



GAME CHANGING PROCUREMENT TRENDS IN AFRICA

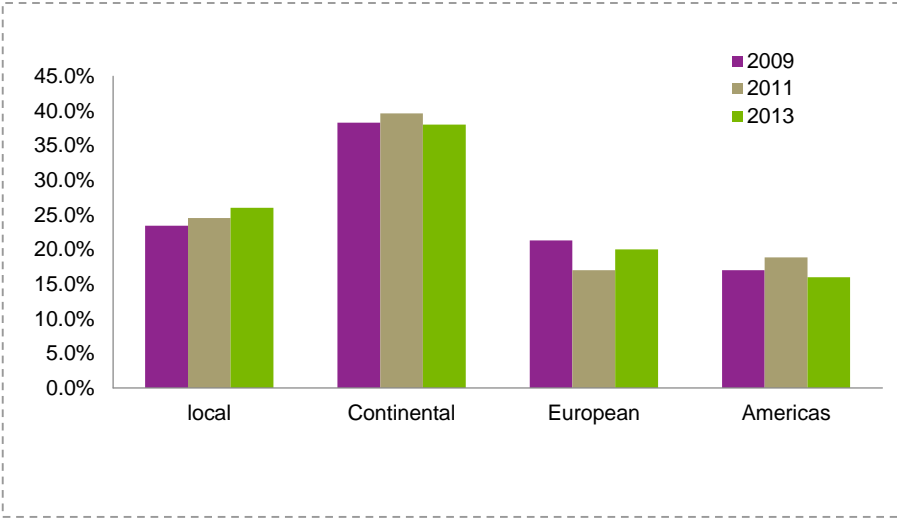
The African Emerging Trends and Forecast

The Future of Procurement as a Recognised C-SUITE Role

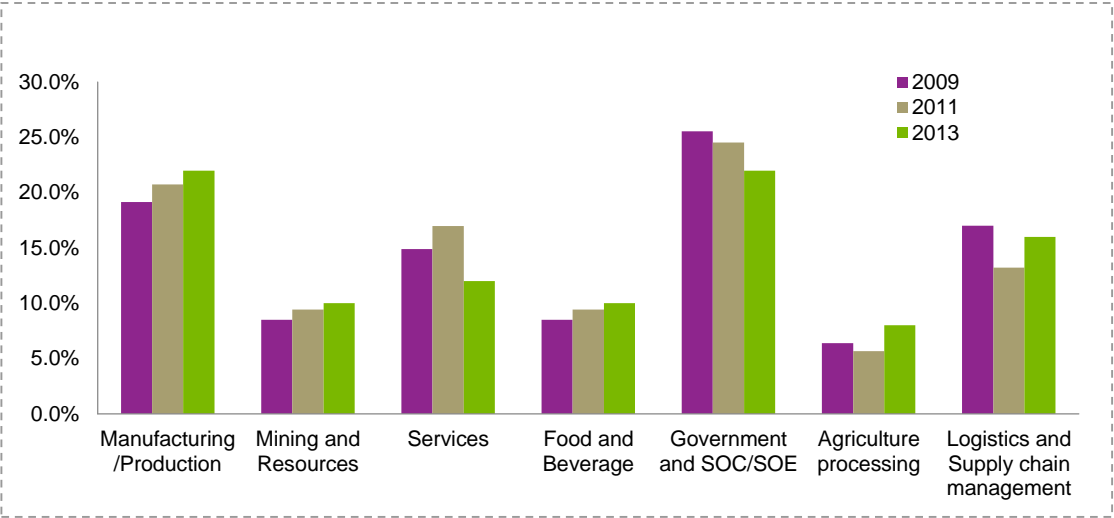
Next Steps Going Forward

Population sample

Geographical Spread



Sectors



- Revenue range: between USD20mn and USD400bn
- Inclusive of Fortune 1000 companies, FTSE 250, JSE 100 companies, State Owned Entities (SOE), government departments etc

