

the  
Journey  
to World Class  
starts  
here



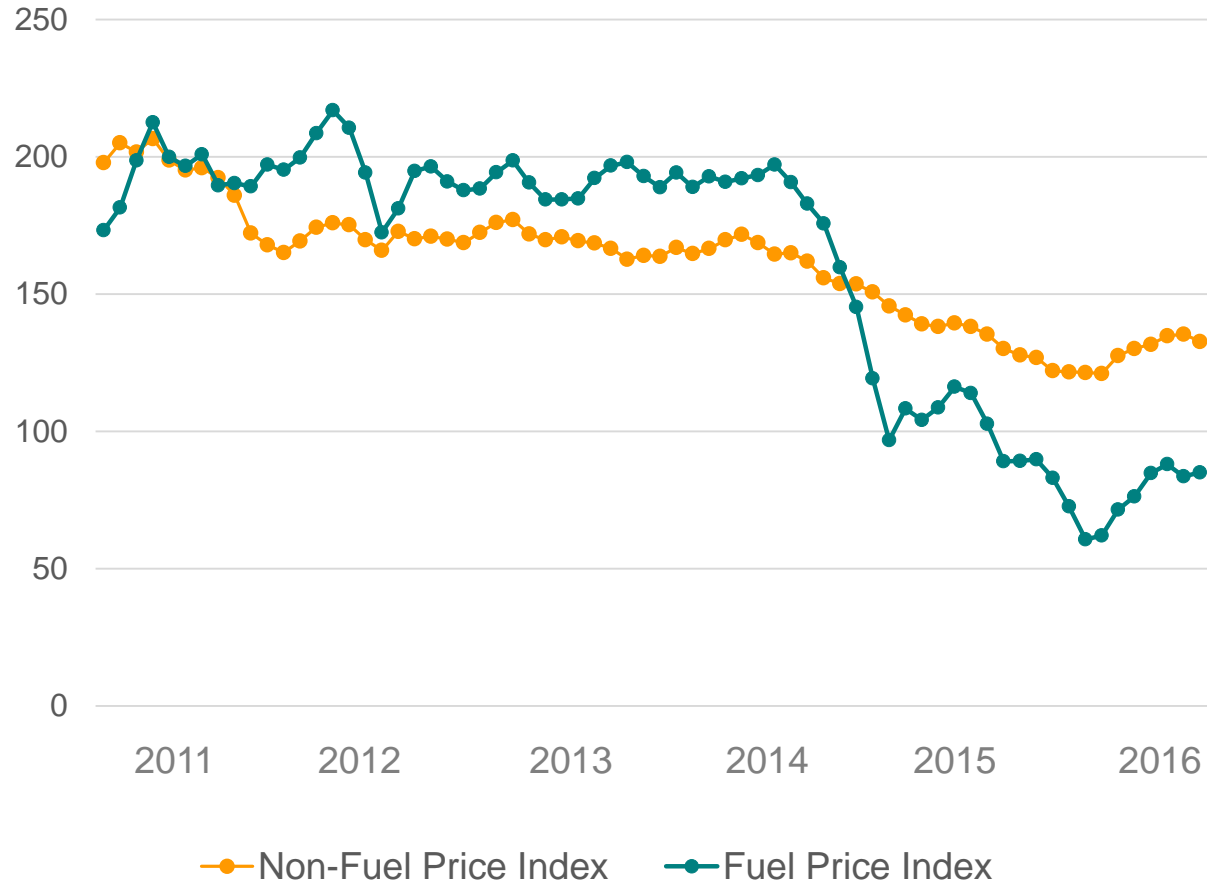
## Trends In Procurement And The Excellence Opportunity For CoEs

