What Have You Done For Me Lately?

A question for you from your CEO

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In 1993 William Bales and Harold Fearon published in a Center for Advanced Purchasing Studies Focus Study the results of their survey of Chief Executive Officers and Presidents. In this survey they asked the CEOs and Presidents for their views of the purchasing functions of their firms. Of the respondents, 66 percent viewed the purchasing function as very important to the overall success of their firms. In a similar survey conducted by the Center for Advanced Purchasing (CAPS), 88 percent of the purchasing people answering a similar question felt that purchasing was very important in their organizations. Evidently, purchasing people see their importance as being much higher than their senior management sees it. To raise the level of importance means recognizing this large difference in perceptions and then proving the real contribution made by purchasing.

In addition to the aforementioned discrepancy between the feelings of CEOs and purchasing people in their firms, the surveys also pointed out that while CEOs feel that their purchasing functions are important, they do not feel that they are performing to the levels they want and expect. Comparing the importance to the effectiveness ratings, only 55 percent of those who feel the purchasing function is very important also perceive that it is very effective. There appears to be a large gap between what the CEOs want and what they think they're getting.

Within the past 10 years we've seen the roles of companies' purchasing functions change from being thought of as "paper pushers" to being considered strategic partners – in some cases, partners to the CEO. While it would be nice to think this change has happened in all of our firms, sadly, this is not the case. What has happened to bring the metamorphosis of some purchasing department "caterpillars" into "Strategic Sourcing and Supply" butterflies? This presentation will answer that question, and will give the audience some helpful insights and tools to use when their CEOs ask, "What have you done for me lately?"