other internal stakeholders, and not inconsiderable salary. But that’s just the old sell: the modern function offers opportunities to help with the development of new product innovations, work with the latest technologies and help in the fight to improve the performance of the business in areas of wider significance, like sustainability.

Speakers emphasised that many of their most successful strategies had harnessed this eagerness to move around, try new things and engage with exciting technology. Secondment schemes, teams embedded with suppliers, champions of technology applications: leaders that are addressing these issues of customer-centricity and adapting to a digital environment are the same ones that have worked out innovative ways to organise the skill sets available to them to that end.

Procurement Can… enable disruptive innovation

The velocity of change has not been felt anywhere more than at Tesla, the innovative, electric car manufacturer that itself is disrupting the automotive industry. Peter Carlsson, former CPO at Tesla, outlined the approach of a company led by revolutionary thinker Elon Musk. Carlsson framed the challenge and the opportunity for business in the future. Simply put, AI (artificial intelligence) will eventually exceed the capabilities of human intelligence, he said. As such “Data power, machine learning and big data will become a more important part of our workings as leaders”.

To meet this need Carlsson outlined an ambitious thesis for the future of the function: increasing speed and increasing innovation. “Chasing cost savings will not be seen as strategic,” he said “but bringing speed and innovation to the supply chain will be seen as increasingly crucial.”

Carlsson gave a number of examples to show how a creative, alternative approach can unlock additional resources in the supply chain, noting that those episodes will define the future of the function. “Procurement is going to move into a facilitating role in a strategic network.”
Procurement Can…

**throw off old ways of thinking**

Many speakers were quick to share the idea that their organisation ‘does things a little differently’, but what was impressive was the willingness to move wholesale beyond the pillars of procurement. Miguel Caulliez, CPO at Nokia, teased the audience with his description of a new structure with no category management, SRM, nor stakeholder management.

Chuck Hatcis, CPO Groupon, meanwhile, described how, though his team is less than 20 reports, he’s been encouraging of them to pick up new technology and introduce and implement that, if they can demonstrate it works. That’s enabled a rapid rate of change and big results in a short space of time.

Cisco’s John O’Connor, VP supply chain transformation, also painted an interesting picture when he talked about how his team had aimed to introduce technology by understanding it and experimenting, rather than identifying a need first. Procurement is rarely in the habit of reverse-engineering solutions, but taking a tech-first approach has enabled the organisation to hit a variety of commercial goals.

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Procurement Can…

**turn data into value for its customers**

Bob Murphy, IBM CPO, was unequivocal: “Procurement needs to know what to do with its data.” Meanwhile, The Economist’s data editor, Ken Cukier implored that CPOs rethink their approach to data. “We should think of data as a new resource, a new commodity which fits into our understanding of economics,” he said.

Like others, Murphy’s organisation has certainly put its money where its mouth is, investing, for example, in a weather reporting company. He urged functions to be masters of social media, travel data, performance data, biometrics – whatever they needed to give their business decision-making power. Tom Seal, Procurement Leaders own head of research, spoke in his presentation about risk and how large-scale risk was often hard to predict and manage, but large numbers of small scale risks were often very damaging as a cumulative effect. The answer: a careful strategy and a nuanced approach to collecting, analysing and understanding data from a wide range of sources.

What became clear is that many functions have the tools and the ambition to work in a world of data, but becoming what some have characterised as a ‘digitised enterprise’ requires another step in terms of talent and customer-centric thinking.