

A procurement manager's job description includes directing purchasing agents and buyers throughout the process of evaluating suppliers, conducting interviews with vendors, negotiating supplier agreements and managing supplier and vendor contracts.

Many argue it has even stalled. Some personal successes are evident, but they are individual achievements, not an organisational model that can be copied. We argue that this should surprise no one. There are too many unresolved conflicts between the role of procurement and its internal clients, and that the savings metrics used by Procurement belong to a former age and aggravate the problem. Where good relationships exist, they do so between individuals who trust each other in spite of these conflicts. We argue that trust is fundamental and essential in the type of relationship that Procurement is aiming for, but that the metrics and governance used by Procurement are antithetical to its aims. Procurement has pushed hard to attract brighter and better staff but research shows that capability is not enough. These include incentives to engage late with vendors, to over-specify requirements, and even to shrink a business rather than grow it. We conclude that there is a need for an alternative to Savings as the main reporting metric for Procurement; the one we recommend is Spend Control Index. Tensions in the Realm of Procurement Procurement today is a complex management service, intended to support the strategic aims of the organisation. Whilst presenting itself as a strategic business partner, some purchasing practices are in fact tactical—and worse yet, self-serving. On the other hand, we have procurement attempting to constrain dialogue within a process that it insists on controlling, seemingly fearful of the very relationships that business leaders want to cultivate. The metrics are excessively focused on savings, even when those savings are secondary or cannot be measured. While savings are a proper target for certain cost-down programs, the aggregated total of savings is a misleading performance indicator: Deeper down, these tensions are an outcome of two distinct views of Procurement: Both views are necessary; but the inability to distinguish between the two as the situation demands creates dysfunction. We offer such a view, as well as a metric for control over external spend. This is a performance indicator superior to cost savings. Accepting this as an over-riding objective would align Procurement with its customers, create trust, and make it a truly strategic partner. The first is managing internal transactions for ordering and receiving goods and services, and handling procurement data. The primary goal here is to maximise the efficiency of transaction-flow and reporting. The second is support for vendor engagement and contracting processes. It is largely a tactical and transaction-focussed process. However, apart from that, the essence of the first two roles has not substantively changed. It is in the third role that procurement has attempted a metamorphosis [iii], in several ways: Procurement is increasingly responsible for buying non-traditional services such as consultancy, audit, training, and legal. Procurement now challenges specifications developed by its own internal customers—and in some cases, even the basic need for a purchase. In some cases It may support or lead outsourcing projects. But it now aims to create value and even competitive advantage on behalf of its internal customers in all activities relating to vendors, according to this received wisdom. But has its outlook matured sufficiently to match these responsibilities? And how do its customers see it? But both traits must be present if client departments are to have trust in the purchasing department; and there is evidence that benevolence has not been addressed with the same rigour as ability. This typically happens in the realm of performance measurement. Six Areas of Conflict There are six areas in which confusion between the traditional tactical role and the new strategic role arises, and which in turn lead to conflict. When there are more factors to consider than price alone, Procurement uses weighted criteria to evaluate the best offer. Customers often appreciate this help. The effect is that intentions are unclear, incentives are mixed, and customers are confused, even resentful. Market-based Solutions There is an instinct in Procurement to challenge price through competitive tendering. This is based on a faith in the rational outcomes of markets dealing with common commoditized goods. The aim of procurement then is often to formalise the requirements, remove subjectivity, and bring the service as close to a commodity as possible [vi] [vii]. In practice, we as humans indeed use rational criteria in the screening part of a down-selection process, in order to create a short-list of suppliers, all of whom are

