



Agile in the Nordics: Turn pressure into a force for change

To what extent should procurement chiefs buy into the buzz around agility? Executives have spent many years educating the business on how the function can add value and honing category management structures to deliver savings — why would we move away from what we understand?

The discussion at Procurement Leaders' Stockholm summit demonstrated that while companies are taking diverse approaches to the concept of agility, it's proving to be a true inflection point for functions in all regions. Some CPOs are embracing the opportunity to get closer to the customer, others are trying out some of the methodologies, and a few are pushing to rethink how procurement works.

Here are a few insights into a discussion among procurement chiefs from the Nordic region who both championed and challenged the agile approach.

Is agile a methodology or a mindset?

Very few organisations had not tried implementing some of the agile practices (see Procurement Leaders' case study on Barclays' agile pods), such as scrum methodology, to try and become a more proactive participant in key projects. That said, procurement chiefs recognised that, as a one-off activity, sometimes it could just be put down to taking an astute approach to a project, rather than anything that would deliver head-turning results. No wonder, then, the reception of agile in some quarters is still lukewarm: it's only by looking at functions that are truly investing and embedding this activity can we judge whether it is making a difference.

Can procurement drive change, or is it being changed?

One of the main objections to embracing agile is the pushback from the business: if it's not in the company culture, your function won't start a revolution. In those situations, the onus is on leadership in procurement to seek out those internal allies and projects where you can organise to be more customer-focused and deliver value at pace. You will always be led by the broader culture, but there will always be opportunities to be lean and less process-led.

How far should we rethink our skill set composition?

The people that got us here won't necessarily get us where we need to go. Agile requires a mentality, but also a very deliberate mix of skills and competencies that functions won't necessarily have built within a category management framework. Acquiring or developing talent that has business acumen and communication skills is already a priority but, unless leaders reexamine their skills frameworks and get creative in their talent strategies, they won't have the capability to get closer to stakeholders' needs.

Supplier management as a gateway to agility

Here are some things we know: Smaller suppliers often hold game-changing innovations; supplier relationship

management is largely seen as a tool, rather than a strategy; and suppliers could often help solve customer problems, but pressure on cost and savings will often dictate the focus of the relationship between them and the business. Being more realistic about the effectiveness and the goals of SRM strategies and reexamining the function's ability to engineer collaborative relationships with suppliers are key factors in procurement's journey to becoming an enabler for the business as it looks to the supply base to help create competitive advantage

Article extracted from: <https://www.procurementleaders.com/blog/steve-hall/agile-in-the-nordics-turn-pressure-into-a-force-for-change-683046#.W0dDmDozbIX>

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