



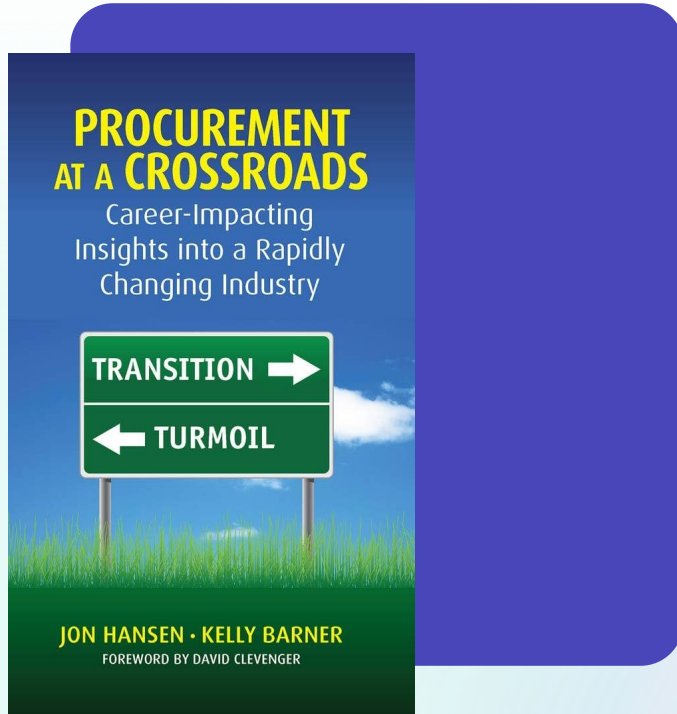
Procurement as a Strategic Weapon: Unlocking the Transformative Benefits of a Highly Enabled Team

Edmund Zagorin
Founder & CSO
Arkestro

www.arkestro.com



Why is “savings” a required but often controversial area of procurement’s impact?



List out the top 5 C-Suite strategic goals of a business:

- Revenue growth
- Customer focus
- Launching new products
- A+ employee culture
- M&A activities

What do you NOT see here?

“Savings” delivered without alignment to the strategy of the business is not viewed as strategic

We made significant strides in reducing our costs for procured marketing materials and services — reaching up to 50 percent in cost reductions in some cases and achieving an almost 10-fold increase versus our target. Unfortunately, we had no mechanism to affect the already established budget, so all the incremental savings were quickly spent.

*— Head of purchasing,
North American consumer products company*

My head of procurement is claiming €250 million in savings a year. I've asked him why I cannot see this in the profitability of the divisions. He says he doesn't know. He assumes the divisions are compromising his savings with spending increases and unauthorized “maverick buys” from local suppliers.

— CEO, global logistics provider

Thus, many procurement leaders now view savings as “table stakes”. Their mission is to go beyond savings





At BMI, we view market shifts as opportunities to differentiate ourselves. Simply, we're evolving our business model to win. We've seen this through our approach to system selling, for example. While others sell standalone products, we try to leverage our full portfolio, from components to complete roofing solutions. By providing a single, high-quality system, we simplify the process for our customers and offer a level of reliability that a fragmented market cannot provide.

From a supply chain perspective, we acknowledge that global disruptions and cost pressures are a reality for everyone. We've responded by deepening our supplier partnerships and improving our agility, ensuring that BMI remains a reliable partner for our customers even when the market is unpredictable.



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To stay ahead in a changing market, BMI has embarked on a strategic journey to modernise every part of our business. As you say, this means a journey that aligns technology, people, tools and culture to deliver the best possible value.

Examples that immediately come to mind across that entire matrix include simplifying how we work and make data-driven decisions by implementing integrated enterprise platforms that allow us to move away from fragmented legacy tools

to unified solutions. This shift increases our agility, allows us to plan better and ultimately serve customers more effectively.

This effort runs adjacent to evolving our organisational design to better serve our system selling approach. We have aligned roles and geographies to ensure the right expertise is in the right place to drive growth.



