



Procurement Excellence for Municipalities  
Refining Your Approach to  
Procurement Post-COVID

01 June 2021



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The better the world works.



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# Agenda for today's session

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1. Horizons in the Recovery from COVID-19
2. Procurement's Strategic Role in Increasing Resiliency



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## Key takeaways

- COVID has highlighted the fragility of our supply chains, especially so for PPE and other supplies in the public sector.
- At the same time, municipalities are under intense pressure to reduce costs and do more with less.
- Smarter procurement can create resiliency and at the same time unlock significant value by challenging the traditional way in which organizations manage spend and go to market.

# Horizons in the Recovery from COVID-19

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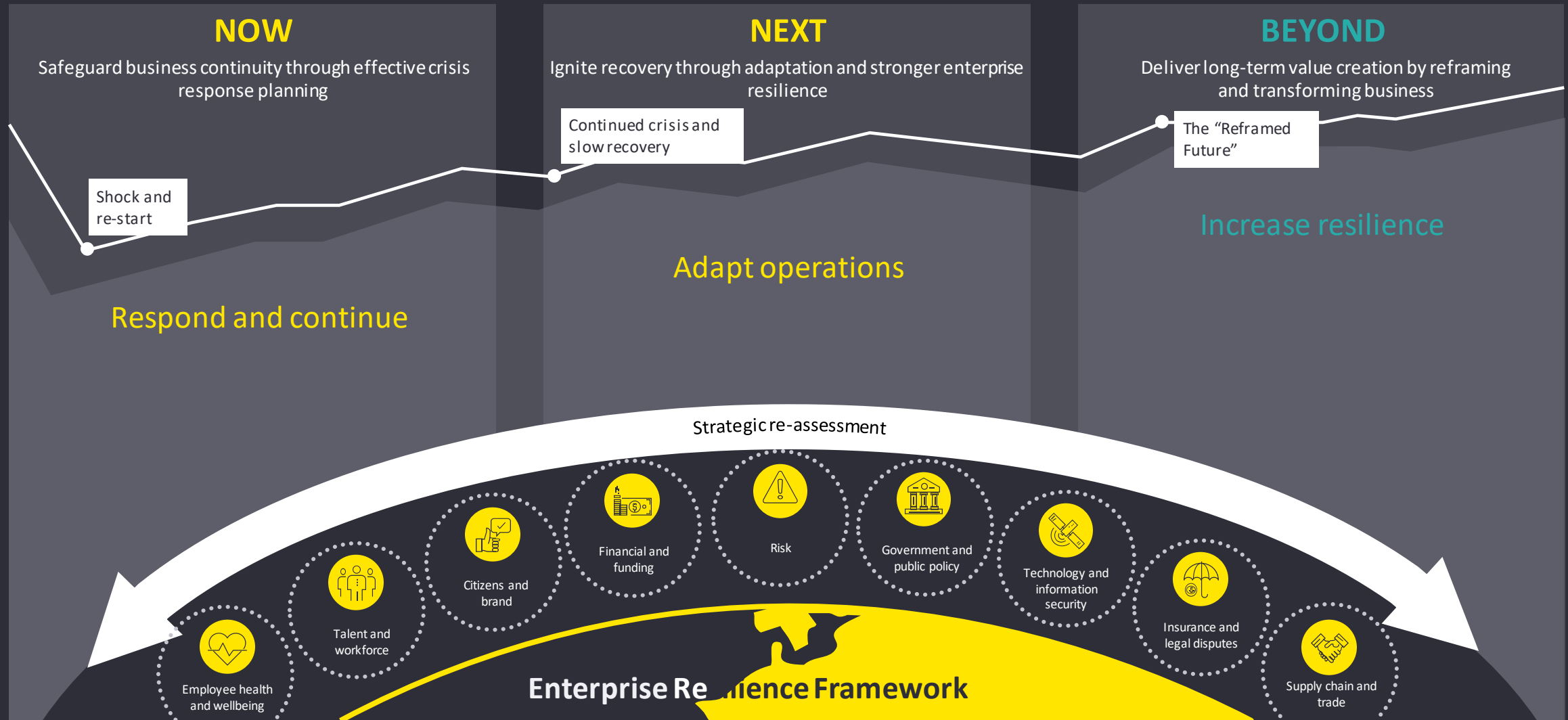
One of the biggest lessons learned from the COVID-19 crisis is that sustainable, resilient cities were able to handle the pandemic better

Jan Vapaavuori

Mayor of Helsinki

# Now. Next. Beyond.

Looking across the three horizons



# Beyond.

To manage in new environment, its critical to transform and **increase resilience**...

