

Leadership

Text David Henshall
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Key Points

- > Getting off to a good start in a new job is critical – especially for leaders.
- > The goal is to build a function that is fit for purpose.
- > It's best to introduce change early.



The new CPO's first 100 days

The CPO's chair has become a true corporate hot seat, with an average tenure of four years or less. David Henshall argues that the first 100 days (F100D) in this role can set the tone for the months ahead.



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In today's economy where competitive pressures have intensified to new levels, getting off to a good start in a new job is critical. New procurement leaders in all sectors must demonstrate that they can integrate and deliver quickly in their new positions.

The new CPO is required to develop a corporate procurement strategy, build a procurement team and establish strong governance by setting policies and procedures, defining procurement responsibilities, metrics, and devising a plan for aggressive savings and added value. Obtaining executive approval and senior management buy-in, and securing the resources to accomplish these ambitious targets represents a monumental task.

The new CPO faces a number of challenges.

For example, other functions may currently be legitimately conducting procurement tasks. In these situations, procurement is functionally aligned and these functions may be sceptical and reluctant to let responsibility go. In such situations, new CPOs have the opportunity to take full ownership and accountability for all procurement strategy, tactics, supply markets and procurement capabilities. But, based on their own unique circumstances, they must find a balance among the challenges they find, the strength of their mandate, resources in place, and the unique cultural environment of the organisation.

CPOs must, therefore, balance three distinct arenas: evaluating, building and then implementing their purchasing resources, while simultaneously developing



and focusing the role of the purchasing function, and trying to assess and also address the particular business situation. Each carries its own tensions.

CPOs must consider the nature of the business situation they are facing. There is likely to be a tension between the short-term fix and the long-term gain. It all depends on what you inherit. If things just aren't working, you have to make decisions quickly. If all is basically well, it is unlikely to be a wise move to make significant change early.

Further factors may include the CPO's own character and the corporate culture they are entering into. While a CPO's character (experience, skills, personality and networks) is their greatest asset, that asset can only be utilised within the confines of the existing corporate culture – which is always stronger than any CPO.

Mitigating these tensions

The F100D challenge is, in many ways, just a special (but more intense) change management challenge.

THE CPO has been hired to bring about change. In any change scenario there will be supporters and sceptics. Success will be found in managing the tensions that exist in the process of getting the supporters and sceptics to work together to achieve your plan. In managing these tensions, remember not every change is for the better! The past has value, and it will continue to have value. At the same time, the past shouldn't have an automatic veto. We need to take the best from the past and best from the future to forge our plan.

Pre-plan for F100D

Well before the F100D, a new procurement leader needs a thorough assessment of their own 'fit' to the role, and a plan to gain early successes and team engagement. This requires a pre-plan to negotiate resources, gain current state insight and start assessing the quality of procurement resources and their effectiveness. The first task, however, is an honest self-appraisal which should identify gaps in readiness

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for the task ahead. The organisation appraisal should assess its key challenges and the capabilities of the existing procurement team and understand the corporate culture it operates within.

The F100D is undoubtedly a challenge, but with a clear approach and operational framework in place, it can be a chance to create lasting impact and goodwill across the organisation.

On the ground

Taking charge of the top position in procurement must be one of the most thrilling moments of any purchaser's career. With the new status comes a sense of achievement and new responsibilities, but unfortunately also a high risk of failure. Experience tells you that you have to make a good start, but exactly what do you need to do and how do you need to do it? All you know is that you need to do it soon, and armed with a pre-planned strategy, you should be ready to hit the ground running. Don't take a honeymoon period.

In setting the agenda, there are three primary strategies to consider:

- > Evaluate the current situation
- > Change everything
- > Business as usual

The right answer is a combination of all three, naturally; it all depends on what you have inherited.

Don't try to tackle too many issues too soon or determine the strategic agenda in isolation. It is crucial to develop a broad plan with the involvement of critical stakeholders and to spend time generating buy-in.

If there is no current crisis, then the right way to start is to become an observer and a student of your new environment. In other words, stop and listen. Don't try to fix what isn't broken. Your goal is to build a function that is fit for purpose, so don't make assumptions; successes cannot simply be carried from one organisation and implanted into a new organisation. You must establish what the problems are, using both fact-based data and the views of influential stakeholders to determine the requirements of the purchasing function.

