

SPEAKER Q & A: WALTER CHARLES

**WALTER CHARLES, CPO, BIOGEN, & CHAIRMAN OF EAST COAST FORUM,
TAKING PLACE SEPTEMBER 13-14, AT THE STATE ROOM, BOSTON**

Walter Charles has worked for leading companies such as Kellogg's, Kraft and now Biogen. He has led transformation through his passion for innovation and capabilities in data and analytics. We spoke to Walter for an insight into what he'll be discussing at this year's Boston Forum.

Q. Transformation is somewhat of a buzz word within procurement but what does transformation truly mean to you and what needs to be done to effectively deliver transformation within procurement?

For me, it comes down to impact. How do you get a much bigger, more favourable impact for your procurement investment resources than you otherwise would have? You can get more impact and savings with less resources and the right application of tools. You cannot transform if you're forcing yourself to stick to an outdated model. You hear people talking about bringing a seat to the table, I'm sick of that. Let's say you had a seat at the table, would you actually have anything to say? You don't add value if you can't transform. Take the big data and use that to inform strategy, break through innovation and beyond the incremental task we have been asked to do. That's why virtually every business model right now is being disrupted by start-ups. Imagine if you could take that disruption and use it to find a way to add significant value? If I have a seat at the table, I better have something compelling to say.

Q. Do you have any examples of how big data in particular can help transform the procurement function?

An example of a big data transformation and how it resulted in staggering cost savings was when I was at Kraft foods. I had a guy who did my analytics who had a 450 million data element problem. 5100 skus, 900 suppliers, 100 costs elements per sku, just for labels! To do the Excel analytics you'd run roughly 172 different scenarios, it would take 2.5 months to get those analytics. I couldn't carve off a big enough chunk of that elephant to make sense of it all. Enter big data. In order to get those

analytics, I decided to bolt on the big data analytics tool and allow each one of these scenarios to be done in 45 seconds. Meaning you'd be able to do 172 scenarios in 1.5 days and this resulted in 15-20% savings. You can give the gift of time back. We asked questions like what are the technologies we could use to result in transformational savings for our business? The game changer is big analytics. It's the biggest opportunity facing procurement right now. You get to understand all of the things that are driving the cost.

Q. Procurement professionals are aware of the value that big data can bring to an organisation but what are the challenges businesses can face when handling and implementing big data?

The big challenge is that data is everywhere but if we can't leverage it, then we don't have any actual insights. How do you synthesize the big data to get insights that help move your business forward? The question is how are you applying the data and analytics frameworks to get productive insights for your business? Every transformation requires its own vocabulary. If businesses are not using big data to disrupt things that's why they're excluding other disrupters. Big data allows for fewer people and a more robust process. You want time effectiveness but if you're still using excel then you're doing a disservice. 90% of the value of procurement lies in the big data.

Q. What do you think makes Boston Forum different from other events?

When you can network with people who are leading professionals in the field, it's a great opportunity and often if you have a problem you



get to the solution a lot quicker by networking. Plus, Procurement Leaders have more senior players for this event than any other event I've attended, so their input is incredibly valuable. I'm really excited about the Boston event because I want to provide a different vision for what procurement could look like, I want to help procurement people and the procurement function to be the best it can be. This year, as Chair, I've been able to get a few folks together who are doing the things that people are only talking about! They have been kind enough to share their journey and that's wonderful. To have your hand on the agenda architecture so you can craft the messages is great. We CPOs do things well but we also struggle, so getting a chance to come together and discuss those problems is extremely beneficial.