Mélani Flores, Practice Leader – Procurement Advisory EMEA

2016

# The New Normal

COMMODITY PRICE INDEX



Source: IMF Commodity Database, 2016



VW Hopes to Prevent Another Supplier Dispute



# The Digital Transformation: Opportunity Or Threat?

## INTENSIFYING COMPETITION



Global competition



Margin pressure



Merger and acquisition

## DISRUPTIVE INNOVATION

Digital disruption

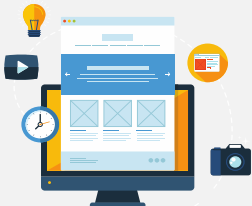


Product and service innovation

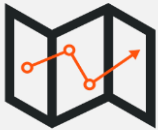
Business model innovation

## AGE OF THE CUSTOMER

Omni-channel



Digital Customer Engagement



Individualisation

Customer journey mapping



Segmentation



Design Thinking

## THE INSIGHT IMPERATIVE



Big data



Analytics



Predictive modeling



Artificial Intelligence

## THE DIGITAL IMPERATIVE



Cloud



Digital Ecosystem



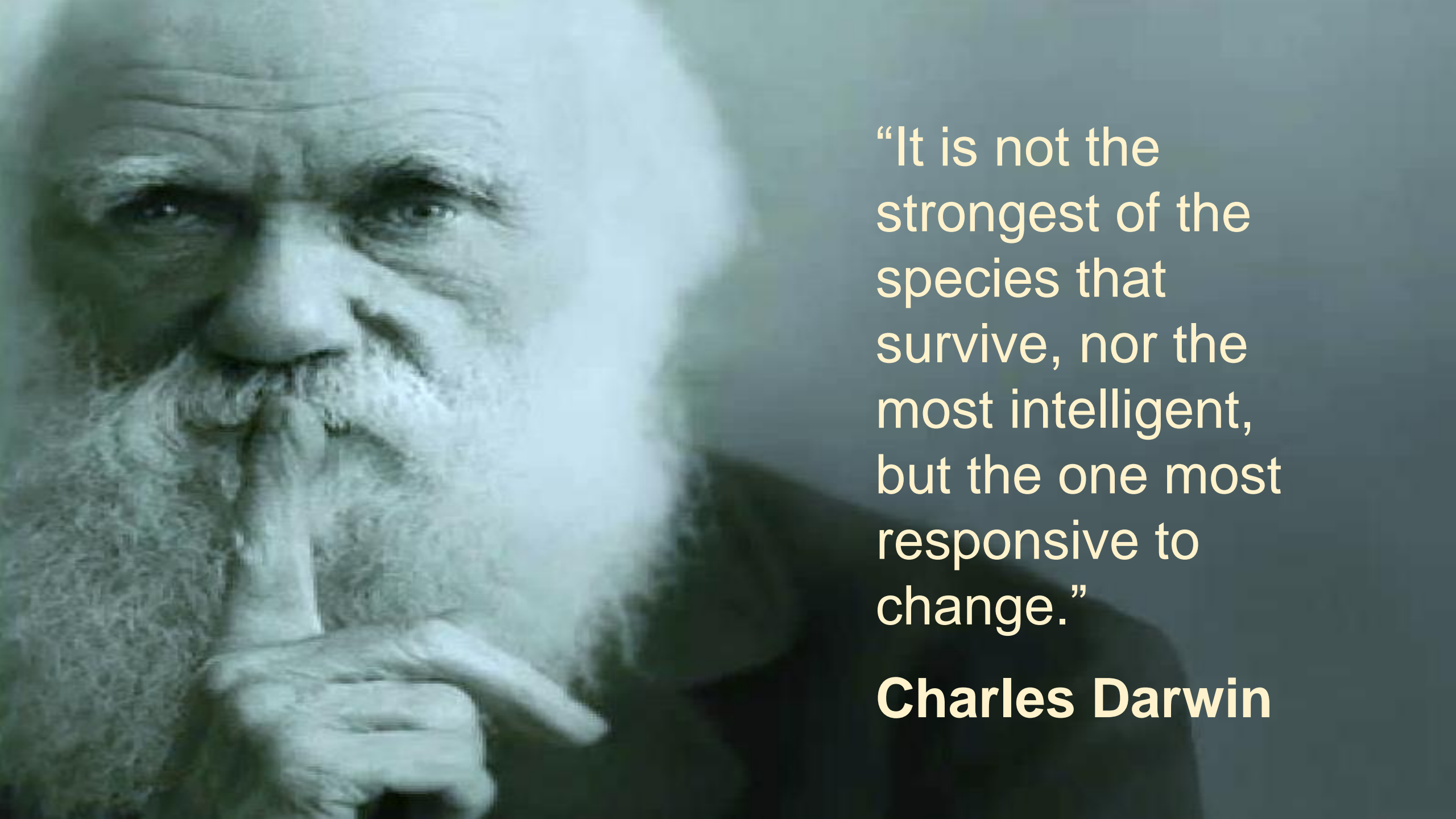
Universal connectivity



Mobility



Social media



“It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.”

