Exemplary Performance

The CPO Perspective: Strategic Business Partnerships with Internal Clients

An Exemplary Performance Whitepaper

By Dave Nelson, C.P.M., A.P.P.

Nancy Q. Smith

180 Admiral Cochrane Drive, Suite 205 | Annapolis, MD 21401 | 410-266-8400 | www.exemplaryperformance.com

The CPO Voice on Internal Strategic Business Partnerships

What value do 15 Fortune 200 Chief Procurement Officers find in partnering effectively with internal clients and stakeholders?

> *"This is the **biggest thing that I have done** – the relationships you develop are critically important. It's beyond politics."* – Ron Lewis, vice president, supply chain, Coca-Cola Enterprises

> *"We think that this is the **core of our success**."* – Gregg Brandyberry, vice president of procurement, global systems and operations, GlaxoSmithKline

> *"If we don't have effective internal relationships at multiple levels, we will not be successful. **I don't think anything is more important**."* – Lisa Martin, senior vice president, worldwide procurement, Pfizer Inc.

> *"Huge. **Top three in terms of things I intend to manage**. The other two are P&L and, impact and continuity - or impact of supply base on whether Delta is serving its customers. This is third – it empowers the other two."* – Shawn Anderson, former vice president of supply chain and Delta Connection, Delta Air Lines

Introduction

In 2008 Exemplary Performance conducted in-depth interviews with 15 leading CPOs to better understand how they develop and maintain internal client partnerships that elevate supply management to a strategic business partner. These supply management leaders also described in detail the importance of these relationships for them personally, for their teams, and for the entire organization. In this paper, we present our interview findings and maintain the CPO voice with extensive use of quotations. We extend our thanks to the participants, and the full list appears at the close of the paper.

This paper consists of the following sections:

- Overview
- Identified Benefits of Strong Internal Partnerships
- Indicators of Effective Internal Client Partnerships
- The CPO Approach to Strategic Business Partnerships
- Establishing and Maintaining Strategic Business Partnerships
- Key Aspects to Incorporate
- Organizational Enablers of Strategic Business Partnerships
- Building and Supporting Their Team to Develop Strategic Business Partnerships
- Conclusion

Overview

Over the years, supply management has been transforming from a function primarily focused on transactional and tactical activities to one that is more strategic. That said, most companies still do not have supply management at the most senior management levels even though 50-75 percent of company revenue is spent for purchased goods and services.

The continuing opportunity for supply management to transform the function and consequently reach its full potential is reinforced in research, as is the benefit of aligning purchasing strategy with business strategy, and working more effectively with internal clients.

Unlike the well-documented area of supplier relationship management (SRM), supply managers still do not typically recognize the importance of strategic business partnerships with internal clients nor do they have a clearly defined process for developing and managing on-going strategic business partnerships with internal clients. These managers also do not know how to work with their internal partners to deliver maximum value to the enterprise.

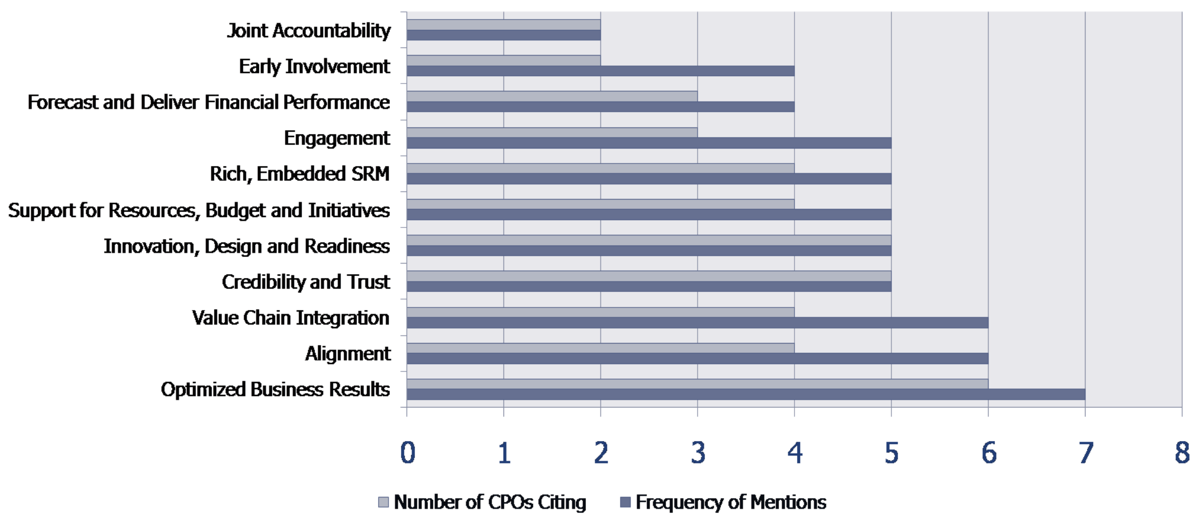
The literature and research tend to treat creating and managing strategic business partnerships either as a logical outcome of a well-managed strategic sourcing process or as an unmanaged political phenomenon. (Lonsdale and Watson, University of Birmingham) The top-performing CPOs in our study believe it is not an outcome, rather it is an enabler – a practice that can and must be deliberately managed at the individual level, and when the organization is ready, at the process and organizational levels.

