

Procurement Journey: From Shopfloor to Boardroom

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Abstract – *There was a simplistic definition of procurement as a process of getting right material, at right time, at right price, at right place & in right quantity. The procurement managers were the employees in an organization, which used to work in the 'backstage'. Initially shop floor engineers used to carry out procurement of needed components.*

The scenario has drastically changed in the recent times. Nowadays, procurement is considered as a strategic function having direct linkages with corporate Balanced Score Card (BSC) and having significant impact on the bottom line.

This research paper, takes a bird's eye view on the transformation the procurement function has witnessed in last few decades. It also attempts to glance in to the future of the procurement function and the supply chain industry as a whole. The supply chain industry and specifically procurement function is evolving very rapidly with the advent of information technology.

The paper compares the legacy systems & processes used in procurement vis-à-vis the sophisticated IT systems which automate most of the transactional tasks. It also discusses the changing role of a procurement manager from mere an expeditor to a major contributor in product/service design & cost optimization.

It touches on the topic of career prospects for mechanical engineers in the procurement domain.

Through this paper, we have also tried to throw some light on the most important angle in the procurement, which is ethical purchasing.

The paper not only takes in to the consideration of direct procurement where in the raw material which goes directly in to the product is bought in , but also it discusses at length a contemporary domain of Indirect procurement.

Keywords— *Direct Procurement, Indirect Procurement, Supply Chain Management, Information Technology, Future Trends*

INTRODUCTION

Procurement is critical part of supply chain management from sourcing perspective; rather this is critical part in every value chain of business from direct & indirect perspectives.

Field of Procurement is very critical for Mechanical Engineering fraternity. In history of procurement, Materials management was split into purchase & supply chain. Purchase used to act as a clerical function at start. Purchase started to contribute in buying process as techno-commercial expert with Engineering field. In particular, techno-commercial

purchase started in areas of MRO/machines, factory support services etc.

In today's scenario, many Mechanical Engineers are doing fabulous jobs in Procurement, not restricted to project/Capex procurement but performing well in services buying as well. Discipline of Mechanical Engineering develops analytical, synthesis & logical capabilities. It develops attitude of detailing, meticulous hard work among engineers, which are critical success factors in field of Procurement.

Over the past 20 years, leading organizations have realized the value that transforming procurement can

deliver to their financial performance. This is through reducing supplier costs, reducing supplier related risks, improving working capital and helping to increase business revenue. Leading companies have delivered billions of Euros of savings and dramatically improved their business performance. Procurement is getting evolved from supply assurance to value management function.

Table 1- Evolution of procurement function

Focus	Value Proposition for Procurement	Procurement Role	Skills/Knowledge
Value Management	Increase business value derived from spend	Trusted business advisor & change agent	Business Strategy, change management, leadership, innovation, continuous improvement
Demand Management	Reduce demand activity, complexity & variability	Spend/Budget Consultant & Relationship Manager	CRM, business planning, analysis, demand specification influence, continuous improvement
Total Cost of ownership	Shift from lowest cost to total cost of ownership	Supply Expert(SCM,SPM), team Leader, Project Manager	TCO management, market intelligence, SRM, Project management, SCM
Price	Right goods, services & price	Negotiator	Negotiation, sourcing execution, basic spend analysis, cost modelling, supplier/market analysis
Supply Assurance	Right goods and services at the right time & place	Buyer/Planner Role	P2P, e-Procurement, supply planning, basic supply risk management & contract law

It is interesting to note the evolution of procurement function over last 25 to 30 years. Across the length & breadth of industry, public corporations, banks, service sector institutions, educational institutions there is sea change in outlook & perception of this function. Traditionally, as far as private sector is concerned, this function was controlled by owners and/ or promoters of the company. However, with change in scale of operations, globalization and other developments in the economy, there was need for specialized skill set to embrace this function on special professional knowledge & competitiveness due to high stakes involved in view of various intricacies with respect to regulations rules & encompassing global boundaries. Further with the technological advancement & associated changes, lot of information and data base is now available in public domain. Digitalization is one more important milestone in this regard. If we see total cost structure of the company, it is observed that lot of thrust & emphasis was given to COGS i.e. costs up to factory level. It used to comprise of Direct Material forming part of the prime cost along with other constituents. The next level of cost is Distribution whether self- distribution or otherwise, outsourcing to specialized organizations. The third major spend is with respect to Marketing involving Sales promotion, sales aids, advertisements, events, corporate communications, market Research etc. .