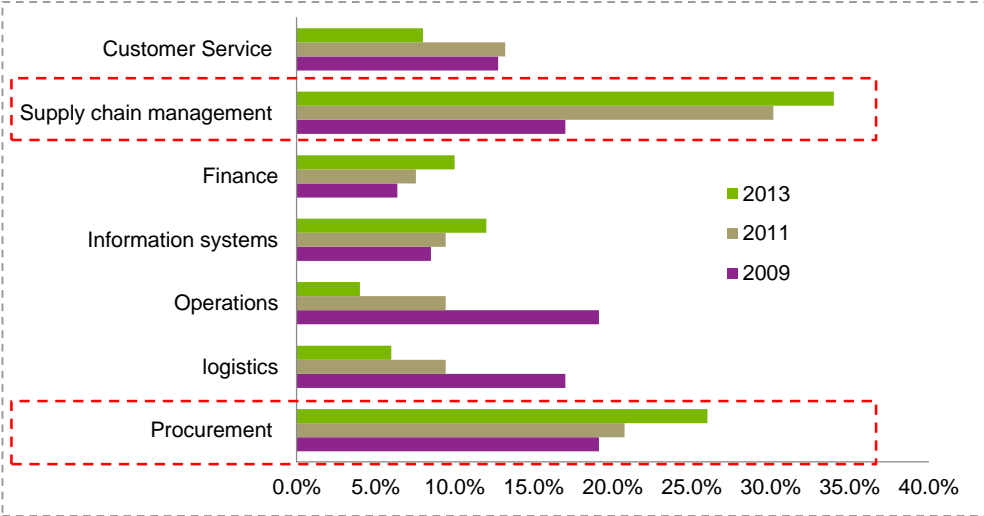
- Largest representation: Government and SOE
- Smallest representation: Agriculture processing

Emerging trends and forecast

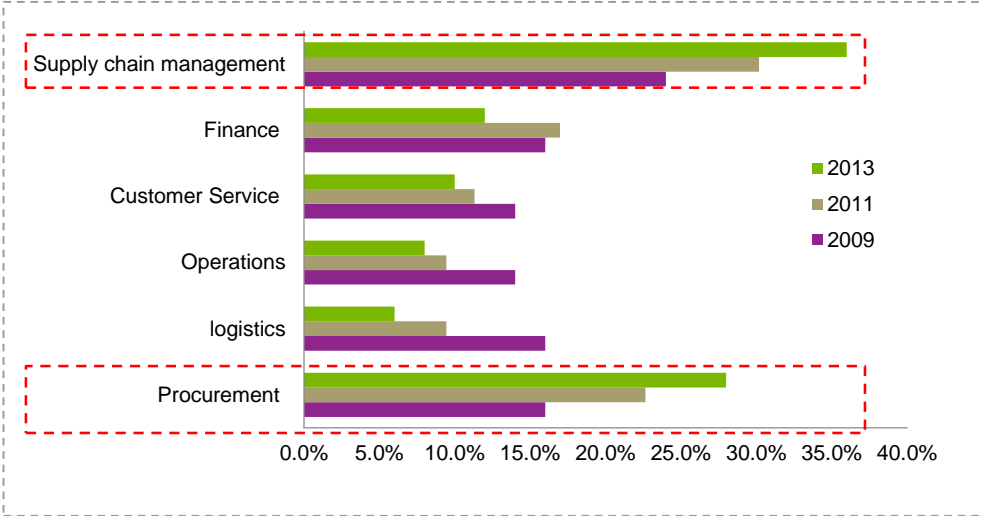
Factors critical for bottom line performance