Craig Reed, senior vice president, supply chain management, Eaton Corporation, describes a critical shift in how supply management approaches internal client relationships. "*Many times the supply chain function at all levels in the company is seen as a cost center or overhead. As a result it is, 'Do this for me. I'm your customer.' Yet the value of the role in the company isn't maximized when viewed this way. The organization has to be seen as a business partner. The company should be leveraging the partner to work for mutual benefit. You should be using the organization for the benefit of the company and I should be expected to bring more to the table. In that role my approach should be, 'Let's think strategically about how to approach situations and how we can solve key issues or problems together.'*"

Identified Benefits of Strong Internal Client Partnerships

Figure 1 shows the benefits of strategic internal client partnerships, according to our CPOs. Optimized Business Results was the largest benefit, expressed both in the number of mentions and the number of CPOs who cited the benefit. Many interviewees rejected the notion that the supply management benefits are separate from organizational benefits.

Figure 1: Benefits



Brent E. Edmisten, Director of Strategic Sourcing & ISC Strategies of Cessna Aircraft Company described the win-win nature of partnering effectively with internal clients. *"Today we are working together more as an integrated team. We are sharing strategic plans, goals and objectives–everything is linked to the overall company objectives. We are gaining more support with the required resources than ever before. The team gets enterprise buy in and deploys the plan. The key to this enterprise engagement is the relationship through the credibility that has been built between the organizations. It is not about supply chain management anymore–it's about the enterprise and the high-level vision we are achieving working together."*

One participant offered another illustration of the benefit supply management receives in approval for resources and budgets. *"Every year they (other functions) have the ability to vote on the budgets. My budget is the easiest one to go through. Other internal functions may take three weeks. A division head's CFO called me last year and said, 'Why should I pay a half million dollars for your budget?' My answer was, 'You should pay it for the 10 million dollars I gave you last year.' The division head agreed. He wanted it again. Five cents of investment returns a dollar. We earn their trust and their business."*

Another benefit of internal client partnerships is the opportunity to work up-front and to influence product cost and innovation. Close, collaborative internal client partnerships foster the ability to work upstream with suppliers and then with the entire organization and customers. They allow supply managers to serve as true integrators. This value integration, according to the CPOs, is a unique competency that elevates the CPO to a position that is highly valued by general management. It can also serve as a gateway to other senior positions.

"We are part of innovation. I have a team under my budget, and what they do is go out and look at innovation and technologies in the market so we are helping scientists and R&D people. We're also moving in on the revenue side getting into our suppliers R&D areas to see new ideas and sharing with marketing and sales." CPO, packaging

Accessing the coveted upstream, strategic work is an area cited by CPOs as a key benefit of better alignment with internal customers.

"You should have a better relationship with internal customers and be achieving better results together. By fostering strong relationships, you can be aware of, and aligned with, important strategies for the business. Doing so, ensures you are doing a higher degree of strategic and advanced work and minimizing time, energy and effort on less important transactional activities. You can focus more on the origins of cost and innovation which are typically upstream, then move to value chain and supply chain upstream work with R&D rather than day-to-day transactional activities. That would be very critical." – Uldis Sipols, vice president, global procurement and administration, The Procter & Gamble Company.

