

# The people gap

by Terry Lister

## Wanted: talented people for public procurement careers

**U**NDER RELENTLESS PRESSURE for cost effective operations, business leaders are devoting more attention to procurement transformation and supply chain management. They want a resilient yet lean supply chain that can adjust quickly in the face of risks. Risk management across the supply chain has taken on new priority in light of events such as rising energy prices, and, in the public sector, attention to accountability.

Organizations across various industries – with examples as diverse as Barrick Gold, RIM, Rogers and Loblaw's – have taken action to strengthen their procurement capacity by recruiting senior executives with strong track records in the supply chain. In the public sector, health care has been an early adopter, transforming procurement operations by hiring experienced executives to lead the charge. Recently, the government of Canada looked to hire senior talent with supply chain experience to lead their procurement transformation initiative.

All these organizations recognize that people are critical to maintaining their resilience in the supply chain. Indeed, one of the ways to tell if an organization is on procurement's cutting edge is by the way it views its people.

In the old model, the purchasing department was literally a career destination – a job that lasted for years and where you ended your work life, often still at a relatively junior level in terms of responsibilities and authority. The work was mostly transactional and did not require creative thinking; the *status quo* was the preferred approach, and many staffers simply stayed, getting bids and making purchases until retirement.

Where supply chain management drives business performance, strategic supply chain professionals are moving to the executive suite and experienced business leaders are leading procurement. In contrast, some organizations are still mired in the three-

bids-and-a-buy model of traditional purchasing. The leaders? The visionaries? They are companies that are transforming their procurement models, and the new models feature much more highly skilled staff.

Procurement transformation has made procurement expertise a career accelerator. The creative strategic thinking and innovative problem solving required to do it well means it is attracting younger, more specialized, and more highly educated candidates. The new wave of procurement professionals do not view supply chain issues in a one-size-fits-all approach. This new portfolio management approach to managing procurement is demanding completely new skills and attitudes from its practitioners. Fortunately, procurement transformation has run in parallel to significant transformation and modernization in HR practices – geared to supporting and enabling more comprehensive talent management.

The new wave of procurement hiring will be looking for analytic skills, the ability to assess market trends and company balance sheets in order to assess suppliers' capacity for reliable delivery well beyond the price their sales people are offering. Supply market analysis and a deeper understanding of technology are both key – but increasingly, so-called softer skills are essential: for example, communications proficiency to be able to articulate the transformation taking place in processes and culture to all stakeholders – inside and external to the organization.

Post-secondary institutions are responding with specialized programs such as Master's degrees in supply chain management. Savvy employers realize that even with specialized programs, graduates do not come straight out of university with all the contextual knowledge that derives from business experience. What these employers look for – and what they find – are candidates who are bright, creative, can assess risk, have


superior data analysis skills and who bring an excitement and enthusiasm to advancing the principles of supply chain management.

A starting point in managing procurement staff by the same principles that we manage a "supply chain" is to establish tight linkages between hiring managers and recruiters and our "suppliers" in colleges, universities and other procurement organizations. In contrast to commodities that we manage in a supply chain, talent has the unique feature that it grows and develops.

Recruiting is only part of the story. Leaders in supply chain management are looking at the entire career spectrum and treating supply chain talent as an asset to be managed across a life cycle. Indeed, recruitment is to talent management as procurement is to supply chain management. Managing a resilient supply chain requires talent that encompasses a diverse set of skills and expertise that covers a range of roles. Other supply chain lessons learned that apply to the talent supply chain include a growing recognition of the value of information. The procurement talent "inventory" in the organization has to be managed – with an agile deployment of talent to manage a dynamic supply chain. Leaders in procurement transformation have deep insight on the talents of their workforce – with the capacity to view real-time information on competencies available, utilized and required, understand the gaps and address them on the fly.

Where will the career options be emerging for the new wave of procurement professionals? In the private sector, the obvious paths to advancement will be through operations and marketing divisions. In the public sector, procurement professionals will be sought after in policy development, project management and strategic planning functions. The skills required for success in supply chain/procurement management roles will require continuing professional development so that individuals advance to more senior responsibilities in procurement or other functions.

Delineating career paths and the learning required to progress along those paths is a critical element in building resilience in supply chain talent. Standing still without



improving knowledge and skills is not an option for the next generation of procurement professionals. New wave procurement professionals know that they will be committing to a lifelong pursuit of knowledge and skill upgrades to stay current with the fast pace of supply chain developments; employers have to provide the tools and opportunities to fulfill those commitments. Online training suppliers need to be encouraged to develop curriculum that can be delivered quickly on topics that respond to the latest trends in procurement lifecycle.

Successful companies build talent through formal learning programs but, more importantly, they manage development through experience – through stretch assignments both within the procurement function and elsewhere in the business. Staying in the same role for too long risks stale-dating skills. Understanding the supply chain dynamics within a business requires an ability to stay completely on top of business and market trends. To do it, new wave procurement staff needs access to a steady stream of informa-

tion to be able to make knowledgeable decisions – and training to fully understand the emerging concepts and influences on supply chain changes. It's important that people don't stay in the same procurement role too long in order to avoid the risk of developing relationships with suppliers that become too close and might prevent the kind of bold and innovative action that is required, even if it threatens a comfortable supplier relationship.

Providing government procurement professionals with new opportunities in the government organization is a clear challenge for public sector HR – older classification and staffing models suited the old-style procurement organization. The mature, well-established HR practices are less and less appropriate in the context of transformed procurement. Attracting, retaining and developing the next generation of procurement professionals requires the next generation of HR and talent management. For example, old style job design isolated narrow roles. The staffing process tended to distinguish knowledge of established policy directives, but not pay sufficient attention to the analytical skills and broader business acumen needed in today's world.

Some of the lessons to be learned in talent management run parallel to good prac-

tices in managing any other business assets. Within an organization's technology supply chain, for example, it is necessary to periodically review what is newly available, what advancements have been made, and how new capabilities can be used to meet your needs. With the fast pace of technological advancement, no company is going to replace old computers with the same old models they've always used. They'll be looking at their future needs, assessing sources of supply and developing new sources, if required, by building new supplier relationships.

It's the same principle in managing procurement talent. Given the new skills requirements to take supply chain management to the next level and achieve the benefits of procurement transformation, employers must put in place management practices to attract, develop and deploy procurement talent or risk the loss of that talent to those organizations with strong career prospects and leadership. The new supply chain procurement model is ultimately about business – and allowing complacency to creep in would adversely affect the transparency and efficiency of the process. After all, it's a very different world now. *~*

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