Procurement what we do...  

Network Pharma  
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Questions to the audience?

- How many of you have worked with Procurement?
- How many of you found the experience rewarding and why?
- How many of you hated it and why?
Industry Alignment

- Sharing Best Practice
- Discussing common issues and concerns
- Work through industry specific projects and create guidelines on ways of working
- Categories – Marketing, Reminder Items, Market Research and under development
- Meetings
What we aren’t...
What we are…
What is Magic and Logic

What is Magic?
- Anything the Agency does to produce brilliant ideas that can grow brands and businesses

What is Logic?
- Anything to do with project management, financial management, traffic, purchasing of third-party services etc.

“90% of the Agency management focus on the Magic, but 90% of Clients money is spent on the Logic”
‘The Triangle of Love’
Challenges for the Agency

- Behave in a more business like manner
- Have adequate management information systems (invoicing etc.)
- Work with Procurement
- Become more accountable
- Stand you ground (creative meetings don’t back down)
- Think before you pitch
- Negotiate fair remuneration
Challenges for Procurement

- Get to know your Agencies
- Work proactively with the Agencies
- Motivate Agencies better ‘think carrot not stick’
- Establish our role and relationship with Marketing
Challenges for Marketing

- Work proactively with the Agencies
- Ensure fair play at pitching
- Ensure fair play with remuneration (bonuses)
- Be more structured regarding briefing, approval, measurement of results and agency performance
What is our role within Marketing?

Teamwork

Marketing
Service
Requirements
Marketing Expertise
Industry Knowledge
Innovation
Budget
Responsibility
Creative Specialists
Brand Custodians

Collaboration
Identify Opportunities
Agency Selection
Agency Management
Sourcing Strategy
Risk Management

Legal

Procurement
Procurement Process
Industry Knowledge
Spend Analysis
E Sourcing
Negotiations/Contracting
Commercial specialists

Finance
What do you think we do?
What we do?

- Negotiate Contracts
- Manage stakeholders expectations
- Assist with organisational design
- Provide best practice processes
- Provide external Learning’s
- Protect MSD IP
- Manage conflict
- Provide external benchmarks
- Use eSourcing tools
- Manage Suppliers
- Evaluate suppliers
- Agree Fees
- Create more efficient processes
- Assist with payment issues
- Manage Suppliers
- Assist with payment issues
What we don’t do or shouldn’t do?

- Choose Suppliers
- Change suppliers because of cheaper rates
- Have many suppliers involved in pitches
- Encourage Change of suppliers
- Have pitches to benchmark Agencies
- Promote worst practice
- Create unnecessary
- Share rates with other agencies
- Comment on creative
What process do Procurement use in MSD?

Sourcing Management provides -
- Structure
- Process
- Rigor
- Alignment with the Business
- Clear Deliverables
- A collaborative Approach
- Business Buy-in
- Practical Tools

Define Gather/ Analyze Strategy Creation & Innovate Strategy Implementation Continuous Review

Supplier Management Supply Management Specification Management
Good practices

- Be open and honest
- Have the right people interact with us
- Get us involved early
- Explain what you are trying to achieve
- Raise concerns and worries
- Don’t sit on things (especially money)
In times of hardship

1. Work on Profit not Turnover
2. Protect Profit at all costs
3. Work with clients to deliver real value
4. Work with clients to drive efficiency – that means internally as well as external
5. Spend our money as if you were spending your own
6. Don’t undertake work that is not profitable
7. Don’t encourage a client to undertake projects that don’t deliver the necessary ROI
8. Work smarter not harder
9. Retain good people – just make them prioritise and more efficient
10. Remember it is hurting all of us so be mindful of communication