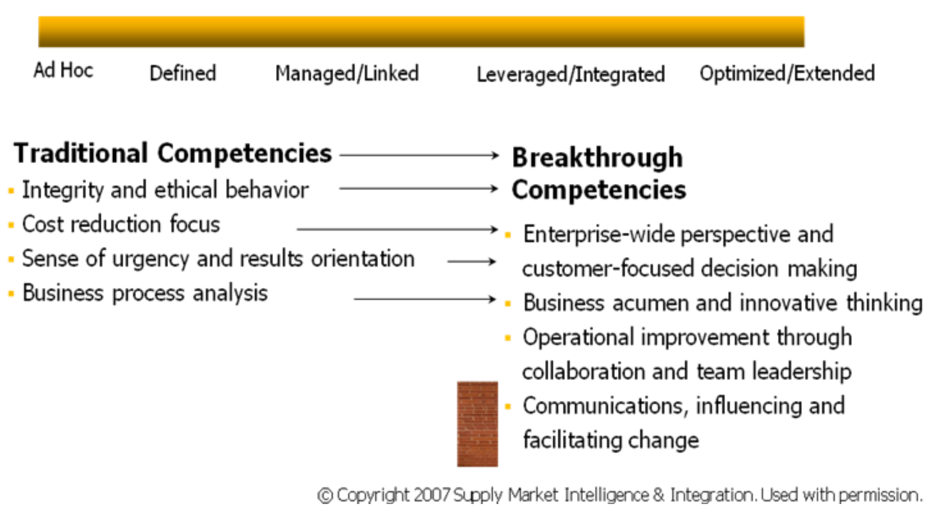
And here is a direct link between strategic internal partnerships and supplier relationship management according to James Tarabori, former director of purchasing–North America, Caterpillar Inc. *"One benefit is when it comes to being a good customer with our suppliers and being easy to do business with. When you have a good relationship with the engineering community and want to collaborate with suppliers early in the process, the impact is huge. The supplier provides counsel–do you really need to do it this way, and you get more use and get to be able to do things faster. Do you really need the radius? The supplier prevents unnecessary incremental costs, quality problems, delivery problems and internal processing. This helps us reach our quality, costs and delivery goals."*

True opportunity often lies at the heart of a big challenge. Here is an example of how working closely with marketing and sales helped solidify a more secure future for one firm:

"The growth of the global economy was providing more opportunities for order intake outside North America. Up to this point, the Supply Chain Management organization had partnered successfully with their internal organizations except Marketing. It was obvious that we had to do a better job linking our sales & marketing efforts to the sourcing efforts to provide better market presence for the future. We worked with marketing to identify the future market growth opportunities and to link these to our strategic sourcing plans. This has helped support our global market opportunities, resulting in order backlog growth outside North America." – Edmisten

Figure 2 shows the importance of honing collaboration and influence strategies, and their relation to higher levels of supply management performance. The "breakthrough competencies" developed by Nick Ward of Supply Market Intelligence and Integration and Rob Handfield from North Carolina State University are what help enable these CPOs' teams to create and manage strong, strategic internal client partnerships. These driving variables allow supply management to transition from lower levels of supply chain maturity (Ad Hoc and Defined) to higher levels of supply chain maturity and performance–in effect enabling the transition from tactical to strategic procurement.

Figure 2: Breakthrough Competencies



Indicators of Effective Internal Client Partnerships

When asked to identify indicators of effective internal client relationships, the CPOs shared a diverse set of measures. Figure 3 shows that their number one indicator is Speed and Timing.

"Speed" refers to the level of responsiveness of the internal client and adherence to schedules and requests. "Timing" refers to the point in the decision making process at which supply management is engaged – the engagement prior to the decision as goals and strategies are being formed.

Given the impact of environment and culture on partnerships, the diversity in responses is not surprising.

Prior to this project, we had expected the first indicator would be feedback. Yet feedback was third on the list. Formalized survey feedback was only identified by two of the CPOs as something they regularly conduct.

Anderson provided some insight into how he judges relationship effectiveness: *"I measure it by judging the extent and quality of personal relationships. Other indicators are: Do I know what they know or am I finding out afterwards? Do they trust me or my team with their thinking? I listen hard for pronouns used–is it second person 'you' or second person 'we.' I listen for pronouns from my team too. If it is not a close relationship I can find out by talking to the team because they will talk about 'them' rather than 'we.' I am aiming for very strong horizontal integration. For us and the challenges we have faced, it is very appropriate."*

Two CPOs explained that even when a delegation of authority was in place, on several occasions groups that had that authority (finance and legal) requested purchasing to be a part of their respective supplier contract negotiations.

