

The Four Ps of PROCUREMENT

Diagnosing and Treating the Real Challenges Facing the Profession

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The Four Ps of PROCUREMENT

Our biggest challenge or our biggest opportunity?

by David Clevenger

Consider the following: no well-run company allows hiring or firing to be done without the oversight of human resources. It wouldn't allow contracts to be executed without the involvement of legal. No one can approve large expenditures without finance. But nearly anyone can make a buying decision without going to procurement.

As procurement professionals, we have two choices: we can accept this as our fate, or we can recognize that it's up to us to do things differently and affect change.

We actually have the potential to dramatically increase the value we bring to our organizations and demonstrate our importance in new and more strategic ways than ever before.

By expanding our skills, applying them to the right objectives, optimizing our relationships and marketing our value, we can establish the foundation for procurement as a truly strategic and indispensable component of corporation—one deserving of a seat at the boardroom table.

And the survey says...

Our team recently surveyed a group of supply chain professionals working in a variety of roles and levels across industries. We asked them to outline issues they commonly face so that we could design our annual event to best address the most troublesome parts of their job.

The results came as no surprise. We consistently heard:

- ▶ Lack of category expertise
- ▶ Inability to achieve buy-in from stakeholders and leaders
- ▶ Difficulties with data integrity
- ▶ Implementation challenges
- ▶ Lack of resources
- ▶ Need for greater ongoing management
- ▶ Continued lack of strategic importance placed on the procurement function

The list was made up of exactly the same complaints and challenges I'd heard from procurement professionals a year earlier, five years earlier, and 15 years earlier (I won't admit how long I've been in the industry, but it's longer than 15 years).

Everywhere I go—every speaking engagement, every boardroom discussion, every bit of procurement chit-chat—I consistently hear even the best and the brightest dissect these issues.

It occurred to me that I wasn't listening to a list of problems, but rather a list of symptoms—symptoms caused by larger problems we as a profession have never really adequately addressed.

In examining the list of symptoms, there are four key problems that rise to the surface:

- 1** PEOPLE:
Ineffective talent recruitment and management
- 2** PRIORITIES:
Misalignment of objectives
- 3** PARTNERSHIPS:
A lack of focus beyond cost savings
- 4** PROMOTION:
An inability to fully market the worth of procurement

Facing the real issues

The time has come for procurement professionals to think differently.

We need to stop treating these symptoms and face some potentially difficult truths. If we're going to maintain our relevance and bring substantive value to our organizations, we have real problems that need to be cured.

Number one: PEOPLE



Complaints: Inability to forge productive relationships with internal spend owners; ineffective at collaborating to achieve greater value from suppliers; failure to quantify the non-price impact of our efforts.



Diagnosis: Procurement is hiring people for an outdated role.



Treatment: Recruit against the skills of the future by staffing procurement departments with analytical, commercially-savvy individuals who'll help achieve the next generation of supply chain objectives.

Stuck in old hiring habits

People speak of talent management crises in specific professions, usually due to a general shortage of people or a specific skill. Only a registered nurse can be hired to fill an RN position, for example.

The talent management issues faced by supply chain are different.

There is no specific shortage of the skills needed to be successful; we just haven't been hiring to that profile. We haven't moved much beyond the skills that have served us quite well over the past 20 years.

Ensuring the future success of the procurement profession means securing the people who will lead us for the next 20 years.

Salespeople: the enemy, or positive role models?

Many of the symptoms we're experiencing are related to a lack of commercial savvy among procurement people. While we spend a considerable amount of time working with salespeople, we view them as adversaries.

Consider this: procurement—particularly indirect procurement—can spend more time selling to internal spend owners to get them to work with

procurement than they do sourcing, writing contracts or managing suppliers. Despite this, we have continued hiring people without sales skills.

The successful procurement professional of the next 10 years will be a skilled negotiator, but they will also have the ability to instill confidence in leaders, stakeholders and suppliers.

An effective salesperson is credible and has the communication and leadership skills to get others to buy into the vision.

Do you want to be a purely reactive body waiting to be assigned tasks if, and when, a customer chooses to



“Application of influence skills has a larger impact on business partner adoption (of procurement proposals) than the possession of those skills.”