Go out of your way to get to know what is good and bad about your new organisation. Meet with board members and senior stakeholders and ask questions. The questions you ask need to give you the knowledge that will enable you to create the future state strategy that will make you successful.

But, what if there are problems when you enter the organisation – problems that can't wait months to be resolved? Remember, they looked long and hard for you because you had something they needed in the organisation. This is when you get your hands dirty and become an instant part of the fix. In other words, go deep toward understanding the issues. Attend meetings you wouldn't normally attend and work closely with the hands-on folks. Use the phrase, "At my last company we did it this way" sparingly because it goes stale really fast. This is also the time to use all of your expertise and experience to analyse the situation and make decisions. Remember, some of your best decisions are made before you have all the facts because you instinctively know what needs to be done. Take copious notes so that when the crisis is over you know how to prevent it from happening again.

This is also a great time to see what processes and/or procedures are in place and how they affect the outcome.

"Business as usual" is seldom the way to go. If the people who hired you wanted business as usual, would they have hired you? Understand that you are bringing ideas and methodologies that you have picked up over time. Now is the time to leverage them and create workable solutions. Everything that gets fixed isn't necessarily a problem, however: creating efficiencies or cost-effective solutions for things that aren't broken can contribute as much as fixing broken processes.

As you get to understand the culture, think carefully about the kinds of expectations you want to create and make sure you will be able to deliver them later on. You cannot manage expectations unless you monitor them. That requires listening to stakeholders and understanding them. Once you have pinpointed the expectations and you know the source, the next challenge is to influence the expectations of others. This is what our managers usually mean when they say "manage their expectations". Often they overlook the setting and monitoring components and expect you to "talk your way" out of anything. But it's so hard to talk your way out of anything unless you address the root causes.

It's important that all procurement leaders implement a communications plan from the start. Good communications between procurement's internal and external audiences are vital to success. This requires strict planning of what and how you are going to communicate in order that people can understand what you are proposing to do, the rationale behind it and what it means for them personally. In the absence of such a plan, people will

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fill the communication void with rumour and speculation, which is certain to be less favourable than your own account.

It's also important to understand your job and what's expected of you. The selection process will have given you an insight into what your responsibilities will be and your reporting structure. However, initial impressions from interviews are rarely fully accurate or complete. Early on – ideally within the first four weeks – you will need to clarify your precise responsibilities, the expectations of your superior and any other senior staff whose objectives you are supporting, your budgetary and management responsibilities, the current structure of the procurement function and its place in the organisational hierarchy, how the procurement function is perceived within the organisation, lateral lines of responsibility and liaison, and key internal customers and suppliers with whom you need to establish effective working relationships.

You are likely to operate in some kind of performance review system, where you are set or agree a series of objectives with your boss. It is important that you are given clear parameters and targets to channel your contribution effectively. If your organisation does not set objectives or targets, set yourself a series of goals to work towards and discuss them with your boss. They will also help you to monitor your own progress.

Consider your training needs. From your pre-planning, you should have identified the gaps in your experience or skills that you need to fill. This should include both technical training, which your employer is more likely to provide, and 'softer' training in management and interpersonal skills. Draw up a training plan that will address your needs and act as a framework for your personal development.

It is also important to develop an understanding of the values and issues that stakeholders have, in order to address them and keep everyone involved in your plans for procurement. If your plans do not have the necessary support from those in positions of power, those providing resources and those who will be directly utilising your services, they are unlikely to be successful. The creation of a coalition of interest and support for your plans is important, so establish key personal relationships quickly.

Finally, get yourself known. Use your networking skills to establish key contacts in other divisions or organisations and try to draw out what their priorities are. Invest in your relationships with external suppliers too.

Your F100D will tell your new company what you are all about. It is also the best time to introduce change because that's what you were hired for. Your new role presents you with great opportunities. A strong F100D programme sets the stage and builds firm foundations for sustainable career success. However, this period is by no means a guarantee for your future. The key is to listen, learn and review.

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