



## *Analysis, Collaboration and Partnership*

In a previous article, we discussed how procurement can be a trusted advisor to emphasize the importance of strong working relationship between a sourcing and procurement team and their business colleagues. While procurement professionals can ask for a “seat at the table” for supplier discussions, it is only when their colleagues trust them will they be invited to the **“table of decision making.”**

Developing trusted relationships takes time and within a company, relationships can be impacted by macro and personal level issues. At the macro level, changes such as a proposed merger, new product launch, change in the C-suite, supplier consolidations and sales decrease will impact the level of a trust between a company and its supplies. On personal level, how a sourcing and procurement team interacts and collaborates with colleagues and suppliers will also impact the level of trust.

*Deploying good analytical skills within a sourcing and procurement team, will provide them with credible insights on supply costs, risks and important growth opportunities.*

An important skill set for a procurement team are good analytical skills to understand supplier’s impact on their company’s strategy and performance. A good analytical process provides a forum to create a collaborative relationship which lead to partnership and

trust necessary for ongoing success.

### **Good analytical components help businesses understand:**

- Suppliers competitive position to product offerings, service and pricing
- Sourcing savings impact on a company’s P&L, Balance Sheet and EBITDA calculations
- Supply risk issues including environmental and other regulatory compliance
- New supply opportunities to help meet future business needs
- Insights for supplier negotiation
- The efficiency of the Source-to-Pay (S2P) process to meet company objectives

Given the iterative nature of the analytical process, it requires the sourcing and procurement team to meet colleagues across the company and supply base in both formal and informal settings – lunch, coffee bars and after work activities – to discuss analysis and insights. By facilitating this process with their colleagues and suppliers, the team can develop and implement sourcing and procurement plans to help their company meet its strategic objectives.

## So how does a team perform good analysis?

Beyond the multiple analytical tools such as Access/Excel, PowerBI/Tableau, SAP/Oracle and supplier websites, etc. used to crunch data, *it is about using analysis to gain insight* into the connection between the business needs and supplier capabilities.

### *Insight can be gained by answering questions such as:*

- What issues does the business need to address? Cost reduction? Risk mitigation? New product launches? Market expansion/downsizing?
- Is the supply base structured to meet business needs?
- Are suppliers meeting performance criteria? How big is the performance gap?
- What data sets are used to understand supply obligations, supplier performance and the supply market?
- Is there alignment with business colleagues on supplier management and sourcing strategy?

Through insights gained by detailed analysis, a sourcing and procurement team will be prepared to deal with ongoing change while creating a collaborative and trusting environment with colleagues and suppliers to meet business goals.

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**At Adventus Consulting**, we help rapidly growing companies harness supplier value by developing procurement & sourcing processes supportive of growth, risk and cost management goals. Working with sourcing and procurement teams and business leaders, we foster collaboration with company and supplier stakeholders to create an efficient buying process across sourcing, contracting and payment activities.

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