

Journey towards **how to buy it best**

“Procurement teams should blend process experience - how to buy with content expertise - how to buy it best.”

This requires strong business acumen, familiarity with technology, an intuitive understanding of business trends through data, and the ability to foster supplier relationships.”

ASHWIN KUMAR VP CONSULTING, GEP

So, what do Procurement teams do?



BBBEE (TRANSFORMATION)	STRATEGIC SOURCING	SUPPLIER MANAGEMENT	PAYMENTS	DATA MANAGEMENT
<p>SERVICE DETAIL: Accreditation, Reporting, Compliance, Liaison, Interfaces with Faculties.</p> <p>DEMAND DRIVER: Legislation & cost of non-compliance.</p> <p>OPPORTUNITIES / SAVINGS: Government contracts & other sales opportunities.</p> <p>RISK / CHALLENGE: Reputation. Ability to meet & comply with Government reporting requirements. Lost revenue opportunities</p>	<p>SERVICE DETAIL: Sourcing Projects, Deal Making, Contract Negotiation, Savings & Value Delivery</p> <p>DEMAND DRIVER: Spend, number of projects, number of suppliers</p> <p>OPPORTUNITY / SAVING: Savings Policy/Process compliance Usage of preferred Vendor innovation Usage of Playbooks</p> <p>RISK / CHALLENGE: Missed opportunities Adverse impact on operations where Supplier fails to perform</p>	<p>SERVICE DETAIL: Management of Vendor Contracts</p> <p>DEMAND DRIVER: Number of suppliers, number of contracts</p> <p>OPPORTUNITY / SAVING: Supplier reduction. Savings & improved performance/delivery</p> <p>RISK / CHALLENGE: Adverse impact on operations where Suppliers fails to perform. Unmanageable Supplier base</p>	<p>SERVICE DETAIL: Local & Foreign Payments</p> <p>DEMAND DRIVER: Meet UCT obligations in terms of paying for goods & services</p> <p>OPPORTUNITY / SAVING: Dynamic discounts Investment in automation (e-invoicing and robots)</p> <p>RISK / CHALLENGE: Reputation. Recourse & associated costs</p>	<p>SERVICE DETAIL: Business Objects, PowerBi, Contracts & Savings Tracker</p> <p>DEMAND DRIVER: Requests for Management Information. Ability to share analysis for informed decision making</p> <p>OPPORTUNITY / SAVING: Alignment with Finance reporting. Effective control & management of spend. Deployment & utilisation of spend</p> <p>RISK / CHALLENGE: Wrong/poor decisions. Tracking opportunities</p>

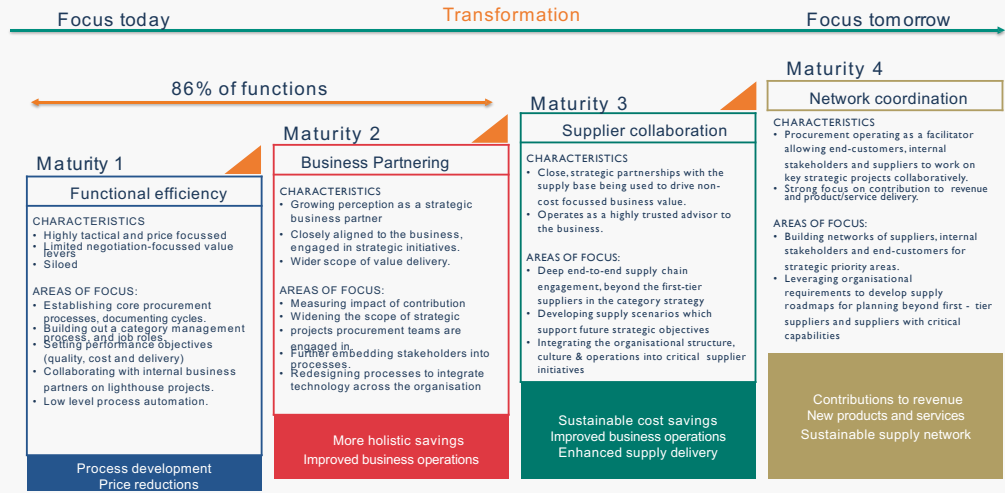


So, what do Procurement teams do?



