

PURCHASING SKILLS FOR CAREER SUCCESS

NAPM UTAH CHAPTER
HERB SHIELDS * HCS CONSULTING
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YOUR CAREER IN PURCHASING

Is Purchasing in our genes?

Probably not

Does 21st Century purchasing require new
skills?

Absolutely!

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TODAY'S PURCHASING IS DIFFERENT

- Globalization
- Commoditization
- E-Business

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20TH CENTURY PURCHASING FUNDAMENTAL SKILLS

Basics

- Ethics
- Analytics
- Communication

Differentiators

- Negotiation
- Supplier relationships
- Cost Mgmt.

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ACQUIRING PURCHASING SKILLS

- Education
- On the job training
- Learning from suppliers
- Personal/professional motivation

THE HISTORICAL CONTEXT

H. B. Twyford, Otis Elevator, 1915

“A purchasing staff which is entirely unsympathetic with the ...needs of the users of the material will fail to grasp one of the most essential things...

They will be dealing with papers and accounts instead of men and things.”

60's/70's

- Adversarial relationships
- Traveling requisitions
- MRP
- USA focus
- NAPA

80's/90's

- Materials management
- MRPII
- Off-shore sourcing
- NAPM

90's/Today

- Supplier partnerships
- Global sourcing
- E - Purchasing
- CSCMP and ISM

PITNEY BOWES

Laura Taylor, VP, Global Procurement Strategy and Operations

“You can’t just be a commodity expert. Project management is a key skill.”

“Strength in basic business analysis...someone who has financial acumen and business acumen.”

JOB DESCRIPTION

- Evaluate supplier capabilities and establish sources for new technologies and in new markets as business requirements dictate.
- Direct the development and negotiation of complex agreements with suppliers encompassing key program specifications and functional objectives.

CUMMINS ENGINE

Ignacio Garcia, VP Global Purchasing and Manufacturing Support

“We need people to have more business savvy, an MBA is a requirement.

Decisions are being made based on, not just on traditional supply chain concerns, but ...what kind of business alliance we need.”

21ST CENTURY SUPPLY MANAGEMENT

- Continuous improvement in cycle time, cost, quality, and delivery performance
- Rapid product and development changes
- Increased expectations for purchasing and suppliers from management
- Growing reliance on suppliers as part of your process

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21ST CENTURY SKILLS

- Strategic focus
- Ability to utilize a global business model
- Project management and cross functional team leadership capability
- Alliance-building capability
- E-business competency

References

1. World Trade magazine, December, 2005
2. World Trade magazine, January, 2006
3. Purchasing & Supply Management, Monczka, Trent, Handfield
4. World Class Supply Management, Burt, Dobler, Starling