

**DRIVE SAVINGS & BUILD A WORLD-CLASS  
PROCUREMENT ORGANIZATION**  
*with a Strategic Assessment*



PROCUREABILITY™ WHITEPAPER

## INTRODUCTION



***If you don't know where you are going, you'll end up someplace else. ”***

**Yogi Berra**

Are you interested in charting a course to dramatic improvement for your procurement organization? Are you under new pressure to deliver bottom-line results?

If you responded “yes” to either question, we suggest that you begin with the end in mind and create a roadmap for how to get there. Before you embark upon aggressive savings or change management initiatives, consider conducting one or more procurement assessments to help chart the right path to your destination.

Procurement assessments measure how your procurement organization currently performs on multiple dimensions, and they help you set quantifiable goals and objectives for future improvement. These assessments deliver quantitative and qualitative evaluations of your procurement organization's current state, and provide specific and actionable guidance on how to achieve these results:

- *Improve efficiencies and effectiveness to drive savings.*
- *Align with corporate and business unit strategy.*
- *Drive more value overall for the enterprise.*
- *Build a best-in-class procurement organization.*

## BENEFITS OF A PROCUREMENT ASSESSMENT

### Increase Your Chances of Success

Many companies make the mistake of jumping into procurement transformation initiatives without first taking the time to understand what they already do well and what really needs improvement. We often find that procurement organizations are already doing some things really well, while other parts of their operation need significant changes. An assessment can help you target what needs to be changed and what should be left alone.

Designing a transformation based on a thoughtful strategy that considers implementation sequencing and priorities can mean the difference between success and failure.

### Achieve High ROI

Procurement transformation initiatives, when based on assessment findings, priorities, and focused roadmaps, almost always identify ROIs of 10x or higher. That's better than most other corporate improvement initiatives.

A procurement transformation driven by assessment findings is something you can't afford *not* to do.

### Learn and Improve Continuously

Progressive procurement organizations use assessments as annual check-ups to learn what's new and innovative in procurement, to see how they compare, and to make continuous improvements. An assessment can be part of an annual review that's used to fine-tune your procurement strategy roadmap.



# THREE PROCUREMENT ASSESSMENT MODULES

Assessments provide a clear vision of, and roadmap to, a desired outcome, whether that outcome is process improvement, savings, or procurement transformation.

Depending on the desired outcome, one or all of the following three procurement assessment modules may be conducted.



## 1 PEOPLE: Skills & Performance Assessment

- ✓ Define key skills required for a best-in-class organization.
- ✓ Assess individual and team skills, and performance against the standard.
- ✓ Identify gaps and developmental requirements.
- ✓ Design development programs and/or hiring plans to close the gaps.