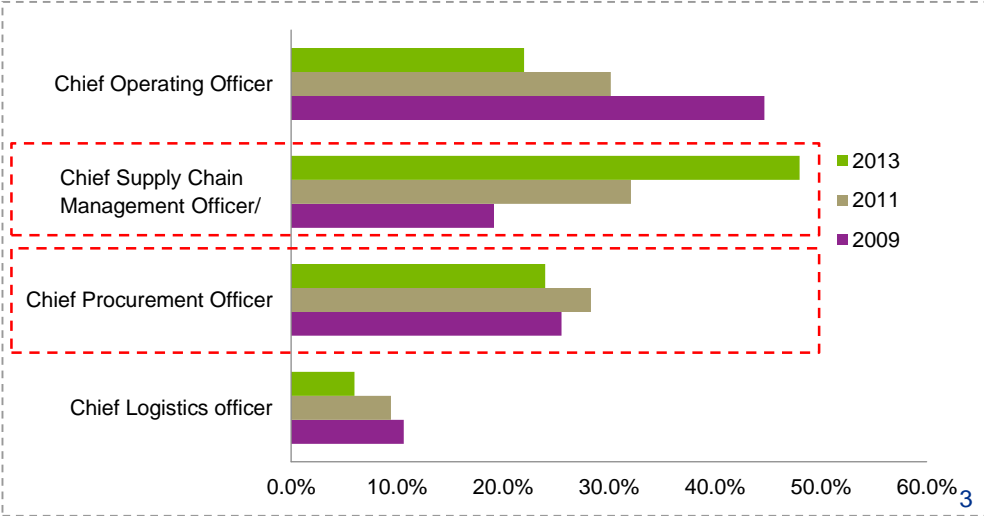
Factors directly impacting government service delivery quality



