

Procurement/Supply: The Most Opportune Time Ever



Joseph L. Cavinato, Ph.D.
Institute for Supply Management
and
Thunderbird School of Global Management

1

Why is this “The Most Opportune Time Ever”?

From flat land to dynamic change

From tasks to making business impacts

From one way of doing something to knowing the many ways

From meeting expectations to making them

From the quiet corner to the key decisions

From learning what to do to charting the next paths

2

Joseph L. Cavinato, Ph.D.

ISM Professor of Supply Chain Management, Thunderbird School of
Global Management

Director, Center for Strategic Supply Leadership at ISM

Head, Global Supply Chain Leadership Program at Thunderbird

On going personal interview project (since 1990):

865 companies/organizations worldwide
5,440+ interviews
Forward capture



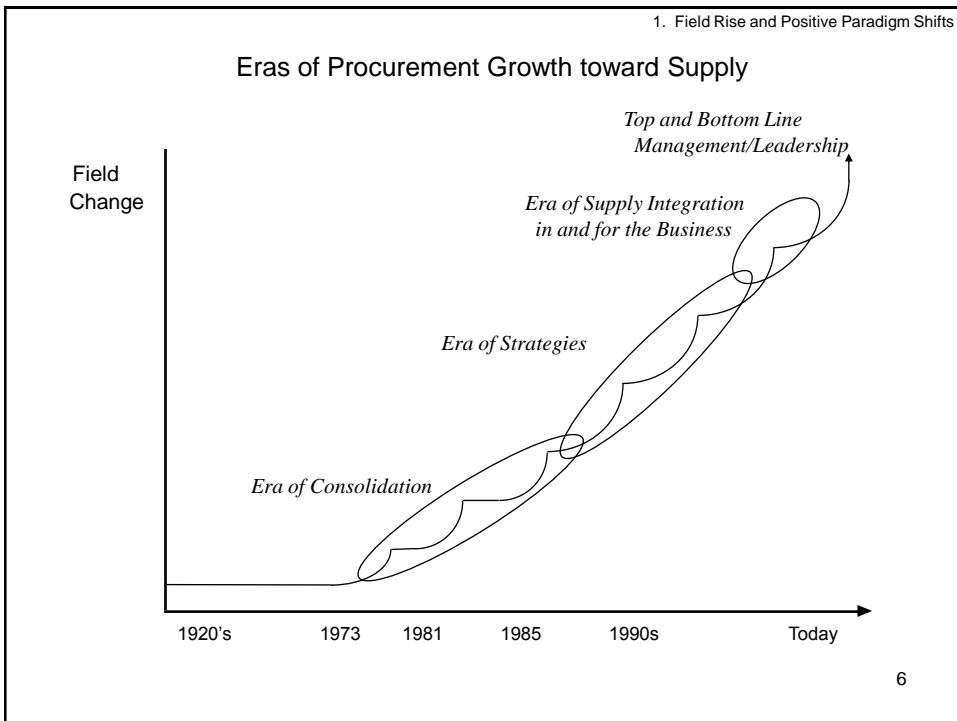
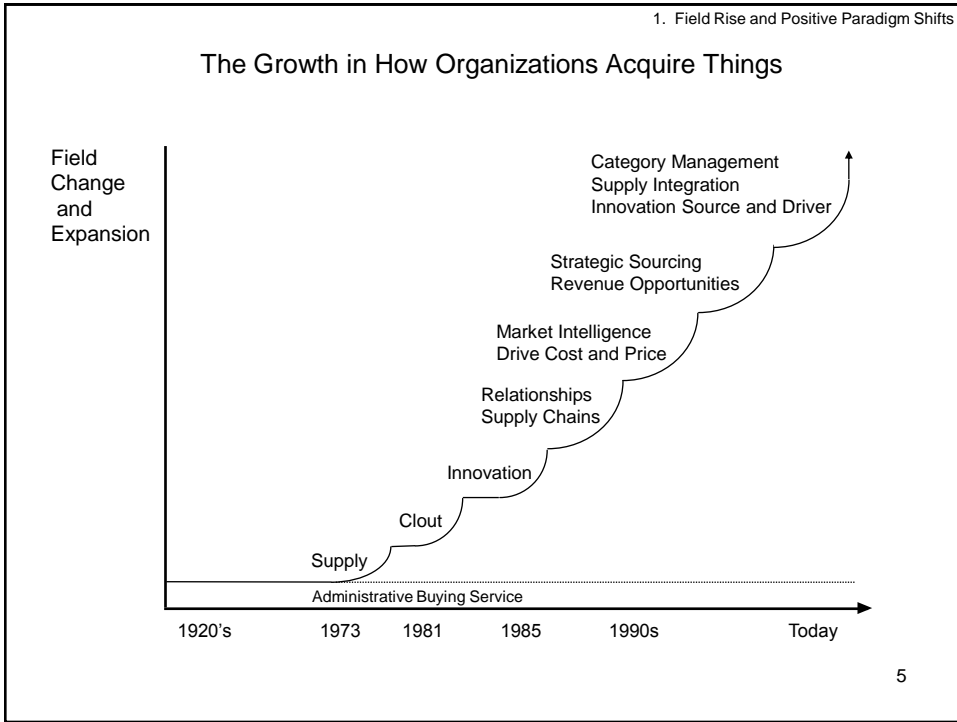
*Research, publications, speaking, and teaching emphases:
“the next possible opportunities in the Supply profession”³*