qualified to provide the required goods or services. But then we tend to look the supplier candidates in the eye to decide which one we would like to deal with; this final selection stage is less cognitively-defined and less tangible. Senior managers are paid to make judgements, and they do so. This works well in the first phase of screening, where those are unarguable virtues. In this phase, we want an empirical, fact-based process in which the vendor is selected by weighted criteria, set against price. But when it comes to the selection phase, client managers want to explore a relationship with the final candidates and test their own comfort level before moving forward. Implicit Contracts [viii] Explicit contracts are written and formal. Implicit contracts are not: Often the two go together: Procurement, reflecting its transactional responsibilities, worries about cosy relationships that circumvent the formal buying process; but it may fail to recognise that implicit deals are essential " and try to over-formalise. For instance, a vendor may invest in production capacity and stock to provide reliability that justifies a price premium, only to find that the business is tendered to the lowest bidder. Such a case represents a tragic triumph of the tactical "taking pride in counting transactional battles won " at the expense of a war lost on relationships. Strategic Discussions Chief Procurement Officers say their staff should become involved in projects earlier and more strategically, in order that they can drive efficiencies and cost avoidance during the planning and design stages of projects, not just during final vendor negotiations. But these strategic discussions raise a tension when it comes to measuring performance, a tension that is frequently ignored. Procurement performance is typically measured by cost savings. Unfortunately, pursuing strategic objectives can lower the possible range of savings targets. At first, everyone agrees on the value of early, strategic engagement. It creates clarity of the business issue, sharper specifications, more appropriate technical solutions, and earlier screening-out of unsuitable suppliers. But this narrows the delta which Procurement is able to report as a saving. With a smaller number of qualified suppliers, the gap between the highest and lowest bidder is reduced and it is even possible that the highest bidder offers the best overall value. How, if they are rewarded mainly on savings, is the Procurement Manager incentivised to invest time and effort in strategy? Until , Procurement departments accepted or conspired to ignore? However, as the financial crisis hit, many CPOs told their staff to focus on tactical savings and to forget the strategy. The switch in approach confused many clients and reinforced perceptions that Procurement was, after all, a tactical service. Contrived Calculations Continued use of transaction-based metrics to evaluate strategic objectives can lead to serious gaming of the system. Often, however, this is not the case, so Procurement looks for reportable savings in: The difference between two quotes External benchmarks Internal changes e. Reported savings also address only the areas that Procurement chooses to report. A price rise a negative saving? And there is an incentive for Procurement managers to harvest savings the way farmers harvest hay, allowing the crop to grow longer in order to get a better yield. Procurement managers may see larger reportable savings from areas that previously they have creatively neglected! In order to achieve this, Procurement departments may report savings under three headings: In the opinion of the authors, these acknowledge the weakness of savings reporting without offering a more useful alternative. But they accept that cost reductions are generally desirable and should be encouraged. So they offer praise to the CPO, and pretend that the reported savings are meaningful. After all, they may think to themselves, there is little to be gained by scepticism. This back-and-forth game is played with both parties insisting that they believe in rational, quantitative, measurable results, but with each vaguely knowing that the numbers are fudged. This lends a hypocritical, even cynical, flavour to the relationship between Procurement and management "to the detriment of both. Strategic Spending Some organisations translate savings into budget cuts, especially those where Procurement reports through Finance. Not surprisingly, managers may be disinclined to accept support from Procurement if their operating budget is reduced as a consequence. All six of these areas of conflict have one thing in common. They arise because there is a single metric on which Procurement expects to be measured and which it emphasises above everything else when presenting its performance and promoting its value to the organisation: But savings have no value to other business units though we duly note the value to financial stakeholders. Regarding the management of the organisation, the only practical use to which the reported savings total can be put is the reward of procurement staff. It stands alone, detached from everything else in the organisation; related only to the previously reported savings total. When the CPO reports the aggregated savings total, she or he compares

it only to two things: The previously reported total The volume of extra sales that would be required to deliver the same value to the bottom line. Neither is likely to engage the management team positively, still less win their hearts and minds. The Procurement Dilemma The net of these six areas of conflict is that Procurement faces a dilemma. By history and tradition, it focuses on managing transactions and increasing internal efficiencies of internal processes. The relevant measure for such a role is a focus on hard savings. And since no one—including CPOs—has effectively argued for a new and discrete metric, unresolved arguments and confusion abound. The role has changed, but the measurement has stayed the same—and no one has stated the problem clearly enough to permit resolution. CPOs may deny this, but evidence is clear. When interviewing Procurement managers about where they invest their time, they say they have to focus on reporting short-term savings. Running a tender or auction is a quick and efficient use of their time: On the other hand, identifying better business processes and becoming involved in change management are time-consuming and high risk. This is the message that Procurement teams are getting: One part is a better understanding of the emerging role of Procurement, and the dual function it must perform.

