

Your Personal Leadership Guarantees Indirect Procurement Success

9th Annual ISM Services Conference

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What do they have in common?

- Motorola
- Pitney Bowes
- Colgate-Palmolive

Changed the way they buy Indirect Goods and Services

- Different Industries
- Different Sizes
- Different Timing
- Different Approach

Faced Many of the Same Challenges

- Procurement's Value not being understood
- Are the 'Savings' real?
- Competency of the Procurement Professionals

Leading Change

- *If leading change were nothing more than an intellectual exercise in rearranging structures and redesigning processes, our lives would be a lot easier.*
- *Leading people in a new direction means reshaping their view of the world. It means shattering their sense of stability, tossing out their old standards of success, and prying them loose from the status quo.*
- *And then it means replacing what you've wiped out with a new, coherent vision of what the future can and should be.*

– Champions of Change by David A. Nadler

Companies are changing in response to ...

- Economic Dynamics
- Faster Technology Advancements
- Increasing Number of Mergers & Acquisitions
- Outsourcing Trends
- Focus on Innovation
- Globalization

The View of the Procurement Profession has Changed ...

- Valued Business Partner
- Competitive Advantage
- Major Contributor to Core Strategy

Survey says ...

- Supply management professionals continue to be in demand, and their incomes reflect this, according to ISM's third annual compensation survey.
 - David Schultz, *Inside Supply Management*, May 2008
- Purchasing Magazine's 2007 Salary Survey finds Compensation for purchasing pros rose again this year, and those seeing the biggest paychecks have taken on responsibility in some non-traditional areas – services, IT, and logistics.
 - Susan Avery, Purchasing Magazine, December 2007
- All this good news is a sure sign of top management's understanding and **recognition of the profession's value** to the corporation.
 - Susan Avery, Purchasing Magazine, December 2006

Develop People and Organization Capability

- Job Descriptions
- Skills for Professional Growth
- Training Curriculum
- Performance Management and Development Process

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Fundamental Procurement Skills

- Project Management
- Negotiation (with suppliers and internal stakeholders)
- Analytical skills
 - TCO
 - Competitive Market Analysis
- Relationship Management and Teamwork
 - Stakeholder
 - Supplier
- E-Commerce / Technology
- Legal Aspects of Business

Behaviors For Professional Growth

- Put the Customer First (Internal & External)
- Communicate Effectively
- Decide with Urgency
- Invent the Future
- Exploit Technology
- Tackle Issues Head-On
- Seek Global Solutions
- Value Teamwork and Diversity

Leadership Skills

- Build Superior Talent and Bench-strength
- Champion Continuous Improvement
- Energize your People
- Lead from Principles
- Deliver Shareholder Value
- Compete to Win
- Manage Change by Demonstrating Transition Leadership

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Transition Leadership

Requirements of Transition Leaders

- Articulate and provide clear direction for the vision
- Make it Happen
- Communicate and engage others
- Manage attrition
- Deal with the issues of anxiety, power and control
- Take Personal Leadership by being Self Aware

Articulate the Vision

- Where the organization is going
- What the organization will look like
- What will change and what will stay the same
- Describe how the organization will get there
- In as much detail as possible

Make it Happen

- Describe *How* the organization will get there
- Remove Barriers
- Take Action, Make Decisions

Communicate and Engage Others

- Share accurate, and in-process information
- Keep people focused
- Involve others in two-way dialogue/debate
- Get feedback
- Get people on board, challenged, and excited

Deal with Anxiety, Power, and Control

- Recognize the behaviors
- Find ways to motivate constructive behavior
- Provide level of comfort about transition
- Manage the political dynamics
- Counteract rumors with consistent messages

Take Personal Leadership

During a transition:

- You become the psychological focal point
- People are looking to you for signals
- Be Self Aware!

So What Does This Mean?

Self Awareness

The most effective transition leaders remain acutely aware of the personal impact that the change is having on them...
...and the impact their behavior has on others

Self Awareness

Transition leaders will feel:

- Anxious
- Uncomfortable
- Frustrated
- Incompetent

Self Awareness

Transition leaders must demonstrate:

- Support
- Excitement
- Energy
- Empathy

Self Awareness

Transition leaders must:

- Monitor their reactions, behavior and comments; and
- Hold other leaders accountable

Self Awareness

Transition Leaders must not:

- Deny responsibility for what has occurred
- Publicly endorse, privately condemn
- Treat the transition as an exercise that will soon “pass”
- Change only what they say, not what they do
- Hedge, play games of “wait and see”
- Show frustration and add to the gossip

In summary ...

- Align your vision of the future with that of the business
- Set ‘realistic’ expectations
- Communicate and engage others
- Be self aware
- Have Fun and Demonstrate Personal Leadership!!

**Leading Change is Difficult ... But, by
using your Transformational
Leadership Skills, YOU will be
successful**

Thank You