



Welcome to Purchasing Matters, the source for comment, news and information for organizations and Supply Management professionals whose goal is to fully embrace the considerable opportunities that exist for increased added value and improved corporate performance through effective management of procurement and the supply chain.

Procurement Excellence or Irrelevance?

Why should the customers in your organization use procurements services? Is it a god given right?

Procurement departments must demonstrate excellence in procurement or become irrelevant. Excellence in procurement execution is simply a 'Licence to practice', otherwise why should your customers use your services, where is the value?

To demonstrate excellence we must first define it and then measure it. Measuring provides the detail to demonstrate value and adding value is procurements route to increased status and a seat at the boardroom table.

So better measurement is a powerful weapon in the battle to raise and maintain the status of the procurement function.

It is up to Procurement to force the pace here as leaving it to others to decide on performance measures runs the risk of a limited set of objectives being set that diminish the role.

Managing Outsourced Procurement:

People expertise, process effectiveness, and technology are the three key levers for value creation in Procurement Outsourcing. So what should an outsourcing contract do to manage the outcomes?

Ask, Inform, Communicate & Collaborate:

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The contract needs to set the baseline for the relationship between the parties.

An effective contract requires a clear and comprehensive description of the required services and performance levels
Performance measurement should be supported by:

- ✓ Key performance indicators
- ✓ Regular audits and reviews
- ✓ Management Reports
- ✓ User surveys
- ✓ Benchmarking

Feedback:

We welcome your feedback on any topic or aspect of Purchasing Matters. If you wish to comment, make a suggestion or seek more information let us know on:

info@purchasingpractice.com

To arrange a **free consultation** to determine how **Purchasing Practice** can help your organization buy better
Call: 1 778 988 1052

Or contact us via our website at:
www.purchasingpractice.com