In the early days, procurement function was more focused on Direct Material emanating from BOM. However, with emergence of service sector, stakes in

spend other than Direct material increased exponentially. With this, the scope of procurement function changed dramatically so much so part of Line function & an important contributor to company's bottom line. In earlier days, various departments were managing these spends on their own within the budget allocations which were not professionally driven. Specialized knowledge & accountability was not visible in their actions.

With change in scale of operations, emergence of dominant service sector, globalization, regulatory changes, technology advances, there was a need for more disciplined approach, with specialized knowledge to address these challenges, & competition with accountability & sustainability & commitment with complete alignment with Management objectives, vision & mission. For effective implementation of the above requirements, various disciplines are blended together, be it

Engineering, Finance, Information Technology commercial etc. This group wisdom is in position to cover all these different types of spend in professional way & challenge the spend on value addition.

If you observe, apart from personnel costs, all other costs are covered by procurement function be it Direct & Indirect supply & services. As such this function now assumes greater importance since it has direct bearing on bottom line. The ratio of Direct & Indirect spend varies significantly across industries. In case of Engineering companies, material cost is dominant while in case of Chemical industry conversion cost is more relevant. In case of IT, BPO, KPO or Service industries, normal Indirect spend becomes like a Direct spend. The real challenge for procurement is on-going change in technology, information in public domain, regulatory framework, emerging markets. & compliance. In order to cope up with this, there is prominent need for division of labour implying the need for assigning the jobs to individuals based on their strengths & capabilities.

Procurement Journey of transformation can be illustrated in details with following topics.

1. Global Journey of Procurement Organizations
2. Direct Procurement
3. Indirect Procurement
4. Role of IT
5. Compliance & Ethics

6. Crossfunctional view of procurement transformation
7. Business Partnering
8. Careers in Procurement
9. Digitalization & Procurement Community

Global Journey of Procurement Organizations

Every country exhibits different maturity in terms of industry transformation and way of working. It depends upon culture of country which is nothing but mental model of groups, communities, history of country, industrial evolution, organizational structures etc.

Global companies or multinational organizations have already started transforming their procurement or supply functions to derive cost efficiency, bringing standardization across scale of operations. Many companies have developed global shared services model to centralize & standardize processes. This has created lot of learning opportunities for procurement resources to think beyond countries. This is collaborative approach. Here procurement is collaborated with other functions with an approach of centralized model.

We would like to categorize maturity of various companies in terms of developing model of developing global business function or center of excellence or shared service center in area of procurement.

Four categories can be named as Leading, Practicing, Developing & Limited.

Leading can be described as mature global business services or center of excellence model, single cross functional governance in procurement processes, run like a business. This is multifunctional & brings global standardization. Organizations like Unilever, P&G from FMCG space, and Bristol Myers Squibb from healthcare space belong to this category. Salient features of this category are global standards fully embedded, with end to end processes fully optimized. Scope of operations is significantly expanded.

Procurement acts as full strategic business partner, value generating & leading talent contribution & attraction.

Practicing can be described as value added shared service center or outsourcing model, limited cross-functional governance, multi-functional & increased co-location. Companies like Pfizer, GSK from pharma space, Syngenta, Solvay from chemical space, British Petroleum from oil space & Siemens from technology space belong to this category. Salient features of this

category are service, value & standards of operation are in place. There is platform for change, with initial location & sourcing rationalization. Procurement brings & demonstrates clarity in business value. It creates simplification & transversally.

Developing can be described as transactional shared services model/outsourcing, limited governance & customer alignment; individual functions get managed in discrete shared service centers. Companies like Novartis, Sanofi, Bayer in healthcare space, ABB from engineering belong to this category. This category tries to bring every related process under one roof. Procurement believes in quick wins, addressing customer pain points & service priorities. Here talent is stabilized & motivated in anticipation of change.

Limited can be described as decentralized operations, no governance, inconsistent and inefficient processes. This can be further explained as coordinated in-house practices or decentralized or fragmented practices. Company like Holcim can be categorized here.

