



Transforming the Procurement Organization

13 Oct 2021



Initial situation | Zero-day

- Decentralized Procurement Organization
- Low to no involvement in critical spend categories
- Vertical organizational structure resulting in minimum capability in terms of scalability & flexibility
- “Excel based” technology making difficult to leverage on data & insights
- Procurement dealt mostly with the administration part rather than deep dive in the Procurement value chain optimization



Duplication of effort



Low control over cost



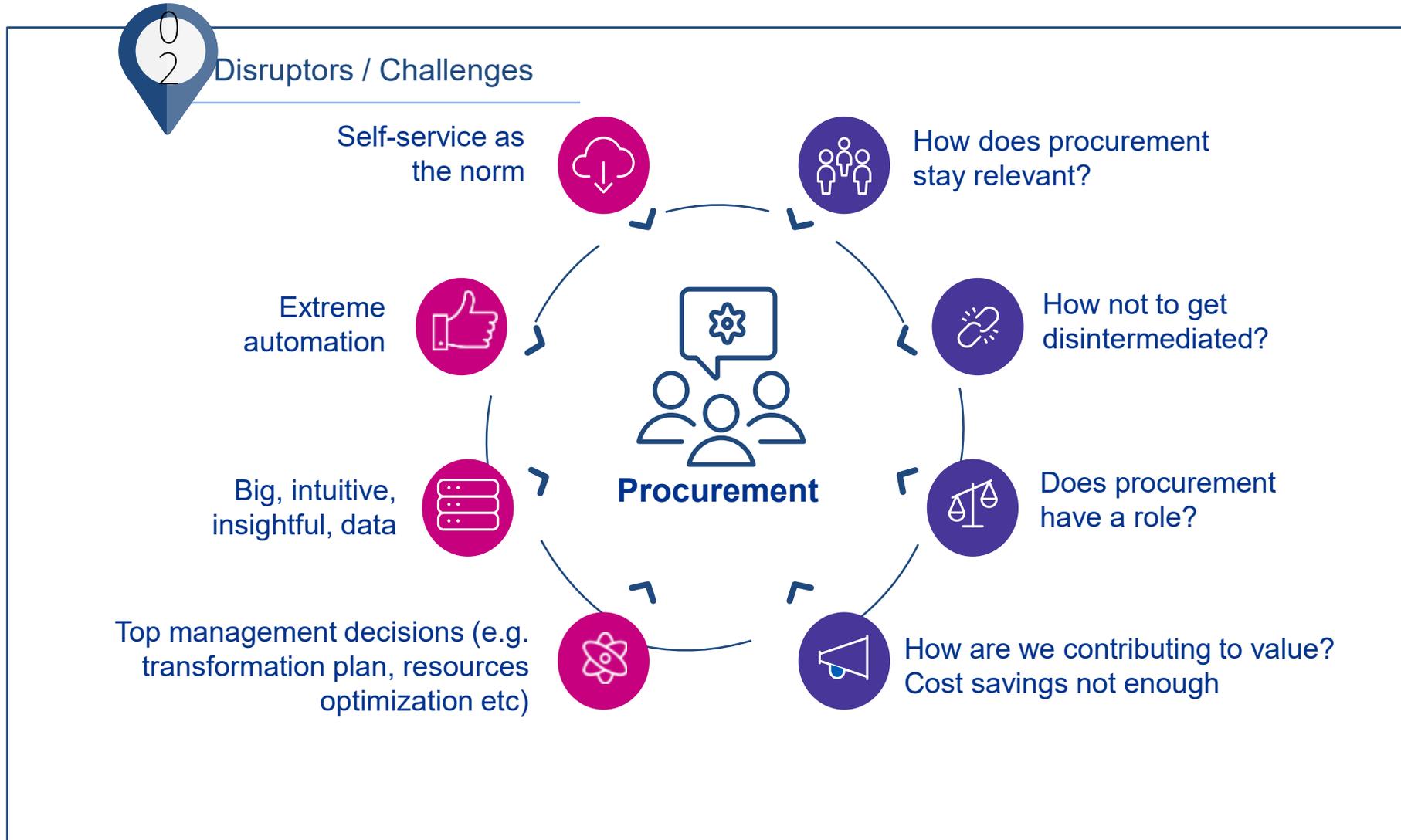
Resource hungry

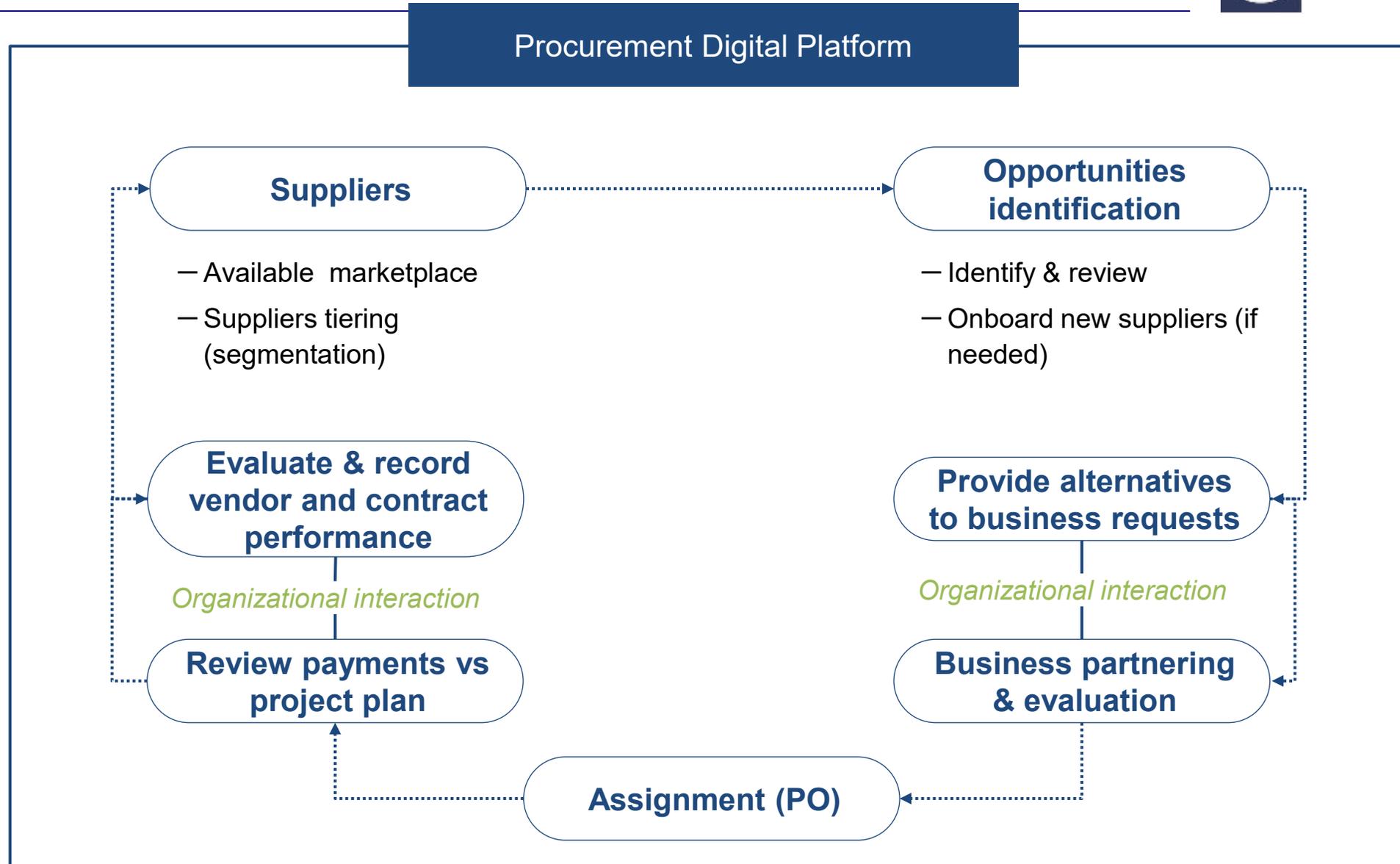


No monitoring tools – limited reporting capability



Lack of Market understanding – Opportunity loss





Our Objectives

- 1** Establish a strategic and centralized Group procurement unit.
- 2** Optimize procurement operations & strategy for cost categories under management and lead unit towards its operational readiness for the “onboarding” of new cost categories
- 3** Integrate the new procurement operating model into the bank’s current model
- 4** Develop a “procurement culture” across the organization to reflect on cost-awareness and strong business partnerships with internal & external stakeholders

Our Principles

Business partnering



An enhanced target operating model increases engagement between procurement and the business;

Resiliency



Proactive and integrated approach to managing the entire sourcing value chain

Time to market



Able to introduce new products and services to the market more quickly.

Unlocking value



Generate and unlock business value and bring about material improvements

Spend transparency



Is the basis for developing robust supplier relationships

Cost aware culture



Develop a cost-conscious culture across the organization. This provides opportunities for structured cost improvement.

