

The Deloitte Global CPO Survey 2016 (An African Perspective)

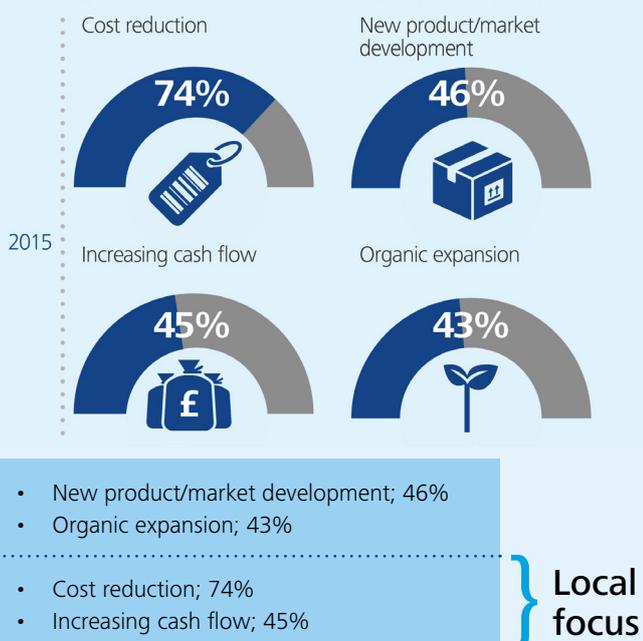


Procurement: Poised at a Digital Crossroad

A daunting task – or a unique opportunity to leapfrog into the Digital realm?

Faced with weakening economic metrics and political volatility, CPOs have identified cost reduction as the primary way to maintain business growth and realise value.

The four key focus areas for CPOs in 2016 indicate that while investment is taking place, expansion through market development and organic expansion; this will be strongly balanced with prudent cost reduction and cash flow management.



Local B-BBEE imperatives

Given the local B-BBEE imperatives and various Industry Charters, procurement will have to balance consolidation of spend with transformation requirements.

CPOs will need to focus on:



Consolidating & strengthening relationships with local suppliers

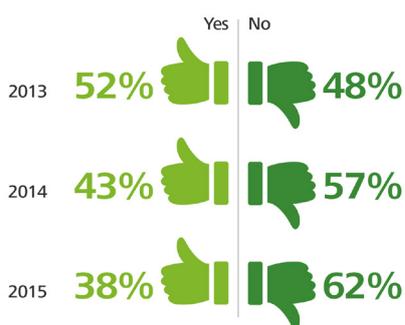


Explore local alternatives to reduce reliance on international supplies & resources – especially insight in currency fluctuations

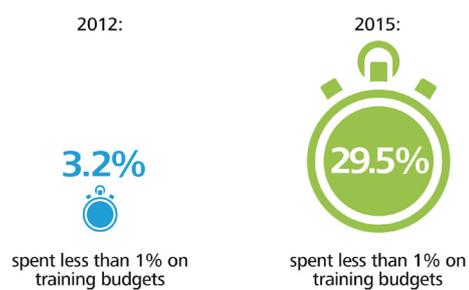


Minding the Skills Gap

Globally, 62 % of CPOs do not believe their team has the right skills and capabilities to deliver their procurement strategy, compared with 48 per cent two years ago.



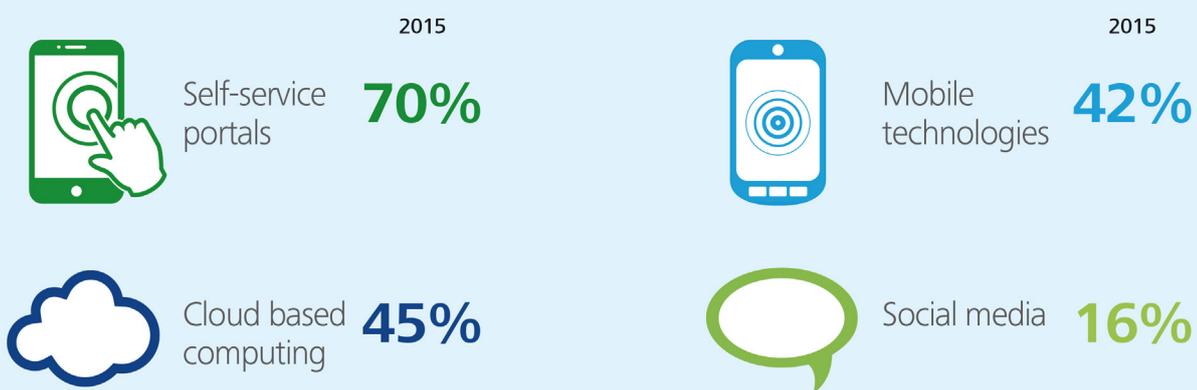
And yet investment in talent development has not been prioritised. Exemplified by the decline in spend on training over the past three years.



Locally, CPOs need to ensure that they invest in training their existing resources in best practices, and give them the right skills to leverage emerging Digital technology.

Emerging technologies are presenting opportunities for improved value creation and better transactional efficiency

70 per cent focused on user engagement and experience through delivering self-service solutions.



Emerging off-the-shelf technology platforms are easy and intuitive to use similar to Facebook. These are accessible for medium-sized organisations as well as public service organisations.

The benefit of the digital solutions:

- Transitioning from Manual Processing to Self-Service Portals Enabling Procurement Officers to move from day-to-day transactional administrative tasks to Business Development

40 per cent have a clear digital strategy covering solutions such as cognitive analytics, crowdsourcing and digital reporting.



Is your procurement function equipped to embrace the Digital Revolution?

A clear and focused strategy is required, and should include:

- Investment in key Digital platforms
- Creating capacity for teams to undergo training and take ownership of implementing the digital platforms