Procurement's importance as a key business process has increased significantly in recent times. Originally procurement started as a way to integrate purchasing into supply chain management during a time when most large companies were struggling to manage their operational costs.

In fact, the exact date of procurement's ascendance can be dated to October 1983 when Peter Kraljic identified that purchasing must be a strategic implementation in an organization, rather than a simple tactic in their supply chain process. Prior to this change, organizations had only considered procurement to be a sub-discipline of the supply management process.

Over the time, the result is the development of two overlapping disciplines with in procurement: indirect and direct.

Procurement Journey: Direct Procurement

Direct procurement is the act of acquiring raw materials and goods for production. These purchases are generally done in large quantities, acquired from a pool of suppliers at the best possible cost, quality and reliability. These purchases are made frequently and are necessary for key business practices, such as a baker acquiring flour to produce bread.

If direct procurement stops functioning or encounters problems, companies are no longer able to manufacture their product and create revenue.

Historically, direct procurement stems from manufacturing.

Initially, the material and machinery which were needed for the production were purchased by the people who used to produce the final product. However there was not specific attention given to the process of buying and there was no market research involved. Then the purchase department came in to existence. But the role of the purchasing or materials departments was operational and not strategically significant.

When the spend decisions were being taken by procurement team, the significance of the procurement grew drastically. Now procurement is one of the values adding functions in the product design as well as contributor to organizations cost saving targets.

Procurement Journey: Indirect Procurement

While interacting with professionals across automobiles, FMCG, pharma, we collated perspectives of non-procurement folks about procurement, evolution of procurement as strategic function, their experiences, notions etc., one topic was clearly point of discussion i.e. Evolution of Indirect Procurement.

As we know, procurement has been evolved as materials to purchase to procurement. It was clearly restricted to materials, machines etc. Respective support functions as well as business functions used to manage their spends in terms of responsibility of planning & execution.

Direct (or core) procurement traditionally focuses mainly on the sourcing of goods, sans some allied services, that are used in manufacturing or production of goods for sale. These items are usually clearly specified, often with pre-defined supplier base.

Indirect Procurement is different. It is essentially the sourcing of services (may be goods) to support day to day operations. The Indirect spend may make up around 30% of all third party spend, but there are significantly more suppliers and the buying community is more decentralized. Add to that, a higher potential for maverick spend and sensitive stakeholders, and there is the added complexity.

What is happening now is that the percentage of Indirect spend under management is growing in many companies. Difficult areas such as advertising, insurance and consulting fees are slowly being brought into the category structure. It is often said that Indirect Procurement is not strategic. However some high spend categories, such as sponsorship and employee benefits, could definitely qualify.

Some people say that Indirect Procurement is akin to rocket Science. Some feel, it is too complex. Sourcing and contracting indirect goods & services in categories like I.T., Consulting, HR and travel is important to keep the business running. It could be forgiven for thinking that the procurement of such services is akin to rocket science, especially if you listen to those many external “solution providers” whose income stream may depend on you. It may be tempting to consider outsourcing some or all of the management of your indirect spends. In many organizations, it is often poorly recorded, loosely managed, widely dispersed, and generally, messy or neglected. But first let’s consider the issues, and how this indirect spend could be managed internally.

Over Indirect Procurement journey, some key issues/challenges have been identified.

- Buying decisions are often dispersed throughout an organization into diverse and competing business units or locations.
- Stakeholders can, and will, resist any changes on which they have not been consulted.
- Managing an indirect category such as marketing services or consulting requires pulling out the historical data and providing reliable spend information. Often transactions are miscoded –sometimes in purpose –which creates wrong picture.
- Suppliers can only be a resource for continuous improvement if the communication channels are open in both directions.
- Organizations have experienced Power Dynamics & emotional Conflict in Indirect Procurement.
- Successful indirect procurement implementations take away power from functional heads.
- While leading the buildup of a global indirect procurement business partner organization, the hardest part would be getting the right talent to face off to the business.
- If we consider tough & most controversial spend categories, it is difficult to manage senior business stakeholders.
- Saying the business are not expert negotiators, which some colleagues take very personally.

