FIVE ANSWERS FROM FIVE EXPERTS

PART 1 – LEADING THROUGH A DOWNTURN

News of a Covid-19 vaccine breakthrough has received a positive response in many quarters – not least amongst economists. That said, with the UK having experienced a second wave of the virus and into its deepest ever recession, the economic legacy of coronavirus is set to be felt for years to come. We have seen countless businesses collapse and redundancies reach record levels.

It's an unprecedented situation. But recessions are nothing new and the country's top procurement professionals have lived through them before. We asked some of Barcanet's network of senior procurement executives, what advice they would give right now to business leaders battling to ride out the crisis - how can they harness the power of procurement to speed recovery?

Your Expert Panellists

Perrin Haydon-Rowe – Global Director of Procurement at Clarks Shoes, Perrin has extensive experience in the retail and FMCG sectors around the world, having worked for the likes of Procter & Gamble and JM Smucker.

Kim Godwin – Former CPO of Barclays Bank plc., Kim is now an independent procurement consultant and has transformed business across the Finance, FMCG and Public sectors.

Matt Row - his chance introduction to procurement has led to a career including Dyson, Ladbrokes Coral, Lloyds TSB and BT, before becoming the Property and Procurement Director at Zellis.

Peter Duffy – Another who fell into procurement, 35 years later and Peter has led strategy and change across public and private sectors at Cargill, TATA, Weetabix and the Cabinet Office.

David Loseby – Currently Director of Procurement at Rolls-Royce, having worked for diverse businesses including Wolseley, Barclays, GSK & Arriva. David co-founded the Procurement Doctor to provide rich content to procurement professionals free from 'software sponsored advertising'.

How can leaders harness the power of procurement to speed recovery?

It's time to realise the potential procurement has to transform business operations, according to **Matt Row Director of Property, Procurement and Accounts Payable at Zellis.** Matt says**, "**Business leaders have an opportunity to grab hold of their procurement functions and use them to accelerate the urgent delivery of business priorities from digital transformation to tight cash flow management.

The procurement function has never had a better opportunity to step forward and be a seismic enabler to the business. In some businesses the procurement function may even be the function that enables the business to continue as a going concern through delivery of cash flow management and ongoing critical service delivery. In other businesses the rapid procurement practices could be the make or break in delivering a digital customer experience.

Whatever the business priority - procurement are perfectly placed to accelerate the delivery of it."

David Loseby, Procurement Director at Rolls Royce agrees that procurement has the capability to steer companies through crisis and asserts that agility and adaptation is key. "We must pivot to what the business needs not necessarily what we often stereotype ourselves for doing," David says. "Recognising and utilising the wide range of skills procurement functions possess, including change and transformation skills, can be hugely disruptive. We must rearrange our skills like a chameleon and adapt to the new environment"

For **Perrin Haydon-Rowe**, **Global Head of Procurement at Clarks**, the ability procurement has to drive positive change, spanning every element of business operations, should not be underestimated by Boards. "Procurement has rarely been in such demand as in the past six months," says Perrin. "We are delivering supply base restructuring and stabilisation, double-digit cost reduction, minimising business interruption and redoubling efforts to win on service with consumers."

"Forward-thinking companies that have invested in digital contracting and procurement technology, and have treated their strategic partnership with the care it deserves are reaping the rewards."

"Absolutely," adds **Procurement Director and Consultant, Peter Duffy**, "businesses need to let procurement have a seat at the top table, so it can contribute to corporate strategy development, implement strategies that support supplier growth and enable business development by having strategic partners as suppliers.

"We also have an opportunity to learn from the unique challenges we have overcome during 2020. The advancements in technology and even what we had before but didn't use e.g. virtual working must be continued. Procurement can play a vital role in helping to enable more agile, cost effective and people-friendly businesses going forward. Do we really all need to commute daily? Where practical, can we enhance flexible working and conduct wellbeing assessments with staff to establish what they want? Can we look at savings in office rent, move out from the city centre, reduce utility costs and become more cash rich to invest for growth. ALL of these factors are, for me, in the purview of procurement."

"It all comes down to recognising where procurement can add value," says **Kim Godwin, Procurement Consultant at P&SCM Associates**. **"**Look at how much of your cost base is with suppliers and the reliance that your business has on these (for service provision - maybe direct to customers). Also look at innovation - in practice most of this comes from your suppliers and not your staff. Consider your HR scope, capability and cost - is this proportionate to what you spend on procurement, given the relative spend between suppliers and staff? And finally, don't allow the organisation to take its eye off contract management - this is where the opportunities are to actively manage your third-party costs, and where the risk of supplier default or poor performance lie."

Overall, our expert panel urges business leaders to help break procurement out of its silo, so it can become the business partner and strategic enabler it has the potential to be. By investing in procurement this way and putting it front and centre of recovery plans, businesses can beat a path back to success – simply by developing and optimising capabilities they already have in place.

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