—BEN FEDERLEIN, SENIOR DIRECTOR, CORPORATE EXECUTIVE BOARD (CEB)

use you? Or would you rather convince that customer that not using you would be the worst mistake of all?

Great salespeople are excellent at creating and executing against strategic plans with short- and long-term objectives. They accomplish this not by waiting until a prospective customer calls on them, but by communicating how their product or service is indispensable. This is a very different activity than actually performing the service or manufacturing the product.

In short, it's not good enough for procurement people to be excellent at their jobs if they fail at explaining how that translates into value for their customers.

Making sense of the numbers

With so many spend categories maturing, generating savings through traditional negotiations is increasingly difficult. The most progressive procurement organizations are looking for more collaborative relationships with high-quality suppliers to drive greater value.

While this is absolutely a best practice, it introduces a major challenge—quantification.

We'll deal with this specific challenge in the "partnerships" section on page 10, but as it relates to people, we need to increase our analytical capabilities.

The ability to identify and implement continuous improvement, demand management and other innovations is critical, but our ability to quantify the impact of those activities will define our metrics and our success against them. Too many procurement departments lack the people and the tools necessary to provide this level of clarity.

Hiring people who can manage data and quantify the value of these contributions is necessary for the next generation.

Additionally, the ability to align these efforts with the broader goals of the organization provides us with the foundation for our sales strategy.

When you're hiring, ask developmental questions like 'while you're here, what can we do to help you?' and 'what do you hope to do when you leave?'"



—NASEEM MALIK, MANAGING PARTNER, MRA GLOBAL SOURCING

5 WAYS TO DRIVE SAVINGS

1. IDENTIFY HISTORIC WEAKNESS

Correct practices and harvest "low-hanging fruit" through strategic sourcing

2. CAPITALIZE ON A MARKET TREND

Take advantage of declining market through negotiations or flexible contracting terms

3. COMPRESS SUPPLIERS' MARGINS

Utilize any method of negotiation to reduce cost through reduction of supplier profitability

4. INCREASE SPEND VOLUME

Acquisition, organizational growth or GPO participation to make business more attractive

5. EXPOSE AN EFFICIENCY

Alter buying patterns/manage demand, consolidate suppliers, or leverage providers' supply chain

EXHAUSTED TACTICS

Negotiation and contracting skills must be replaced by supplier management and analytical skills.

Number one:

PEOPLE

Action item checklist

- 1 Assess your team for the following skills:
 - Negotiation
 - Influential communication and credibility
 - Leadership
 - Mathematical analysis
 - Reporting (both detailed and high-level)
- 2 Work with HR to revise your job descriptions and build their understanding of your personnel needs.
- 3 Adjust your interview process and style.
 - Add members of other functional groups to the interview process since they'll be the internal customers.
 - Pay attention: does the candidate ask and listen or just talk and sell?
 - Delve into their experience with internal stakeholders.
 - Learn their take on cost vs. quality vs. service; the answer will demonstrate their understanding of the stakeholders' needs—or lack thereof.

Number two: PRIORITIES



Complaints: Little support from the C-suite; no seat in the boardroom; not viewed as a strategic contributor.



Diagnosis: The priorities of procurement are not aligned with organizational objectives.



Treatment: Escape from the age-old trap of procurement being measured on year-over-year cost savings, and modernize the objectives of the group.

The frustrating current state

The complaints are as old as procurement itself:

- ▶ “Leadership doesn’t support what we’re doing.”
- ▶ “We can’t get mandates to drive compliance.”
- ▶ “We have no seat in the boardroom.”
- ▶ “Procurement isn’t seen as a strategic contributor to the business.”

Unfortunately, these complaints are true, but there are also good reasons for them. The traditional priorities of the procurement department are not aligned with those of the organization and its leaders. In far too many instances, procurement isn’t a strategic contributor, and doing the same activities in the future will not change that dynamic.

