

SPEAKER Q & A: TIM FIORE

CHANGE MANAGEMENT, TALENT RETENTION, AND THE EVOLUTION OF PROCUREMENT

Tim Fiore, 2016 East Coast Forum speaker and former SVP Supply Management and CPO at Ryder System, Celanese Corporation, Terex Corporation, and Thyssenkrupp NA, discusses change management, talent retention, and the evolution of procurement.

Why did you decide to get involved in this particular Procurement Leaders conference?

I gave an interview to the Procurement Leaders magazine about four years ago and I really enjoy getting together with supply management professionals. Since the Boston event is right in my backyard, I decided to get involved.

You're speaking on the subject of change management – is this a subject that's particularly close to your heart?

The last ten or 12 years I've been part of the management teams at some pretty significant companies. These engagements varied in their level of success from very successful to moderately successful. In the end it seemed to always come down to the dynamics of the management team and the next level of people who report to them. I think the key to success, really, is to adequately engage with what we've called the top 50. That's the leadership team and their direct reports. If you can really engage the top 50 then you've really got something that will grow and develop with a life of its own. It's an interesting topic and one that I thought would really resonate with the rest of the people attending the event.

To what extent do these management teams influence procurement?

People have very high expectations when it comes to value generation on the supply side. The CPOs need to be a product of the management team in those companies. As a result of their ascension to that table, there are high expectation that comes with it. In terms of bottom line savings there are realistic expectations but in some cases some unrealistic expectations and, depending on how sophisticated that management team is depends on how realistic those expectations are. Supply chain value prop is so much more than savings but many management teams don't fully understand that. This has been going on for the last 10 to 15 years. I've sat on different management teams at different levels of maturity and it is such a big element of success



In your experience, is procurement now more fully aligned with the aims and ambitions of the wider business?

I think supply chain management team alignment is still developing. The supply teams, generally, have a very good idea of where the company is trying to go because of the sourcing scope they now have. I'm still not sure if we've unlocked the innovation piece on the supply side yet. Every business has key suppliers and I think the thing around partnerships and teamwork is still a work in progress – it's still so people dependent and these people bring their own experience to those kinds of partnerships. And if your company is not considered a major partner of a major customer and experience that relationship then it is difficult for them to act as a major partner to a supplier.

What role does personality play?

In all partnership relationships you're reliant on the characters and the people on both sides for success. At the end of the day if you don't have the match when it comes to personality then it doesn't really matter what you need – you won't develop the kind of relationship that will be productive over the

long-term. You need the right mix of people – people who are open and willing to listen and willing to admit that they're wrong. These are all big things when you're talking about company relationships.

You've been involved in procurement for a long time – how has the make-up of the function evolved in that time?

I was at a conference recently and I was on a CPO panel in front of about 300 people and, I'll tell you, the demographics and the whole complexion of the room have changed from 10 years ago. Before you had pretty much all older white males and a smattering of women in the room. That has changed completely. The average age had come right down, about 40% of the people in the room were women and there was a real mix of diversity too. It was like 'wow, what a change'.

Do you believe there's currently a dearth of procurement talent or are we in an era where procurement professionals are better trained and educated than ever before?

When I started in procurement in 1978, I was hired because I had a four-year degree and a mechanical background. Before me, the company was hiring people with a mechanical background but they wouldn't hire people simply because they had a four-year degree. I was one of the first ones to be hired in this particular business unit because of my education. Now people are looking for a Masters' degree in supply management. The people coming into the profession are more highly educated they're much more capable and they're not wasting their time just learning on the job. Things have changed so much it's just incredible.

How important are events like the one in Boston?

It will be fun to spend some time with senior procurement people. The world is a global workplace, if you're in the Fortune 300 then you clearly have a global footprint so it's going to be a really interesting event.