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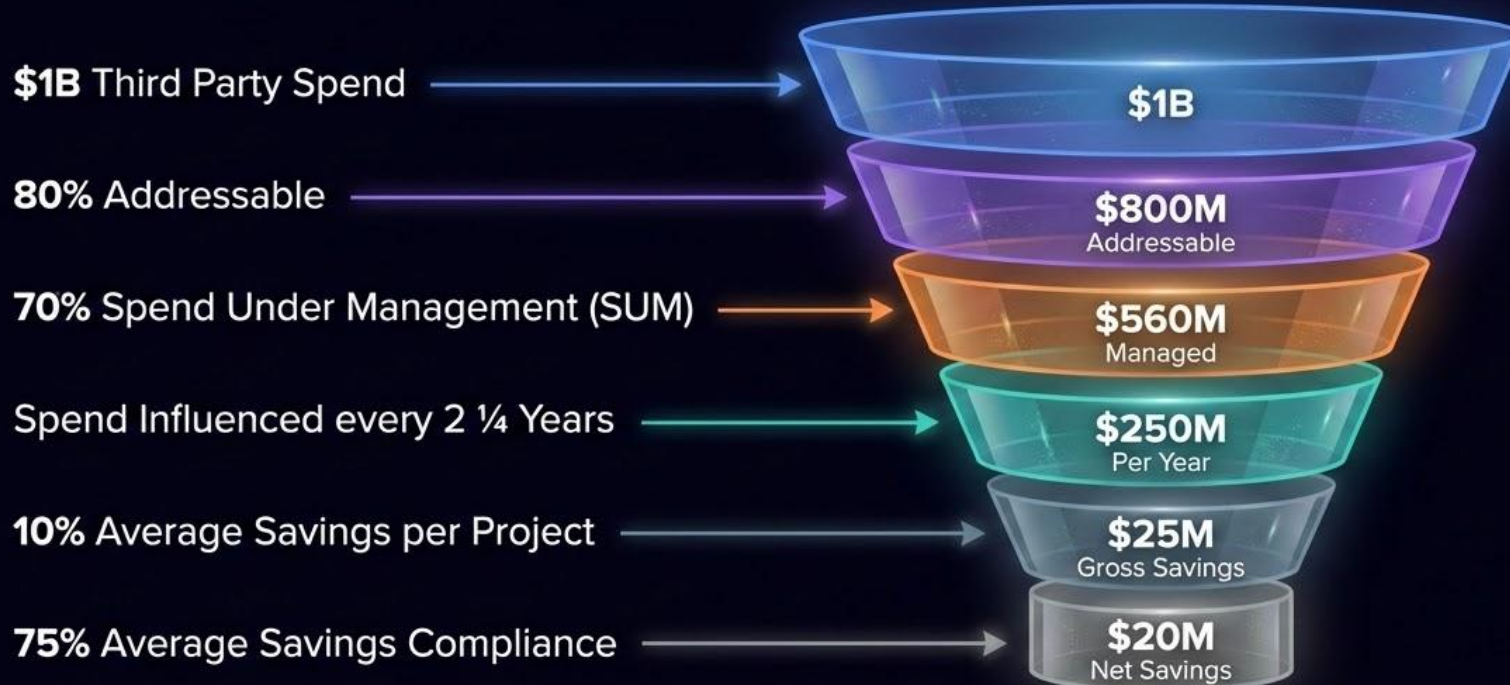
How did Sharon Moar at BMI re-frame procurement as a strategic weapon?



How did Sharon Moar at BMI re-frame procurement as a strategic weapon?



Moving beyond savings to become a strategic weapon means making value delivery into a predictable, repeatable conversion machine



Source: Art of Procurement

Unfortunately, procurement is not becoming more predictable, or more repeatable. It's becoming more volatile and complex



**GEOPOLITICAL
CONFLICT & DISRUPTION**



**STRAIT OF HORMUZ
& TRADE ROUTES**



**REGULATORY &
ECONOMIC BARRIERS**



**Let's imagine Procurement is tennis.
The tennis ball is a quote from a supplier.**



Returning one ball with feedback to a supplier and a next step is no problem. But three at once?



And what about multiple quotes for each item across thousands of items whose price change every month for every volume & geography?