Change the metrics, change your relevance

When asked, the majority of procurement professionals still cite “delivery of cost savings” as their primary objective, and the quantification of those savings is the evidence of their contribution. This is what we report on because *this is how we’ve always been measured.*

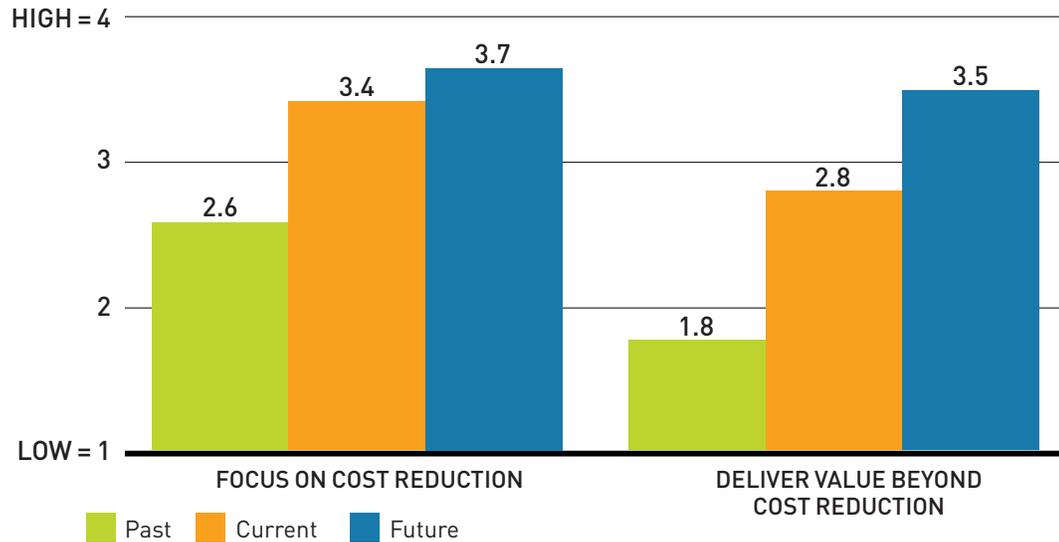
“For stakeholders to recognize procurement’s financial performance, never delegate upwards, and be prepared to take the lead while working with a few people. A finance exec and controller are key. IT cannot be bypassed. In the end, business and functional owners are the ones that will accept or kill your initiative.”

—FABRICE SAVORITO, CONSULTANT,
FORMER CEO, SIEVO



IMPORTANCE OF PROCUREMENT IN COMPANY EFFORTS

(average responses)



Source: A.T. Kearney Assessment of Excellence in Procurement Study



“Align your sourcing efforts with the underlying goals of the organization, and relate the results of the sourcing activity to those specific goals. This creates a shared responsibility with other parts of the organization to capture the value toward goal attainment”

—JIM JORDANO, MANAGING DIRECTOR,
PROFECTUS MANAGEMENT ADVISORY GROUP

The question is, “why have we been measured this way for so long, and why should we continue to allow it?”

Let’s make one thing clear—saving money is a good thing.

We shouldn’t ignore opportunities to save, nor should we over-pay, but we have to put cost savings into perspective. Begin this process by understanding the real objectives of your business.

First step: do your homework

Listen to your company’s earnings calls, attend your company’s sales meetings, focus your attention on supporting the direction your company is headed. Your company is in competition. They are battling every day to grow and increase both market share and earnings per share.

Cost savings, per se, are not the ultimate goal of to your leadership. But, speed to market, innovation and growth are—so how are you positioning yourself to serve those objectives?

Proxima's Chief Communications Officer Tom Lawrence sums up this point:

“The long-term justification for procurement, therefore, needs to move away from today’s unrealistic promises of exceptionally large savings each year of which only a fraction ever materialize on the bottom line. In its place is a one-off shift in the cost base in the first few years, followed by a function that stops the new cost base from deteriorating back to where it was. The business receives an invaluable service, providing a commercial edge, improvements in supplier engagement and innovation, market insight and advice, and an agent for change.”

In adopting such a strategy, procurement moves from a body designed to manage the bottom line to one capable of supporting the growth of the top line, and in doing so, becomes a more important contributor to the business. C-level executives frequently come out of commercial, financial and senior operational roles because their responsibilities and focus are on growth. Procurement should view their roles the same way.

Speak their language

One way to become an agent for change is to think about how we’re reporting the value we generate.