1. Field Rise and Positive Paradigm Shifts

*From long being a clerical task function,
our companies and organizations need much
more today.....*

and, tomorrow they'll need even more from us!





We've grown from **buying...**
to **procurement...**
and some have gone to **supply**

Definition of Supply:

"The identification, acquisition, access, positioning, management of resources and related capabilities the organization needs or potentially needs in the attainment of its strategic objectives." Institute for Supply Management, updated 2005.



7

Five Examples of New and Emerging Phenomena

Supply professional and company brand manager

Shifting beyond strategic sourcing to category management

Supply acquiring company Engineering group

New product revenues now a Supply expectation

Supply professionals who quest to become CEOs



8

1. Field Rise and Positive Paradigm Shifts: What's it all mean?

The profession's span is both growing and it's being pulled

It behaves like a growth field today

What will be at its edge five years from now is anyone's guess

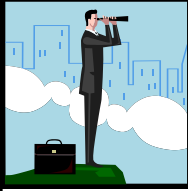
Supply attracts some of the best and brightest from universities

9

2. Our Near Future

*We are in an era where the next two to three years
are non incremental and less predictive.*

10



1992 to 2011 Benchmarking Study

- Looking Beyond the Present -

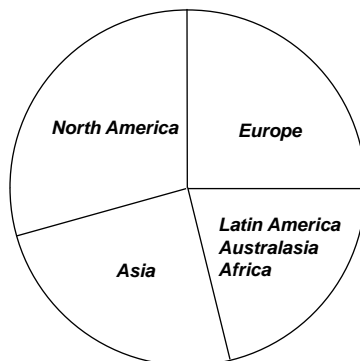
Three questions:

- *What are your issues, challenges, and opportunities for the next two to four years?*
- *What or who are the change drivers in your industry/area?*
- *What are you doing about them?*