- Interfering with relationships where the business colleague had been center of all attention and now they need to share airspace.
- The trickiest challenge is about very senior management & their personal skin in the game for the indirect procurement program.
- The easy blanket of “we support you” is not enough air cover for the complex & more controversial projects.
- Specific decision making blockers can be seen at very senior levels in indirect procurement team’s initiative.

Following strategies can help Indirect Procurement teams to overcome some of above challenges-

The first step in category strategy should be to aggregate the spend and understand it and its sub-categories. Next present this information, in a digestible form, to stakeholders to elicit their inputs.

1. It is never too early to talk to stakeholders about the data or the proposed scope of work. After the request for proposal has been issued, it is too late.
2. Two of the success criteria in Indirect Procurement are a robust scope of work and detailed service level agreements with workable measurements. Without these, any contract can fail.
3. Implementing indirect programs involves strong emotions and power dynamics which need both active upward selling and strong change management. This might involve simply getting the right people together to make a fit for purpose plan, to formal executive presentations and stakeholder management.
4. Putting in highly qualified and business knowledgeable procurement managers with great business partnering skills, ‘Love and Care’ – taking time to listen and understand their concerns.

Indirect Procurement as career choice:

Basis of our discussions with many professionals working in & outside procurement, we realized some insights about Indirect Procurement as a career choice.

1. The requisite technical skills for individual success in procurement are financial acumen & analytical skill set.
2. Knowledge about respective category in terms of network, market intelligence, trends etc.
3. Ability to challenge status quo.
4. Need to collaborate with stakeholders. An aspiring category manager needs influential.
5. & listening skills, empathy, and ability to take the initiatives as well as being decisive when the need arises.
6. The organizational culture and landscape on the indirect side has many nuances that do not exist on the direct side. Procurement executives will need to transverse the waters of indirect spend with unique strategies to ensure success.
7. Indirect procurement is all about building trust with stakeholders and suppliers to ensure continuity of supply & smooth operations.

Role of Information Technology in Procurement

Technology has tremendous potential to change our life. Specifically the speed with which information technology has evolved in last 2 decades is mind boggling.

Not only procurement but overall the entire supply chain has been benefitted by the use of Information technology. Some of the positive points of IT enabled procurement systems or SCM systems are-

- IT is comparatively less capital intensive
- It is environment friendly and clean
- It is not location specific

Following are some of the IT systems which are being widely used in procurement

- EDI – Electronic Data Interchange
- MRP – Material Requirements Planning
- MRP II - Manufacturing Resource Planning
- ERP – Enterprise Resource Planning
- SCM – Supply Chain Management

- SRM – Supplier Relationship Management
- CRM – Customer Relationship Management
- Internet Based Software
- Bar Code
- RFIDs

Before the advent of information technology, the data management in procurement was a herculean task. Also communication means between the internal and external stakeholders were limited. Organization mostly relied on paper/files for data storage and physical mails/ telephones for communication

With the innovation of computers, slowly organizations started using legacy systems to store & process the data digitally. Even though, the legacy systems did bring some efficiency in the processes, they were having their own disadvantages. The communication between two different systems, data consistency & accuracy were some of the critical hindrances which definitely affected the throughput of procurement processes.

The rise of ERP system was a milestone in the procurement history. Enterprise Resource planning (ERP) is a term used to refer a system that links individual applications in to a single application that integrates the data & business processes of the entire business. ERP systems grew out of a function called Material Requirements Planning (MRP) which was used to allocate resources of manufacturing organizations. Nowadays, ERP systems are used in almost all the functions in an organization.

Apart from ERP systems, procurement functions are now managed by more advanced SCM (Supply Chain Management) system.

The two basic types of SCM

Supply Chain Planning (SCP) software – uses mathematical models to predict inventory levels based on the efficient flow of resources in to the supply chain.

Supply Chain execution (SCE) software – used to automate different steps in supply chain such as automatically sending purchase orders to vendors when inventories reach specific levels.

I2 Technologies, Oracle, SAP (APO), Manugistics are some of the major SCP software system vendors.

At the front end of the supply chain, CRM (Customer Relationship Management) system is being implemented. And at the back end SRM (Supplier

Relationship Management) systems are being implemented.

In any comprehensive IT enabled supply chain; CRM & SRM are both linked with the ERP in an organization to achieve end-to-end supply chain automation.

For efficient management of the material in warehouse, barcode & RFID technologies are being used in many organizations.

