

**PROCUREMENT  
INNOVATION FESTIVAL**

## Raising Procurement’s Status, Emerging Tech, and Personal Mastery: Procurement Innovation Festival 2019

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As modern procurement functions continue to evolve, there is an increasing demand for professionals to deliver value from their networks by way of influencing, negotiating and tactically dealing with customers and suppliers within the supply chain.

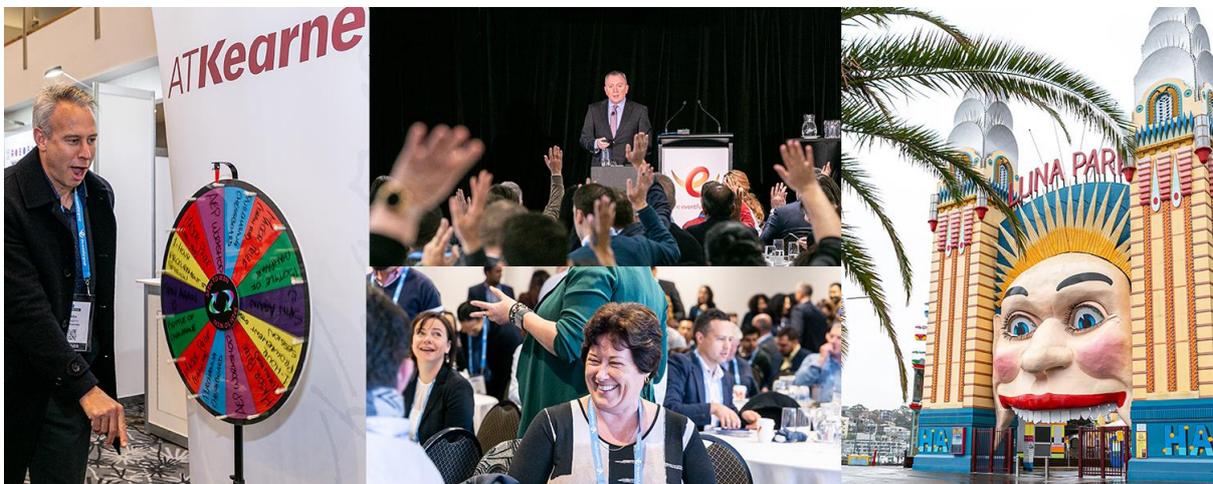
It’s clear that the skills to run a well-oiled procurement function are vast.

**Demonstrating this value to the rest of the business remains a bigger challenge.**

This idea of raising procurement’s brand within the business – from a cost centre to true value provider – was a key theme of the 2019 [Procurement Innovation Festival](#). 250 eager professionals turned out in force for Australia’s newest procurement event at Sydney’s Luna Park, to hear from the brightest in procurement innovation. We also stepped outside of our ecosystem and heard from top negotiators, psychologists, PR experts and coaches on how to be better people and leaders.

The two-day event, run in collaboration with industry powerhouse [AT Kearney](#), explored the skills and knowledge needed to create a well-rounded procurement function: effective leadership, thoughtful strategy, and cutting-edge technology enabling the big innovative ideas needed to transform our organisations.

Here are three key themes that underpinned the 30 insightful sessions at [Procurement Innovation Festival](#) 2019.



## Moving the Needle from Cost Centre to Value Provider

The modern procurement function has come a long way from the days of supply and demand management. Made up of strategic professionals with a complex set of skills, teams are tasked with extracting value from their network by way of influencing, negotiating and working tactically with stakeholders within the supply chain.

Yet demonstrating this value to the rest of the business still remains a challenge.

“Procurement needs to move up the value chain to ensure that the function is involved much earlier in the decision-making processes. They need to clearly demonstrate how active involvement adds tangible value to both the bottom and the top lines” said **Greg Bayne, Leadership Coach at Total Leader and Coach Solutions.**

He says we need to do this by establishing three things:

1. **Establish better credibility** in the eyes of your key stakeholders. Credibility is your currency of value in the business
2. **Be clear on your true purpose** as procurement and align your view of purpose with the business’s view of your purpose
3. **Generate curiosity** and then show the true impact and value you bring to the business in practical and tangible terms.

**Andy Brightmore Executive Director at Compass Group Australia**, gave us a good example of how procurement can evolve from a cost centre to profit driver.

Compass Group is Australia’s biggest food services company. They have taken their procurement function from internal, stakeholder focused support department, to a fully-fledged market-facing business servicing the broader food industry.