11

© Joseph L. Cavinato, 2009

Scope of Interview Visits: 1990 to 2009

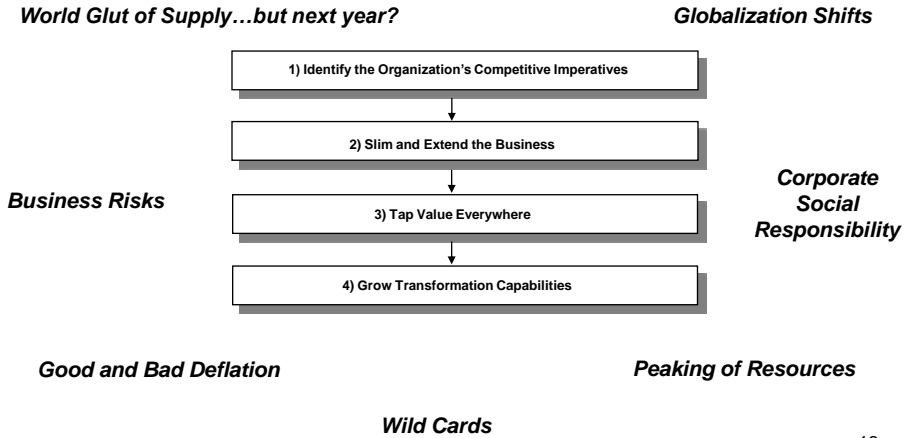


- 865 firms and organizations world-wide
(as of April 9, 2009)
- * Minimum of three different areas represented in each organization,
- * 5,460+ interviews many firms interviewed several times since 1990

12

© Joseph L. Cavinato, 2009

From the Three Questions:
How to become a continuously transforming competitor?
 - September 2009 – August 2009 -



**2. Our Near Future:
 What's it all mean?**

- Everyone's 'long term' is much shorter today
- What was certain in the past, is much less so today
- What is certain: everyone wants to connect now more than ever

3. The Field's Professional

We now see groups where no two people are doing the same thing

In many groups: no two people have the same title

Still more: they are the first to be doing some of these things...and that's only been for one to two years.

15

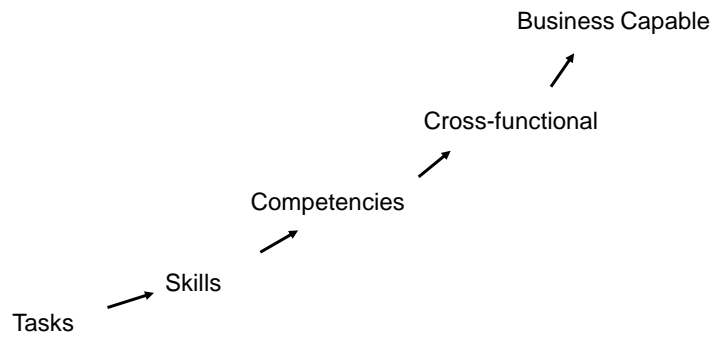
Where the Field is Going is Not Predictable

We've got to benchmark, but we can't rely upon benchmarking our way to the 'nexts'