Here is another example of a "pull" from a study participant: *"At some point your users have to ask you to bend the structure (purchasing processes and procedures) to respond to a unique need. Rather than try to leverage with higher up authorities within the company, they come to you first to ask, 'How do I best do it?' And they ask you for input. That is the beautiful picture of a good internal client relationship–being included under duress."* – Richard Rich, director, supply management, Seminole Electric Cooperative

Figure 3: Indicators of Effective Internal Client Partnership

Internal Client Partnership Effectiveness Indicators	**Percentage**
Speed and Timing	16.42%
Success Executing Common Initiative	14.93%
Feedback	10.45%
Whether We're Delivering on Savings and Measures	4.48%
Level of Accountability Across	2.99%
Extent of Alignment	2.99%
Existence of Common Goal Agreement	2.99%
Level of Supplier Performance	2.99%
Whether We Get What We Want	2.99%
Extent of Collaboration	1.49%
Customer Raves	1.49%
Integration Effectiveness	1.49%
Absence of Complaints	1.49%

The CPO Approach to Strategic Business Partnerships

Without exception, each leader mentioned the importance of attitude and perspective when approaching internal client relationships. Themes of respect, humility and service to the business surfaced repeatedly.

"There is a huge business benefit to the company–getting above any particular functional role to make the right decisions on behalf of company to deliver the optimal solutions." – Beverly Gaskin, executive vice president, supply management, Rolls-Royce North America.

Reed described the thinking process like this. *"You start with the business goal–across all areas–of this year, next year, the following year. You compare that with today's performance and ask, 'what do we want to do?' Look at the technology–where do we see the pressure points. Then you bring on issues like divesting and the whole business portfolio. Then we need to take a strong look at how does the current supply base enable the business strategy? What is the current product and services structure? What will it need to look like to make that happen? That shapes the commodity strategy, which leads us in turn to focus on the supplier strategies. Strategies with the suppliers are based on the business plan. You build it with discussions with your business partners and suppliers."*

We need to push for results that are in line with and valued by the business. We want to drive for clarity in putting those pieces together. It may be a portion. How do I get one win in one section? With clients you must focus on what you can do. Then they start to get further understanding." – Reed

One CPO emphasized that supply management has to be customer-centric and selfless: *"We track cost savings because that is the scoreboard. We put cost savings under the business unit names–cost savings for this division–giving credit to the divisions and how it works. And in return, we are allowed to play in their sandbox. We know we are guests and act like guests."*

Another aspect of the CPO approach to internal client relationships is an understanding of the importance of context. Each relationship must be approached with appreciation of the individual internal client and with respect for the corporate culture and readiness.

While it is possible to make significant strides in individual relationships in months, the journey to efficient and effective internal client partnerships that enable value chain integration can take three to five years. It's worth noting that even top performing CPOs believe they have a long way to go in this area. Many of our CPOs asserted that they invest more time in this area than in any other area–including supplier relationships.

The building blocks for successful strategic internal partnerships are one-on-one meetings and informal interactions. Especially for new CPOs, there is no substitute for face time.

Most seasoned CPOs regularly connect with 30 or more senior level people within their own organization in a one-on-one or two-on-two format. When a new senior functional leader joins their company, these CPOs orient him or her to supply management, the corporate culture and history, and key projects. Then they brainstorm opportunities for improvement.

"If you want to influence the thinking, you need to be there when the first thought is formed with your most senior clients." – Gaskin

After five or more years of a conscious focus on internal client relationships by supply management, there appears to be a point where it becomes less of a consciously driven activity and more about the way business is conducted–internal relationships become part of an organization's culture. At that point, there appears to be a cross-over into integrated teams and extended value stream. Evidence of this was provided by those CPOs who are advanced in the process when they said, *"We are way beyond that."* and, *"Even though we have had a lot of senior executive turnover external to supply management we continue to do this effectively."*

Establishing and Maintaining Strategic Business Partnerships

In response to the question, “What three things are key to incorporate when establishing and maintaining internal client partnerships?” the CPOs provided specific responses.