### 1. ASSESS the Organization's Skills

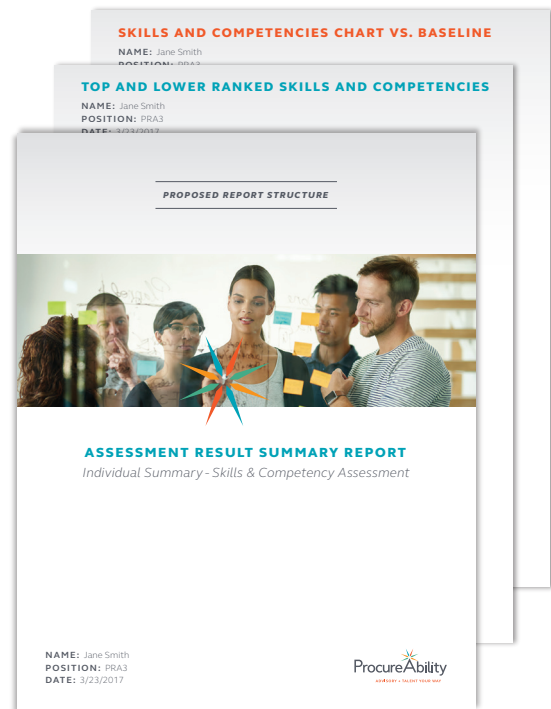
Online Self Assessment Survey



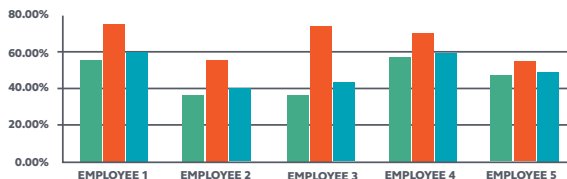
Online Test/Survey



### 3. DESIGN Development Program to Close the Gaps



## 2. IDENTIFY Gaps and Developmental Requirements



	EMPLOYEE 1	EMPLOYEE 2	EMPLOYEE 3	EMPLOYEE 4	EMPLOYEE 5
PROCUREMENT SKILLS	56.30%	36.30%	36.60%	56.90%	47.30%
BUSINESS SKILLS	74.30%	56.00%	73.20%	68.70%	54.30%
OVERALL RATING	59.90%	59.90%	41.50%	59.20%	48.70%

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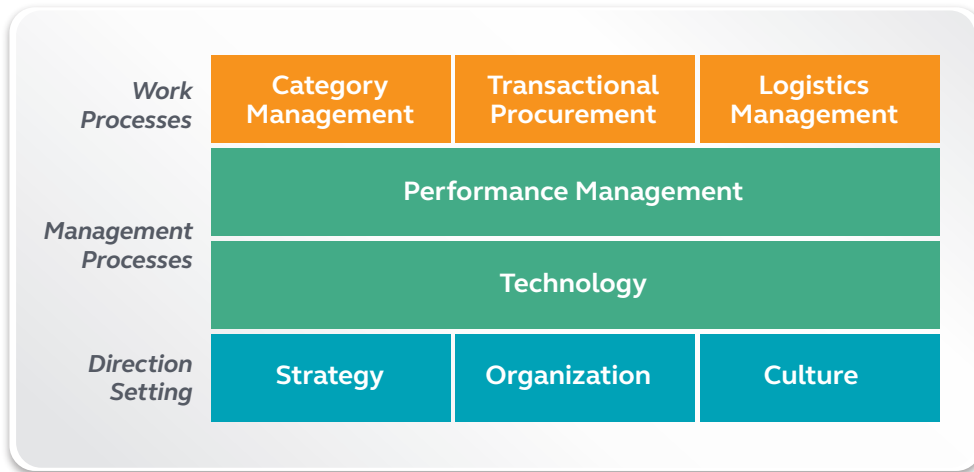
## ② PROCESS & STRUCTURE: Procurement Process & Organization Assessment

- ✓ Assess current procurement operations against best practices and benchmarks.
- ✓ Identify gaps and craft specific recommendations for becoming best-in-class.
- ✓ Create a strategic plan and roadmap for transformation.



ProcureAbility's Procurement Process & Organization Assessment framework includes eight dimensions, each with multiple detailed sub-dimensions (totaling 50) to ensure a holistic review.

