

PROCUREMENT TRANSFORMATION



The procurement function is evolving rapidly, and organizations are increasingly looking to Procurement as a source of value creation. Your customers as buying organizations, expect their suppliers to vigilantly pursue innovation and continue to improve performance. How well is your Procurement organization responding to these expectations?

Capital Edge Consulting has the depth and breadth of consulting professionals to offer a 360-degree assessment of Procurement's performance and maturity from the perspective of five personas, each playing a critical role in the success of the function.

These multiple perspectives offer a unique, holistic approach to transformation engagements. Whether proactively pursuing a partial or total transformation of Procurement or re-evaluating the function as part of a procurement solution implementation, Capital Edge Consulting has the expertise to assist customers realize their procurement excellence objectives.

- 01 PROCUREMENT**
Our team includes individuals who formerly served as the head of Procurement, held leadership roles within the function at major GovCon organizations or were formerly Government Contracting Officers.
- 02 COMPLIANCE**
Capital Edge Consulting is the nation's largest GovCon-compliance focused consultancy and has led Compliance functions for Fortune 500 organizations.
- 03 OTHER CORPORATE FUNCTIONS**
Whether in roles within Finance & Accounting, IT, HR, Legal, or Marketing, the Capital Edge Consulting team includes seasoned consultants who offer insights and experience of the Procurement, Government Property and Small Business functions.
- 04 CUSTOMERS**
Whether serving in supplier relationship management roles in commercial organizations, or as Contracting Officers in public sector organizations, Capital Edge Consulting has considerable experience interacting with Procurement organizations and offers insights into capabilities as well as traits valued by the Customer persona.
- 05 SUPPLIERS**
Perhaps the most important persona to the eventual success of Procurement is the supplier. The voice of the supplier must be considered during transformations as a critical link in the value chain and meet or exceed its customers' expectations.

TRANSFORMATION EVENT TRIGGERS

Although the outcomes of transformation initiatives can be summarized as going from good to great, or great to greater, any number of events may warrant transformation services:

- The procurement function is viewed as a tactical, back office function.
- A significant change in the amount of spend under management.
- Difficulty in attracting and/or retaining talent.

WHAT AN ENGAGEMENT MIGHT CONSIDER

Foremost, Capital Edge Consulting believes in a transformation approach that keeps things simple for ease in communications and managing change while being comprehensive in scope. For the lifecycle of transformation activities, we will consult within four primary areas:



1. Strategy

Fundamental in executing a transformation engagement is clearly understanding the strategy and vision of Procurement, for the short-term, near-term and long-term. Common considerations that might be included are:

- Spend and supplier segmentation
- Supplier management

- There is a low level of organizational maturity.
- End-to-end activities are performed by a single role (e.g., supplier management, sourcing, contracting, buying, performance management, etc.).
- The organization is experiencing a lack of resilience, innovation and/or performance from the supply chain.
- A recent or planned merger, acquisition or divestiture.
- A significant planned, ongoing, or completed ERP or procurement solution implementation.
- An existing or expected significant amount of oversight from external audit or review organizations.

- Category management
- Sourcing and Contracting
- Purchasing and Payables
- Business process outsourcing (BPO)
- Performance management
- Compliance objectives

2. Organizational Structure

Supporting the established strategy is the associated organizational structure, considerations may include:

- Contemporary alignment of activities
- Centralization of strategic and tactical functions within appropriate roles
- Job framework that provides for meaningful roles to attract entry-level talent and retain talent
- Organizational strategy
- Staffing and talent strategy
- Shared services structure and approach
- Learning and development programs and platforms
- Established pathway for functional career advancement

3. Skills

Transformations commonly include a need to augment or improve skills as team members support the mission of new roles and functions within the Procurement organization. Further, especially as it relates to implementation of new procurement solutions, skills enhancement is needed to drive solution adoption and value realization. Common aspects of transformation engagements include:

- Assessment of maturity curve position relative to aspirational position
- Assessment of job families, job titles and grades, and job descriptions
- Competency model establishment
- Assessment of training content

4. Solutions

We help customers realize the benefits software systems are supposed to provide. Procurement

solutions should enable the strategy and position the function to create and sustain value. Too often, Capital Edge Consulting finds that insufficient digitization of procurement processes within installed source-to-pay solutions are barriers to value creation. Representative aspects of solutions-related support might include:

- Industry digitization determination and differentiation potential
- ERP and/or procurement solution selection support
- Supplier qualification and risk management
- Category management and strategic sourcing configuration approaches consistent with established strategies
- Contracting, contract management, and transaction repository
- Requisition-to-pay process refinement in context of industry compliance requirements
- Data/spend analytics evaluation and future-state approach determination
- Solution implementation oversight
- Solution adoption and optimization support

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