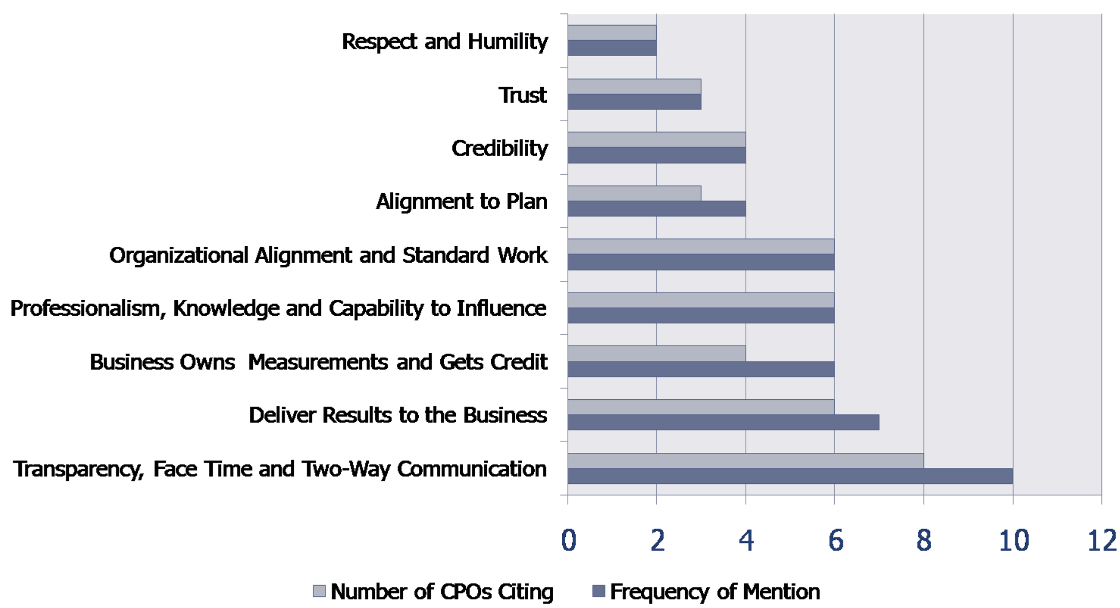
By far the number one area mentioned is summarized by the category: Transparency, Face Time and Two-Way Communication. For example, having access to internal clients is essential and informal interactions foster special opportunities to partner.

Supply Management organizations that appear to be most successful managing internal client partnerships co-locate with their important internal clients. If co-location is not feasible, they enable and encourage both junior and senior supply management team members to meet in person with their internal clients. These in-person meetings are especially important when relationships are forming. Also establishing single-point of contacts makes it easier for internal clients to work with supply management.

The second area mentioned by CPOs is summarized by the category: Deliver Results to the Business. There is no substitute for results. Yet this aspect was closely followed by Business Owns the Measurements and Gets the Credit. Failing to understand who needs to get the credit can create a huge barrier. Many of our CPOs said that they learned this over their career, the hard way. It isn’t about getting the credit; it’s about winning for the whole organization.

Supply Management Professionalism, Knowledge Base in Subject and Capability to Influence were also cited as extremely important, followed by Alignment of two types: Organizational Alignment and Standard Work as well as Alignment to Plan. Credibility and Trust, also mentioned, are outcomes of the top six.

Figure 4: Key Aspects to Incorporate



These aspects are enabled by the integration of Ward and Handfield’s “breakthrough competencies.”

The following three examples illustrate the benefits of breakthrough competencies (enterprise-wide perspective and customer-focused decision making; business acumen and innovative thinking; operational improvement through collaboration and team leadership; and communication, influencing and facilitating change).

"Respect the items that internal clients bring to the table. Next, identify the linkages that bring staff areas together and determine the required inputs needed from internal partners. Keeping the elements of the business plan before me, I often ask, 'What does the company expect of my staff area as part of the business plan? What is it I need to execute that plan and from whom?' I can't execute the business plan without those strong internal partnerships–I need their input to deliver my part of the plan." – Sidney Johnson, vice president, global supply management, Delphi Corporation

"Whatever the process, tool or template you need to start with listening. Then you can move to, 'Here's what we can do to help.' You need to turn a skeptic to a believer. You need to have a level of subject matter expertise in the category. You need to know something about what that person needs. You have to show them procurement professionalism. Take them along that process with you. A big project takes a long time. You have a joint process that includes a supplier meeting, scoring, and RFP meetings. You need to try to really engage the stakeholder in the process and know that they will support it." – Lewis

Supply management must make the value-proposition to internal clients clear: *"You need to convince them of your expertise–need to convince them that you have something that will make them better–look better, perform better. How do you convince them of your expertise? You come into their life in two areas–how to improve their costs and brand quality, and how you as a CPO bring expertise to reduce their supply chain risk."* – Rich

Organizational Enablers of Strategic Business Partnerships

CPOs in our interviews identified three enabling factors that when present in an organization make it easier to operate strategically and maintain influence across the organization. These organizational enablers allow supply management to drive customer requirements into supplier performance and in turn leverage supplier capabilities into enhanced performance to known and emerging customer needs. These high-level enablers help facilitate the organization-wide benefits of the practices and the ease with which supply management can create value stream integration.