## Context...

- ▶ Municipalities are already starting discussions about the “Beyond”
- ▶ Focus is on agility, flexibility, resilience and on the potential for a “new normal”
- ▶ A need to reimagine purpose and relationships
- ▶ Municipalities re-define response to public health
- ▶ Organizations everywhere thinking about the full digital experience

## Focus on...

- ▶ Achieve lower cost base
- ▶ Increase workforce flexibility
- ▶ Optimize supply chain
- ▶ Maximize digital access

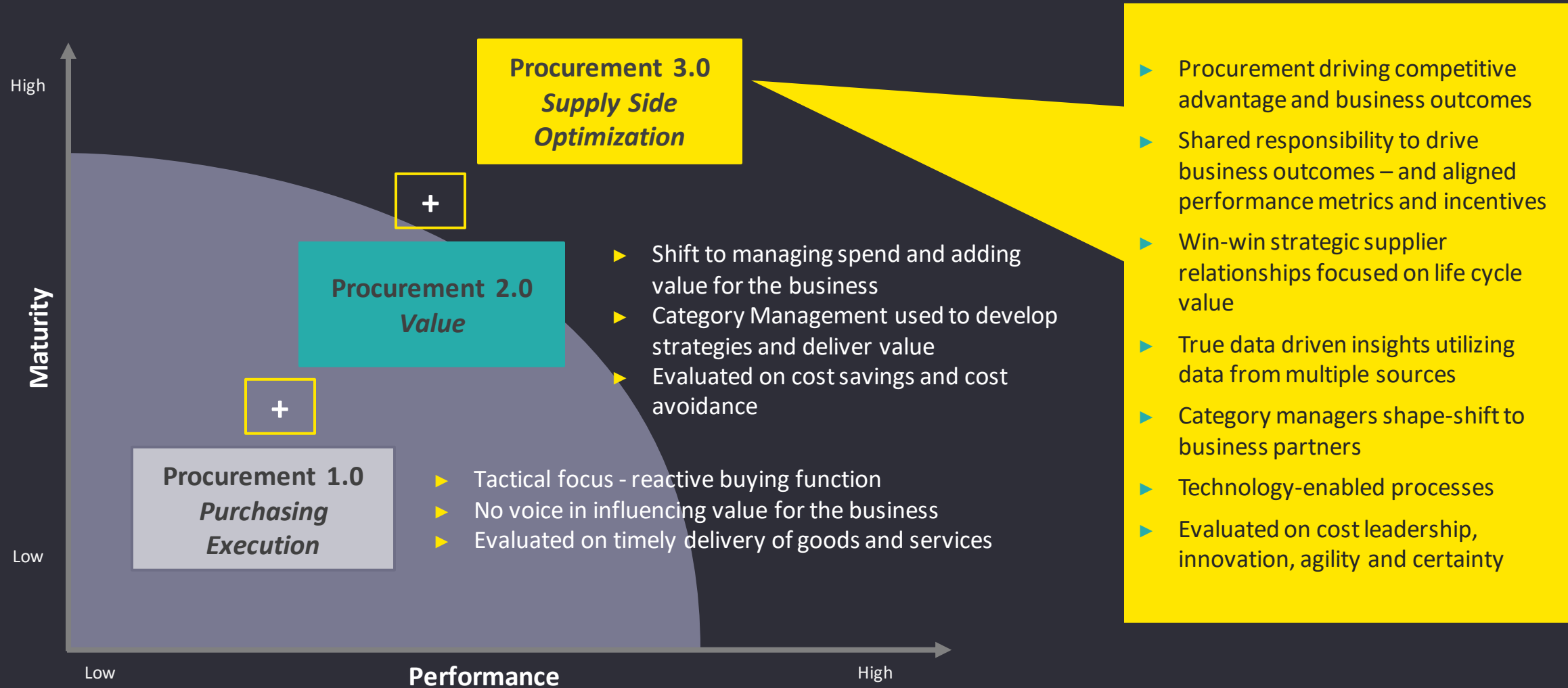
## Key considerations...