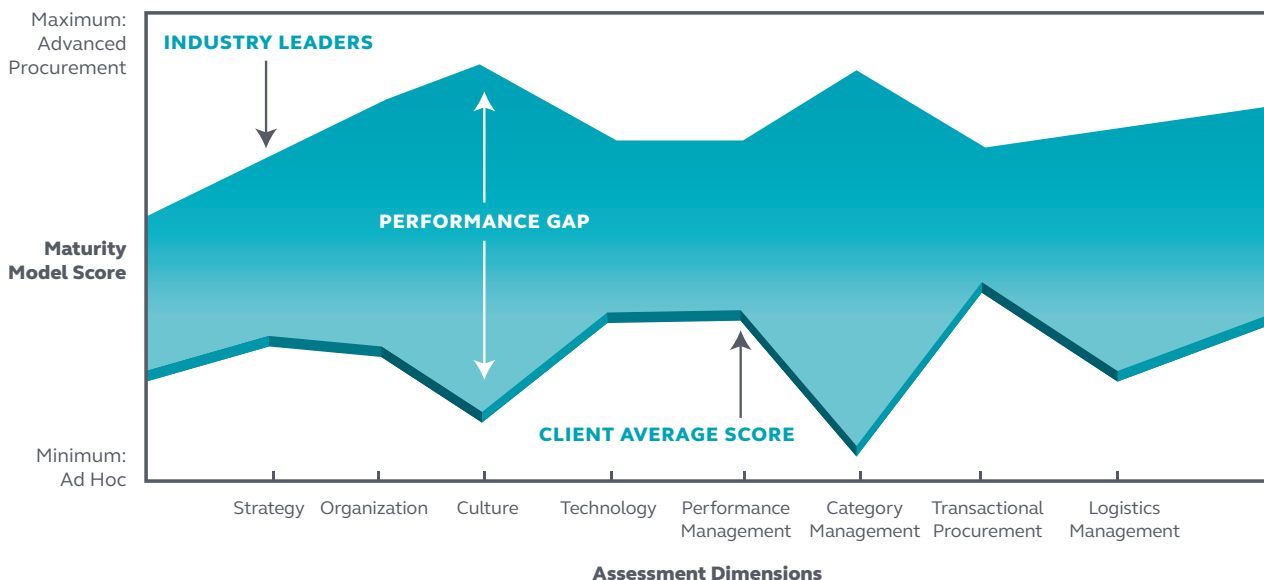
### ProcureAbility's Procurement Process & Organization Assessment



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Our assessment lets you score each sub-dimension within a best practices “maturity model” framework that ranges from ad hoc to advanced procurement, making it possible to **compare your organization's performance against that of best-in-class procurement organizations.**

### Performance Versus Best-in-Class Procurement



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### ③ SPEND MANAGEMENT: Spend Analysis & Opportunity Assessment

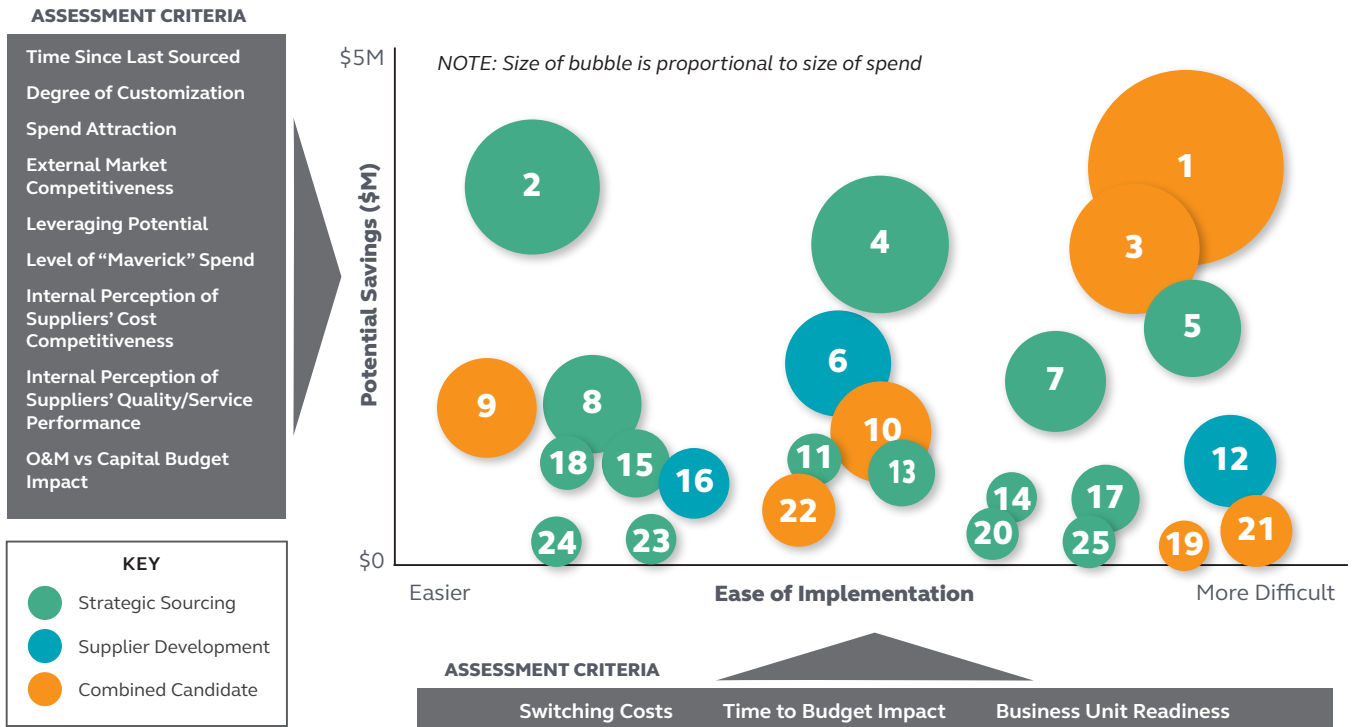
- ✓ Create a current spend profile based on market-centered categories and portfolios.
- ✓ Assess current sourcing effectiveness for each spend category.
- ✓ Determine sourcing and/or supplier development opportunities and potential category strategies.

