

A man with glasses and a woman in business attire are looking at a laptop screen. The man is on the left, wearing a light-colored suit and glasses, with his hand on his chin. The woman is on the right, wearing a dark blazer over a white shirt, looking down at the laptop. The background is a soft, out-of-focus office setting.

# GETTING INTERNAL STAKEHOLDERS ON BOARD WITH E-PROCUREMENT

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# INTRODUCTION

In this modern age, procurement is evolving into a strategic function of increasing gains. That is, **procurement is no longer simply about satisfying business needs.** It's a specialised function of forecasting, carefully planning and controlling spend. Therefore, procurement teams in almost every organisation set objectives to achieve.

One aim for most procurement teams is to **source efficiently and maximise gains.** For this reason, most businesses are interested in the concept of e-procurement that has been gaining popularity in the business world for its advantages. With growing technology in the new millennium, more and more businesses adopt or show interest in e-procurement solutions as a study of 200 global firms by *Deloitte Consulting* found 30% to be using e-procurement solutions, while 61% were considering implementation. More recently, the Deloitte Global CPO survey, 2019 indicates that e-procurement is one of the technologies to have the most impact on businesses over the next two years.

Since procurement continues to emerge as a powerful function and CPOs around the world take a transformational mindset to embrace source-to-pay (S2P) applications for cost reduction and to meet business demands, it becomes important to align procurement team's digitalisation interests and objectives with that of various stakeholders in the organisation.

**Why Align?** An organisation is like a human body with several organ systems that have individual functions but are often interdependent for overall well-being. Similarly, the departments in an organisation have their own functions but rely on each other for good collective performance. So, different departments influence and are influenced by the decisions of each other. Hence, play an important role in the formulation or adoption of new plans by a specific department.







## IDENTIFYING INTERNAL STAKEHOLDERS

***Who exactly are these internal stakeholders that affect procurement's interests?*** Predominantly, it is the Finance, IT, and HR departments of the organisation. To better understand each of their influences, here is an example: the finance team sets the budget for purchase that the procurement team follows and looks for opportunities to make savings.

Furthermore, procurement attains revenue reports from finance for purchase decisions and finance tracks expenditure. From this example, you can see how the two teams work alongside, and their roles are intertwined. Thus, **if the procurement team adopts an e-procurement system, the finance team is to welcome this change as well.** Similarly, the other departments handle responsibilities that in a way are linked to procurement's role and so may hold concerns when adopting a new procurement system.

Now, alignment across departments may appear to be a huge task and honestly it is. However, did you know that the 2019 CPO survey by Deloitte has shown that *IT, Finance and Operation departments are most likely to rate procurement as having high influence internally and to be viewed as a strategic business partner.* This proves that you have a good chance of getting these departments on board and there is no guarantee that the other departments won't budge.



## # 1. SET CLEAR OBJECTIVES AND HAVE ALL TEAMS INFORMED

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For any department, **goal setting is very important to produce outcomes and drive change**. Thus, the procurement team is to clearly plan and lay out its goals. Then, ensure all members and other teams have good knowledge of procurement's objectives to establish cross-functional relationships and synergy. For example, if the team has identified procurement inefficiencies *e.g., data mismanagement, poor spend visibility, Maverick spend etc.*, and **the objective is to alleviate these issues by adopting an e-procurement software as a solution**, preparing a proposal for all C-suite members and middle level management of other departments is the way to go.

Educating stakeholders of procurement's new objective of increasing spend visibility and procurement compliance by means of digital procurement processes is the first step towards transformation. A way to draw interest to the proposal is to make valid suggestions and claims by sharing reports and facts supported by data. **Stakeholders are likely to take serious consideration when the importance of a new procurement system is communicated and its potential contributions to fulfil procurement objectives are explained.** Hence, they are an important part of your pitch that is to be well presented.

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There are **four simple strategies** to help procurement successfully align its digitalisation goals across departments or teams.

- **Set clear objectives and have all teams informed**
- **Listen actively and build rapport**
- **Understand each other's plans and priorities**
- **Highlight mutual benefits and its value to the organisation**



## # 2. LISTEN ACTIVELY AND BUILD RAPPORT

The first strategy hints that engaging with stakeholders is key for transformation. However, this does not mean all decisions are made and simply thrown at them to accept and adapt. Doing so would be undesirable and certainly not fair to the other teams. ***When stakeholders are not involved in the decision-making process, they begin to struggle with operations once new plans kick-start.***

Basically, stakeholders should have the opportunity to voice their concerns regarding procurement's plans.