Transformation Timeline

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Design of the Procurement target operating model (TOM)

- Assessment of current state and maturity assessment against best practices
- New model design i.e. Organizational model, roles and responsibilities, target state capacity, spend perimeter, high level processes flows and interactions

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Transformation Initiatives / workstreams

- Policy & Organization
- Category Management
- Procurement Ops
- Suppliers' risk and performance framework
- Business Intelligence
- Digital tools & enablers

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TOM Implementation

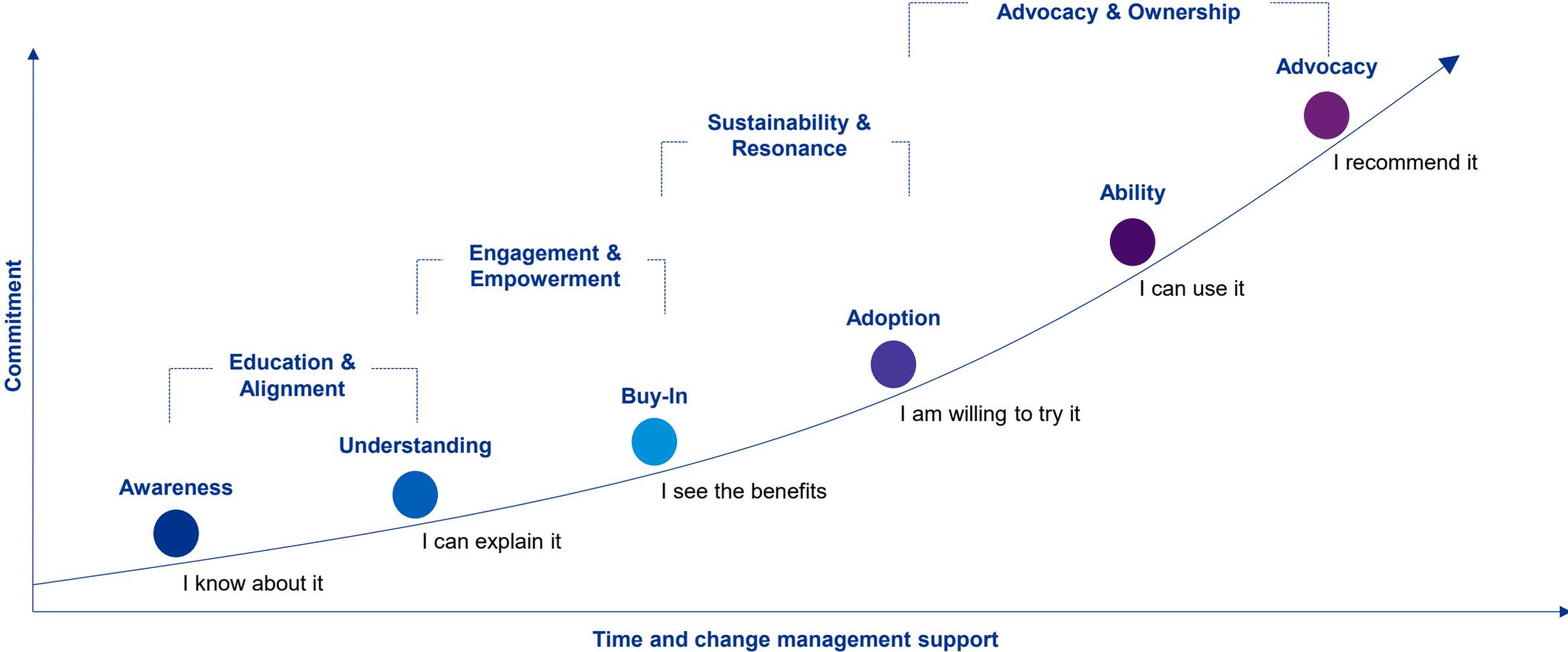
- Detailed Organizational structure
- Category playbooks
- Development of detailed processes
- Detailed supplier management framework
- Data list identification & reporting capabilities
- Adoption of technology and tools

Change Management

Adoption is a key



Procurement interacts with a wider audience of stakeholders internal (business, finance, legal, Compliance etc.) as well as external (suppliers). The adoption of a clear path to change is critical to make the transformation a success.



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Our Principles

Business partnering

An enhanced target operating model increases engagement between procurement and the business; this ensures that Procurement is constantly focusing on the strategic needs and demands.

Resiliency

Growing complexity in the supply chain signals for a proactive and integrated approach to managing the entire sourcing value chain allows risks to be identified early and mitigating actions to be taken.

Time to market

A Procurement function that is interacting with business at a strategic level shortens the time-to-market; it is also able to introduce new products and services to the market more quickly.

Unlocking value

For the critical spend managed by Procurement, optimization of the strategic sourcing can generate and unlock business value and bring about material improvements in cost income ratio.

Spend transparency

Procurement transparency is the baseline for the identification of savings potential and the definition of a clear road map towards Procurement excellence. It is also the basis for developing robust supplier relationships.

Cost aware culture

An operating model that dynamically engages the business to drive value and develop a cost-conscious culture across the organization. This provides opportunities for structured cost improvement.