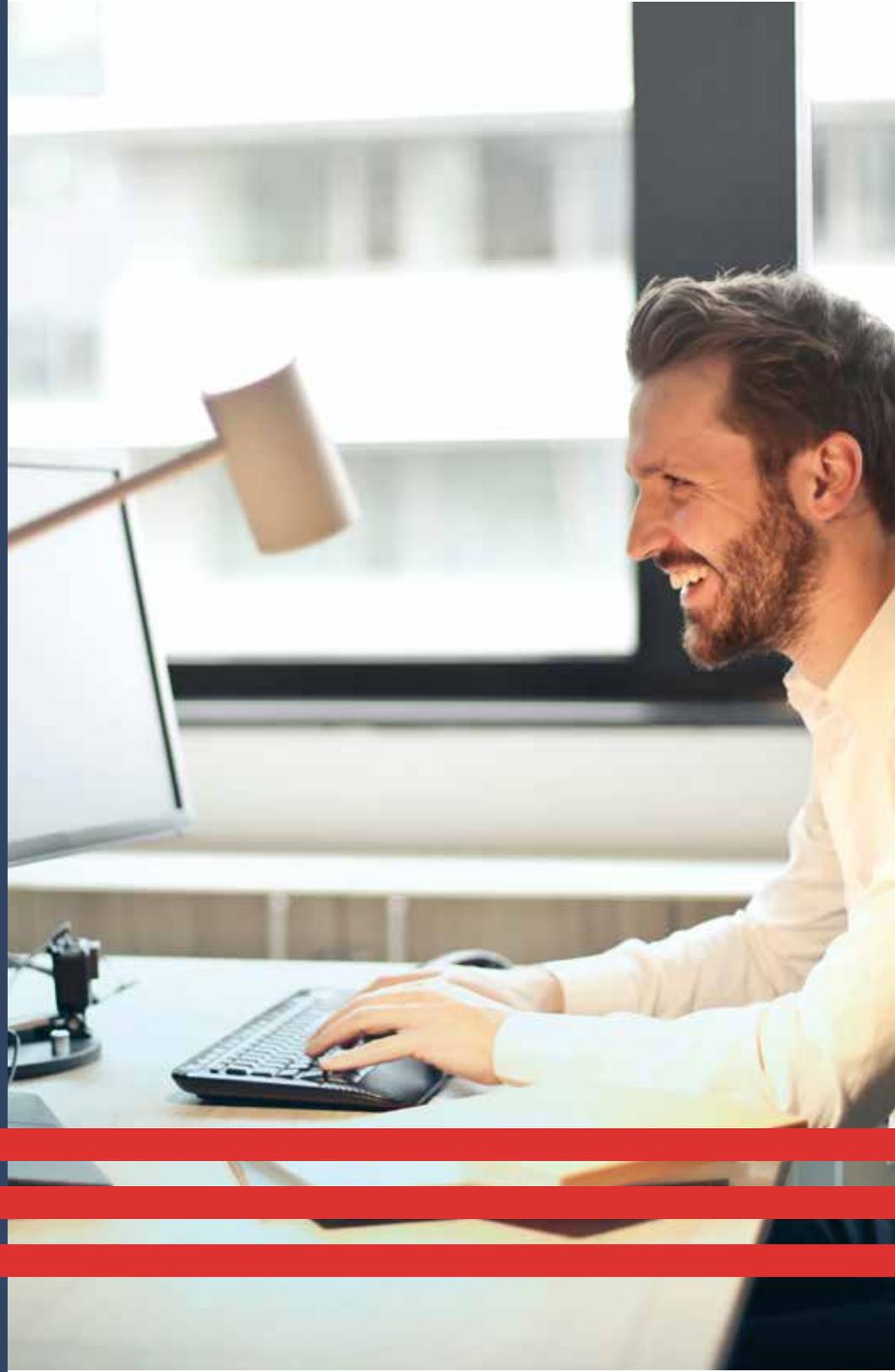


THE ENTERPRISE PPE PROCUREMENT PLAYBOOK

An Executive's Guide to PPE Purchasing in 2021



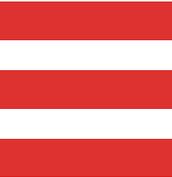
It's no surprise that buying for business looks different in 2021 than it has in years past. The strategic plan enterprise leaders may have dusted off each year and simply refreshed is insufficient. Organizations now face balancing the ongoing short-term response to pandemic changes with long-term strategic objectives. The strategic impact of the procurement function is felt not exclusively by the CPO or head of procurement, but across the enterprise, whether you're a CIO sourcing new technology, or a CFO optimizing cash flow.

