

Procurement
Leadership
Agenda and
Narratives for
2023 & beyond

A CPO Perspective from Asia Pacific



Introduction

“Disruptions are never going to end. It is the organization's prerogative to remain proactive to stay ahead of the competition. With a focus on realizing a continuously improving procurement function, key objectives are well within an enterprise's reach”.

That's right! Procurement function is an essential part of any organization, and it plays a crucial role in shaping the future of the organization. By building a resilient supply chain and leveraging the power of AI-powered procurement software, CPOs and other procurement leaders can help their organizations remain competitive in today's dynamic business environment.

Whether your organization is facing new challenges or looking to maximize the benefits of the existing procurement software tools, it is critical to stay up to date with regards to the latest trends and best practices. With the right knowledge and skills, procurement leaders can help their organizations realize sustainable performance.

First and foremost, it is important for us to keep in mind that the transformation journey includes not only the technology but also the people and automation of processes. At its core, procurement is all about managing the change aimed at driving continuous improvement in the supply chain. This requires expertise across both people and process aspects, and the ability to build strong relationships with suppliers. Whether you are just starting out or are a seasoned procurement professional, developing these skills is important to succeed. With the right tools and strategy, you can become a key contributor in driving organizational success and optimizing operations.

Procurement Leadership Agenda and Narratives (PLAN) 2023 started on this very note. It served as a platform for CXOs and thought leaders to explore the key trends for procurement in 2023. The discussion touched upon the significant challenges that are most likely to crop up in conversations in the new year. This eBook focuses on key aspects to consider while PLAN-ning for 2023 and the recent market trends and predicted challenges in the procurement and sourcing space.

PLAN 2023 Thought Leaders



Kuntha Chelvanathan,
APAC Supply Chain and
Procurement Transformation
Leader, IBM

She is a supply-chain and procurement specialist and has had numerous client engagements in procurement and supply chain and operations operating model design, operational strategy development, enabling procurement technology, Procurement process improvement, forecasting and planning process and more. She has constantly supported the fact that AI in supply chain and procurement can take it to the next level.

Sarah is a Commercial, PPP, and international development specialist working with governments, the public sector, and international organizations to design, procure, negotiate and/or review major contracts and PPPs. Before founding Globaltraid, Sarah was Chief Commercial Officer at the New Zealand Ministry of Foreign Affairs and Trade where she led procurement activity for the Ministry and the New Zealand Aid Program.



Sarah Cotgreave,
Managing Director,
Globaltraid



Qing Liu,

Senior Director, Head of
Industry Practice Leads, AP &
ME (non-FI), Moody's Analytics

She is responsible for building robust partnerships with government agencies, advisory firms and multinational companies to deliver innovative solutions to the market in the area of supply chain and procurement risk assessment. Qing has been with Moody's for over 9 years. Prior to joining Moody's, Qing worked at leading consulting firms, specializing in advising large multi-national corporations in the areas of financial investment, tax restructuring, and risk detection.

Professor Hassini specializes in data-driven optimization with applications in supply chain management. His current research interests include big data optimization, supply chain analytics, supply chain risk management, sustainability performance measurement and strategic procurement. He teaches supply chain management, procurement operations management and applied optimization. He is also consulting on supply chain optimization and logistics with several companies in the chemical, oil, steel, and transportation industry.



Elkafi Hassini,

Associate Dean of Research
and Professor, McMaster
University



Jon Hansen,

Founder and Chief Editor,
Procurement Insights

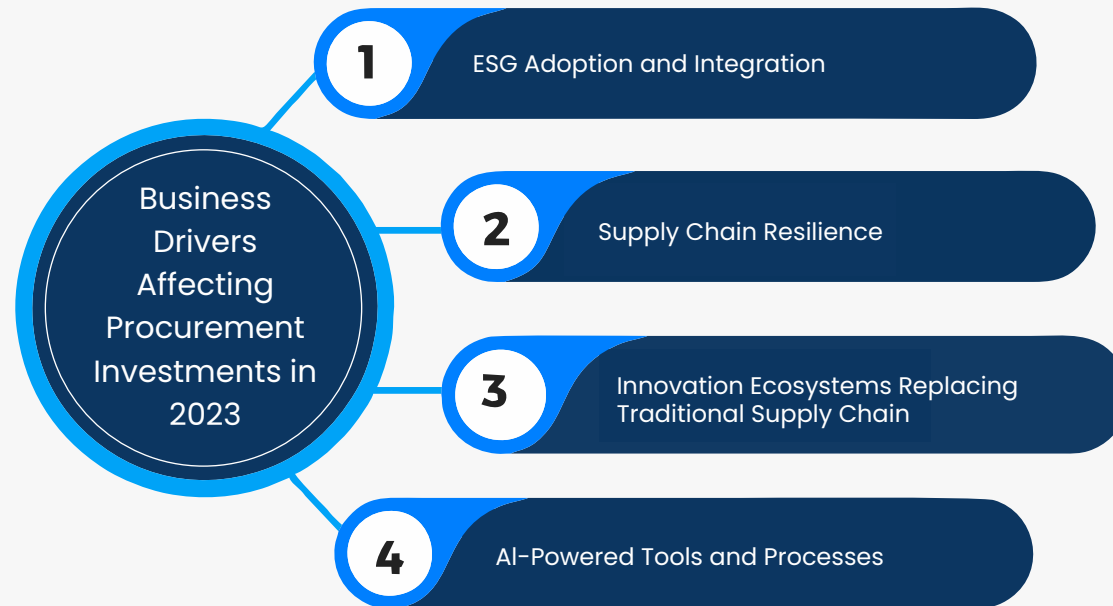
Mr. Hansen has two decades of expertise in all areas of procurement, supply chain management, and logistics. Jon has written many books, thought leadership articles, and delivered engaging webinars across the globe.