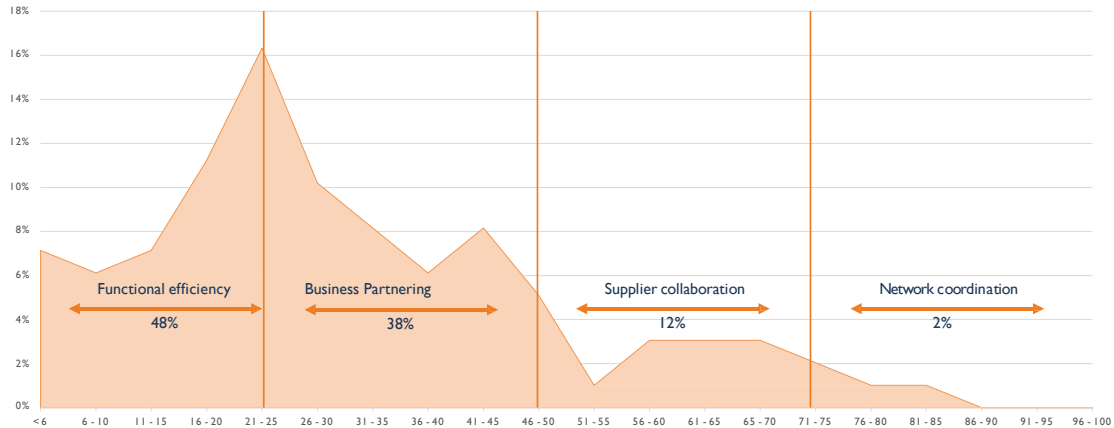
CUSTODIANS OF POLICIES	PCARD ADMINISTRATION	KNOWLEDGE MANAGEMENT	PROCUREMENT OPERATIONS
<p>SERVICE DETAIL: Compliance. Robust controls</p> <p>DEMAND DRIVER: Policies & Procedures maintenance. Compliance transactions, projects, suppliers etc.</p> <p>OPPORTUNITY / SAVING: Best practice communicated & followed</p> <p>RISK / CHALLENGE: Risk of Fraud will increase. Code of Conduct compliance at risk. Reputation damage. Potential Legal costs</p>	<p>SERVICE DETAIL: Low Value High Volume Payments</p> <p>DEMAND DRIVER: Self Service for route to market for high volume, low value payments Travel and Entertainment</p> <p>OPPORTUNITY / SAVING: Most efficient payment process route. Av cost per transaction R130 vs PO R700</p> <p>RISK / CHALLENGE: High processing cost. Increases burden on ERP</p>	<p>SERVICE DETAIL: Knowledge Management (Playbooks, Z-Cards, Guides etc.) Website maintenance</p> <p>DEMAND DRIVER: Number of suppliers and number of contracts</p> <p>OPPORTUNITY / SAVING: Key to finding the best spend decision</p> <p>RISK / CHALLENGE: Sub optimal approaches to market. Missed opportunities</p>	<p>SERVICE DETAIL: Process Fitness (sustaining P2P and executing of improvement strategies)</p> <p>DEMAND DRIVER: Number of buyers, number of enquiries</p> <p>OPPORTUNITY / SAVING: Standardised processes. Price & contract compliance. Improved efficiencies. Implementation of secondary systems. Indirect Spend & Travel. Prepare the Business Case for SAP Hana Improvements</p> <p>RISK / CHALLENGE: Inadequate Resources. Inadequate Controls. Sustainability</p>





Where are you on the journey

Majority of functions are at the early stages of transformation



SWOT exercise

STRENGTHS

- Strong institutional knowledge
 - Diverse skills
- Resilient in adversity

WEAKNESSES

- Low level of automation
- Lack of system workflow

OPPORTUNITIES

- Automate manual processes
- Invest in the development of new skillsets
- Focus on becoming better business partners to our stakeholders

THREATS

- Lack of investment in both people and systems
 - Result in slower turnarounds
 - Less capacity
- Ambition to become better business partners will be stymied