“Cost savings” are not strategically important, but cost savings on direct materials are “margin enhancements.” Cost savings on indirect goods and services are “earnings per share improvements.”

We need to think about and communicate our impact in terms that are consistent with what the leaders of our businesses value.

Another is to focus on value. Procurement professionals sit in a very unique position, we represent the portal for suppliers into our organizations. The way we’re currently measured has created a dynamic that confines our efforts with those suppliers to price negotiations.

However, we have the ability to alter that dynamic and get our suppliers to contribute based more on what our companies need to be successful rather than simply providing goods and services for less.

“Procurement must engage a greater number of business partners on a more consistent basis to be able to influence strategic decisions and become a trusted advisor to the business.”

—BEN FEDERLEIN, SENIOR DIRECTOR, CORPORATE EXECUTIVE BOARD (CEB)



Number two:

PRIORITIES

Action item checklist

- 1 Learn your company's strategic goals and confirm your findings with leadership.
- 2 Create reporting to address those goals:
 - Adjust your language and catch-phrases to match theirs.
 - Design high-level reports for presentations.
 - Keep detailed reporting to substantiate your high-level claims.
- 3 If possible, do a "trial run" of your new reporting with a C-level executive before presenting it to the entire leadership team.
- 4 At least twice a year—and more often if your company moves very quickly—start over at step one.

Number three:

PARTNERSHIPS



Complaints: Not seen as a value driver; time constrained and lack of category expertise.



Diagnosis: An antiquated (or non-existent) supplier management approach is inhibiting success.



Treatment: Become more collaborative with suppliers to create a value chain enabling procurement to drive innovation, speed to market and move closer to the “tip of the spear.”

Perception: procurement does not play nicely with others

Perception is reality, and the perception of procurement is that we are adversarial gatekeepers who restrict value creation in an effort to level the playing field.

Our focus on cost reduction is seen as myopic. Our ability to think outside the box? Non-existent.

It sounds harsh, but too many times it's the way we are seen. These perceptions—and the truths that lie somewhere within them—are limiting factors for you and subsequently for your company.

Creating value by leveraging your suppliers' strengths

The next generation of value will be achieved through collaboration, not negotiation. Think about the complaints at hand:

- ▶ “We don't have time.”
- ▶ “Our department has been stretched too thin.”
- ▶ “We lack the category knowledge to make meaningful changes to programs.”

The answer to these problems lies within your supplier community. Instead of focusing on episodic cost-saving efforts, we must concentrate on partnerships that drive innovation and results in sustainable improvements.

These efforts also help us to identify solutions that are truly valuable to our stakeholders who are frequently focused on more than cost savings, and who have increasingly little patience for the length of time it takes to execute a traditional RFP process.



“Utilize a spend management roadmap to collaborate with stakeholders showing what would be easiest to start with and what would have high impact for low effort. Be prepared to explain what it will take to scale your SRM services.”

—MIKE BROWNING, MANAGING DIRECTOR, SUPPLIERWORKS

“When sharing company information with suppliers, intellectual property concerns can be a barrier. Suppliers’ efforts must be incentivized and rewarded if engagement with them is to be successful. Trust develops from a track record of doing what you commit to doing.”



—DR. ROBERT HANDFIELD,
PROFESSOR OF SUPPLY CHAIN MANAGEMENT,
NORTH CAROLINA STATE UNIVERSITY

Creating and sustaining this type of partnership is a significant departure from the way we’ve historically done business. The reward of this new approach will be a value creation that will make procurement relevant in the future.

It means making supplier relationship management (SRM) a priority. Collaborating with our suppliers to create transparent, long-term partnerships will allow us to better understand cost drivers beyond piece price, in addition to contract terms that may be restrictive.

This kind of tactical, ongoing activity allows us to maintain competitive pricing and service levels without the risk of time consuming and potentially disruptive sourcing initiatives.

Think of the axiom “if it ain’t broke, don’t fix it.” Continually sourcing every category just because the current contract expired is too often an example of fixing something that is not broken. Instead of defaulting to this option, we should be communicating with suppliers and end users throughout the term of an agreement to determine how it’s best managed.