How can purchasing teams meet today's sourcing demands to keep organizations moving forward?

What lasting implications of the pandemic will further shape the role of ppe procurement?

**This year, let's refine the
PPE procurement
playbook.**





Despite lingering questions across enterprises and constraints on the procurement function, both from heightened cost savings goals and a continued sense of general business uncertainty, we can expect a few key opportunities for enterprise procurement leaders in 2021.



Business may not be as usual, but sourcing for everything that keeps a business moving forward must continue. Add to this the complexity of maintaining supply of now essential items like personal protective equipment (PPE), products that keep employees and customers safe and healthy; procurement effectively enables an organization to continue its operations in a more meaningful way. The importance of strategic sourcing to an organization cannot be underestimated.

First, ***supply continuity*** positions procurement as an influential business driver.

64%

of CPOs have shifted from defense to offense, focusing on adapting their supply chains to thrive in the “next normal”

Source: Deloitte's 2020 Chief Procurement Officer Flash Survey





Second, *cost optimization* will be paramount.



As the C-suite considers cost cutting measures, procurement faces increased scrutiny. Buyers may be hesitant to spend when organizations are reducing expenditures. From shortages of essential supplies to unpredictable fulfillment and delivery, the strain on the just-in-time supply-chain model makes procurement a more vulnerable part of business operations. Demonstrating ROI and realizing cost savings presents opportunity for procurement to drive true strategic value.

60%

of procurement leaders report greater cost savings goals expected this year compared to 2020

Source: 2020 Gartner Peer Insights on Cost Optimization



It's not enough to maintain business continuity through strategic sourcing. Procurement must drive operational efficiencies while meeting increased demand. CPOs prioritizing only cost reduction and risk management may create tension with business partners' desire for speed of supply. If faced with harsh realities of smaller teams or budgets, purchasing resources will need to be deployed more strategically. Buyers can't afford to get lost in the minutia of sourcing low value items, especially when time is in high demand, identifying alternate sources for essential or high value products. Purchasing managers in 2021 will have less time for complicated contracts and negotiations with new suppliers.

And third, ***the need for sourcing speed accelerates*** the enterprise's focus on ppe procurement.

73%

of procurement leaders say the importance of sourcing speed has increased



Source: ProcureCon and WBR Insights' CPO Study 2021

2021 GOALS TO RESHAPE PPE BUYING

Adopt technology that simplifies



New, useful data
So you can clearly demonstrate value

Visibility

Innovate and embrace transformation



Automation
So you can focus on strategic problem solving

Productivity

Drive efficiencies across the supply chain



Strategic sourcing
So you can quickly and easily manage supply continuity

Agility

The strongest, most agile procurement teams are reshaping how they buy.

Get the visibility you need to make better buying decisions, adapt to new work environments that drive productivity, and simplify purchasing for greater agility.

1 Lower the total cost of purchasing

Sixty percent of the C-suite is tracking return on investment on functional cost versus profit and loss savings compared to just thirty-nine percent last year¹. Cost cutting may be a business reality in uncertain times, but proactive cost optimization may prevent more draconian measures. Procurement can demonstrate to the enterprise where they're saving time and reducing costs through supplier optimization and consolidation.

1 CPO Study 2021, ProcureCon and WBR Insights



2 Enable new work environments

Work in 2021 will continue to look different. Enterprises are adapting to a new, decentralized work environment where many employees may be working from home. That means different technology sourcing and shipping considerations to equip your employees. And, organizations across industries will continue to require sourcing PPE through the end of 2021. You will need to rethink not only what, but how, your team purchases this year.