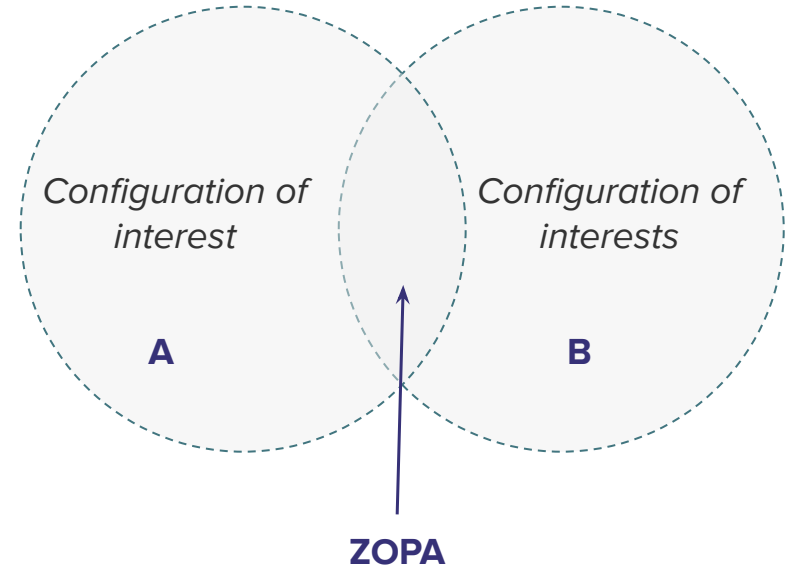
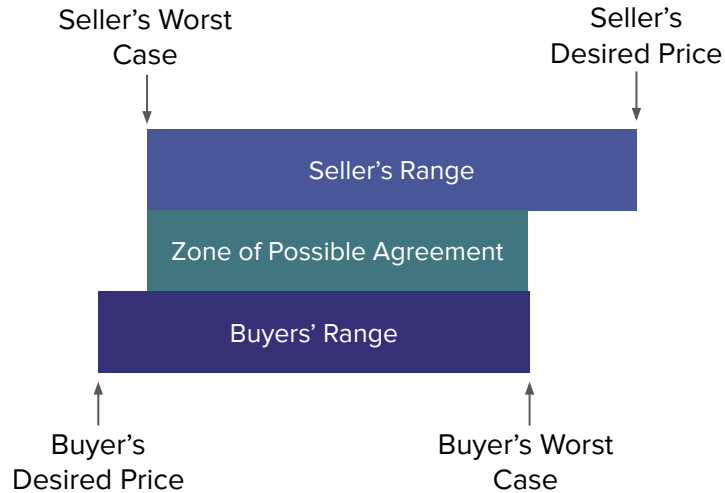
A single quote could contain pricing for hundreds of uniquely identified items.

No buyer can be an expert on the market price for every item at every volume for every supplier in every geography

1045927	ACTUATOR,SAFETY SWITCH,40MMX40MM
1045932	LATCH,ACTUATOR,SAFETY SWITCH
1045933	CABLE,M12 PLUG,5 PIN FOR CES SWITCH
1045934	CABLE,CONN,M12 PLUG,8 PIN FOR CES SWITCH
1045935	SWITCH,SAFETY,LEVER ARM,SHORT HOUSING
1045938	REGULATOR,PRESSURE,G1/2,0.5 TO 25 BAR
1045939	BEARING,DOUBLE ROW,80MMIDX140MMOD
1045940	KEY,FEATHER,28X16X180
1045941	RING,RETAINING,FRM215/14
1045943	BEARING,PILLOW BLOCK,110MM
1045944	FUSE,CLASS J,TIME DELAY,250A
1045945	LUBRICANT,OIL,COMPRESSOR 1 LITER

Let's say the quiet part out loud.

Sellers anchor high to have room to get negotiated down. Status quo procurement incentivizes suppliers to withhold their best offers until the the end of the negotiation, creating extra work and delays.



**Experts agree:
When suppliers offer first,
the “anchoring effect”
gives them pricing power.**

**Quotes are designed for
sellers, not for buyers.**

...in control conditions whoever, the buyer or seller, made the first offer in a single issue, distributive negotiation, determined the final selling price, with higher final prices when a seller made the first offer than when a buyer made the first offer.

over half of the variance in outcomes of simulated price negotiations between experienced managers could be explained by first offers

Galinsky & Mussweiler, 2001; see also Kray et al., 2001 and Van Poucke & Buelens, 2002 for similar findings).

