

Procurement Response to Business Disruption

As disruption impacts your business how will your procurement team adapt their strategy to sustain value and manage vendor risk?

During major disruptions, successful companies leverage procurement to control cash and supplier risk while optimizing long-term value.

MAJOR PROCUREMENT RESPONSES TO BUSINESS DISRUPTION

Recovery

Companies undergoing extreme revenue loss must address spend quickly and directly

Ride Out the Storm

Make smart adjustments quickly to balance margin and risk in the short-term

Restructure

Apply leverage to reorganize third party spend and potentially the supply-chain

NOW IS THE TIME TO THINK ABOUT YOUR PROCUREMENT STRATEGY DIFFERENTLY

PROCUREMENT CONSIDERATIONS DURING DISRUPTION



Inventory Management

Do we have inventory visibility? Where are we under stocked? Can we reallocate inventory/products?



Fuel Adjustments

Have we renegotiated our transportation contracts/delivery fees?



Contract Review

Are they understood well enough to act? Do we have legal buy-in to cancel/adjust contracts as needed?



Cash is King

How much cash is on hand? Have we centralized and prioritized cash outflow? What other levers can we pull?



Supplier Health

Do our suppliers guarantee delivery? Have we done a financial health check?

PROCUREMENT STRATEGY IS ABOUT MANAGING RESOURCES NOT JUST SAVING COST

1.

Operational Stability

- + Align vendor supply with current customer demand
- + Obtain continuous visibility to vendor risks
- + Maintain open lines of communication with vendors and cascade critical information to internal stakeholders

2.

Cost Savings and Cash Management

- + Collaborate with strategic vendors via win/win agreements
- + Work with vendors to renegotiate terms
- + Reduce and standardize spend for non-essentials

3.

Future Proofing

- + Transform procurement from reactive to proactive
- + Develop category managers and modernize technology to monitor supplier performance

HOW TO PRIORITIZE PROCUREMENT EXECUTION

ACTIVITY	
Align with business strategy and stakeholders	
Identify short-term risks and opportunities	
Collect accounts payable data	
Conduct spend analysis/vendor categorization	
Identify category opportunities	
Develop procurement capability opportunities	
Create execution roadmap	

REVIEW

FOCUS ON TOP SUPPLIERS AND SHORT-TERM CASH OUTFLOW

JABIAN CAN HELP

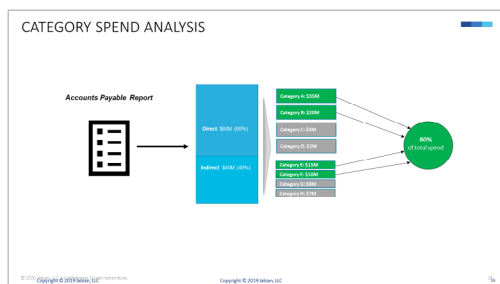
CHALLENGE THE STATUS QUO...

+ We'll ask the business to look at the current vendor profile differently to identify risks and find savings opportunities.

+ We have proven expertise in accelerating execution by working alongside or in addition to existing resources.

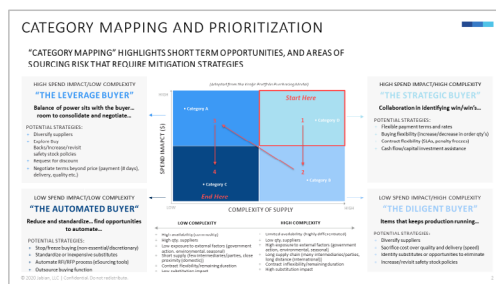
A SPEND DEFINITION AND CATEGORIZATION

- I. Collect Accounts Payable data (by location)
- II. Interview Spend Owners/ Stakeholders
- III. Conduct Vendor Categorization/ Spend Analysis



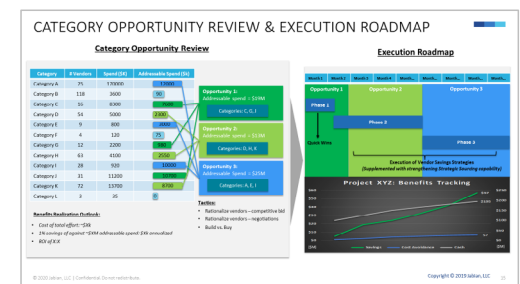
B CATEGORY MAPPING AND PRIORITIZATION

- I. Collect additional data as needed (review of key contracts)
- II. Conduct category mapping exercise to prioritize opportunities