3 Simplify strategic sourcing

Operational disruptions and shortages have organizational buyers looking for new suppliers. At a time of uncertainty, time is even more precious. Further, with remote work, we may see fewer chances to attend events or network with new supply partners. When meeting critical business demand, there may not be time available for new contract negotiations. Instead of discovering new suppliers through traditional means, one can more easily access millions of sellers through a single source using B2B e-commerce tools.



4 Reduce procurement risk

Procurement is positioned to monitor and mitigate risks from the supply base. This drives effective supplier risk management. As enterprises navigate through periods of business uncertainty, procurement takes the lead in supply chain risk management. To reduce complexity, many organizations look to consolidate or reduce the number of suppliers, resulting in fewer to manage and presenting lower risk. Purchasing from a single source that offers multiple suppliers may minimize the risk inherent from multiple agreements.



RETHINK WHAT'S POSSIBLE FOR PROCUREMENT

Consider how much of your strategic plan includes the following tactics to meet your goals of visibility, productivity, and agility. Adapting to our changed reality in 2021 presents new ways to effectively meet the moment—and position procurement to accelerate enterprise growth.



THE PPE PROCUREMENT PLAYBOOK



1. Be proactive in the shift to digital



2. Use AI and ML to increase sourcing speed



3. Drive efficiencies through data



4. Demonstrate ROI and responsible purchasing



5. Empower your organization

1 Be proactive in the shift to digital

Responsive, not reactive, strategies set up your organization for long-term continuity of plans. To achieve this forward-focused vision, teams can't wait to digitize. Deploying new technologies should remain a priority to enable the transformational change required with a new, post-pandemic way of buying. Technology can make an organization more resilient and prepared for future challenges.



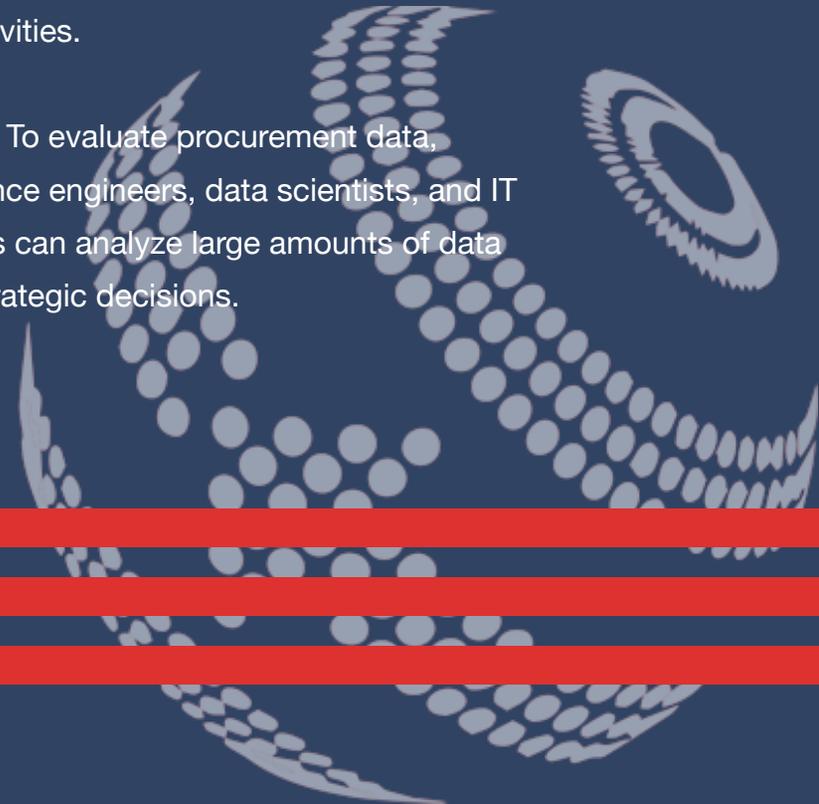
2 Use AI and ML to increase sourcing speed

Across business operations, the use of technology allows for automation and streamlining of processes. New technology and tools like artificial intelligence (AI) and machine learning (ML) can help to increase efficiency and reduce costs. Routine and repetitive processes are now turned over to AI and ML to optimize spending.