Key Highlights

- ▶ Four major business drivers require investment in procurement transformation in 2023: ESG Adoption, Resilient Supply Chains, Innovation Ecosystems, and AI-led automation.
- ▶ In 2023, enterprises, across the globe, will have a greater focus on driving ESG initiatives. Procurement leaders are expected to take charge of such initiatives.
- ▶ The value chain will increasingly be treated as a strategic partnership to nurture a close collaboration for product development. Now is the time to co-innovate with the supply network and prioritize the customer requirements.
- ▶ Procurement leaders are well-positioned to leverage internal and external stakeholders and derive value from operational data to drive process efficiency.
- ▶ The procurement function's strategic position should be leveraged and given prominence for strategic initiatives (e.g., digital transformation and driving innovation with product improvement).

Top 4 business drivers for investment in procurement transformation, 2023



1. ESG Adoption and Integration

As the business dynamics continue to change, so do the sourcing and procurement mandates. In recent years, there has been an increased focus on environmental, social, and governance (ESG) issues, and this trend is likely to continue in the near term. As a result, forward-thinking procurement leaders are beginning to integrate ESG considerations into their enterprise's procurement processes. Organizations have started to walk the talk in terms of implementing ESG policies. Organizations that successfully navigate the challenges involved in ESG implementation will be well-positioned to succeed. Technological capabilities can be leveraged to be able to not only quantify but measure continuous improvement.



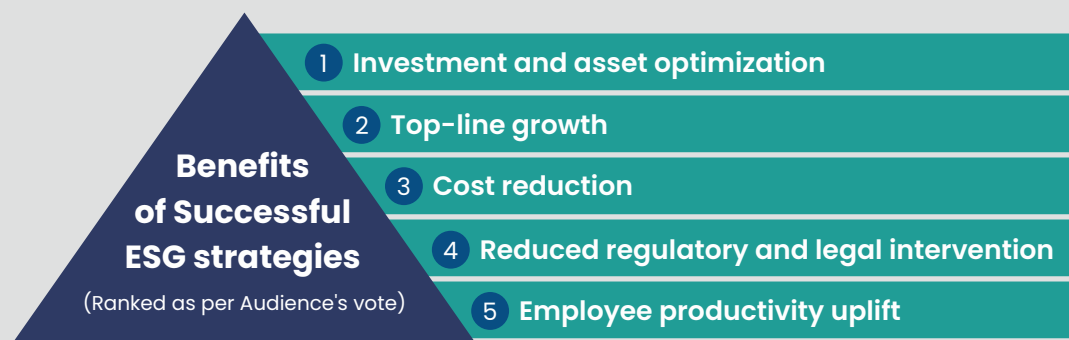
"It is a competitive advantage to have the right people, right processes, and the right technology in place to set your organization up for the future. Whether it is credit compliance, fair trade, environmental or other emerging risk in the supply chain, every aspect should be viewed from a 360° perspective"

-**Qing Liu**, Senior Director, Head of Industry Practice Leads, AP & ME (non-FI), Moody's Analytics



"Over the Covid-19 pandemic, the governments of Australia and New Zealand (ANZ) developed interest in partial trade. They looked at how e-commerce could help with trade, especially for SMEs. Many e-commerce agreements were signed between governments, and this required certain electronics standards to be used between trading countries. e-invoicing was adopted by Australia and New Zealand in 2019 and the European region is already using it extensively. Organizations need to work with progressive, purchase-to-pay (P2P) and accounts receivable (AR) software vendors who already support various e-invoicing standards. The easiest way to drive adoption is to work with a good vendor and ensure that the suppliers are using the same software to meet the governance standards".

- **Sarah Cotgreave**, Managing Director, Globaltraid



We have discussed these benefits in more detail in one of our new eBooks. You can gain ESG adoption insights by accessing the eBook here: [New Rules for a New World!](#)

2. Supply Chain Resilience

The pandemic wreaked havoc on supply chains across the globe without sparing any industry. Organizations began to build supply chains which were tough to break in the harshest conditions, and this continues to remain a priority. Organizations and their suppliers should proactively work together to navigate through such disruptions. More insights into how to mitigate supplier risk are available at: [KPIs for Supplier Risk and Performance Management](#)



"It's important to build risk evaluations into supply and sourcing selection. Sourcing and selection done solely on technical or financial fit is a very risky proposition. Nowadays, procurement functions shouldn't focus on just the bottom line when selecting a supplier but also on a holistic risk profile, which can include aspects such as demographics, being prone to geo-political instability, climatic conditions (e.g., hurricanes or flooding) that may disrupt the supply at a later stage. Understanding the supply chain, especially the T1-T2-T3 levels, to know who exactly your organization is dealing with, is pertinent and only possible when you have greater visibility into your supply network."