For instance, typically the finance department would question the **price of the e-procurement software** to ensure it is within the allotted budget.




*When stakeholders are not involved in the decision-making process, they begin to struggle with operations once new plans kick-start.*

Whereas, the IT department would be interested in the **e-procurement system's level of security** to prevent leakage of confidential information and its capability to be integrated with existing systems and workflows. Lastly, the HR may be concerned about the **usability of the software** i.e., whether employees require practice, a specialised skill set or the amount of training required.

When the procurement department fails to uncover and address these concerns, departments run into dispute, tensions and operational delays upon implementation. Which stresses the importance of alignment across departments before taking on the change. Hence, making time to listen, understand and address stakeholder's concerns is fundamental. ***Showing teams that you care and value their support can increase the chance of reciprocation.***

# STAKEHOLDER CONCERNS SUMMARISED IN THE TABLE BELOW ALONG WITH SOME POINTS ON HOW TO ADDRESS THESE.




**Internal Stakeholder: Finance**

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**Concerns Raised:**



- Price of software
- System features to support finance functions




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**Procurement Action:**

- Suggest software within company budget
- Research availability of features that will benefit the finance team





**Internal Stakeholder: Human Resource**

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**Concerns Raised:**



- Software usability
- Training requirements




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**Procurement Action:**

- Do an user-interface assessment





**Internal Stakeholder: Information Technology**

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**Concerns Raised:**


- E-Procurement system's level of security
- Possibility to integrate with existing systems and workflow




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**Procurement Action:**

- Select safe, reputed, and trustworthy e-procurement service provider
- Look for control features within the software
- Ensure system has integration capabilities





## # 3. UNDERSTAND EACH OTHER'S PLANS AND PRIORITIES

Getting stakeholders on board with procurement is not a one-way street. To win others' allegiance, **seek to understand their plans and priorities as well**. Along the process, it is common to encounter some clashes and competing priorities over heated arguments. But this involvement of all stakeholders in a detailed discussion is bound to result in decisions that are usually in favour of all parties.

Having differing roles and responsibilities or being divided into departments of different functions, no professional is expected to know and control every single aspect of the business. But, **when there is an idea of introducing change, simple awareness of the plan and its effect on various stakeholders could be insightful to get clarifications, make necessary preparation and take precautions when required**. Since, every team has their own objectives with individuals who are constantly in the run to achieve them, a session to discuss on plans and reprioritising them is vital.



*When there is an idea of introducing change, simple awareness of the plan and its effect on various stakeholders could be insightful to get clarifications, make necessary preparation*

## # 4. HIGHLIGHT MUTUAL BENEFITS AND ITS VALUE TO THE ORGANISATION

An organisation is a complex mix of individuals with varying personalities, work goals, working styles and aims at the interdepartmental and intradepartmental levels. So, it is completely normal for professionals to have unique perspectives on matters that concern the company's revenue, work systems and workforce. Hence, it is challenging and practically impossible to satisfy every single entity. However, it is possible to reach an agreement out of mutual understanding.

***Stakeholders may accept change when something has mutual benefits or contributes to a higher common goal.***

So, it is to be highlighted i.e., explain how digitalising procurement can add value to the entire organisation. Perhaps, your persuasion skills come into play here. A good, well researched collection of testimonials and case studies on e-procurement solutions may contribute to teams falling in favour of procurement's new change. ***Stakeholders welcome change when they are assured that the change is for the better,*** allowing procurement to take the plunge.







## CONCLUSION & SUMMARY

**Stakeholder engagement** is highly essential in getting stakeholders on board with procurement's digitalisation plans. Procurement departments tend to focus on establishing a smooth supply chain and making simultaneous cost savings with the idea of digitalising their procurement process that they often overlook stakeholder interests in this idea or implementation. This may induce friction in the relationships between procurement and other teams, resulting in undesirable outcomes. Thus, **alignment of objectives plays a major role** in the process of adopting new plans. ***As a procurement leader, strategise and espouse four principal ways to win stakeholders to your side.***

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*As a procurement leader, strategize and espouse four principal ways to win stakeholders to your side*

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## About Supplycart



**Supplycart** is Malaysia's leading B2B e-Procurement platform that helps businesses transform the way they obtain and manage their procurement with greater efficiency.