For strategically sourced items, organizations employ AI to automate competitive bidding, which helps to increase sourcing speed and secure better pricing². For commonly purchased, non-strategic or non-contract spend supplies, ML can automatically identify preferred or similar products, helping purchasing managers find cost-effective alternatives. As AI and ML reduce the time required to identify, purchase, and reorder supplies, procurement professionals can spend more time on other high-value activities.

Use of AI and ML in procurement has already had transformative effects. To evaluate procurement data, companies previously had to invest in experts such as business intelligence engineers, data scientists, and IT professionals to create complex analytic models. Today, ML technologies can analyze large amounts of data quickly and provide insights that management can use to make faster strategic decisions.

2. "Cognitive Procurement and the Implementation of AI and ML." WBR Insights. 2020.



3 Drive efficiencies with data

2020 has highlighted our need to address unforeseen challenges, further limited based on how much “noise” is in the system. Make smarter buying decisions with sourcing insights through detailed data and analytics, across categories and a broad network of suppliers. B2B eCommerce minimizes inefficiencies. Workflows reduce transactional responsibilities, enabling a focus on the overall business - not manual processes. And moving non-contract spend to a single, online store allows you to see the complete picture for supplier analysis, cost analysis, and product selection.

Organizations without insight into their spending can't recognize opportunities to reduce costs. Better understand your employees' buying behavior using advanced analytics and dashboards. You can see who's buying what and for how much. Monitoring buying behavior and discovering patterns can help you make better decisions and establish policies to guide employee spending. With real-time data, leaders can make smarter budgeting and purchasing decisions with tools and custom reports to analyze spend data.



4 Demonstrate ROI and Responsible PPE Purchasing

With increased cost cutting scrutiny from the C-suite comes opportunity to demonstrate where procurement drives efficiencies and cost savings. Armed with data and visibility into spend, leaders can identify areas for optimization and showcase savings. For example, spend control is improved through optimization of non-contract spend, which can result in savings.

Consider also demonstrating buyer efficiency gains and time savings from digital tools or automated processes to further dispel the narrative that procurement slows down operations. Organizations can get strategic with supplier optimization and reduce costs by easily navigating hundreds of thousands of sellers in one store.

Further, demonstrate the value procurement brings in meeting socially responsible organizational objectives such as diversity spend or sustainable product selection. Define specific requirements for strategic sourcing – potentially inclusive of diversity, corporate social responsibility, or sustainability goals – and make it easy for buyers to find qualified suppliers. Identify and select those that meet supply chain standards, comply with applicable environmental laws, or that meet your diversity goals. By allocating spend to these suppliers, your return on investment is recognized beyond dollars.

5 Empower your organization

Purchasing and finance departments typically prioritize savings and policy compliance—cost considerations—over convenience or ease of ordering and delivery, or value considerations. Yet we know that the best organizations are customer obsessed. By empowering employees to buy as quickly and easily as possible, they can get back to serving their customers. Empowered, enabled employees are more productive and deliver better customer experiences for the organization.

Consider how your teams were purchasing in 2020. Are they enabled with the convenience they now expect, particularly in changing work environments? Are they empowered to purchase what they need?

Employee expectations for simplification and speed don't have to mean a tradeoff for the visibility and control procurement leaders need to meet the financial demands and expectations of their organization.



MOVE YOUR ORGANIZATION FORWARD WITH COVID-19 GLOBAL SUPPLIES

With this playbook of future-looking practices in mind, you, and your organization, can be prepared for the year ahead. Procurement played a key role in reducing costs and navigating new supply chain realities of the last year. Now, it can lead the organization in accelerating growth and meeting new strategic challenges.

Procurement leaders are digitally transforming and need new ways to create value in the form of cost savings through the modernization of legacy processes. We're ready to help you drive real results with innovative solutions.





Reshape PPE buying

visit www.covid19globalsupplies.com