

9 PROCUREMENT SKILLS

That will never lose their importance



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In the Age of tech and AI, it's easy to think that AI can cover much of what we can do. But the true importance of knowledge isn't going anywhere. More than ever, Procurement needs highly skilled pros to orchestrate tech and AI to deliver value to the business. Here are some traditional procurement skills that will never lose their value.

1. Strategic Sourcing

What it is: It involves a systematic and fact-based approach for optimising an organisation's supply base and improving the overall value proposition. The aim is to identify the most cost-effective and efficient sources for goods and services based on various criteria, such as price, quality, and reliability.

Why it's crucial: Strategic sourcing benefits include cost savings by continuously monitoring the market and sourcing the right suppliers. It allows for a more targeted procurement activity that aligns with an organisation's long-term goals.

2. Supplier Relationship Management (SRM)

What it is: SRM aims to improve relationships with suppliers and enhance competitiveness through cost reduction, risk management, and innovation. It involves looking at suppliers as more than just providers of goods and services; they're also partners who work with you.

Why it's crucial: Beyond the above benefits, getting your internal teams joined up and working together with your partner supplier is an incredible achievement. This is how sustainability and ESG-type goals will become a reality.

3. Data Analysis

What it is: Procurement data analysis provides a single source of truth for all supplier and commodity data, turning that data into automated, proactive, and applied intelligence.

Why it's crucial: Benefits include enhancing supplier engagement, increasing transparency into supplier performance, and establishing a robust risk management program. Further, it can predict spend by category and provide insights directly to category managers and sourcing systems.

4. Contract Management

What it is: Contract management is the process of creating, negotiating, and managing agreements with your suppliers. A focus on minimising contract erosion and extracting the value from the contract should be your priority.

Why it's crucial: Contract management provides various benefits, including enhanced tracking and organisation of contracts, timely reminders for renewals or updates, ensuring all parties adhere to the contract terms, tracking and reporting on contract performance, identifying areas for improvement, and quickly identifying potential risks associated with the contract.

5. Risk Management

What it is: Risk management in procurement secures supply by identifying and assessing the risks posed by suppliers. This could include conducting due diligence on new vendors, monitoring their financial and cyber health on an ongoing basis, or implementing contract terms that protect the organisation.

Why it's crucial: Building resiliency is a key benefit of risk management in procurement. Procurement can ensure supply chain continuity and diversification by prioritising supplier risk management and developing alternative sourcing strategies.

6. Negotiation Skills

What it is: Articulating and securing favourable terms in agreements. Practice makes perfect. This is an art form that will be with us forever.

Why it's crucial: It directly influences your organisation's bottom line, which is crucial for cost-saving.

7. Technological Proficiency in Procurement

What it is: It involves understanding and effectively utilising procurement technologies to optimise how your organisation procures goods, services, and tech.

Why it's crucial: Automation of low-value tasks, better data analysis capabilities, and streamlined workflows, all of which can significantly enhance the performance of procurement professionals and the outcomes they achieve. **The Future of Procurement is Digital.**

8. Change Management

What it is: Preparing, supporting, and helping individuals, teams, and organisations evolve. This includes adopting new technologies, processes, and strategies within procurement.

Why it's crucial: Successful adoption of new procurement technologies, improved efficiency and effectiveness, and the ability to better manage and adapt to change. It can also facilitate the successful implementation of new procurement strategies and ensure they are adopted across the organisation.

9. Communication Skills

What it is: Clear and effective communication to bridge procurement objectives with successful execution across all levels of internal and external stakeholders.

Why it's crucial: Facilitates smooth interactions with internal and external stakeholders, ensuring meeting procurement goals. One must be able to master all forms of communication in 2024.



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SURE YOU
FOLLOW ME.**

