

SPEAKER Q & A: BO DUNGAL

BO DUNGAL, HEAD OF PROCUREMENT BANKING & MARKET DATA, DANSKE BANK, TALKS BIG DATA, INNOVATION, AND CUSTOMER CENTRICITY

How can data intelligence help procurement evolve from purely savings-focused?

It's pertinent that procurement has as much intel as possible. First of all, the more intel, the better service procurement can provide to the business. We all know how the business looks to procurement on areas such as spend history, projected spend – but the more you know about your peers and your competition the better placed you are to get better results. It's a very broad topic but the way we see it, is that you can't ever have enough information or data.

How can data intelligence help procurement professionals sell themselves to internal stakeholders?

One of the most effective uses for data – if you use that data correctly – is that it can help you document your results so much better. It has always been difficult for procurement organisations to document their savings, for example, but if you do it right, you can document the actual savings and you can document early involvement. By documenting the results and the actual value you brought to the business or the internal stakeholders, you can make selling procurement the easiest sell in the world.

How do you think data intelligence can streamline customer centricity?

This is one of my favourites. Procurement organisations, and basically any or all back office functions in a business like ours, must contribute to a customer's experience and the business's top-line revenue. If we can leverage our intel and our data towards, for example, our clients and help our clients get better deals then there's no better way for procurement to be more customer centric.

We're working very heavily on placing our procurement capabilities directly in front of the client. By doing that we are broadening the bank's part in the client's life. We're not just a financial institution who is in front of the client when something needs to be financed or borrowed. By giving the client

information we are part of their pre-vendor selection and we're part of their strategy and their decision making process. This is a relatively new project here but we have thrown some resources at it.

We see this as an extremely important factor in procurement. We've created a team working solely on this and have called it our 'procurement innovation team'. The short version of the reaction we've received is 'where have you been? Why haven't you done this before?' We're now helping some of our corporate clients to do a deep dive on their IT spend. Immediately, we find vendors or projects where the client is paying 25% more than they should be. If there's one thing a client likes from its bank, it's hearing how that bank can help them optimise their bottom line.

How do we get new innovations for visibility of the market going forward?

Procurement organisations, in general, need to look inwards. There has to be a paradigm shift in the way that procurement organisations look at themselves and examine the kind of contribution they can make to the business. There are a million different ways of embracing innovation; getting closer to the business, for example, spending more time with the business and not closing yourself in; simply turning around and saying 'this is how we have always done things, this is how procurement has always worked'. There are so many good ideas on how to bring about innovation, but one observation I will make is that you might need to replace some of the old school innovation professionals with people who think differently. There's a really different mind-set coming through in the function. If you take a typical procurement person today and look at their brain capacity – 99% of that capacity is about finding savings or getting the wording right in a contract. It needs to be 50/50 ultimately, between savings and customer experience.

There's now a real sense of urgency in this area and this event will encourage people in procurement to be more ambitious, more radical.

Bo will be presenting at Procurement Leaders Data, Intelligence, & TechX Summit, taking place 20-21 September at the Crystal, London.