**Supplycart** has served over 1,800 businesses across the nation, enabling them to digitalise their sourcing process by leveraging technology. Through its core offering of ADAM,

**Supplycart** aims to work alongside businesses to help them procure more efficiently and add value to what truly matters for their business. Procurement Made Easy with Supplycart.

## About Adam



**ADAM** (Analyse, Digitalise, Automate, Manage) is a cloud-based procurement software that supports businesses to innovate and digitalise their purchases.

**ADAM** provides business, a smooth, seamless and risk-free procurement experience by allowing users to benefit from greater spend visibility, budget controls through PO compliance features and a simple system that helps manage multi-branch catalogues.

Reimagine the way you procure with **ADAM**.

**Book your FREE ADAM demo here:**

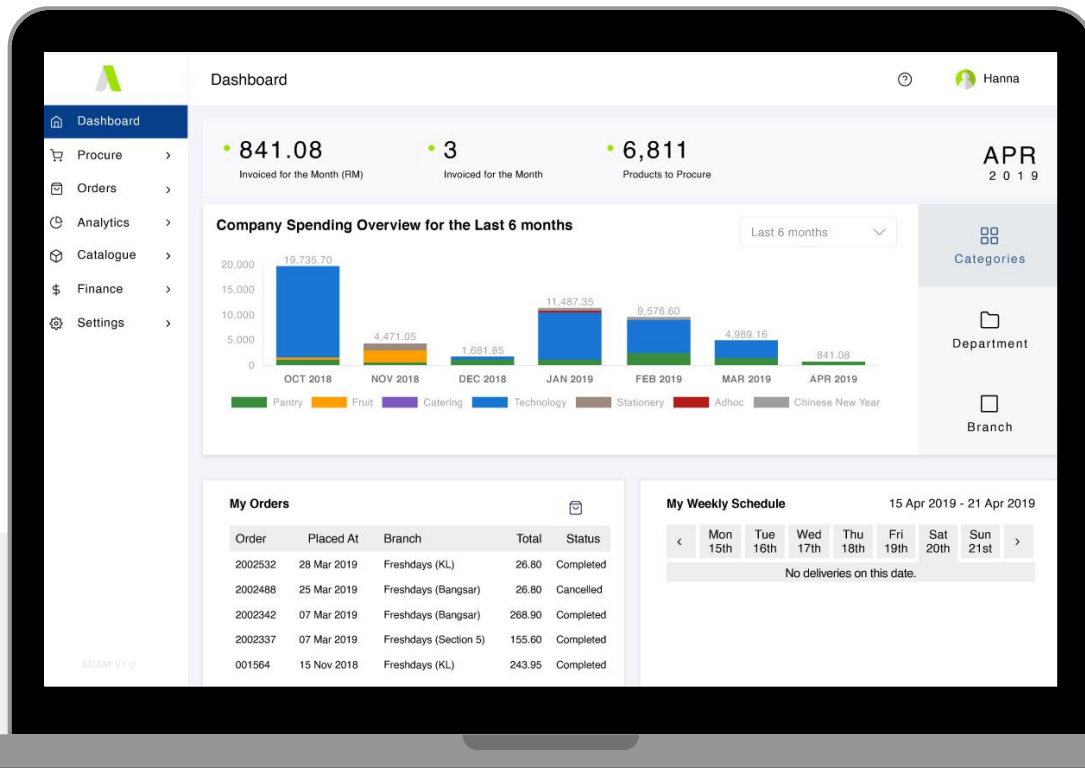
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# ADAM

Procurement Made Easy



## Simplify your business procurement

- **Online cloud-based platform**  
Digitalise and simplify your company's procurement processes
- **Access our database** of over 30,000 products and services with over 900 verified suppliers
- **Vendor management made easy** with consolidating all your vendors within one platform

## Features



Customisable  
Catalogues



PO Control &  
Blanket PO Feature



Contract Pricing  
Feature



Spend Analytics  
& Report



Multi-user &  
Multi-branch  
Feature



## To Learn More About Supplycart



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