**Charles Darwin**

## Agility Defined: The Three Leading Characteristics

**1** Ability to identify, make and implement decisions quickly

**2** Ability to detect and respond rapidly to changes in business demands and priorities

**3** Ability to maintain or improve cost levels under volatile business conditions

# Agile Organisations

ADAPTIVE



Be flexible and adaptable to the rapidly changing environment around us

AGILE SERVICE EXECUTION



Execute in a more responsive, customer centric and agile way

INFORMATION NAVIGATORS



Make information, knowledge and intelligence centric to all what we do

# Agile Service Execution

Execute In A More Responsive, Customer Centric And Agile Way

## Execution Platform

- The digital backbone
- Global Business Services
- Continuous transformation: The TMO

## Service Delivery Orientation

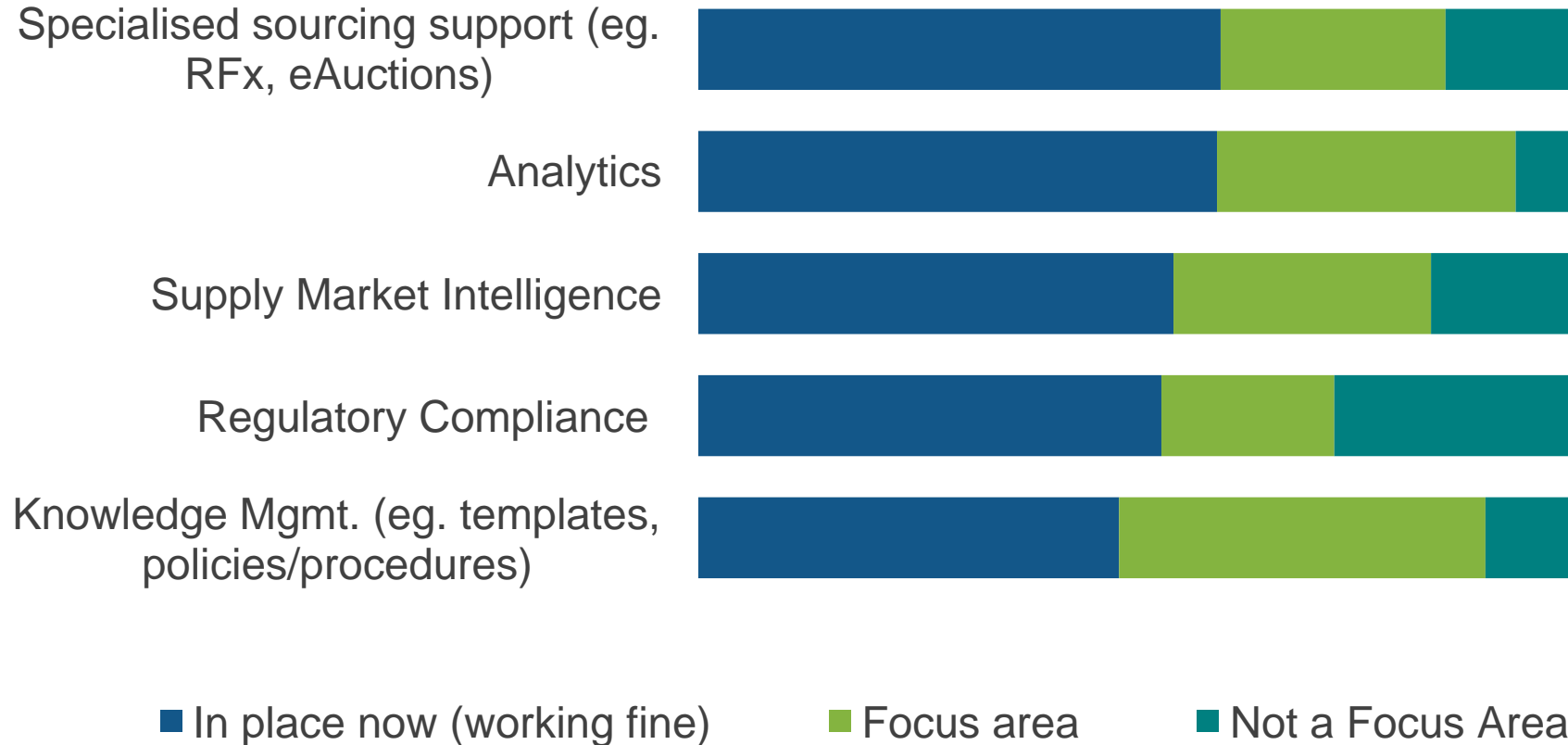
- Mind-set shift from function to service
- From end-to-end to beginning-to-end
- Global service ownership is a must