Lewicki, Roy J., Barry, Bruce, Saunders, David M.
“Essentials of Negotiation”, McGraw-Hill, 2007

That's why we introduced Predictive Procurement

Traditional Procurement



SUPPLIERS GIVE OFFERS TO BUSINESS



Offer then puts ball in procurement's court



Suppliers don't receive feedback



Competition adds cycle time



Predictive Procurement



PROCUREMENT GIVES OFFERS TO SUPPLIERS



Offer then puts ball in supplier's court



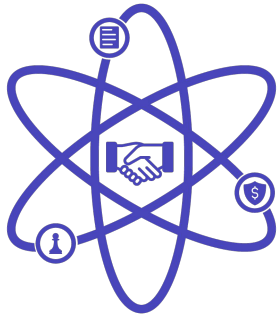
Suppliers receive contextual FOMO feedback



Competitive offers are **FASTER** than single quotes

The Three Sciences of Predictive Procurement

Negotiation Science



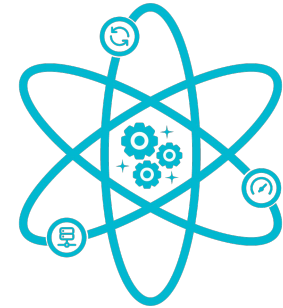
Fact-based benchmarks that secure the best pricing and terms.

Supplier Science



AI-powered supplier shortlisting and dynamic engagement.

Process Science



Automated workflows that live in your suppliers' inboxes to accelerate procurement cycles.

Predictive Procurement Delivers the Strategic Unlock

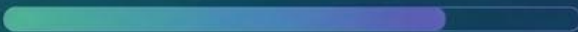
Across industries, customers see:



Procurement cycle times reduced from 3-4 months to **6 weeks**



5x projects, buys & negotiations per procurement professional



Manual effort reduced from 55 hours per event to **10 hours**



The impact:



Stakeholders delighted by how fast and easy procurement now feels



P&L owners want to leverage procurement across more spend




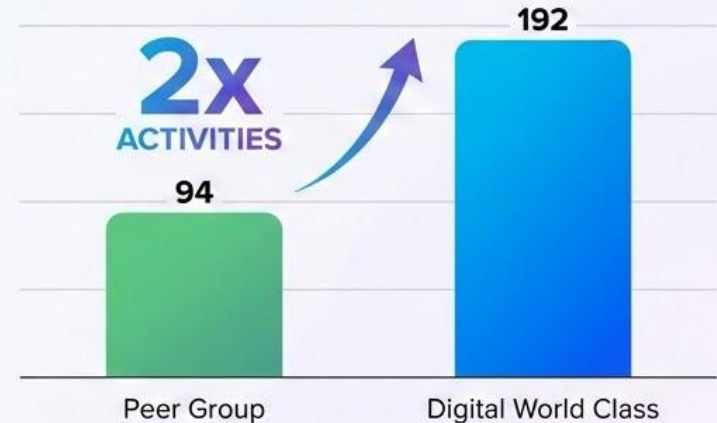
Frees up domain experts' time for strategic high-impact initiatives

Hackett Group found that going from base case to world class in procurement can **2x** activities with **4x** impact

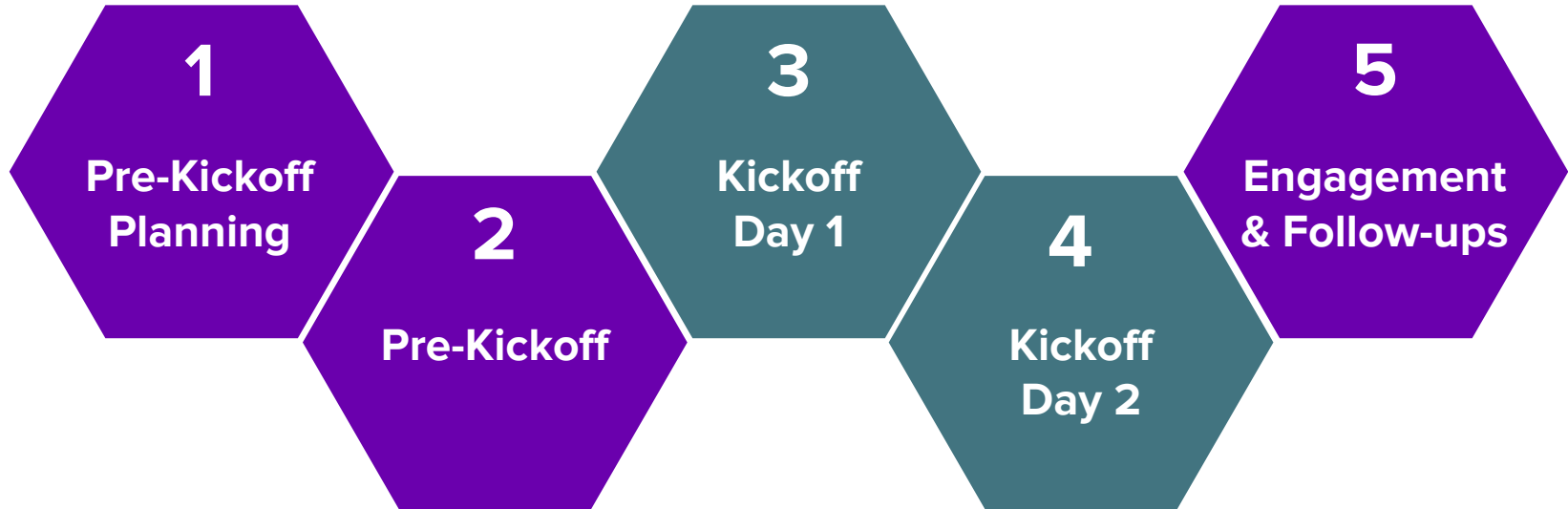
 **Procurement: Spend Savings per FTE**
(in Thousands)