What's next is not as obvious as it was just ten years ago

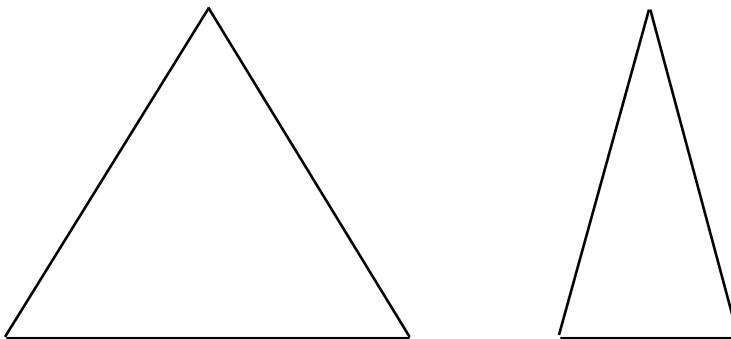
16

The Dynamism Doesn't Stop:
What we Do...What we Train For....What we Measure



17

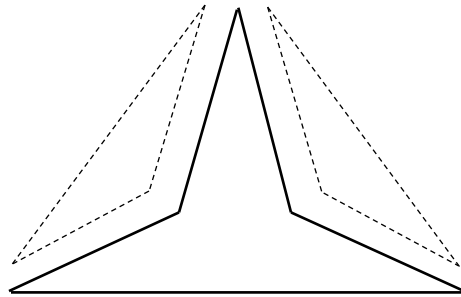
The Reshaped Organization -- 1990s



18

Transforming

The Evolving Organization -- Today

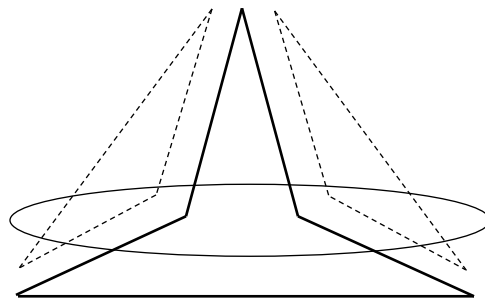


19

© Joseph L. Cavinato, 2009

Transforming

Today's Evolving Jobs

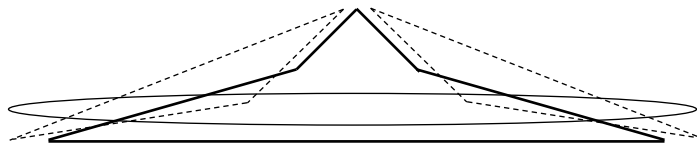


20

© Joseph L. Cavinato, 2009

Organization of the Future

- even flatter -



21

© Joseph L. Cavinato, 2009

What We Do Know About Today's Emerging Supply Leaders

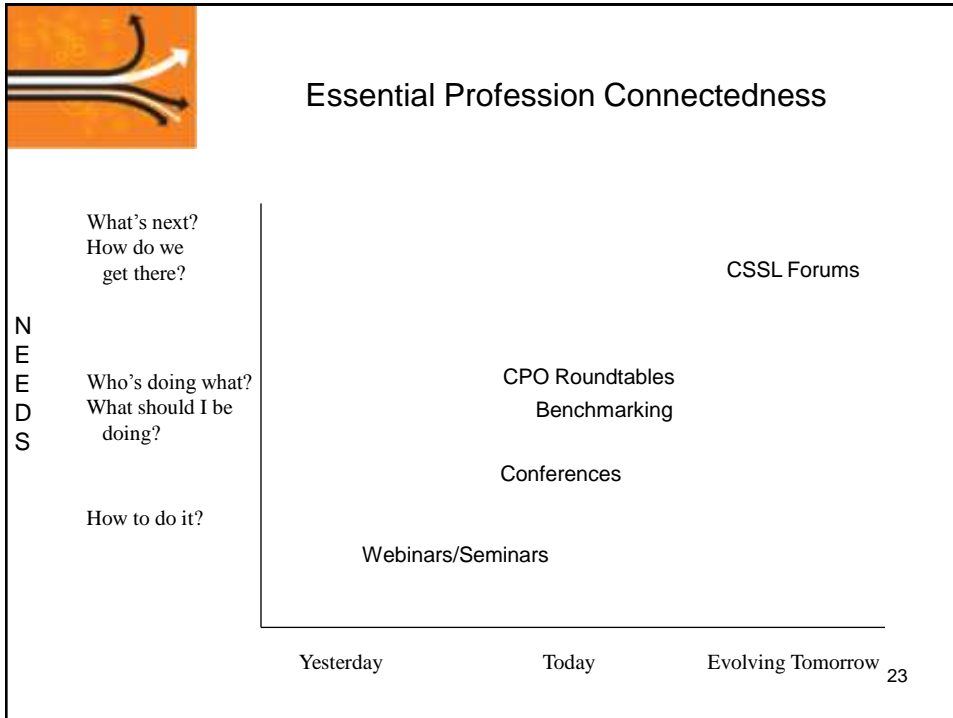
They think both efficiency and out of the box

They've been cross-functional for several years

They are constantly connecting with others

They thirst for the future more than any other generations

They learn from many sources 22




The diagram is titled "Background of CSSL". It features a diamond-shaped logo in the top-left corner. The main content is enclosed in a light blue box with the following text:

The Center for Strategic Supply Leadership
 - Three Purposes -

- Looking forward for what is next
- Focus is upon the CPO and their direct reports
- Preparing CPOs and supply leaders how to chart courses for their organizations

CSSL is about discovery, insights and opportunities

24

Center for Strategic Supply Leadership
A. T. Kearney with Institute for Supply Management

Procurement/Supply: The Most Opportune Time Ever

The future used to be the same....then it became an extension of the same...
then it became strategic in its quests...

but, today?

Today's supply professional has many varied needs. They continuously evolve,
and they reshape as they do so.

The professional organization is a prime source for their professional growth
and their company's/organization's competitiveness.

25