



It's not a recession, it's an opportunity

from the Procurement Talent Bulletin

Upgrading talent in a downturn

Even procurement isn't immune to cost-cutting - redundancies are taking their toll in procurement too. Carefully structured talent management strategies are being laid waste at a stroke.

However, just because the world is changing doesn't mean it's coming to an end. A recession may be tough but it's also an opportunity to stop, assess and rebuild for the future.

You've got to do more with less and use existing resources better. This is the ideal time to reorganise and restructure procurement and upgrade your talent.

The new world requires new skills (or at the very least, skills that have been forgotten in the last ten years). Which means this is also the time to redesign procurement roles to be more appropriate but also challenging, more inspiring and more engaging.

Procurement teams need to quickly get to grips with:

- managing critical supply chain risk,
- maintaining suppliers on life support,
- managing devaluation and an exchange rate movement of 30%
- managing a supplier portfolio with step-change volume reductions

Training and development programs are increasingly important and must be protected. Not only to maintain morale and increase productivity, but to equip the procurement talent with these new skills – and fast.

Changing times need new skills

Take the automotive sector for example. In hindsight it was easy to negotiate savings with year-on-year volume increases – small incremental stuff. Then, in the space of three months, manufacturing volumes dropped by two thirds. The whole game has changed and buyers must react quickly. Commercials have to change to the extent that entire manufacturing processes and selection of suppliers is put into doubt.



Who said supply chain mapping was a theoretical exercise? Time to put the conceptual stuff into practice.

A slowdown is also a great opportunity to uncover and secure displaced talent. Studies show that although overall levels of recruitment fall in a downturn, the quality of resources hired, rises. The message from HR may be that there is a recruitment freeze but smarter CPO's are telling their recruiters to stay focussed.

Be opportunistic for quality. Exceptional procurement people do not just turn-up when HR says it's ok. It pays to keep a lookout and make an exception for the exceptional.


Be strategic for desirable skills. Now may be the time to pick-up skillsets that were previously unavailable or expensive. For example, the financial services sector has led a business process outsource revolution with the outsourcing and offshoring of process based functions like IT, call centres, finance and HR transactions. This procurement expertise, developed and refined in banks and consultancies, and previously hard to find, is now on the market and looking for a new home.


These may be tough times but there are opportunities to be had.

Just make sure you're well placed to make the most of them.

About ADR People



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