



# Green Papers - Marketing Procurement Is Getting Sexy

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Whoever thinks procurement is a dusty back office function is dead wrong, at least when it comes to marketing procurement. The paradigm of procurement's role in marketing and media management being toxic and damaging strategic partnerships through radical cost cutting might have been true in the past, but could not be further from the truth based on my experience.

We get to work together with procurement professionals on a daily basis, which has been incredibly interesting as the average willingness to learn and properly understand the category they source is very high. What started happening not too long ago is that marketing and media has been decoupled from methodologies used in commodity sourcing, to ensure true business value is being driven instead of focusing on vanity savings metrics that reward partners for the wrong behaviour.

A recent key development in the space is the **formation of a sourcing board by the WFA in May**, led by Laura Forcetti and formed of 12 marketing procurement leaders from Adidas, Heineken and Mondelēz International among others.

"Pretty much all marketing procurement leaders are conscious that the perception of their discipline is not always positive, and they want this to change," Laura Forcetti, global marketing sourcing manager at the WFA says. "Many of them have already moved far beyond just savings, and look to understand value and contribution to growth by focusing on what actually matters to their business. WFA's Sourcing Board will help accelerate that change, formalise what good marketing procurement looks like, collate and communicate the standards they want to uphold and help other procurement leaders progress on the journey from cost to value."

"Marketing procurement is evolving to be more connected to stakeholders and their business objectives," adds Tracy Allery, associate director of global procurement at Mondelēz International and co-chair of the WFA Sourcing Board. "We are commercial advisors with expertise in how to structure and manage relationships to achieve those objectives, so our metrics must also evolve, for example, from savings to value and from procurement-only to stakeholder-aligned."

My personal favourite effect of a heavily integrated and involved procurement function in global marketing investments is that it pushes an organisation to focus on output and business cases first, and solutions second. We have too often encountered major investments in supplier relationships – such as DMPs – without a proper business plan and implementation model, which caused the technology to never deliver its maximum potential value to the organisation. This is a good example of where procurement helps marketing/media teams to build the case and make sure the commercial model works for the desired outcome, and that the right people/entities are held accountable for success.

Another great example of the industry's collective aim to increase value is the relatively new LinkedIn group called "**The New Face of Marketing Procurement**". It was set up by Barry Byrne, global marketing procurement director at Adidas and co-chair of the WFA Sourcing Board, three months ago and already has over 300 members, of which most are procurement leaders at brands.

Byrne says: "Marketing is an investment not a cost [and] we need to maximise the value of our investment. For too long, marketing procurement has been treated by organisations as cost cutting machines, reducing fees, increasing payment terms and challenging agencies. This race to the bottom only results in poor quality, bad relationships and ultimately negatively impacts sales.

"Through the WFA Sourcing Board under 'Project Spring' we have assembled the strongest leaders of value in marketing procurement in the world, and collectively we can truly change the face of marketing procurement through partnerships and collaboration with our marketing colleagues and agencies: the fuel of our growth."

A last development that caught my eye was the piece on KPN's **investments in Robotic Process Automation** for its global procurement practice, where Michelle Baker, chief procurement officer, talks about unlocking valuable time and resources to focus on driving value and eliminating waste – by automating data sourcing, processing and interpreting at scale.

It's worth keeping a close watch on the space and be aware of its potential and impact. And for those that are still objecting to procurement's involvement: be open to change your views and embrace the experience and point of view of the sourcing experts have to add.

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