Where are you going to bet big

CATEGORY MANAGEMENT	BUSINESS PARTNERING	TALENT	SUPPLIER MANAGEMENT	PROCUREMENT TECHNOLOGY	STRATEGY & ORG DESIGN	GOVERNANCE, RISK & COMPLIANCE
Sourcing	Stakeholder Management	Recruiting & Attracting	Supply Base Management & Governance	Automating Procurement Processes	Functional Strategy & Planning	Supplier & 3 rd Party Risk
Category Strategy Development	Cross-Functional Teams	Developing	Supplier Relationships and Collaborations	P2P/ S2P	Functional KPIs	Governance & Policy
Internal/ External Stakeholders	Communicating Value	Retaining	Supplier Onboarding	Data & Analytics	C-suite/ Board/Supplier Management	Compliance
Outsourcing	Generating Business Cases	Performance Management	Supplier Performance Management & Development	Emerging Technologies	COE/ SSC/ Org Structures	Risk Management
Category Intelligence & Planning	Stakeholder Satisfaction	Knowledge & Change Management	Supplier Enabled Innovation (SEI)	Strategy Development	Branding	CSR / Sustainable Procurement



Three different levers: to extract better value



Leverage purchasing power

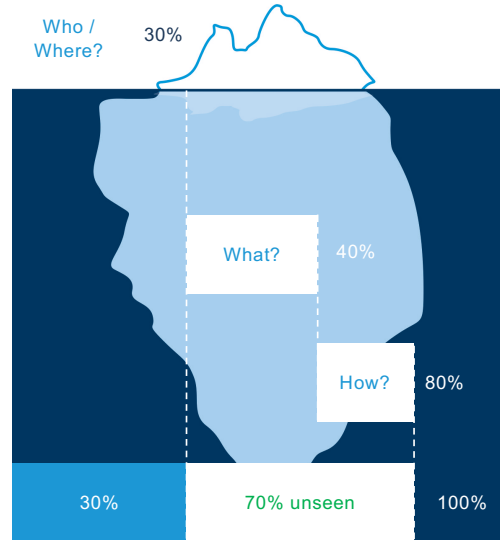
- Change supplier structure
- Renegotiate contracts
- Bundle

Leverage product changes

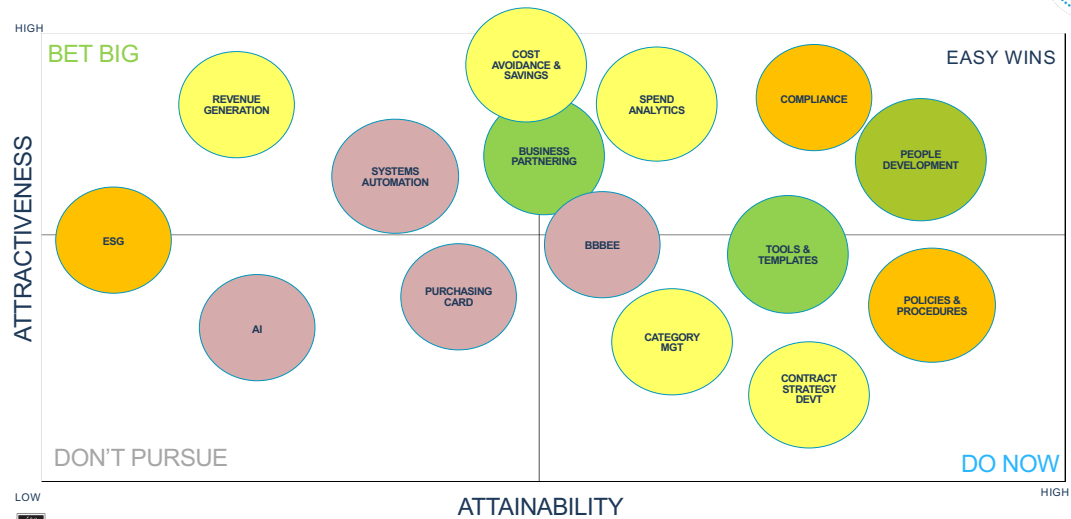
- Standardise
- Find substitutes
- Change product specification
- Design to cost
- Demand management

Optimise processes

- Optimise handling, admin, processing
- Reduce inventory
- Improve R&D qualification
- Reduct joint costs with suppliers
- Design to process



Placing your bets



LOW



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ATTAINABILITY

HIGH

Value Beyond Savings Enablers



Leadership

Top-down commitment to delivering value beyond savings (VBS).

Activity management

Visibility into what people are working on and when.

People

Attract and retain top talent with the capabilities to drive the VBS agenda.

Business partnering

Understand business needs and enhance critical internal relationships.

Capacity

Systems, process and governance afford teams the capacity to focus on delivering VBS.

