



IN SIGHTS

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**Strategy and day-to-day business -
a challenge for the procurement manager**



People tend to focus on things that don't work. „The supplier does not deliver good quality.“ or „we only have complaints with the delivery“ or „but the savings were planned higher“ are daily feedback to the procurement department. No one will pick up the phone for feedback such as: „We were able to produce today as we had planned, there was enough material“. Therefore, as a purchaser or procurement manager, you quickly get caught up in the day-to-day business.

The position of procurement manager can be described as a classic sandwich position, and this squared. In addition to the tasks of a classic management position regarding employee management and departmental organization, there are also the tasks of reporting to the management. And as if that were not enough, the procurement manager sits right at the interface between the demand side and the supplier.

Of course, this classification does not only apply to procurement, but to all areas of a company. No company today functions in pure silos; processes are cross-company with many interfaces and players. Division of labor in organizations is nothing new.

But now we have been working for years in the 4th Industrial Revolution, the digitalization of our processes and work content. And more and more digital solutions are emerging, are becoming market-ready and want to sell. Procurement, and in particular the procurement manager, is made aware of new solutions through a wide variety of channels, and these solutions always claim to be optimized. Be it in terms of process throughput times, error prevention or cost savings.

Managing the challenge

Current economic conditions have led to the VUCA principle becoming fashionable. VUCA is based on a development by the American Army to respond to the effects of the end of the Cold War. VUCA stands for volatility, uncertainty, complexity and ambiguity. The terms are certainly familiar from the day-to-day business in a procurement department, but the impact on the day-to-day business is certainly highly dependent on the general and commodity group-specific frameworks. The VUCA model sees the answer to dealing with these challenges in the characteristics Vision, Understanding, Clarity and Agile. This can best be translated as: an agile organization with transparency about its own performance and a clear vision can cope well to very well with imponderables due to external influences.

In this context, a clear vision does not mean „the way we have always done it“, transparency does not only mean data but also an understanding of it and related measures to react and agile organization not a statement like „we are agile now, done“. In summary, this means a new way of working for everyone involved.

What does this mean for a procurement manager?

Challenges of day-to-day business, sandwich positions in the company and to suppliers, digitalization with always new solutions and the requirements for organizational development. In a nutshell: Strategy and day-to-day business must be balanced. And that is not easy. We as



ADCONIA offer a certification course of strategic procurement through the VDMA and there we already notice how often the day-to-day business gets into the heads of the certificate course participants, how often the phone rings or the mailbox.

It is important for every procurement manager to realize that strategy and organizational development are a continuous process and thus must have their place in the schedule. Any attempt to deal with these topics in free time or after the last appointment will fail. Strategy and organizational development are not something you do on the side. Goals must be set and adhered to, agile working must be exemplified. And appointments for strategy development are not the ones that are pushed away first.

Strategy and day-to-day business work when both are seen as equally important. And only through strategy will you manage to get day-to-day business into a shape that isn't all firefighting. And if you can't manage to step aside and look at your department from the outside, ask a colleague from another department (or us as ADCONIA). An outside view usually quickly reveals the construction sites you should be working on. And many of them are just day-to-day actions.

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