## Service Partnering

- Customer value service catalogue
- Scale multiplier: “Captive +”
- The rise of the centre of expertise

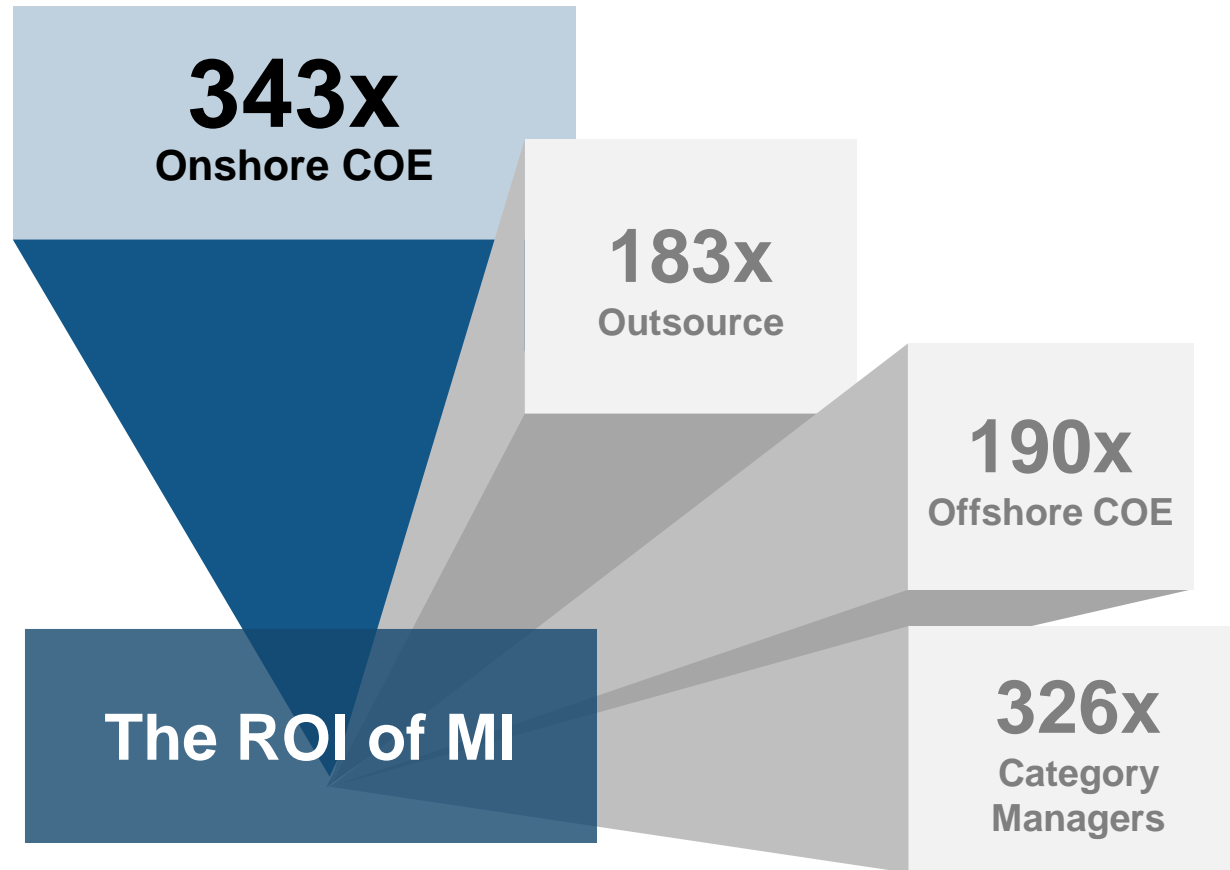
# Knowledge-Based Centres

Top 5 Services Enabled In Procurement CoE's  
(% Of Respondents)