A barcode is an optical, machine-readable, representation of data; the data usually describes something about the object that carries the barcode. Originally barcodes systematically represented data by varying the widths and spacings of parallel lines, and may be referred to as linear or one-dimensional (1D). Later two-dimensional (2D) codes were developed, using rectangles, dots, hexagons and other geometric patterns in two dimensions, usually called barcodes although they do not use bars as such.

Radio-frequency identification (*RFID*) uses electromagnetic fields to automatically identify and track tags attached to objects. The tags contain electronically stored information. Passive tags collect energy from a nearby RFID reader's interrogating radio waves. Active tags have a local power source such as a battery and may operate at hundreds of meters from the RFID reader. Unlike a barcode, the tag need not be within the line of sight of the reader, so it may be embedded in the tracked object. RFID is one method for Automatic Identification and Data Capture (AIDC).

The information technology has given a real time access of the relevant data to all the stakeholders in the procurement function. This has resulted in to increased visibility of the supply chain, improvement in efficiency & reduction in inventory.

Procurement Ethics

Every organization requires an ethical policy or code of conduct. Ethical supply chain management is becoming a mainstream business issue as questions about business practices arise and media and charity campaigns amplify poor working conditions in developing countries. Increasing public awareness of issues such as child labour has increased pressure on companies to take responsibility for the welfare of workers in their supply chain around the world.

As ethical supply chain issues become more widely known, stakeholders have started questioning to companies about their records. There has been rapid growth in ethical investment funds that encourage companies to look at issues of corporate social responsibility. However, although some companies

started work on these issues in 1980s, ethical sourcing is still a comparatively new concept for most companies.

There are complex problems to be resolved when addressing ethical and social responsibility issues and many of these issues are extremely sensitive.

The issues include following

- Transparency, confidentiality & fairness
- Use of power
- Corruption
- Declaring an interest
- Business gifts and hospitality
- Encouraging small businesses
- Social responsibility
- Forces labor
- Employment relationship
- Freedom of association
- Wages & working hours
- Treatment of employees
- Child labor

Strategies to implement ethical purchasing practices

While addressing first ethical issue in the supply chain the sheer scale of the problems to be solved can be off-putting. Hence it becomes very important to devise a strategy to prioritize issues and put them in a manageable perspective. The process can be outlined as follows-

1) Review supply chains

The first step towards drawing up an ethical purchasing code is to review your supply chains. Sending questionnaires directly to suppliers asking for details of manufacturing units and subcontractors is the normal method. Information can also be gathered from existing quality or technical audits. It may take some time to track long supply chains down to sub-subcontract or primary source levels, but this is essential if you are to build up an accurate picture of your suppliers and their subcontractors. Focus first upon your strategic suppliers, but remember it can

sometimes be a non-strategic supplier that has the greatest potential to damage a company's reputation. Promotional goods, for example, are not usually classified as strategic, but their suppliers may be exploiting child labour. You may also already be contacting your suppliers on health and safety and environmental issues, so widening your enquiry to cover ethical issues may not in practice be as large a step as it first appears.

2) Identify problem areas

The next stage is to analyze the returns and identify potential problematic supply routes, such as areas of risks associated with specific countries, human rights abuses or production processes. By identifying high-risk countries and commodities in your supply chains you can concentrate efforts in these areas. Focus first on suppliers in areas which are known to have a record of abuses and your major strategic suppliers. Individual risk assessments can be carried out on other suppliers by scrutinizing responses to specific questions from the supplier review questionnaire.

3) Benchmark

It may be useful to benchmark others buying in the same area, with a view to pooling information. Consultation with local and international experts may also be helpful at this stage, as well as with other organizations that have helped companies to implement solutions.

4) Design & construct policy

Once potential problems have been identified, you can then formulate your ethical sourcing policy by identifying such issues that your company can take responsibility for and issues you want to prioritize.

The role of top management

There is increasing pressure on businesses, especially large ones, to demonstrate good ethical business practices and many organizations are actively seeking to address these concerns. This is part of what is sometimes now called reputation management. Further pressure is coming from the quality side, since implementing the environmental quality standard ISO 14001 also requires knowledge of subcontractors' sources. . There is no doubt that suddenly being identified in the media as an organization that exploits, for example child labor, is a risk CEOs would wish to avoid.