“What was a procurement function is now our business. Foodbuy is a \$680M start-up, growing at 9% per year, with 600 client locations serviced every day,” he said. He points out that culturally it is very different from a traditional procurement organisation and so required a different way of thinking.

“When we set up Foodbuy, we sat in a room and asked ourselves one question: If our customers had a choice, every day, to use us or another procurement team why would they select us? From this question we rebuilt the whole business from top to bottom.”

He encourages us all to ask the same question of our own teams and then consider what we would do differently to make sure they chose us.

## Blockchain, IoT and Automation is Revolutionising Procurement

The great tech shift is on. The speed of change and adoption is faster than it’s ever been and slower than it ever will be again. Some of this exciting technology we can clearly see the use for in procurement, others seem a little harder to bring into focus. What we do know is that over the next 10 years, technology will render our function unrecognisable in many ways.

**Guilda Javaheri Chief Technology Officer at Golden State Foods** gave a fascinating insight into how the convergence of Blockchain, IoT and advanced analytics has given the food manufacturing giant a unique opportunity to continuously track, trace and monitor the temperature of fresh products throughout its lifecycle.

“Our vision is to reshape the traditional supply chain. Today’s supply chain tends to be linear with one-up one-down visibility. What we are envisioning with blockchain is a more collaborative, instantaneous transaction. A supply chain that every node within the supply chain can transact in a secured, immutable, and trusted manner.”

**Andrew Bartolini, Founder & Chief Research Officer at Ardent Partners**, gave his perspective on the innovative technologies that will fundamentally change procurement:

“In today’s age of innovation and intelligence, the procurement leaders that develop the ability to consistently leverage new technology innovations will enjoy a significant competitive advantage and start to truly challenge the conventional wisdom of what is possible for procurement,” Andrew said.

He outlined five innovative technologies that are going to have the biggest impact on procurement functions: Artificial Intelligence, Advanced Analytics, Machine Learning, Robotic Process Automation (RPA), and Blockchain. He outlined some common misconceptions about these technologies and explained how they are being used in procurement functions today.

He points out that these technologies are not going to be used to displace your workers, but to enhance their capabilities. “The innovation that we’re seeing in the marketplace today really has advanced at a fast clip, it’s now really a time for you to assign somebody to start tracking these trends,” he said.

## **Building Human Skills in the Machine Age**

**World-Leading Coach Paddy Upton** walked us through personal mastery for procurement leaders, sharing lessons from the top-performing athletes he’s mentored.

“How you are as a leader has the single biggest impact on the culture that develops in your procurement business – and thus on your people’s subjective experience, and ultimately on results,” he said.

He gave us some fascinating insights into the inner drivers that shape our performance and leadership – helping us raising self-awareness and personal effectiveness in our role as procurement leaders and individual performers.

We also heard from **Microsoft’s Dave Andrews** on transforming culture with a growth mindset. “A growth mindset starts with a belief that everyone can grow and develop, that potential is nurtured, not predetermined, and that anyone can change their mindset.”

He says that procurement professionals must be driven by mission and purpose. “It’s not enough to sit in front of a room and say ‘procurement makes savings’. Do you? No. You enable a business outcome. The more that we can connect to our business outcomes and the success of our business, the better we’ll be.”

**Diversity and inclusion** is certainly a hot topic right now, but it was refreshing to hear a different take on the issue. **Steve Fordham is Director of Blackrock Industries**, an

Indigenous owned and operated mining services company. He faces different challenges to most companies when it comes to diversity and inclusion, but challenges all the same.

“75% of our workforce is indigenous, 26% are women and all our roles are gender-neutral. On paper we’re diverse, but we’re not. At the moment we’re working on a non-indigenous engagement plan to attract more non-indigenous people into our workplace,” he said.

He shared his inspiring story of building a business from a \$20,000 house deposit into a multi-million dollar company within 20 months with 50 employees, as well as running an inmate program to give employment opportunities to indigenous offenders.

“I was always hearing that Aboriginals were too hard to employ and I wanted to prove that wrong,” he said. “People get nervous about putting Aboriginal people on but we give them opportunities, we’re more culturally sound and know how people can identify with these opportunities.”



**A huge thanks to everyone that made our very first [Procurement Innovation Festival](#) a huge success. The talented speakers who so openly shared their ideas, successes and even failures. Thanks to our incredible sponsors who make these ideas come to life with their technology. And of course the Procurement Innovation community – your passion for driving the innovation agenda in your teams and organisations is what gives this event life.**

***Join us for the next [Procurement Innovation Festival](#), 15-16 June 2020. [Join our mailing list](#) and we'll send you the latest thought leadership, speaker updates and ticket specials.***