

Successful Synergies: Making Collaboration Work

Nora Neibergall

Senior Vice President, Institute for Supply Management



Best of the West

8th Annual

*Relocation
Summit*



Mastering Mobility in the New Norm

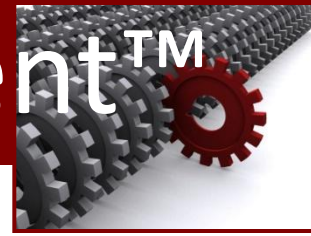


So... Why Am I Here?

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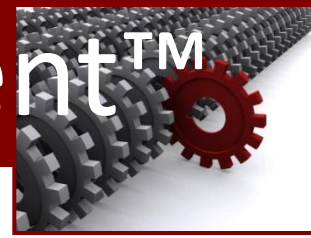
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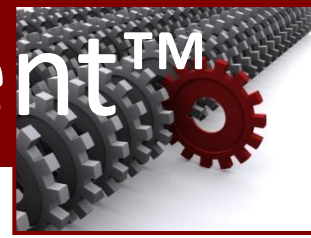
Institute for Supply Management™ (ISM) is the first supply management institute in the world. Founded in 1915, ISM exists to lead and serve the supply management profession and is a highly influential and respected association in the global marketplace.



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By executing and extending its mission through education, research, standards of excellence and information dissemination — including the renowned monthly ISM Report On Business® — ISM maintains a strong global influence among individuals and organizations.



- ISM is a not-for-profit educational association that serves professionals with an interest in supply management who live and work in more than 75 countries.
- ISM offers the Certified Professional in Supply Management® (CPSM®) and Certified Professional in Supplier Diversity™ (CPSD™) qualifications
- Member of the International Federation of Purchasing and Supply Management (IFPSM).



Relationship Between Relocation and Purchasing/ Supply Management Not Always Smooth!

Historical Perspectives: Relocation Side



- Purchasing and Supply Management only focused on price, don't understand the complexity of the process
- Don't want or have time to learn the nuances
- Don't understand how to measure the value of a well-executed relocation strategy, thus leading to struggles over the long-term.
- Suppliers and HR work better because they understand the process

Historical Perspectives: PSM Side



- Historical owners of the process don't understand value of a well-executed competitive process, cost-price analysis, strategic supplier selection or other traditional PSM activities
- Unwilling to measure
- Historical owners of relocation just don't want to let go of how things have always been done
- Suppliers resent the involvement of PSM and the "rigor" they bring

Questions to Ask



- Do you view Purchasing and Supply Management as a roadblock?
- Do they view you as either a roadblock (in company) or as someone with their own agenda (supplier)?

The Key to a Successful Collaboration



- Understand what's important to all sides of the transaction
- Maximize synergies
- Most importantly, ensure that everyone is aligned around what is important to the company, the ultimate measures of value to senior management are the same for the company as a whole

PSM: The Journey from Tactical to Strategic



“...in fact, this change is so significant that the once unassuming purchasing department now often is referred to as ‘procurement’ or ‘strategic sourcing’ to reflect its increasing significance in the strategic direction of the organization.”

Mobility “Hearts” Procurement: A Marriage Made in Heaven, Ellen A. Bates and John M. Clarke, SCRP, MOBILITY Magazine, December 2006

PSM: The Journey from Tactical to Strategic



- Started in the 80's when companies realized that only so much more could be taken out of labor
- Started with materials but quickly spread to indirect
- Global growth has increased pressure

Implications



- Traditional relationships change
 - Internal
 - External
- Potential for culture conflict arises
- Weaknesses in policies and processes (in PSM as well as other areas of the firm) are exposed

Implications for Suppliers



- Relationships more complex
- Open communication is key – don't try to undermine or take sides
- By understanding what the corporate objectives are and working to meet those, you'll succeed

Implications



- Cost Savings
- Quality Improvements
- Service Improvements
- Positive Impact on Employee Retention

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Building Collaboration



- PSM has a responsibility too
- Influence of corporate culture
 - Including supplier and client
- Start and continue by striving to find common ground

Building Collaboration



- Understand what the firm's objectives are
 - Relocation typically impacts firm's most precious resources
- Be ready to educate and be educated



Key Qualities



Goals

- To Contract for...
- Keep Happy...



Relocation Professionals

- Superb Service for Employees
- Employees, HR, Corporate Mgmt



PSM

- Best Value (Price and other)
- HR, Purchasing Mgmt, Corporate Mgmt



Key Qualities



Skills and Capabilities

- In-depth experience in...
- Understands corp strategy as it relates to...
- Has developed...
- Liaisons with



Relocation Professionals

- Relocation
- HR and associated business needs
- Relationships with suppliers
- HR and individuals



PSM

- Sourcing
- Purchasing and associated business needs
- Industry knowledge
- Tech, accounting, legal



Key Qualities



Skills and Capabilities

- Special skills
- Expert Knowledge
- Understands strategy for...
- Knows...



Relocation Professionals

- People
- Relocation process
- Relocation services
- Relocation – related supply chain



PSM

- Analytical, negotiation
- Contract development and admin
- Purchasing and supply management
- Supply chains

Identify What Success Looks Like



- What are the key long-term goals?
- Identify interim targets
 - Celebrate success
 - Analyze what can be done better before moving on
 - Verify measurements
- Create ongoing feedback loops
- Define and agree on measurements – service, price, return on investment expectations, risk management criteria

Yes...But...



- Price
- Control
- Price
- Outsource it all
- Price

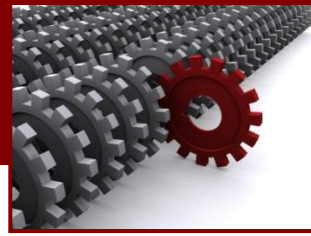
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How About...



- A policy that assures competitiveness
 - Solid RFX process
 - Selection process
 - Measurement
 - Structure for improvement
- Process identification, clarification and communication
- Ensure financial integrity

How About...



- Compliance
 - Minimization of maverick spend
 - Alignment with organizational goals
- Provide the right services
 - Contribute to the retention the firm's most valuable assets

What Everyone Really Wants



- The best service for the best price
- Clear understanding of the business models
- Balanced mix of cost and service drivers

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Tools for Maximizing Value



- Corporate policies, and scope of work
 - Benchmark for best balance of cost and service and to meet company mobility needs
- Clarify expectations and allow precise agreement on acceptable costs of service

Source: ISM Supply Management Conference, May 2006,
Maura J. Carey, CRP
Vice President, Strategic Accounts
SIRVA Relocation

Tools for Maximizing Value



- RFX process
 - Screening and qualification
 - Competitive bids
- Benchmarking for price and TCO (total cost of ownership)
- Diversity spend management

Source: ISM Supply Management Conference, May 2006,
Maura J. Carey, CRP
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SIRVA Relocation

For Suppliers Only



- PSM is not the enemy – if you can create value and articulate that value, they'll be your best friend
- Work to bring dysfunctional parts of the client organization together , you can be the hero
- Focus on meaningful measurements to tell your story

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Contact Information



Nora P. Neibergall
Senior Vice President &
Corporate Secretary

Institute for Supply Management™
nneibergall@ism.ws



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