However, if senior management is not already convinced, the buyer may need to present a business case for the introduction of an ethical purchasing policy. If you have already drawn up a picture of the supply chains gathered from your supplier reviews as

above, areas for concern can be highlighted to senior managers, together with recommendations for action.

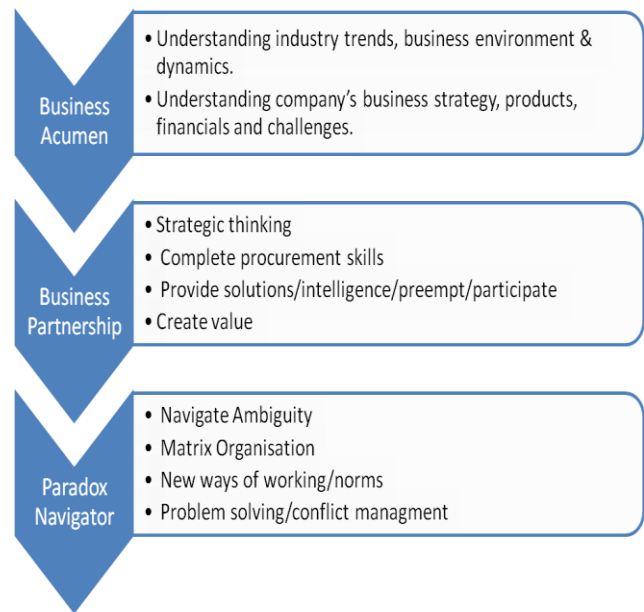
Business Partnering

Business Partnering is emerging concept in global procurement scenario considering centralized procurement organization & standardization of global processes & relationship matrix with other functions. Functions like HR, IT, Procurement can be considered as business partner to production/marketing/R&D/sales. Procurement professionals need to embrace few skill sets to become effective & trusted business partner. This demonstrates lot of value creation in decision making & helps to build strong procurement brand within organization.

Key fundamentals required to become strategic business partner are –

- Knowledge Requirement
- Focus on Business Priorities
- Develop capabilities
- Synthesize best practices
- Forward Thinking
- Design & facilitate change
- Develop people
- Create added value
- Problem solving/conflict management
- Procurement teams across industries started talking language of Business partner.
- IT tools in Procurement

Following competencies are critical for procurement professionals to become an effective business partner.



Careers In Procurement

Procurement is getting recognition as a major contributor in company growth. In fact, as the economy continues to present a bleak outlook, chief procurement officers (CPOs) are becoming significantly important members of the boardroom.

Procurement is responsible for both optimizing costs and reporting on any savings achieved, and delivering more tangible benefits to the business. These include: negotiating contracts, enabling the introduction of innovative new processes and managing major off shore operations.

Initially, procurement may not have the same appeal as a career in law or auditing, but the profession has much to offer today's graduates. Salaries are on par with those in other more prominent sectors, including marketing, finance, IT and human resources, and the increase in board level appointments – up 33% in the USA and 15% in Europe in 2012 – means procurement professionals can reach top positions.

Procurement can also offer a wide variety of different projects. Some may require a focus on analytics and delivering rapid cost savings, others may call for a more hands-on approach.

The sheer variety of sectors that procurement comes into contact can also make it appealing for anyone looking for new challenges. Procurement is predominantly outwards focused; you collaborate with individuals from various sectors, gaining a wealth of cross-industry experience.

Following are some of the specific job roles associated with procurement

➤ Material planner / Scheduler

This role includes planning of material requirements for production considering available stock, seasonality, transit time and actual demand.

➤ Strategic sourcing manager

This involves identifying & selecting suppliers, negotiating & settling part prices also tracking the commodity prices. Value engineering is also an important part of this profile used for cost optimization.

➤ Supply Chain Manager

The most important task of a supply chain manager is to ensure timely availability of the material for production purpose. While doing so he is supposed to follow up with suppliers, expedite the supplies of critical parts, monitor the supplier performance and provide timely feedback to the suppliers.

➤ Procurement analyst / Consultant

Procurement analyst is supposed to analyze and review the current procurement processes and identify, implement the areas of improvement. His role also involves developing strategies for cost cutting, customer satisfaction and quality compliance.

