

Procurement Trends Today, Goals Tomorrow

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Will Your Procurement Goals Follow Today's Trends?

When you think of trends – whether in procurement or popular culture - you probably think of things that come in and out of style very quickly. But some trends have staying power and become the standards of the future. Here are three current procurement “trends” that will likely evolve into the standards and goals of the future.

Procurement Trend #1: A holistic cost savings strategy. When asked how to achieve more cost savings, procurement professionals used to respond “beat up your suppliers more!” In 2012, I invented “The Procurement Funnel” – a model that emphasizes that truly maximizing cost savings requires improvement of four specific key performance indicators to produce a compound effect. I believe that more organizations will adopt this approach. If you're interested in more about The Procurement Funnel, it's covered in our online Express Course series “Procurement KPI's & Business Acumen,” described at <http://tinyurl.com/mrhhqgj>.

Procurement Trend #2: An obsession with social responsibility. Simplified, social responsibility means doing the right thing for the planet, people, animals, future generations, and the community. An organization's degree of social responsibility is heavily dependent on its supply chain. Social ills ranging from human trafficking to animal cruelty are being combatted by supply chain social responsibility programs. I believe that more social problems will come to light and organizations and governments will be motivated to eradicate these problems from their supply chains.

Procurement Trend #3: The diversification of diversity. Supplier diversity was once limited to the inclusion of a small number of supplier groups, such as minority- and women-owned businesses. In recent years, some organizations have added a number of new classifications such as LGBTBE (lesbian, gay, bisexual, or transgender-owned business enterprises). As hiring practices become more inclusive – some organizations are actively hiring historically discriminated-against groups of people such as recovered substance users and individuals on the autism spectrum – supplier diversity is likely to follow suit. I believe that evaluating the inclusiveness of supplier hiring practices will become the next frontier in supplier diversity.

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