Chapter 2 : List of Procurement Manager Responsibilities and Duties

Job brief. We are looking for an experienced Procurement Manager to manage the company's supply of products and calendrierdelascience.comement Manager responsibilities include strategizing to find cost-effective deals and suppliers.

Then you should know that these two are the same thing. The responsibilities of this job remain the same, regardless of how the employer decides to call this position. Before applying or even accepting such a job, it is highly recommended to know what it is all about. Do you know that are the roles of a purchasing manager? How about the responsibilities? To make sure that you will fit in right and that you will able to deliver great results, you need to be aware of these aspects. Supplier Evaluation Before the company gets to sign a contract with a particular supplier, you will have to evaluate the supplier to see if it is worth collaborating with it. You will look at the price and quality of the provided items, and how fast a delivery can be completed. Interviewing Vendors You will also have to talk, face to face, with vendors, to learn more about their products and services, to make sure that your evaluation is correct and comprehensive. Is the supplier meeting the standards? Are the manufacturing, storing, and shipping conditions appropriate? These and other questions will be answered during such visits. Unrolling Analysis of Price Proposals and the Financial Reports of the Company Your company will always want to obtain the best price for each acquisition, so it is your duty to analyze the price proposals of suppliers and the financial reports of the company, before negotiating the best price. Negotiation of Various Contracts As mentioned before, one of procurement manager responsibilities is to close great deals in the behalf of the company, so being good negotiator is definitely an advantage. Collaboration with Suppliers for Agreeing Upon Policies You will have to collaborate with the suppliers in order to come up with convenient policies that will determine details concerning the shipment of products and other details that will keep the workflow steady. Collaboration with Staff Members for Meeting the Standards The staff members should be trained concerning the acceptable quality of the received goods, how to determine defective or unacceptable goods, and what actions to take in such cases. So you will be in charge with their preparation when it comes to such knowledge. Monitoring and Evaluation of Unrolling Contracts Once a contract is signed, you will have to keep an eye on it to make sure that the vendors will respect their part of the contract. And, of course, when needed, you will have to make the required adjustments to the existent contracts. Maintaining and Reviewing Records of Bought Items You will constantly have to be aware of the items that have been purchased. Conclusion Now that you are fully aware of what it means to be a purchasing or procurement manager, you can make the best choices for your career. If you have what it takes to manage these responsibilities and roles, and others that may come along during your activity, then there is no reason not to apply for such a position. Most certainly an organized person that has great negotiation skill and it is not afraid to work with numbers will do a great job on this position. So do assess your skills and see if this particular job will fit your career goals. Our students develop these skills during online mba supply chain management and supply chain management courses online.

Chapter 3 : The Role of Procurement as Trusted Advisor to Management | Trusted Advisor

Procurement Manager job summary. A great job description starts with a compelling summary of the position and its role within your company. Your summary should provide an overview of your company and expectations for the position.

Procurement Manager Job Description Procurement managers are responsible for purchasing goods for their employer from vendors and other suppliers. This is a skilled position that requires at least a few years of previous procurement experience. Candidates who enjoy analysis, negotiation, and working with people do especially well in this field. Procurement managers may work in a wide variety of different industries, but they typically work for larger companies as those are the ones that have enough business to warrant the need for a procurement manager. They usually work traditional office hours but may put in overtime to account for time zone differences with vendors and suppliers. Procurement managers usually report directly to the chief operations officer COO. Based on our analysis of job listings, these include:

- Lead a Team of Purchasing Agents** Procurement managers lead a team of purchasing agents, advising them how to evaluate and select reliable vendors and suppliers. As a part of this responsibility, procurement managers also deescalate conflict between team members and provide feedback on job performance.
- Negotiate Supplier Contracts** Procurement managers are responsible for negotiating contracts with the vendors and suppliers that their team of purchasing agents finds. They evaluate contracts and offers and make counter offers as necessary.
- Monitor Purchasing Reports** Procurement managers monitor the purchasing reports for all the agreements they have with suppliers and vendors. They monitor what the company is purchasing and how the company is spending its money. They also make reports to upper management in efforts to use money in the most efficient way possible.
- Train New Purchasing Agents** Procurement managers are responsible for hiring and training new purchasing agents and buyers. This includes teaching them how to evaluate vendors and suppliers and recognize when one is reliable.

Procurement Manager Skills and Qualifications Procurement managers are analytic and pay close attention to details. Successful candidates have at least five years of experiencing in a procurement role, and most employers look for candidates who also possess the following skills and qualifications:

- Math and finance knowledge** Procurement managers are good at basic math and are familiar with financial fundamentals. They can quickly analyze costs and merchandise reports to make purchasing decisions.
- Procurement experience** Procurement managers should have a good background in procurement, either as a purchasing agent or buyer. This experience provides the procurement manager with the skills necessary for success.
- Negotiation** Procurement managers are skilled negotiators who know their way around a purchasing agreement. They can negotiate with potential vendors and suppliers to create a mutually beneficial agreement.
- Attention to detail** Procurement managers are very analytical, and they pay close attention to details. They can catch even the smallest mistakes and correct them quickly.
- Communication skills** Procurement managers are skilled communicators, especially since they constantly correspond with people on both ends of the equation.

Procurement managers use the following tools in their normal job duties: Those with advanced degrees tend to be more successful in gaining promotions. This training is also used to introduce the procurement manager to the team of purchasing agents and their preferred methods of finding new vendors and suppliers. This salary can vary depending on experience and previous accomplishments. Procurement managers typically also receive comprehensive benefits packages that often include plenty of vacation time, generous health plans, and performance bonuses. The BLS reports that the procurement manager position may decline as much as 3 percent over the next 10 years. As technology continues to advance, procurement roles are slowly becoming less common due to automation.

Helpful Resources Read through some of these helpful resources to learn more about the role of a procurement manager and the industry as a whole:

- Supply Chain Digital** This website focuses on anything and everything to do with supply chain management, ranging from logistics to procurement. You can filter by procurement topics specifically to read informative articles about things like the ways drones will affect procurement processes and how technology is changing the industry at a rapid pace.
- Procurement Professionals** This LinkedIn group boasts a ton of active members almost , in total! It

covers topics like how to select suppliers, drive continuous improvement, and identify better strategies for your company Procurement, Principles and Management” this textbook was made for students but is often used by practicing procurement managers too. It helps students and professionals alike learn the ropes when it comes to procurement by covering topics such as contract law and negotiation, risk, culture, and more.

Chapter 4 : What does a Purchasing Manager do?

10 Key Roles and Responsibilities of a Purchasing / Procurement Manager. Are you pursuing the position of Purchasing or Procurement Manager? Then you should know that these two are the same thing.

A purchasing manager buys products for organizations to use or resell. They evaluate suppliers, negotiate contracts, review product quality, and often supervise purchasing agents and buyers. In smaller companies, the purchasing manager may also act as the agent or buyer. What does a Purchasing Manager do? Purchasing managers typically do the following: They try to get the best deal for their organization - the highest quality goods and services at the lowest cost. They do this by studying sales records and inventory levels of current stock, identifying foreign and domestic suppliers, and keeping up to date with changes affecting both the supply of, and demand for, products and materials. They consider price, quality, availability, reliability, and technical support when choosing suppliers and merchandise. To be effective, they must have a working technical knowledge of the goods or services to be bought. Evaluating suppliers is one of the most critical functions of a purchasing manager. Many organizations now run on a lean manufacturing schedule and use just-in-time inventories, so any delays in the supply chain can shut down production and potentially cost the organization customers. Purchasing managers use many resources to find out all they can about potential suppliers. They attend meetings, trade shows, and conferences to learn about new industry trends and make contacts with suppliers. They often interview prospective suppliers and visit their plants and distribution centres to assess their capabilities. For example, they may discuss the design of products with design engineers, quality concerns with production supervisors, or shipping issues with managers in the receiving department. They must make certain that the supplier can deliver the desired goods or services on time, in the correct quantities, and without sacrificing quality. Buyers who purchase items to resell to customers largely determine which products their organization will sell. They need to be able to predict what will appeal to their customers. If they are wrong, they could jeopardize the profits and reputation of their organization. Find your perfect career Would you make a good purchasing manager? Take the free career test What is the workplace of a Purchasing Manager like? Most purchasing managers work in comfortable offices. Travel is sometimes necessary to visit vendors, and purchasers for global organizations may need to travel outside the country.