Enabler 1: Senior Policy Board Level Representation of Purchasing and Supply Management

When supply management is "at the table," it is expected to contribute more than just financial performance. Having a senior policy-board level representative in the organization is an indicator of the access, credibility and trust established in supply management as well as the organization's perception of its importance.

Supply management leaders and their teams must understand and participate in governance and decision rights. This was mentioned specifically by five of our CPOs.

"As a senior functional leader in a complex, multi-national company, you need to position yourself to successfully participate in the governance structures that exist inside your company. In our company, the direct reports to the CEO comprise the most senior governance team. A Senior Management Team, comprised of the top 60 or so leaders, is the next level of governance. I participate in that team and make it my top priority to participate in the meetings. On an overall note, you learn to pick your battles as you mature as a professional. However, in our role, integrity is key so I always do what is right." – Martin

"Though organization structure is important – it's not the most important. Getting those decision rights clarified so the organization knows who is responsible and accountable for acting can bring far more effectiveness. Key to determining the decision rights is to define the governance of those decisions and to understand which group has the best knowledge and skills to be accountable – hence the decision responsibility. Ultimately, if the business does not experience the effectiveness of those decisions, you will lose the credibility and the right." – Gaskin

Many of our CPOs had creative ways to influence the perception of their function. One CPO came into an organization that did not have a mature incentive compensation structure. The organization established one and bonuses were not triggered the first year.

The next year the CPO convinced the board of directors and executive leadership to include cost savings and working capital. Supply management then enabled bonuses by delivering cost savings that year and then working capital the next by changing inventory, accounts payable and accounts receivable, thus triggering a two-fold bonus. Later a colleague drove up in a new car and thanked the CPO for making it possible.

Another leader advised that the newly "at the table" supply manager should be prepared to manage conflict and not to fear it. Managing this area can be a valuable image-setter for the CPO who handles it well. This is particularly true when there is a significant emotional event or conflict in which a fellow leader does not want to follow the established rules.

It is important to address conflict directly and not back down. Then one has to quickly take the situation offline, connect with the leader's business needs, mitigate the anticipated backlash before it happens and be certain all supply management team members over-deliver. Ultimately, it is about business. A focus on delivering for the overarching business and the benefits of doing so pays dividends.

Of course, having a seat at the table requires that the CPO both earns it and maintains it.

"It's important that CPO's earn a seat at the table through a strong focus on key success strategies for their business. The seat is maintained by having a strong grasp on the functional dynamics and remaining engaged as a key part of the enterprise. Companies expect functional excellence and we must deliver both functional and business excellence."
– Johnson

Enabler 2: Systematic Alignment of Objectives and Strategies, Joint Goal Setting,
Common Metrics with Joint Accountability

Since some research indicates that less than 30 percent of supply organizations align supply strategy with business strategy, this is not a widespread practice.

In the organizations where CPOs indicated the highest level of integration and optimization end-to-end, from customers to suppliers, the business objectives were the same as the supply management objectives. Score keeping and credit distribution were up to the business clients not supply management.

Shelley Stewart, senior vice president, operational excellence and chief procurement officer, Tyco International, shared a unique method to engage leaders and promote accountability for important categories across the enterprise. Using a clever page "lifted" from a standard SRM practice, his organization designated a senior-level business champion for certain high-impact categories. This practice is extremely successful for the organization in driving alignment and support.

Enabler 3: A Forum for Regular Communication of Successes and
Distribution of Credit to the Business Clients

To promote ownership and buy-in, supply management must "lead from behind" through influence. This requires deliberate and nurtured two-way communication. Sharing of the value proposition is regular, predictable and formalized with an audience of top leadership and even board members. Credit is widely disseminated to internal client teams and may include monetary rewards.

Here's the formal process employed by one participant: *"We conduct a quarterly review with the chairman and executive leadership team and share the results, showing how we formed the team, worked together, worked with the supplier and then sharing the ultimate results. Many times it turns into a cross-functional opportunity."*

Edmisten provided a specific example in the success of their integration of Value Analysis/Value Engineering. *"Initially it was owned by Supply Chain Management, now Engineering is at the helm working with Supply Chain Management and other departments. As an enterprise, we are sharing in the celebration of accomplishments and recognize the top teams through an annual awards ceremony."*

Although not all these enablers were present in the organizations we studied, all the CPOs in our study are striving to improve in each area. They are working to earn a seat at the table–systematically and collaboratively setting objectives and measures, driving joint accountability, communicating success and sharing credit with the business. They manage these dimensions at the client-relationship and business unit levels.