 **Procurement: RFX Supported per FTE**



'Live in 5' Execution Framework





“Just as we provide our customers with integrated systems rather than mere components, our procurement team is evolving from a traditional cost centre to a strategic business partner bringing additional value. It’s about people moving from a “support” mindset to a “growth” mindset by embodying key cultural shifts.

We believe a value-led approach is limitless. While fiscal discipline remains our foundation, we recognise that chasing the lowest “price per unit” is a short-term tactic, not a long-term strategy.

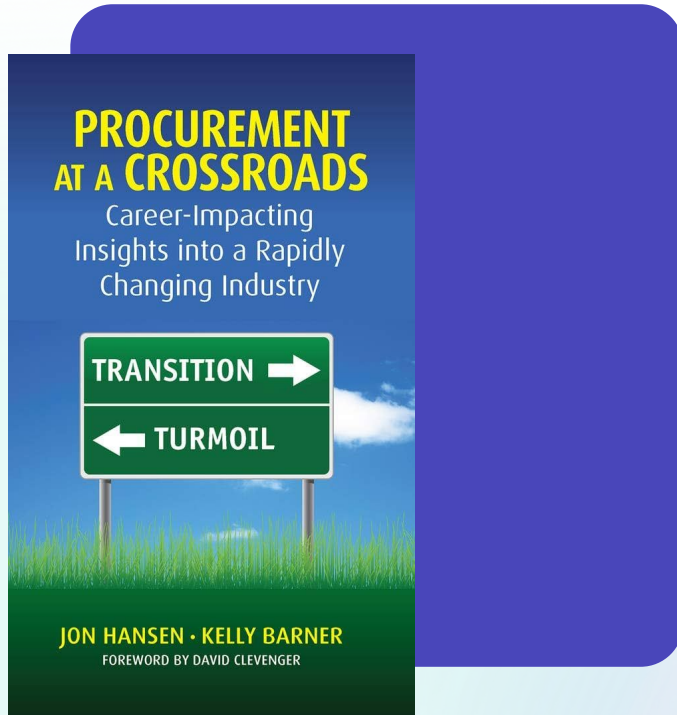
We don’t just manage spend. We want to empower our team to be proactive partners to the business by identifying opportunities to improve business outcomes, and drive the competitive advantage that our customers expect from us.



We're moving from categories to ecosystems, acknowledging that the traditional days of siloed spend categories are over and leaning into our value of "connecting as one". Culture is about relationships so we aim to foster a culture of radical collaboration, both internally across departments, and externally with our partners. By transitioning from "managing categories" to "cultivating supplier ecosystems", we unlock innovation and resilience that a simple contract could never provide.

And, finally, our goal is to be a critical business partner and a function of choice, a team people genuinely want to do business with. We do this in part by focusing on transparency. In doing so, we move from being a support function to a culture of reliance where the business views procurement as indispensable to its success. We don't want to be seen as just negotiators who manage price, but as business influencers, collaborators and value-creators.

Savings was always just the beginning of value. The unlock comes from connecting the dots



List out the top 5 C-Suite strategic goals of a business:

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Which one of these does procurement NOT enable?



Thank You

