

What Have You Got To Lose?

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Aberdeen's recent report: "From Preservation to Prosperity; The CPO's Agenda for a New Decade" ⁽¹⁾ identifies top pressures driving Procurement's focus:

- Top down directive to cut costs 69%
- Increasing supply risk 27%
- Lack of visibility into enterprise spend 21%
- Insufficient number of staff 20%
- Insufficient skill of staff members to capitalize on savings opportunities 18%
- Increasing globalization/supply chain complexity 18%

Bottom line: Procurement organizations are charged with doing increasingly more with existing or fewer resources. This pressure has rightly led to automation of many procurement tasks such as requisition and invoice approval, spend analysis, contract management, etc. However in the short run, automation initiatives often strain Procurement resources even further as they must continue to support the current processes while designing and implementing new, automated ones. There are uncountable examples of Purchasing organizations whose savings initiatives have come to a screeching halt due to an ERP implementation. Sound familiar? Further, as Procurement organizations transition from manual processes and a tactical focus to strategic organizations they also find that their resources lack the skills and business processes for the new era.

The pressure to deliver more with less combined with skill and process obsolescence often drives Procurement management to seek outside consultants. While traditional consulting firms may help, they often leave the sponsoring organization with a huge bill for services and internal resources that are no better equipped than they were to begin with. Fortunately, there is a new breed of consulting firm that addresses this dilemma.

The “graying of America” and the corporate downsizing of the last decade have spawned “boutique” consulting firms comprised of highly seasoned Procurement professionals often willing to work on a gain share basis. Unlike traditional consulting firms who are highly protective of intellectual capital, these new firms typically encourage knowledge transfer and promote client mentoring. They don’t sell the “A Team” and deploy the “C Team”. Their highly experienced professionals work *alongside* existing resources helping to design new strategic processes coaching your team through implementation. They *teach* your people to fish! Simultaneously, they handle much of the “leg work” allowing savings initiatives to move forward at a more rapid pace. Importantly, their efforts are paid for out of actual bottom line savings with a guaranteed ROI leaving you with money in the bank *and* a better equipped organization.

Paladin Associates Inc. is such a boutique consulting firm. We can help you with technology implementations such as spend analysis and eSourcing as well as sourcing process improvements, skill training and staff development while delivering bottom line savings with a guaranteed ROI. What have you got to lose?

⁽¹⁾ Pezza, Scott & Christopher J. Dwyer. “From Preservation to Prosperity; The CPO’s Agenda for a New Decade.” Aberdeen Group. September 2010. <http://www.aberdeen.com/Aberdeen-Library/6355/RA-procurement-spend-management.aspx>. (Registration required.)

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Paladin Associates Inc., a Sourcing Cost Reduction firm, offers strategic sourcing expertise for multiple commodities to secure “fast track” quantifiable savings and long term cost reduction programs.

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For more complete information, visit: <http://www.PaladinAssociatesInc.com>