Change management

Challenge conventional wisdom and shift expectations regarding procurement's contribution.



Develop a Good Procurement Strategy



Make five choices to create a business strategy:

- 1) Articulate a winning aspiration;
- 2) Determine where to play;
- 3) Know how to win in your chosen location;
- 4) Develop the core capabilities required to win; and
- 5) Implement the management systems that support success.

Source: Roger Martin



Developing the Talent



Team Structure

Leadership	Sourcing Delivery	Payment Services	Procurement Support (including Hubs)	Procurement Consultancy, Systems & Capabilities	Foreign Consultancy	Job Family
PPS Director	Senior Contracts Manager	Accounts Payable Manager	Purchasing Supervisor	Purchase to Pay & Capabilities Manager	Foreign Sourcing Manager	Generic Role
Purchasing Team Leader	Contracts Manager	Payments Supervisor	Purchasing Administrator	Purchasing Systems & Process Specialist	Foreign Sourcing Officer	
	Contracts Advisor	Creditors Reconciliation Clerk	Master Data Administrator	Purchasing Card Manager		
	Contracts & Sourcing Analyst	Foreign Payments Clerk	Purchaser	Purchasing Card Administrator		Existing Role
	Contracts & Sourcing Administrator	Creditors Clerk				Future Role

Diagram: PPS Generic Job Families and Roles



Reskilling for the future

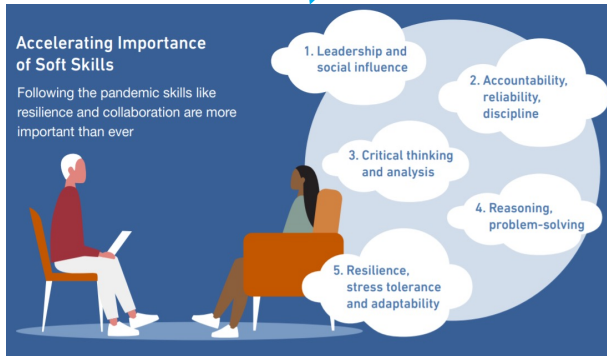


FIG 7: EVOLVING ROLES WITHIN PROCUREMENT

EMERGING SPECIALIST ROLES	EMERGING ENABLEMENT ROLES
<ul style="list-style-type: none">■ Procurement ambassadors/ dedicated business partners■ Supplier relationship managers■ Diversity and inclusivity leads■ Supply chain risk analysts and coordinators■ Supplier-enabled innovation leads■ Sustainable procurement leads	<ul style="list-style-type: none">■ Agile project managers■ Change management experts■ Data analysts/scientists■ Data stewards■ Digital project managers■ Heads of excellence■ Software bot developers

Reskilling for the future

Capability area	Competence	Rating	Priority	Status
Shaping the business	Business case development	3	1	Surplus
	Managing and promoting change	2	3	Gap
	Problem solving and decision-making	2	3	Gap
	Procurement process and policy management	2	3	Gap
	Project management	1	3	Gap
	Strategy development	3	3	On track
Leadership	Emotional intelligence	3	3	On track
	Leading others	1	3	Gap
	Leading self	3	2	Surplus
Delivering value	Business alignment	1	2	Gap
	Negotiation	2	2	On track
	Supplier collaboration	3	2	Surplus
	Supplier performance management and development	1	3	Gap
	Supplier-enabled innovation management	1	3	Gap
	Supply base management	1	1	On track
Protecting value	Contract management	1	2	Gap
	Ethical procurement	1	3	Gap
	Procurement due diligence	3	1	Surplus
	Risk management	1	3	Gap
	Sustainable procurement	1	3	Gap
Data and analytics	Digital literacy	3	2	Surplus
	Technology savvy	3	1	Surplus
	Working with data	3	1	Surplus

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<ul style="list-style-type: none"> Procurement ambassadors/ dedicated business partners Supplier relationship managers Diversity and inclusivity leads Supply chain risk analysts and coordinators Supplier-enabled innovation leads Sustainable procurement leads 	<ul style="list-style-type: none"> Agile project managers Change management experts Data analysts/scientists Data stewards Digital project managers Heads of excellence Software bot developers



Developing the Technical Competencies “growing our own timber”



Why Wicked Problem Solving?