Chapter 5 : 10 Key Purchasing / Procurement Manager Responsibilities | AIMS Blog

Purchasing of materials and products for use and reselling needs care and because of this Procurement manager plays an important role in an organization. The main duty of procurement manager is about planning to coordinate and dealing with buyers and purchasing departments in various organizations.

Procurement Assistants are usually entry-level employees, and they work directly for a procurement professional such as a Procurement Buyer or Procurement Engineer. There is a steady job market for Procurement Assistants. Procurement Assistant Duties and Responsibilities To accomplish their primary goal of assisting with the purchase of materials for a business, Procurement Assistants perform many tasks. We analyzed several job listings to identify these core Procurement Assistant duties and responsibilities. Schedule Purchases and Arrivals The Procurement Assistant works with vendors to schedule shipping and delivery times. They are present to receive any orders, and verify that the correct items and amounts have been delivered. They then properly store the material. They note when inventory is low and it is time to order new products. Review and Place Purchase Orders Before placing an order, the Procurement Assistant carefully checks purchase orders for accuracy, completeness and clarity. Procurement Assistants must verify that product information, shipping information, cost and delivery dates are all correct before obtaining authorization to place an order. Procurement Assistant Skills Energetic and willing to learn, successful Procurement Assistants have good judgment and the ability to interpret policies and procedures. They enjoy analyzing and solving complex problems, and have careful attention to detail. In addition to these general skills and personality traits, employers are seeking Procurement Assistant candidates with the following skills. Based on job listings we looked at, employers want Procurement Assistant with these core skills. If you want to work as a Procurement Assistant, focus on the following. Knowledge of procurement processes, policies and procedures Strong emphasis on accuracy and detail Ability to handle multiple projects simultaneously to meet goals and deadlines Proficient in Microsoft Office programs, such as Excel Good time management and organizational skills Basic mathematical knowledge Advanced skills: While most employers did not require the following skills, multiple job listings included them as preferred. Add these to your Procurement Assistant toolbox and broaden your career options. From thought leaders to industry groups, this list is packed with opportunities to learn, connect and engage. On the Web Procurement Portal “Read news and updates related to the profession of procurement. Procurius “A kind of social network for Procurement professionals, Procurius allows you to network, access online learning and find events to advance your career. SpendMatters “An informative blog with news and research of procurement matters.

Chapter 6 : UX One Role: Procurement Manager

The finer details Procurement management can cover buying in anything, from raw materials and marketing services to getting the best price and quality for purchases. As well as ensuring your company is getting the best deals, procurement management is also about developing good relationships with suppliers so everything runs smoothly.

Chapter 7 : Role of Procurement Manager in an Organization - Westford University College

Procurement managers, also known as purchasing managers, work for large companies and are in charge of managing and coordinating procurement agents, buyers or purchasing agents, as well as working on the most complex purchases for the company.

Chapter 8 : Purchasing manager job profile | calendrierdelascience.com

Role of Procurement within an Organization. Overview. Key Procurement Objectives: OBJECTIVE 1 - Support Operational Requirements OBJECTIVE 2 - Manage the Procurement Process and the Supply Base Efficiently and

Effectively.