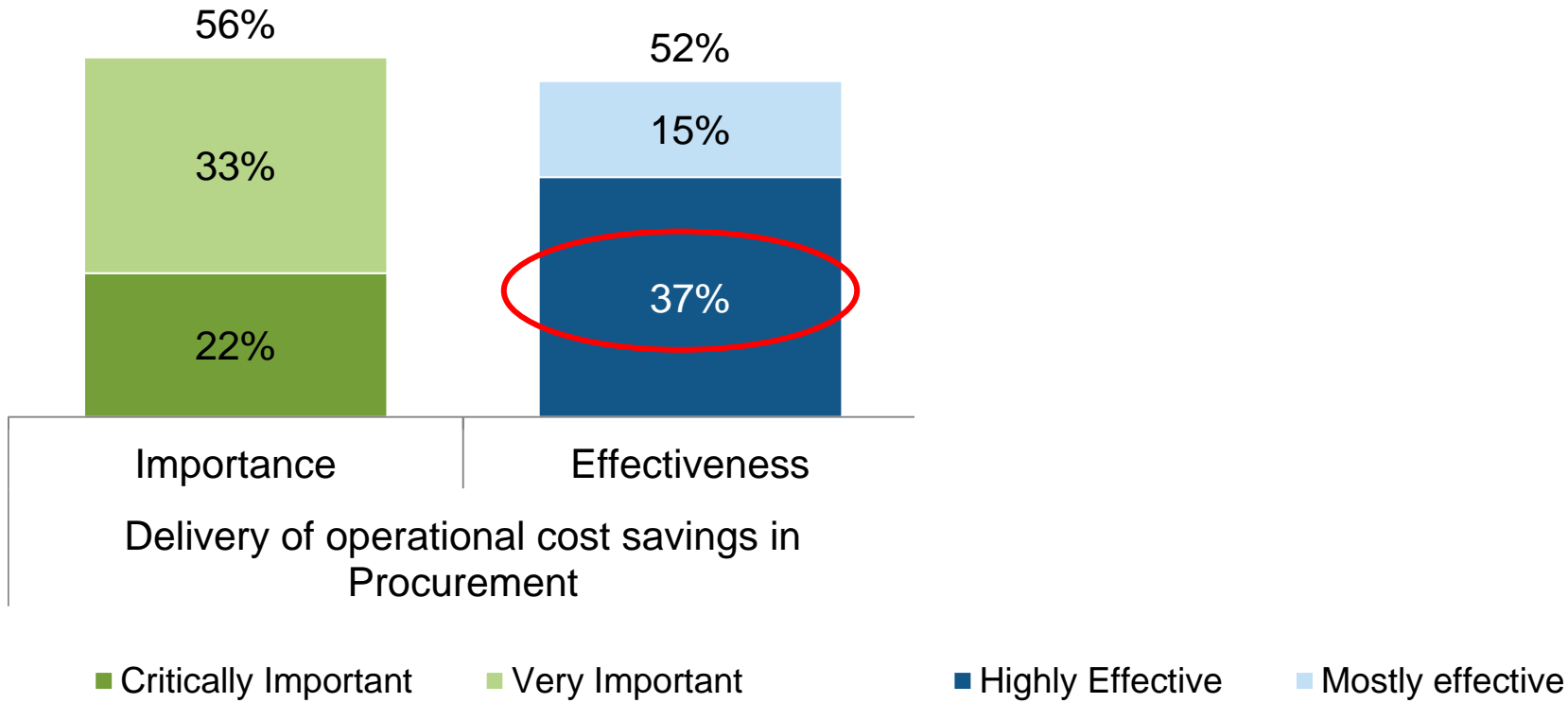




# Market Intelligence Example: Onshore CoE's Report The Greatest Return On Market Intelligence (MI) Investments



# Cost Savings Expectations Are Met, But Expectations On Quality Of Services Need Improvement



# Taking An Inventory Of Today's Customer Experience

## Areas To Explore:

### CHANNEL MANAGEMENT -

What's the most effective path to access your internal customers?

