

How Art of Procurement Helped a Quick Service Restaurant Chain pursue a \$100M spend optimization opportunity.







The Challenge: Expand Procurement's Impact

A \$5B quick service restaurant chain hired a new CPO and tasked him with transforming the procurement function and scaling their reach and influence. The company was in a time of turmoil because (after years of success) they experienced supply chain issues that led to a great deal of market uncertainty and the selection of a new CEO. The company was at risk if they couldn't expand procurement's impact.

While the CPO had no prior first-hand procurement experience, he believed in the value of strategic procurement. He had a junior level team focused predominantly on the construction of new restaurant locations. Although the team was young and inexperienced, they were talented and had a strong sense of camaraderie that allowed them to achieve above expectations.

The first step was for the Art of Procurement team to run a procurement maturity workshop to capture the current state as well as to plot a path to their desired medium-term and future states.

As Was State

- Small, tactical procurement team focused on a single spend category
- No procurement technology in place
- Limited formal procurement processes or workflows

Project Objectives

- 1. Scale the reach and influence of procurement outside of the construction category
- 2. Design and execute an outreach program to increase organization-wide understanding of procurement value
- 3. Partner with the business across categories to optimize costs and maximize supplier value



The Opportunity: Serving Up Change

The CPO was not focused on failures within procurement. Instead, he needed to convince stakeholders outside of construction to meet with them. Procurement had been pigeonholed in terms of the value they could deliver and the types of spend they could manage. Stakeholders outside of the construction category did not understand the full potential of procurement.

The CPO wanted to take his team from tactical to strategic and help them find the bandwidth to demonstrate a broad ROI, justifying further investment in procurement.

The CPO had created a very healthy environment, one where his team was not afraid to raise issues or take a differing point of view. Everyone worked together to improve the performance of the team as a whole. They all knew that their opinions wouldn't be held against them because the culture emphasized learning, development and trust. They were willing to question themselves and make sure the right people were in the right roles, positioning procurement for sustainable success.

AOP Project Outputs

- SWOT assessment
- Multi-workstream roadmap
- Detailed plan for action



The Solution: Rallying Around the Art of the Possible

AOP ran an open-forum assessment workshop based on an agenda designed by the CPO and AOP project lead. That agenda was based on advance discovery work that captured the state of procurement processes and provided a better understanding of the company's spend.



The team workshop lasted a day and a half and included the entire team. Art of Procurement captured the context of their vision, digging deeper into their current capabilities and frameworks. The primary output was the creation of a SWOT assessment, an exercise that further united the team and rallied them through shared enthusiasm for their own potential impact.

AOP was able to help the company imagine and explore the art of the possible, ensuring that their future vision was not limited by their experience of procurement to date, but was informed by an understanding of leading procurement practices and results.



The Result: A 3-month roadmap to build the foundational architecture required to pursue a \$100M spend optimization opportunity.

The roadmap focused on aligning procurement's performance with the broader corporate objectives in four key areas:

- Foundations for growth
- Quick impact technology implementation
- Quick impact cost optimization
- Quick impact process improvements.

The roadmap was designed to demonstrate immediate impact and build the business case for the future growth of the procurement team.





Voice of our Client

"Because I did not come to this role with prior procurement experience, I relied upon the Art of Procurement team to help me see the full scale of our opportunity and communicate it within my organization. While they were a cohesive group, and were willing to make changes, helping my team understand the specific types of skills, knowledge and experiences associated with transformation counter-balanced the change management effort with career-long advancement potential."

Head of Procurement Quick Service Restaurant Chain

About Art of Procurement



Art of Procurement was founded in 2015 to empower professionals at all levels to align procurement performance with corporate objectives.

Whether it is based on the inspiration of the #1 weekly procurement podcast hosted by Founder Philip Ideson, or through targeted advisory and capability development offerings, we guide clients on their journey to transform the impact of procurement.

For more information, visit <u>artofprocurement.com</u>, follow the AOP company page on <u>LinkedIn</u> or follow us on <u>Twitter</u>.



We help you align procurement performance with corporate objectives

Inspire | Transform | Optimize | Grow

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