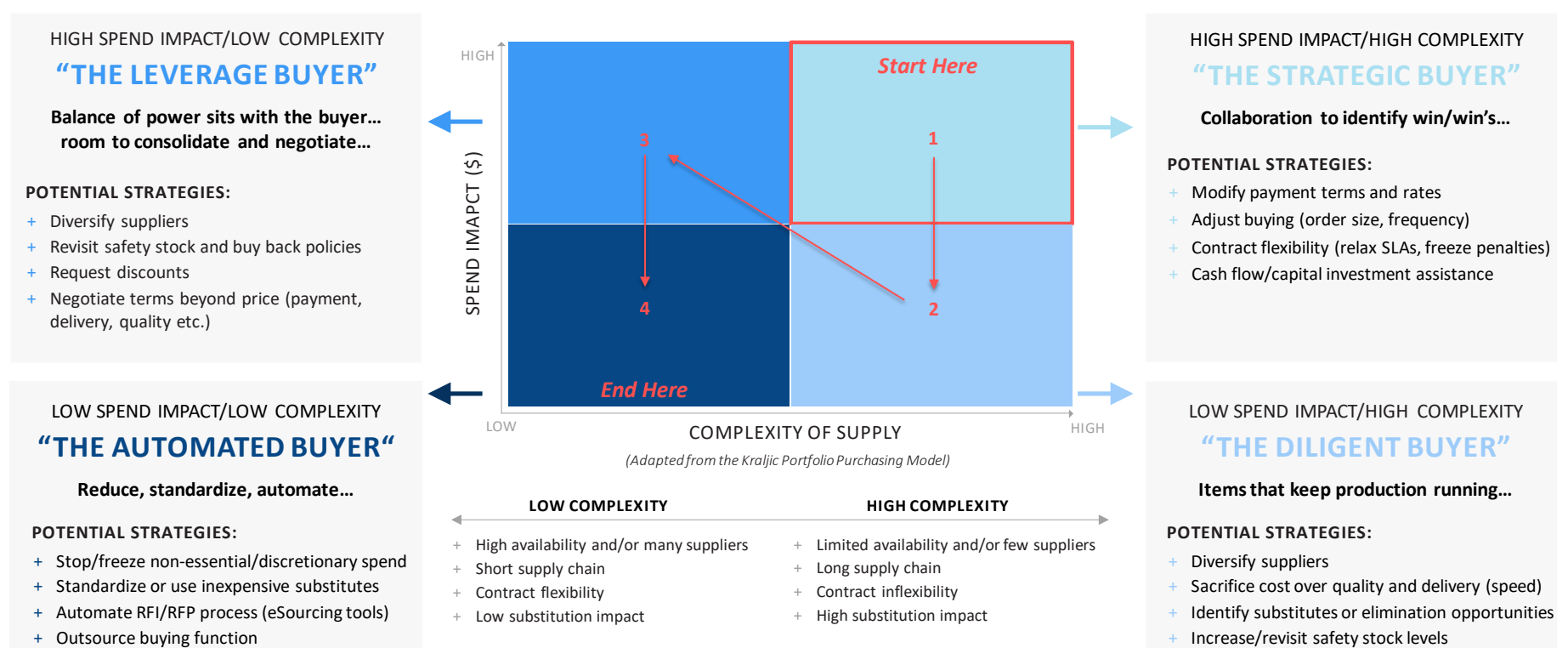
C CATEGORY OPPORTUNITY REVIEW AND EXECUTION ROADMAP

- I. Develop Category Opportunity Map
- II. Develop Execution Roadmap (Phase 1, Phase 2, etc.)



FOCUS ON SPEND PRIORITIZATION...

+ We help you map vendor spend categories to prioritize sourcing strategies.



For more information, visit: <https://www.jabian.com/services/vendor-sourcing-management>

ABOUT JABIAN

Jabian Consulting is a strategic management and technology consulting firm with an integrated approach to creating and implementing strategies, enhancing business processes, developing human capital, and better aligning technology — ultimately helping clients become more competitive and profitable. Jabian blends functional expertise, industry knowledge, and senior experience to think strategically and act practically. It's a Strategy That Works®.

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