More importantly, aligning the suppliers’ goals with those of your own organization enables them to perform in ways to better serve your goals, not just doing something for a little less than they did the year before. This requires increased communication from both parties so there is a clear, ongoing understanding of what is important to the success of the partnership.

None of this will be easy. Collaboration is, at its core, unnatural. It requires both parties to share things that they’d previously withheld, to demonstrate vulnerability and to compromise. Those are all hard things to do, but our ability to do them effectively is key to our shared mission.

Takes notes from direct procurement

This type of activity is not without precedent. While indirect procurement can be known for squeezing supplier margins at every available opportunity, direct procurement has more motivation to collaborate with suppliers. It’s in no way uncommon for direct materials suppliers to be included in product development at a concept phase.

This kind of buy-sell collaboration helps both parties to understand project goals and operate at maximum efficiency. There’s no reason to think that the same principles can’t be applied to the growing number of mature categories in the indirect space.

Instead of spending time in supplier meetings reviewing usage reports from the previous quarter, we should be working with our suppliers to plan our mutual success. We should be specifically teaching our suppliers what we need to achieve our corporate vision and learning about how they can innovate and partner to help us to reach those goals.

Number three:

PARTNERSHIPS

Action item checklist

- 1 Develop partnership goals for your key suppliers. Consider elements like transparency, goal-sharing and scorecards (both for their performance and yours). This will become your SRM plan.
- 2 Explain your new SRM plan to your key suppliers.
- 3 Openly share your company and departmental goals with them. By giving the suppliers visibility into the comprehensive goals of the buyers, you can collectively work together to establish a path forward.
- 4 Work together to create metrics and key objectives that will help determine the level of success.

Number four: PROMOTION



Complaints: Failure to achieve greater spend under management; receive recognition commensurate with contributions; and be viewed as a strategic contributor.



Diagnosis: Procurement professionals are not trained marketers. We've never been effective at defining our value proposition internally or externally in a way that makes working with procurement an imperative.



Treatment: Learning how to effectively promote the value of procurement is as important to the future of the profession as doing the work. To do this, we must operate outside our comfort zones and become self-promoters.

The task seems daunting, and somewhat unprecedented.

To create a brand around an internal department and develop a new image for a familiar function is certainly a lot to take on. With that said, the blueprint for this activity exists, and it's really no different than marketing anything else. We must clarify our message, optimize our channels and fulfill the promises we've made.

Everyone's a buyer

As mentioned before, the value of procurement has been inextricably bound to buying, and the savings that result from applying skill to that effort. Unfortunately, this position is fatally flawed.

The problem is simple. Lawyers, accountants, benefits professionals, engineers and programmers, among others, have an academic and professional background that prepares them to do their jobs.

They have credibility established by and through their specialization, and others within the organization rely on their expertise.

Conversely, everyone thinks they are a buyer. More problematic still, is that everyone thinks they're really good at it.

Define your value

A significant component of promoting procurement's value lies in defining what it actually is, and then changing people's perceptions.

It's also about putting that value into context by helping others understand how the unique skills procurement brings to the table are relevant.

For example, it's not good enough to say procurement is good at risk mitigation unless that message is targeted at someone who owns risk management (the COO, perhaps) and positioned in a way that is meaningful based on their challenges (ensuring a reliable supply of raw materials from a reputable supplier).

The goal is to clarify those things at which procurement excels and communicate the outcomes that internal customers should expect as a result of leveraging those contributions. Once a stakeholder understands that procurement has the ability to identify and develop new sources of supply that advance new product development, they'll stop seeing procurement simply as a piece-price monitor and begin leveraging procurement a valuable asset.

Market your value

Once you've outlined the full scope of the value that procurement can provide, it's time to take your message to your target audiences—your leadership, internal spend owners and the supplier community.

Doing this is challenging, and it's unlikely that many procurement departments are equipped to do it without help. Marketing speak is different than contract speak, and leaning on someone who is good at it will enable a more productive effort.

One of the more progressive approaches I've seen was when the procurement department at a major financial services company enlisted the support of their own internal marketing department to develop a plan to re-brand procurement within their organization and had great results.