- ▶ Adopt procurement excellence – mitigate geo-risk, create buffers, add agility
- ▶ Hire or train for advanced procurement capability
- ▶ Start to revisit program strategies and manage demand
- ▶ Optimize digital procurement and supplier access
- ▶ Establish stronger risk monitoring and management for the future



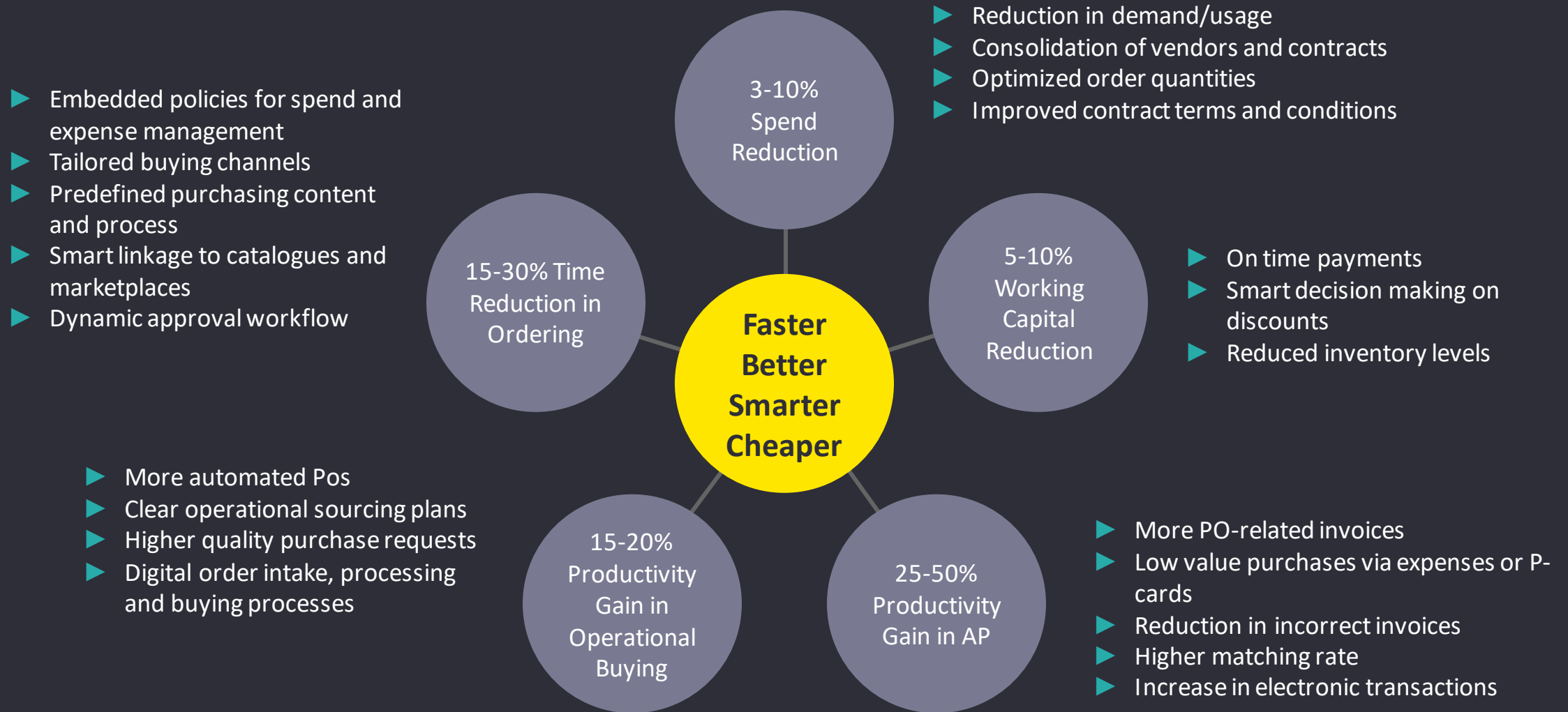
# 2 Procurement's Strategic Role in Increasing Resiliency