Building and Supporting Their Teams to Develop Strategic Business Partnerships

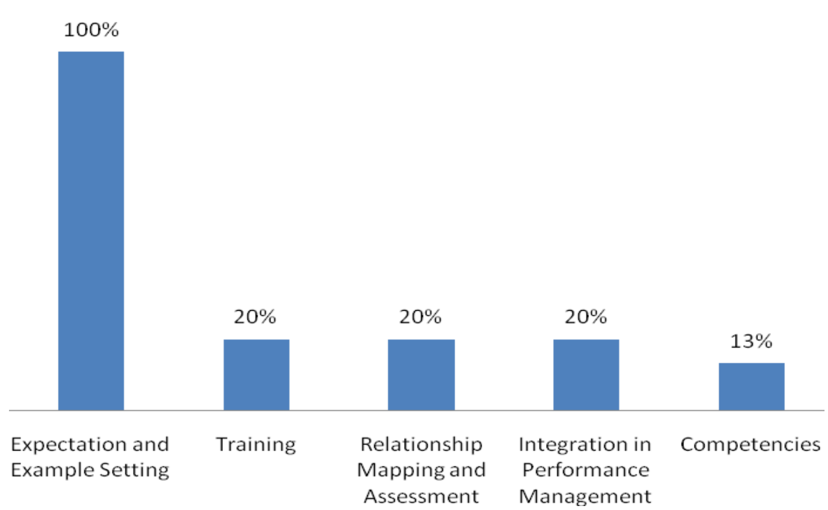
"One of the strongest skills sets we need in a procurement person are good communication skills, influence and ability to push back the right way." – Reed

"In a way the effective integrator has a high degree of technical skill and higher degree of interpersonal skill." – Sipols

The CPOs we interviewed clearly value collaborative attributes (inherent characteristics) as well as skills. These attributes play a role in selection. Many CPOs also look for specific experience when hiring. Prized experiences include indirect purchasing, cross company and cross organization. In indirect purchasing, often success is accomplished through influence rather than structure and there are many stakeholders involved. Rotation among staff and line areas is recognized as a sign of health and an affirmation of a strong supply management reputation. CPOs indicated that one of the greatest compliments they can receive is to have members of their staff sought after for positions across the enterprise.

How do the CPOs reinforce collaborative, internal client focus among their team? As shown in Figure 5, all of the CPOs in our study are actively engaged in the process of expectation and example-setting, and believe that over time the organization will pattern its ways after their personal examples.

Figure 5: Enabling the Supply Management Team to Build Strategic Business Partnerships



Less common is the systematic provision of tools and practices. These include training, relationship mapping and assessment, integration into performance management by setting a specific relationship goal, and definition of standard competencies emphasizing internal stakeholder management.

Effective partnering with internal clients and stakeholders is an important practice at multiple levels in the organization. There are opportunities at multiple levels to maximize these relationships. As Sipols said, "*Each person can contribute at his or her own level. As soon as you are on a cross-organization team, you are representing your function. It would be a great idea for all team members to view their role this way.*"

Conclusion

Many CPOs described their work as mostly oriented to internal business clients or key corporate clients such as the CEO and CFO. When those relationships are properly focused and managed, it enables an integrated value stream and optimized performance. Managing these strategic business partnerships effectively drives success for supply management and the organization as a whole.

By leading their teams and enabling a disciplined and purposeful approach to internal clients, CPOs can have a profound and lasting positive impact on their organizations. Recognizing the importance of this area and deliberately cultivating and managing internal client relationships fortifies a supply manager's individual position in an organization and strengthens the organization itself.

Managing strategic business partnerships is accomplished by aligning with the true needs of the business and engaging in ongoing dialogue with internal business clients regarding what is important to them and aligning organization needs, client needs and supply management needs. This work allows the CPO to be recognized as a senior leader and gives supply management a bona fide strategic role in the organization.

Strong and successful strategic business partnerships are an essential ingredient for higher levels of supply management performance. The CPO is responsible and accountable for enabling the supply management organization to effectively build and manage these relationships.

Aspiring CPOs need to study and practice these principles and practices. Through these practices it is possible to achieve a high level of end-to-end integration and to explode the value and create business strategy from the supply chain integration.