### DEMAND MANAGEMENT -

Do you understand the demand your customers have for your services?

### CUSTOMER SUPPORT -

What level and what type of support do you provide them?

### CUSTOMER ACCOUNT MANAGEMENT -

Have you defined account management roles and are they designed to optimise the customer experience?

### BRAND MANAGEMENT -

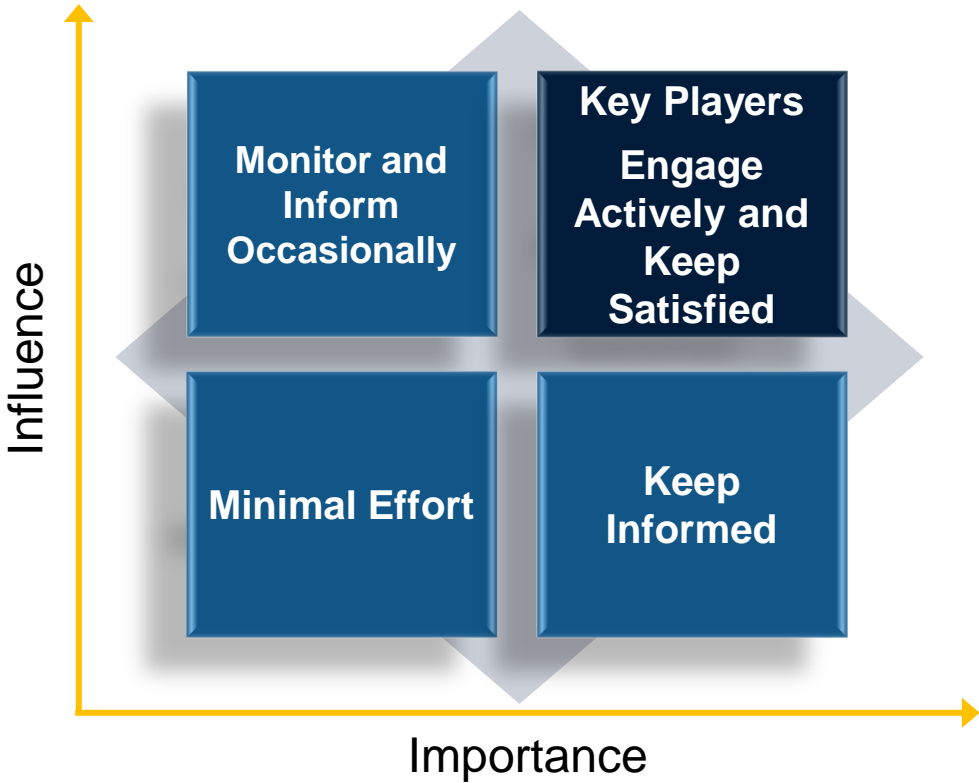
What's your Brand? Do you have a brand for Procurement? Is it widely understood by your customers?

# A Structured Approach To Improving The Customer Experience Is Needed. Mapping Out The Influence And Importance Of Key Stakeholders An Initial Step