Factors directly impacting small business development

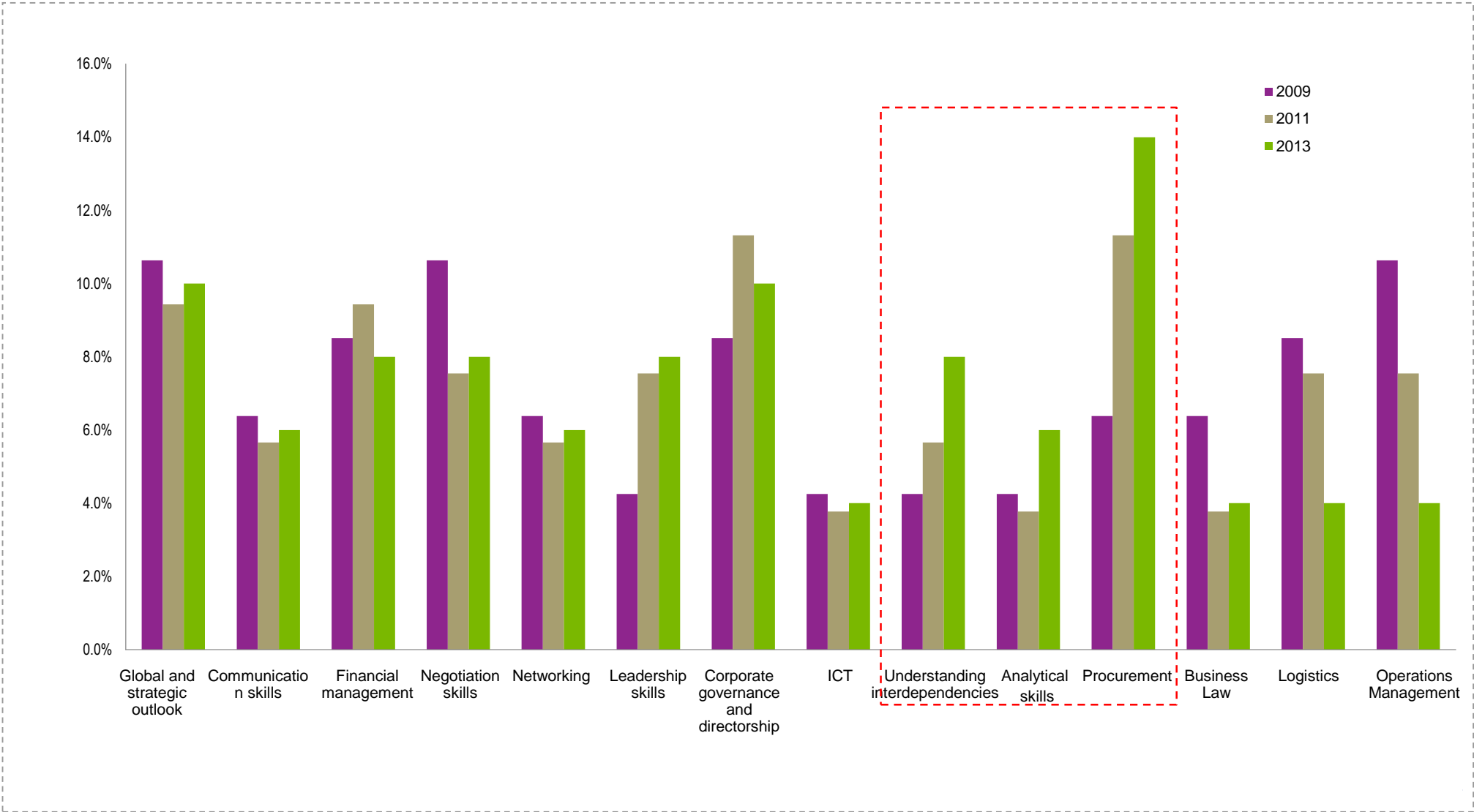


Roles that will become standard C-level



Emerging trends and forecast

Critical skill requirements of a Chief SCM/ Procurement Officer



The future of Procurement as a recognised C-suite role

Reason for SCM/CPO elevation to the C-Suite role



Other responses

- Leveraging spend
- Industrialisation
- Job creation
- Reduction in business risks
- Local content development
- SMME growth
- Tackle youth unemployment
- Local supplier development
- National interest
- Government imperative
- Social responsibility

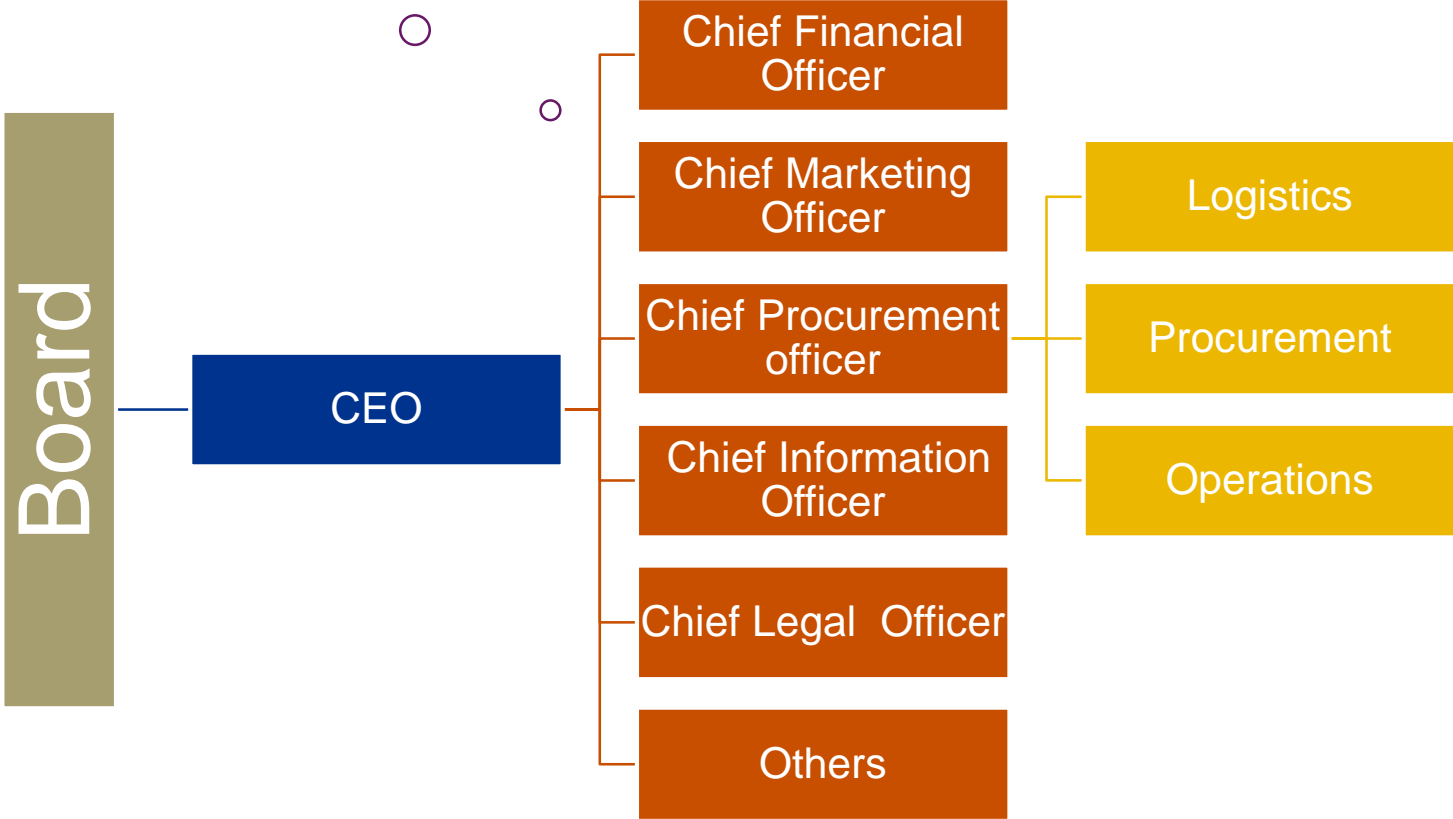
What are the potential implications of the findings?

