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## **Marketing Procurement: A Gold Mine For Those Who Take the Right Approach**

By: **Gerry Preece,**  
**Senior Associate, Paladin Associates Inc.**

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There is no greater opportunity for Procurement to make a big impact – provided we take the right approach. The marketing space is literally a Procurement gold mine, rife with opportunity and enormous potential. The veins of gold are exposed, glittering, rich and abundant. Procurement need only bring our proven, reliable gold-panning tools: our shovel and pick axe of strategic sourcing and negotiating skills. But to pocket those enormous gold nuggets we must enter the mine in an entirely different way, not through the familiar front-door entry of cost savings, but via the side entrance with the sign that reminds us “marketing is an investment to be maximized.”

I thought I made big \$ contributions with the procurement work I did in paper packaging, chemicals, manufactured goods, lightly traded commodities, plastics, and various services. Then I discovered the world of Marketing Procurement. My contributions in marketing turned out to be multiples of what I delivered in the other areas. No comparison. Not because of me. Because of the nature of the marketing spend pool. So what’s so different about marketing and why do we have to approach it differently?

There are ten reasons why marketing is fundamentally, foundationally, structurally unique vs. any other spend pool in which Procurement plays. Here are just a few of those reasons:

- We spend marketing dollars voluntarily because they build the business. Instead of minimizing our spend, the marketing space demands that we maximize return on investment.
- In the marketing space, there are no such things as specifications. Quality is a variable. We can buy good marketing campaigns. But the same system also allows us to buy bad marketing campaigns.
- Sourcing decisions in marketing are interdependent. Every sourcing choice has the potential to impact every other sourcing choice. For example, the way we buy media services can impact the way we buy digital and creative services, commercial production services, etc.

When we become aware of the ten core reasons why marketing is fundamentally unique and different, we then begin to see that Procurement must take a unique approach in the marketing space. There are four key ingredients to Procurement’s success in marketing:

1. Right Mindset – the goal is to maximize ROI

2. Right Metrics – it's not about "savings." It's about adding value – and that has to be reflected in Procurement's scorecard
3. Right Skills – Strategic sourcing is key. And so are interpersonal/relational skills and general business skills
4. Right Assignments – It takes time to adequately learn the space and develop professional relationships and trust. These are key because of marketing's interconnectedness and because marketing is about creativity, not systems.

When we do these things, Procurement – and the brands we work for – win big. We discover weighty chunks of pure gold, the dense, soft, buttery metal that fills our buckets and brings smiles to CPOs and CMOs everywhere.

At Paladin Associates Inc., we have extensive experience in Marketing Expense sourcing and a long track record of delivering results by maximizing Marketing Expense return on investment ... contact us if you want to learn more. ([Info@PaladinAssociatesInc.com](mailto:Info@PaladinAssociatesInc.com))

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