-**Qing Liu**, Senior Director, Head of Industry Practice Leads, AP & ME (non-FI), Moody's Analytics



"Many data breaches occur through a third party, such as a supplier. This always makes us want to question, 'who is responsible for risk management within an organization? And many believe that procurement is in a good position to protect the organization against such risks. We do have technologies now that provide us with a greater visibility into our supplier network'".

-**Jon W. Hansen**, Founder and Chief Editor, Procurement Insights

3. Innovation ecosystems replacing traditional supply chain:

When we refer to supply chains, these have now evolved into ecosystems that can sustain on their own and offer significant scope for driving innovation for all ecosystem players. This not only helps organizations to become more efficient, but also to stay ahead of the curve. Building a competitive advantage and leveraging feedback from the supply ecosystem are some of the many benefits that an efficient supply network can provide. On a similar note, the concept of “co-creation” is prevalent when it comes to creating supply ecosystems, as suppliers and customers can furnish the best feedback for products, thereby assisting in the product development process. If a supplier network is wide enough, organizations can be at a better vantage point vs. competitors, who probably aren’t treating their supply chain as a value chain.



“There is a clear gap between the recognition and understanding of supplier relationships and the actual management of those suppliers, especially when it comes to a diverse and complex ecosystem.”

–Jon W. Hansen, Founder and Chief Editor, Procurement Insights



“Automation is a key aspect that organizations would need to focus on in relation to procurement. This would require investment in technology, such as Internet of Things (IoT), cloud computing and analytics. Technology that will provide comprehensive data about the supply chain, the suppliers, and the movement of goods will foster data analytics capabilities required to better coordinate with suppliers.”

–Elkafi Hassini, Associate Dean of Research and Professor, McMaster University

4. AI-Powered Software:

AI has gained momentum and there is hardly anyone left who does not appreciate the application of AI in modern IT stacks. In the case of procurement, AI can help reduce costs and improve efficiency, if there is good quality data available for training AI/ML models. AI can help automate manual processes and provide the skilled workforce more time to focus on strategic aspects of the business. It can help managers make more informed decisions using the data analytics. Such tools can provide users with insights into spend analysis, making it more beneficial for organizations, as cost saving continues to be a priority. Adopting AI-powered tools, however, requires acceptance across the board and business-IT alignment.



“It is a zero or one game. There has been an imperative for organizations to change and adopt new technologies because of the market demand. If you don’t change, you will lose out. But when organizations are forced to change, it is not necessary that they are taking advantage of the new technology. The processes need to be optimized and there needs to be a buy-in from the internal stakeholders for successful IT implementation and integration. The people supposed to be using the technology need to be upskilled to drive actual adoption. There will be challenges along the way, but working through those challenges is how we will transform the wider ecosystem”

–**Kuntha Chelvanathan**, APAC Supply Chain and Procurement Transformation Leader, IBM

Wrapping Up 2022, Prioritizing 2023 Agenda

Procurement function is sandwiched between internal stakeholders and the external ecosystem, which puts it in a good position to drive changes in an organization, especially by keeping the suppliers and customers at the center of strategy and operations. It is pertinent for procurement to let go of the not-so-great strategies and adapt to new technologies and market trends.

Wrapping up 2022	Prioritizing 2023 Agenda
▪ Mundane, repetitive tasks that need manual inputs and manual processing	▪ Focus on adoption of new technologies and automation and a compelling user experience (UX).
▪ Age-old ERP systems, in dire need of upgradation	▪ Spend visibility tools to enable better decision making
▪ The “if it’s not broken, why change?” thought process	▪ The “if it’s not broken, why change?” thought process
▪ Apprehensions regarding AI-powered tools	▪ Staggered or phased out automation to retain spare resources for strategic decision-making.
▪ Lack of budgets to optimize existing processes despite a good business case	▪ Deriving insights from high-quality data to improve agility and drive innovation.
▪ Supply chains that rely heavily on external factors and are fragile and prone to degradation.	▪ Learning from peer organizations’ case studies, especially on how to transform procurement processes with a right mix of people and technology.



Zycus is the pioneer in Cognitive Procurement software and has been a trusted partner of choice for large global enterprises for two decades. Zycus has been consistently recognized by Gartner, Forrester, and other analysts for its Source to Pay integrated suite.

Zycus powers its S2P software with the revolutionary Merlin AI Suite. Merlin AI takes over the tactical tasks and empowers procurement and AP officers to focus on strategic projects; offers data-driven actionable insights for quicker and smarter decisions, and its conversational AI offers a B2C type user-experience to the end-users.

Zycus helps enterprises drive real savings, reduce risks, and boost compliance, and its seamless, intuitive, and easy-to-use user interface ensures high adoption and value across the organization.

Start your #CognitiveProcurement journey with us, as you are #MeantforMore.