Regardless of whether you solicit outside support or go it alone, messaging to key constituents must be done carefully and in the context of what's important to them individually.

Remember that your leadership is focused on growing the business and managing risk, so craft your messaging to them based on how procurement can advance those objectives.

Internal spend owners are seeking high-quality solutions to business problems, and they want the solutions quickly. Show them how leveraging your skills can help them to achieve both.

Suppliers are seeking ways to increase compliance and introduce their differentiators. Demonstrate that you can be a channel for introducing innovation into your company.

The most important thing to remember is that change is not a "one and done" activity, but an ongoing endeavor.

Sending one email to the CIO stating that you have some methods that may be useful in negotiating with an entrenched incumbent isn't going to change their mind about the way you operate or the value you can add.

Successful marketing is rooted in a commitment to taking a long view of the process. Messages need to be delivered time and again, in different forms and through different media, consistently reinforced until a new understanding is established.

“Create an ‘internal engagement center of excellence’ based on four goals. Create excitement within your team. Deliver a consistent message. Discover what stories most effectively engage your stakeholders. And deliver the right story to the right audience at the right time.”



—ROBERT ROSE, CHIEF CONTENT STRATEGIST,
CONTENT MARKETING INSTITUTE

Deliver on your promises

Increasing spend under management has more to do with convincing spend owners that you can provide incremental value than it does with providing incremental cost savings.

There are two very clear reasons why your internal stakeholders are resistant to working with you today:

- 1 Procurement is viewed as a mercenary organization. In their eyes, we descend on a given project, take control of the communications, identify a solution and then we're gone. The spend owner in facilities or IT or marketing is left having to figure out or deal with the supplier and/or solution that's been developed. This is an unacceptable outcome. Not only does it create a natural resistance on the part of the spend owner, it also leads to post-negotiation changes to scope and terms and causes identified savings to erode.
- 2 The traditional strategic sourcing process simply takes too long, and as a result often does not suit the needs of the business. Former UTC executive and current Profectus Management Advisory Group consultant James Jordano puts it best:

“The problem is that cost does not necessarily equate to value. In a fast growing market segment for example, the speed to market may far outweigh unit cost efficiency. In this case, the real value of the procurement department is in its ability to...reduce the time to market. Capturing share in a dynamic market environment might create significantly greater value to the business, then saving 3 to 5 percent on the unit cost.”

The point is not that we need to deliver solutions, but rather that we need to re-think how we deliver those solutions in ways that enable our stakeholders rather than delay them.



“To answer the question ‘what is your value to the business?’, try focusing on increasing customer responsiveness and satisfaction, improving time to market, accelerating new product development, or improving the customer experience. This shift in focus will align procurement with the CEO’s vision for the business.”

—JIM JORDANO, MANAGING DIRECTOR,
PROFECTUS MANAGEMENT ADVISORY GROUP

Marketing is a powerful tool for combatting procurement’s historic anonymity or unfavorable reputation. Our failure to develop a competence in this area is a major contributor to difficulty realizing identified savings (on the tactical side), and our failure to earn or maintain a seat in the boardroom (on the strategic side). Part of avoiding the quandary of being undervalued organizationally is to add more value, but making sure the right people know that you’re adding that value is just as important.

DEFINE • Clarify the scope of procurement’s value
• Communicate the outcomes they can expect

MARKET • Promote your value to key stakeholders
• Take a long view of relationships and campaign

DELIVER • Efficiently provide the insights and analytics they need to win
• Stay with the project, and the supplier when sourcing is over

Number four:

PROMOTION

Action item checklist

- 1 Define your value based on outcomes, not what you do every day. Use this exercise by Jack Quarles of BuyingExcellence.com to help. Fill in the blanks for the following statements:
 - Other functions come to us when _____.
 - We can help them (solve a problem) _____.
 - So they can (what result do they desire?) _____.
- 2 Make a list of all the people you want to convince of your value, not a list of departments. Then make it your business to learn what keeps them up at night, and then do some follow-up research.
- 3 Develop tools to share your value that focus on how others benefit. Include testimonials showing how you've helped internal clients.
 - Procurement newsletter (monthly or quarterly)
 - Case studies
 - Flyers
 - Host a lunch (eventually featuring a happy internal customer)
 - Present supplier awards in a way that the whole company is aware

Conclusion: IS IT TOO LATE TO CHANGE?