Today's problems come in all shapes and sizes and are only growing more complex. Specialized roles, remote teams, and siloed organizations require innovative ways to tackle everyday challenges. Start your journey today and make ideas reality by utilizing the power of structured thinking and creative collaboration.

<https://www.wickedproblemsolver.com/>



This certificate is awarded to

Pelisa Mqulwana

On 10/21/2021

By SIG University and SIG (Sourcing Industry Group)

in recognition of successful completion of the **Certified Sourcing Professional** program.



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This certificate is awarded to

Rhaya Mbulawa

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in recognition of successful completion of the **Certified Sourcing Professional** program.



SIG University's Certification Programs

SIG University's advanced training programs engage students in a collaborative learning environment that fosters and supports new approaches and solutions to today's most pressing challenges. SIG University currently offers four online certification programs:

- » Certified Sourcing Professional (CSP)
- » Certified Supplier Management Professional (CSMP)
- » Certified Third Party Risk Management Professional (C3PRMP)
- » Certified Intelligent Automation Professional (CIAP)

New programs are currently under development on the following topics:

- » Technology Strategic Sourcing
- » Contracting in the New Economy
- » Strategic Sourcing Executive Development

Utilisation of Knowledge Assets and Networks

Videos

Recordings from live event presentations, webinars and interviews with leading thinkers

All Webinars Events Interviews Advisory

LATEST



VIDEOS

How can we leverage all we have learnt & drive procurement energy to deliver business impact?

Nov 23, 2021



VIDEOS

Designing a function fit to endure future challenges that is compatible with the new business reality

Nov 23, 2021

- Procurement Leaders
- LinkedIn Learning
- Purco Ponder series
- [Staff Learning Guide 2022 \(Self Leadership - Page 82\)](#)



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Business: Leadership and Management
Leading during Times of Change

Managers and leaders are constantly confronted with change. Learn the specific techniques to plan your change effort as well as how to address the cultural and emotional challenges that arise during organizational changes.

Learn to implement project, area, or organizational changes using organizational change management (OCM). | Share your change vision through the power of story. | Discover how to avoid common pitfalls in mergers and acquisitions.

Section 1
16 ITEMS - 12h 11m

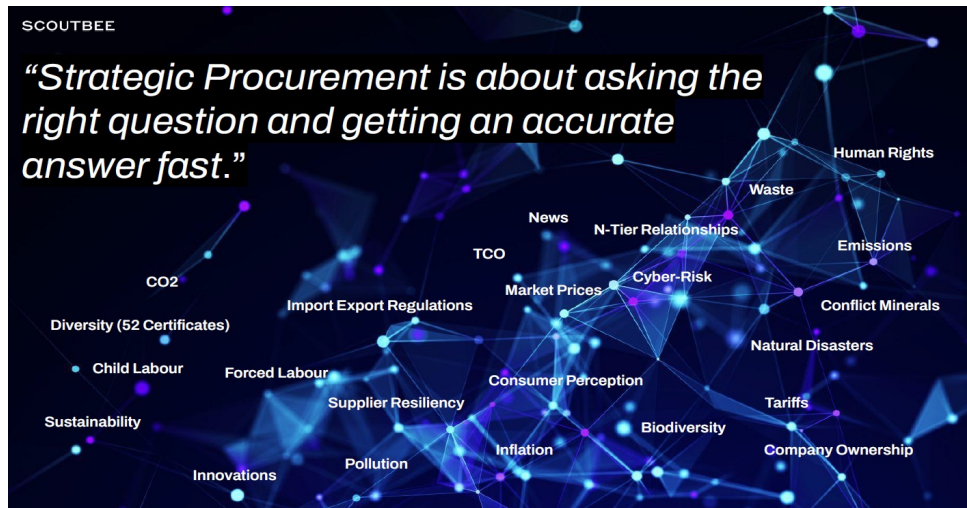
15 September 2021 09h00-09h45	The Mandatory Workplace Vaccinations Debate <i>Andre Vlok</i> <i>The Conflict Resolution Centre</i>	In this Ponder presentation we explore the debate around mandatory workplace vaccination policies, what the law says, your rights as an employer and employee, and how to avoid and manage conflict. VIEW THE RECORDING
1 September 2021 09h00-09h45	Gearing up for uncertainty <i>Lee Naik</i> <i>CEO Transunion Africa</i>	In this presentation, Lee explores key consumer, business and technology trends from the last 18 months, powered by TransUnion's insights. He will share ideas that we should be aware of that will help individuals and businesses drive their relevance and growth in this ever-changing world. VIEW THE RECORDING
18 August 2021 09h00-09h45	Post pandemic futures How organisations and careers will fundamentally change <i>Guy Lundy</i> <i>Spencer Stuart</i>	Futurist and leadership consultant Guy Lundy explores the trends and drivers of accelerating change and how it impacts the roles, skills and competencies you and your business will need to succeed into the future. VIEW THE RECORDING