- Procurement and supply chain management functions are moving from a Backroom to a Boardroom
- Pressure on the organisations to deliver performance have driven EXCO level professionals to rapidly fill emerging positions
- Ethical and conflict of interest issues must be voiced out by the profession and its main overseeing body i.e. CIPS
- Current EXCO and non executive Board members watching to see how procurement and SCM professional rise to this “*second calling*”
- CSCO shall increasingly replace COO in the C-SUITE**
- Content for Executive level supply chain management development must be reviewed by ACADEMIA & TRAINERS with industry requirements in mind



From the backroom to the boardroom: The rise of the Chief Procurement Officer

CPO shall assume more responsibilities and further rise to CEO!!



Comparison between the past and current state

2009-2013

- CPO was seen as managerial title and role and not a C-SUITE role
- Procurement had an image problem at EXCO level
- Strong operational competencies
- Strong operational, tactical and managerial competencies
- Relative lack of directorship and C-SUITE competencies
- Rampant misuse use of CPO title by procurement managers created challenges



2014-

- Shift in thinking
- Procurement at the core of Supply Chain
- Strategic and impact sourcing
- More economic development
- Competitive advantage and shareholder wealth creation
- Governments are actively and innovatively using Procurement supply chain management to:
 - improve public sector governance
 - create sustainable jobs
 - improve service delivery
 - industrialize
 - add more value to resources
 - stimulate SMME growth and development

Conclusion and the road ahead

- Procurement aspects of supply chain management is firmly back on the strategic agenda
- Governments and public sector aiming to use supply chain management to stimulate economic development
- Private sector companies using SCM as a weapon for competitive advantage
- Chief Procurement officers with a strategic and global mindset shall increasingly assume Chief Supply chain officer roles on EXCO
- Procurement as a profession shall remain one of the CORE functions under supply chain management
- Title and role description confusion created by “procurement managers” means the Chief supply chain officer and not Chief Procurement Officer will most likely be one of the more acceptable C-SUITE titles
- Collective executive skills development and education will be the key to acceptance in the boardroom and policy making corridors





THANK YOU