#### Spend & Opportunity Assessment



Prioritizing sourcing opportunities can help you achieve wins more quickly while maximizing both return on effort and ROI. The below Opportunity Prioritization Chart shows 25 spend categories prioritized according to assessment criteria that evaluate potential savings and ease of implementation, while targeting each category for strategic sourcing, supplier development, or both.

## Opportunity Prioritization Chart Top Spend Categories



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## ASSESSMENTS PROVIDE ACTIONABLE STRATEGIC ROADMAPS

Exceptional procurement assessments provide actionable strategic roadmaps including business cases to help you gain internal support, guide initiatives, and ensure sustainable change.

Actionable, sustainable strategic roadmaps have the following characteristics:

- 1. Future state design** based on a clear understanding of how your procurement organization compares quantitatively and qualitatively to industry leaders across a complete set of key dimensions.
- 2. Organizational design options** including phased and interim choices as appropriate.

- 3. Identification of the total additional value** that procurement can add to the company, as well as a business case for achieving this result.
- 4. A detailed implementation roadmap** for achieving the projected results and advancing procurement's operation, thereby delivering ongoing value creation.



## CONCLUSION

Procurement assessments help define your vision for improvement and delineate a strategic roadmap for success. Assessments help in the following areas:

- **Measure** and **benchmark** procurement's performance across key effectiveness indicators.
- **Identify** high-performance areas that shouldn't change.
- **Pinpoint** performance gaps vis-à-vis leading procurement organizations.
- **Design** specific, implementable recommendations to close performance gaps.
- **Build** a realistic business case for change and establish support among the corporate executive team and key stakeholders.
- **Guide** the procurement organization with a detailed roadmap that includes key success metrics and milestones.

With extensive experience conducting assessments using an in-depth catalog of benchmarks and best practices, ProcureAbility can quickly help procurement organizations drive value and operate at a world-class level. Our assessments identify ROI of over 10x while creating implementable, strategic roadmaps to outstanding procurement performance.



### PROCUREABILITY ASSESSMENTS

Ready to start an assessment?

[Click here](#) to learn more about ProcureAbility™ assessment options. Begin your journey to best-in-class performance and ROI of over 10x.

## ABOUT PROCUREABILITY

ProcureAbility™ transforms traditional, outdated consulting and staffing models by offering advisory and resource support on our clients' terms.

**Our delivery model is unique.** Clients have access to unbundled resources, plus the ability to selectively add value through leading-edge methodologies, the latest best practices, and specialized insight and advice—an approach unheard of in traditional consulting and staffing firms.

ProcureAbility's customer-focused delivery model gives clients flexible options to meet their needs:

- **Work with strategic or tactical experts** who can deliver a wide range of solutions, from consulting to staffing.
- **Scale a team to fit requirements**, from individual resources to complete project teams.
- **Add value as needed** from a deep and broad library of procurement insights.
- **Choose remote or on-site support options**—or both.

**Since 1996 we've focused on procurement's success. It's all we do.**

For more information on ProcureAbility services, visit [ProcureAbility.com](https://ProcureAbility.com) or call **(888) 824-8866**.