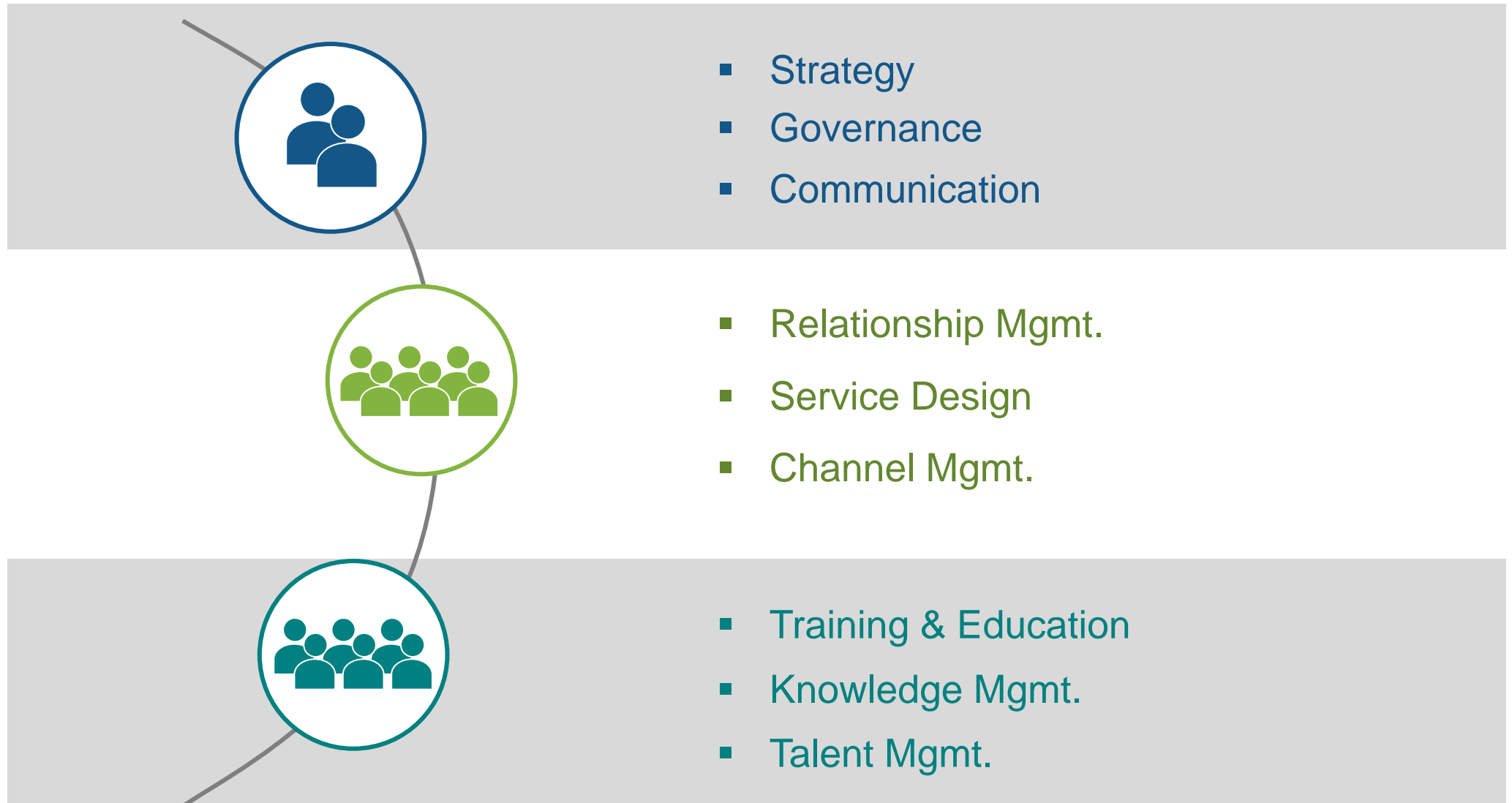
Improving The Customer Experience



Mapping Out The Influence And Importance Of Key Stakeholders



# Over Time, Build A Holistic Approach Should Be In Place



## Closing Remarks

- Organisations are today **using the opportunity** to make long-lasting, sustainable changes
- There is an opportunity to shape the Procurement's Service Delivery Model to **deliver the services and become more agile** from Source-to-settle
- **Current Centres are expanding their scope** of services up the value chain. From Source to Settle!
- Cost savings expectations are met, **quality of services require improvement**
- Procurement Organisations needs to **become customer centric**, moving from "Process Orientation" to "Service Orientation"

Questions?

# THANK YOU!

**Mélani Flores**

Practice Leader, Procurement & P2P EMEA

+49 69 900 217 201

[mflores@thehackettgroup.com](mailto:mflores@thehackettgroup.com)

Amsterdam | Atlanta | Chicago | **Frankfurt** | Hyderabad | London | Miami

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