Analytics



New Analytical Insights and Data Points



New Analytical Insights and Data Points

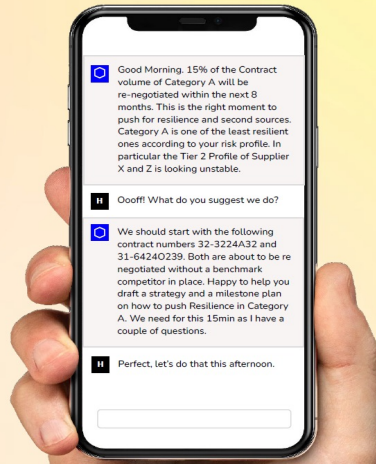


SCOUTBEE

Day 600 Use Case Your Ai Procurement Co-Pilot

Data Set X

Name	Contract
Product	Bill of Material
Capabilities	PPM
Documents	Ecovadis
Location	Supplier.io
Financial Data	Tier 2
Financial Risks	Tier 3
Performance	Rapid Rating
Category	Inventory
xScore	Weather
Product	#UDC Universal Data
Reputational Risk	Connector Slots X



Anecdotes

Let your Ai optimise your Supply Base according to your strategy.

Understand the real status quo of your supply base according to your strategy.

Ai is doing 24/7 scenario planning to define the next best action.

Create reports and insights into your supply base via conversations and plot charts through conversations.

Let the Ai identify weak spots in your supply base and let her suggest improvements.

Keep increasing your decision database by adding more and more suppliers to your potential supplier pool to let the Ai decide based on the global potential.

The Ai is now part of your Team.

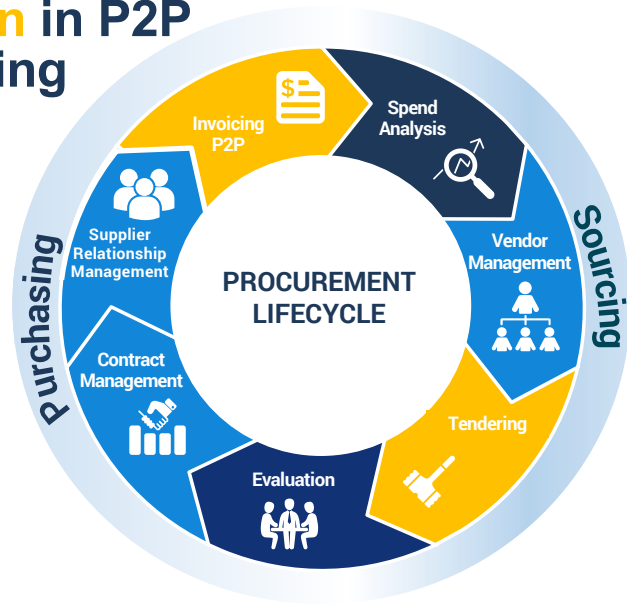




Automation



Automation in P2P and Sourcing

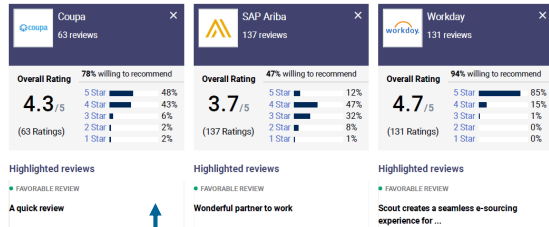


Automation Opportunity

e-sourcing project canvas



Preferred Solution Workday Strategic Sourcing



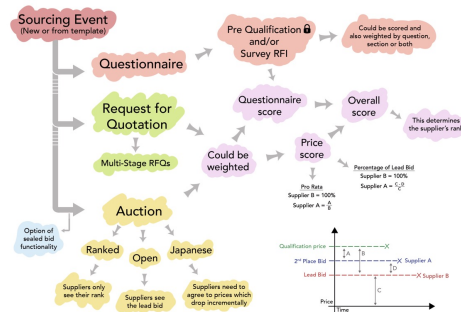
GARTNER RATING

PROCUREMENT LEADERS

- Workday Score

USER FEEDBACK
(MEAN AVERAGE OUT OF FIVE)