Procurement is at a crossroads.

The strategic sourcing methods that we've relied on so heavily over the last two decades are waning in effectiveness. There is a growing credibility gap caused by a discrepancy between the value procurement claims and what the CFO actually sees on the bottom line.

We're seeing internal procurement departments outsourced in part, or in whole, at an unprecedented rate. Spend areas previously managed by procurement are being pulled back in to their functional areas, and the number of true chief procurement officers—ones who report directly to a CEO—is on the decline.

What procurement does is fundamentally important to our respective businesses, but what we have the potential to do is even greater.

Realizing our potential requires us to be strong and confident, and we can't do that until we manage what's been holding us back.

So, we must address—immediately—the key issues of people, priorities, partnerships and promotion.



DAVID CLEVENGER

SENIOR VICE PRESIDENT

Eight-time Supply & Demand Chain Executive “Pro to Know”

David Clevenger has been named a Supply & Demand Chain Executive magazine “Pro to Know” for eight consecutive years.

He is an expert in indirect spend management and functional alignment and has extensive experience in e-sourcing and supply-chain consulting. Clevenger is responsible for strategy and organizational development at Corporate United.

Previously, Clevenger directed the strategic sourcing and supplier management functions, as well as operations, category management and marketing.

Since joining Corporate United in 2004, the company has grown from 40 to more than 240 member companies and has become a seven-time honoree of the Inc. 5000.

Prior to joining Corporate United, Clevenger spent four years leading the global MRO and services sourcing practice at FreeMarkets, Inc., a leading software and service provider.

There he developed widely adopted strategies for functional alignment and assisted in developing total-cost bidding technologies, for which he holds a patent.

Clevenger is a regular author, contributor and presenter.

 <http://bit.ly/davidclevenger>

CorporateUnited

Achieve More.

Founded in 1997, Corporate United is the market leader in providing managed supplier and contract solutions to its more than 240 member companies.

The membership, representing nearly \$1 billion in indirect spend, creates the leverage behind the most unique service offerings available to buying organizations within and beyond the Fortune 1000.

Corporate United combines this leverage with its proprietary industry intelligence to expertly manage more than 30 indirect spend categories.

The result is exponential improvement for their members and continuous efficiency for suppliers.

Corporate United is based in Westlake, Ohio with regional offices throughout the U.S. The company was recently named to the Inc. 5,000 list of the nation’s fastest growing companies for the seventh consecutive year.

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MAKE TIME FOR THE FOUR Ps!

Corporate United can help.

Our agreements consistently deliver value through competitive pricing, service level metrics and performance incentives.

However, it's our dedication to strategic category management that continues to differentiate Corporate United, allowing members to identify and implement new ways to drive value from a total cost of ownership perspective.

ENHANCED SPEED TO SAVINGS

Market-leading companies recognize that allocating 300 to 400 hours of internal resource time to execute a competitive bid for indirect solutions is inefficient. When you consider the time required to gather stakeholder requirements, capture and analyze data, navigate legal requirements, implement, track results and ultimately establish an ongoing supplier management process, it becomes difficult to justify a “do it yourself” approach.

PERFORMANCE MANAGEMENT FOR SUSTAINABLE SUCCESS

Once established, we work to ensure that savings goals are achieved and sustained without compromising superior levels of service. Corporate United applies group leverage and influence to all aspects of the program, ultimately creating a unique experience without sacrificing individual company needs.

Rigorous Category Management

Corporate United category experts monitor and refine the program on a regular basis. More than 500 hours are dedicated annually to track, develop and deliver customized management reports and adjust the product mix to ensure ongoing competitiveness.

Our knowledge of cost drivers keeps us one step ahead of the market. The result is a fine-tuned program that not only delivers meaningful savings, but also prevents the undetected “price creep” commonly associated with unmanaged programs.

Supplier Relationship Management

Corporate United provides members with an enhanced experience that combines the raw power of our group leverage with the agility of a custom program. We work collaboratively with our suppliers to identify continuous process improvements and provide innovation through best practices and technology tools.