CPOs have a significant and largely untapped opportunity to fortify their functional position as a strategic business partner within the organization. Opportunities for enhancement include:

- Establishing key performance indicators for work with internal clients
- Facilitating the execution of transactional and tactical supply management work to free up key roles to develop strategic relationships
- Clarifying accountabilities for partnering with internal clients by role
- Enhancing selection and assignment to include specific attributes and skills for client-facing roles
- Setting clear expectations; providing timely coaching and feedback to team members
- Aligning motivation and incentives
- Providing proper tools, job aids and action planning support as well as skills development

Enabling the supply management function to serve more effectively as a business partner to internal clients is an essential responsibility of the CPO. Internal client relationships can and should be managed beyond the strategic sourcing project level. CPOs can engineer higher levels of performance in their organizations through the adoption of proven practices. By engineering this well, the CPO positions the supply management organization as an essential strategic function and enables both supply management and organizational excellence.

Special Thanks

Exemplary Performance extends deep and sincere thanks to our co-author Dave Nelson. His thought leadership and breakthrough contributions to the field of supply management have shaped the careers of many of the CPOs we interviewed.

We also extend our sincere thanks to the following CPOs who participated in the interviewing process:

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- DK Singh, senior vice president, enterprise procurement, Con Agra
- Gregg Brandyberry, vice president of procurement, global systems and operations, GlaxoSmithKline
- James Tarabori, formerly director of purchasing-North America, Caterpillar Inc.
- Lisa Martin, senior vice president, worldwide procurement, Pfizer Inc.
- Richard Rich, director, supply management, Seminole Electric Cooperative
- Ron Lewis, vice president, supply chain, Coca-Cola Enterprises
- Shawn Anderson, former vice president of supply chain and Delta Connection, Delta Air Lines
- Shelley Stewart, Jr., senior vice president, operational excellence and chief procurement officer, Tyco International
- Sid Johnson, vice president, global supply management, Delphi Corporation
- Uldis Sipols, vice president, global procurement and administration, The Procter & Gamble Company
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- Banking and Financial Services
- Packaging

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About Our Authors

Dave Nelson, The Fenix Group

R. David (Dave) Nelson, C.P.M., A.P.P., is Senior Partner and chief of Global Supply Management Consulting Operations for the Fenix Group. Fenix Group International is a leading global Executive Search and Placement firm with offices in Charlotte, Atlanta, and Nashville.

Dave Nelson's service in advancing the Purchasing and Supply Management profession is reflected in a long and distinguished career. He served as Senior Vice president of Purchasing and Corporate Affairs at Honda of America Manufacturing Company for ten years and was a member of their board of directors. During his tenure with Honda the company's North American purchases increased from $600 million to $6 billion. For five years, he held the position of Vice President of Worldwide Supply Management at John Deere and recently retired from Delphi Corporation after four-and-a-half years as Vice President of Global Supply Management and Logistics.

Nelson is widely recognized as a leader in best practices training and in re-engineering for supply organizations. Currently Chair Emeritus of the Institute of Supply Management, he served as a member of the Board of Trustees of CAPS Research, promoting academic research in strategic issues involving supply management. He has also chaired the OESA Chief Purchasing Officer's Council and holds a Certified Purchasing Manager certification.

Nancy Q. Smith, Exemplary Performance

Nancy Q. Smith is Director, Strategic Partnering, for Exemplary Performance (EP), a leading performance alignment and execution firm serving some of the world's most successful companies. EP's results are evidenced in metrics such as increased margins, faster time to performance, reduced turnover, and increased close rate. EP's proprietary research-based Strategic Partnering service line provides transformation consulting and skill building to align business and performance strategies and support the achievement of business goals through effective internal partnerships.

Prior to joining EP in 2007, Nancy served as People Development Manger and Global Process Manager for Delphi Corporation. As a People Development Manager she was a dedicated performance consultant and strategic partner for global supply management responsible for developing organizational culture and capabilities that facilitated a change in this organization from a combative, price-based model to one of partnership that was cost-based. She built and managed the execution of development strategy for 2,700 employees across 38 countries. This accomplishment included the development of process support strategies, coaching structures and learning and development programs. As Global Business Process Manager, she was actively involved in reorganization, supplier support and crisis resolution as well as global supply management. She improved business processes, led the roles, decision rights and metrics process and created the learning, development and coaching strategy to deepen internal client partnerships to align with strategic business goals. Prior to 2002, Nancy held positions of increasing responsibility within the PACE organization.

Nancy is a featured speaker for supply management and human resources audiences and serves on the Human Capital Institute's Strategic Performance Systems Advisory Board. Her work at Delphi is featured in *The Incredible Payback* by Dave Nelson, Patricia Moody and Jon Stegner. (AMACOM, 2005).

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