OVERALL SATISFACTION	3.7	4.6
VALUE FOR MONEY	3.6	4.6
EASE OF USE	3.4	4.4
EASE OF DEPLOYMENT	3.4	4.2
FUNCTIONALITY USAGE	3.3	3.4

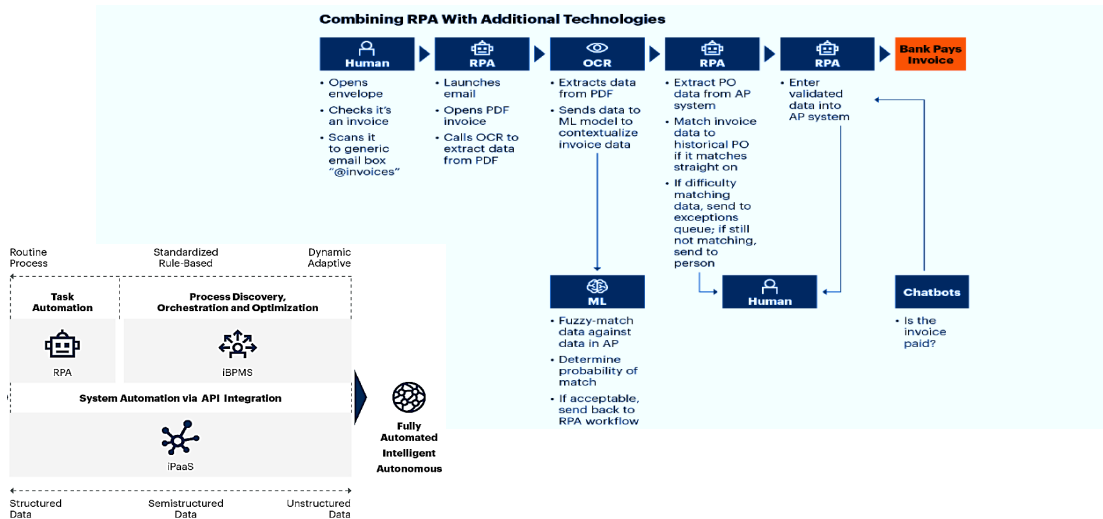


Automation Opportunity

e-invoicing project canvas

WHY	Rationale & Business Case Move away from a paper based invoicing process to an automated stand alone cloud platform. Currently, invoice processing at UCT is manual, cumbersome, paper/PDF intense, and requires double capture. This increases the risk of human error, incorrect payments, vendor queries, delays and decreases process and operational efficiencies.	WHO	Executive Sponsor <ul style="list-style-type: none"> Executive Director Finance – Vincent Mtholo Director Systems & Policies – Lesley Haddow Director PPS: Robing Golding 	Governance <ul style="list-style-type: none"> Evaluation Committee Specification Committee Adjudication Committee Project Implementation team <ul style="list-style-type: none"> Includes PPS + ICTS + Finance and Vendor
WHAT, HOW & WHEN	Scope <ul style="list-style-type: none"> The project will deliver an automated e-Invoicing system with AI, including Optical Character Recognition (OCR) and machine learning Time RFP – Q1 2023 <ul style="list-style-type: none"> Initiate & Plan: Apr - May Implement: Jun - Jul Training & Go Live: Jul - Aug Cost <ul style="list-style-type: none"> To be finalised after completion of RFP Quality <ul style="list-style-type: none"> Develop user systems testing 	Risk Management Adoption of system <ul style="list-style-type: none"> Design processes for implementation Develop training plan Ongoing monitoring and support 	Stakeholders <ul style="list-style-type: none"> External Vendors PPS Creditors / Foreign team PPS system owner Identify super users within PPS 	
KPIs	What does success look like? <ul style="list-style-type: none"> Ease of use Ease of deployment Full manual process automated Adoption of system No manual invoice capture OCR capability Machine learning capability Increased productivity Robotic Process Automation 			

E-invoicing automation



Placing your bets