# A shift towards a more strategic procurement function can unlock hidden value in the organization's spend

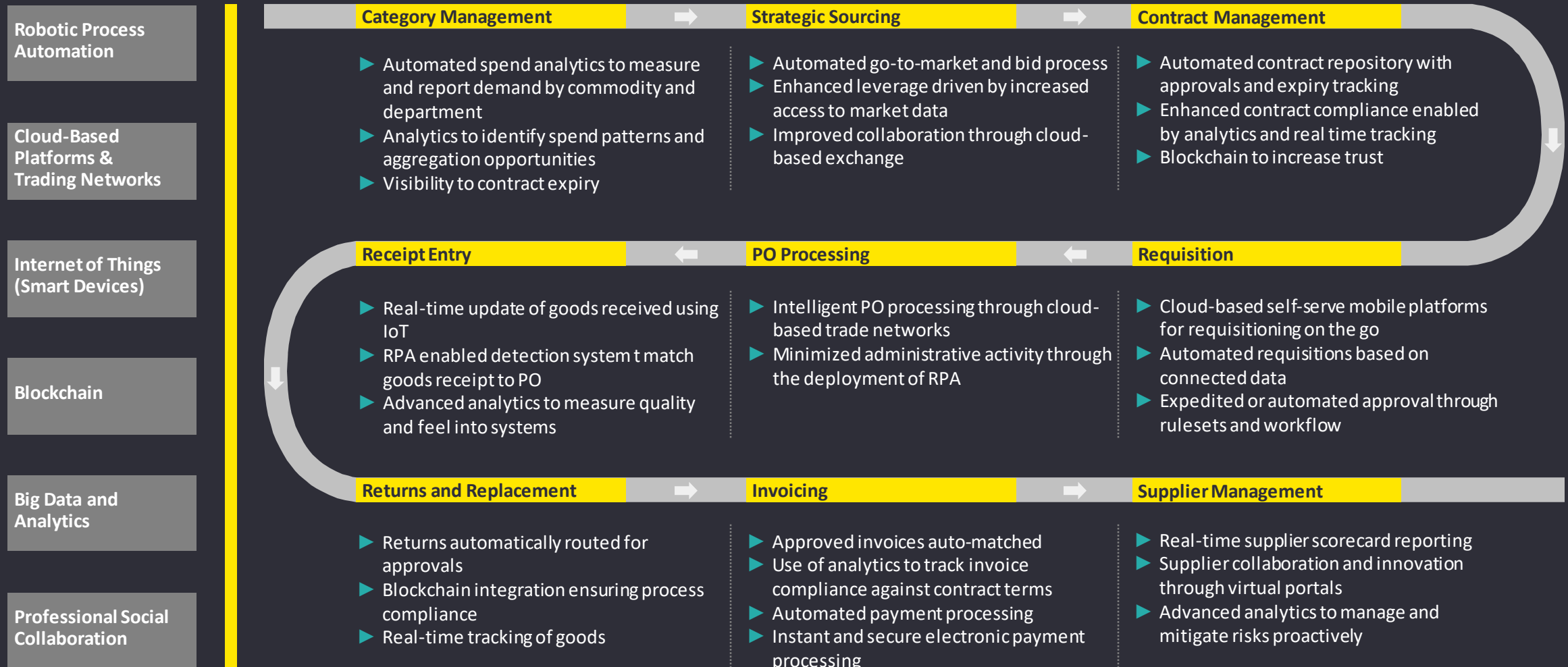




# Leading practices drive efficiencies and savings throughout the procurement supply chain



# Achieving full value requires digital automation enablement to bring about faster processing, better visibility and new ways of working



# Effective strategic procurement organizations exhibit a number of success factors

## Vision and Alignment

- ▶ Engaged leadership at all levels and across the entities
- ▶ Consensus on the objectives and model
- ▶ Broad involvement of entity stakeholders
- ▶ Consistent and agreed policies and procedures
- ▶ Early wins versus home runs

## Capacity Building

- ▶ Measured pace of capacity building
- ▶ Training and practice embedded into day-to-day execution
- ▶ Taking advantage of best practices
- ▶ Innovative procurement methods
- ▶ Leveraging e-Procurement tools

## Governance & Reporting

- ▶ Data-driven benefits identification process
- ▶ Robust category governance model
- ▶ Agreed methods of measuring benefits
- ▶ Metrics to measure improved performance
- ▶ Build momentum and buy-in by communicating success

## To summarize...

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- COVID-19 has left municipalities under increasing pressure to do more with less
- Municipalities need to consider what the Beyond should look like
- Procurement can unlock significant organizational value and create resiliency
- Transforming the function to become more strategic is key
- Digital automation is critical to supporting the procurement transformation
- Leadership alignment, capacity building and governance are critical

# Questions?

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