To conclude, we can say that Procurement represents a fantastic choice for someone looking for a varied and exciting role with great career prospects.

Digital & Procurement Community

In procurement transformation, we cannot forget importance of digital era. Procurement leaders are using social media to stay ahead of the game when it comes to latest thinking and development in the profession. Procurement colleagues around the globe are increasingly embracing social media to share their views, concerns & success stories. This sharing helps procurement to bring positive positioning in front of business.

From enduring topics such as risk management to disruptive events such as Brexit, the list will provide an idea of what's keeping CPOs and their teams chatting on social platforms such as LinkedIn, procurement leaders & precarious etc.

A) Brexit and what it means for Procurement – It takes a truly momentous event to catch the attention of procurement professionals all over the world.

B) Risk managing the unmanageable – Risk is one of the enduring topics in procurement that will never go away – and nor should it. Many discussions happen around balancing supply chain efficiency visa v risk. The disturbing frequency of disruptive events such as natural disasters, labor strikes, cyber-crimes & brand damaging scandals in supply chain keeps risk firmly in spotlight for procurement professionals worldwide.

C) The e-procurement debate—Choosing the right e-procurement system to support business objectives is big decision. It's for this reason that a lot of procurement professionals reach out to their colleagues online for an advice.

D) Capability & Training—Hard skills, soft skills, and essential skills are often discussed topics about procurement. Capability is another of those enduring topics that will always feature in social media discussion in procurement profession. Many professionals discuss about online trainings, certifications from development perspective.

E) Social Procurement - CSR and role of procurement can play in building a sustainable future, has well & truly entered the mainstream and is now significant part of every procurement professional's role. Social media users are sharing articles and discussions on many aspects of social procurement including environmental sustainability.

Cross-functional professionals' views about procurement transformation During our research, we interacted with several senior leaders in the space of supply chain, manufacturing & finance & Marketing. Based on their views, procurement transformation is demonstrated on the basis of various points & is classified in 3 time bucket

Table 2- Time buckets of procurement transformation

Time Horizon	Till 1990	1990 to 2010	Post 2010
Type of Procurement Organization Structure	Silo /Departmental approach	Matrix Organization	Global Organization with center of excellence/Global shared service Model
Process Orientation	Independent processes E.g. Different processes for direct/indirect purchases	One Process across regions & categories of spends	Global standards adherence for all
Category Procurement	Nil	Partial	Full implementation
Talent/People factors	Same roles over the years, roles limited to sun purchase functions	Role shifts across procurement , across countries	More global exposure, cross functional, cross countries, regional, global career opportunities
Priorities	Service to production/ commercial operations	Development as business partner	Working as general management function creating value
Positioning of Procurement in front of business	Nobody was serious about purchase , not value added function	Procurement getting positioned as business partner function	Procurement strongly positioned as part of center of excellence, shared service model
Visibility	Nil	Limited	Better & Effective
Indirect Procurement	Managed & controlled by respective function	Emergence of Indirect Procurement & Stabilization, Generalist approach	Category /expert management approach, Specialist approach

CONCLUSION

Throughout the paper, we tried to portray how procurement transformed slowly but steadily from shop floor to boardroom.

It has become an exciting function attracting working professionals because of the techno-commercial challenges it presents.

In the history of procurement, the emergence of Enterprise Resource Planning (ERP) systems can be considered as one of the milestones. Due to rise of ERP, a new role, a profile of functional consultant came in to existence, which was not there about a decade back.

With the increased awareness of spend management in organizations, Indirect procurement as a separate department came in to life. Even though this function is still evolving, we foresee that it will be a prominent function in the times to come in any organization.

The awareness in organizations about Green procurement and sustainable supply chains is increasing day-by-day. With continually increasing global warming, increasing pressures from NGOs & altering government policies, it will be compelling for the organizations to initiate & implement Green procurement activities.

We envisage that, in the next few years, organizations will tend to outsource the transactional part of procurement function. Many organizations have already started implementing the 'Shared Services' model where the transactional tasks of every function are outsourced to third party.

We also foresee the emergence of procurement consultancies in the times to come wherein we all can use our expertise gained over the years to guide new businesses.

To conclude, the procurement has transformed from storerooms to boardrooms and it will be staying there for the times to come.

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