



The Three R's

1) **Right Size.** Examine your team to make sure it's big enough to deal with the tasks it faces.

2) **Right Shape.** Are your teams configured correctly for the new economic landscape?

3) **Finally, Right Fit.** Do you have the right people to be able to deliver? Do your teams have the necessary skill-sets, and do the resources have the knowledge and experience to execute?

Three R's can help your business take advantage of changing economic circumstances

The Challenge

Downturn, tight budgets and rising costs – the business landscape has changed. As the first line of defence, procurement teams will need to be re-configured to face these challenges.

In the good times you can expand your resources to cover new projects and increasing spend. But when times are tough and with workloads increasing, you won't have a green light to take on new people. So instead you need to focus on making sure you have the right people, with the right skills, focused in the right way.

The Three Rs are the key to success:

First, Right Size. Examine your team to make sure it's big enough to deal with the tasks it faces. In the new economic order, the workload for procurement functions is going to dramatically increase.

With suppliers driving through cost increases in almost every category, a large proportion of the overall capacity of your function could be swallowed-up defending against these, leaving no capacity to manage projects and find savings.

Combined with pressure from the business to reduce headcount, procurement leaders may be about to find themselves in a tough position needing to do more with less.

Consider outsourcing non-strategic spend or de-prioritising process improvement projects to free up resource. Review the future workload now, assess your current capacity and plan to meet it.

Second, Right Shape. Are your teams configured correctly for the new economic landscape? Less experienced buyers will never have worked through times with decreasing spend and increasing cost, so how do you ensure that the resources with cost avoidance and cost containment experience are facing up to the high impact suppliers and categories? Where will the savings come from to offset these costs? Consider what projects need to be fast tracked, which ones delayed and which resources are best able to deliver these?



You may have to redefine the traditional boundaries of procurement to meet your challenges; outsourcing where beneficial and putting resources deeper into the business to deliver supply chain savings.

Step back and review the shape of your team, to make sure it is working smarter.

Finally, Right Fit. Do you have the right people to be able to deliver?

Do your teams have the necessary skill-sets, and do the resources have the knowledge and experience to execute? For example, if you plan to offset cost increases through low cost country sourcing, do you have the expertise in your teams to deliver?

Tactical skillsets can be taught, so consider the immediate impact of upskilling existing resources. Short term, consider using expert interim resource to ensure the delivery of immediate targets and, medium term, plan to recruit the right people.


Once you've been through the Three Rs, stand back and take a good look at the big picture. Now you're better equipped to cope with the demands of these difficult times – and be ideally placed to hit the ground running when the upturn comes.



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About ADR People



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ADR People provides clients with dedicated and specialised resourcing services focused on quality procurement people. With 23 year's experience working with over 350 clients in 50 countries, ADR are the specialists in procurement.

