

SYNERGY 2009 Breakout Session

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Balancing Relationships and the Need to Renegotiate

“Visionary or Skeptic
What Is Your Legacy?”

The complexity of networks has changed.

Eight hundred businesses go out of business every 15 minutes. A major company has a name change every second.

The CEO’s top concern is visibility and risk management is what keeps the CEO up at night.

Five years ago the buyers were in the driver seat.

Globalization is critical. The supply chain is becoming more global and complex. The supply chain of the future must be smarter. It will be instrumented and interconnected.

Companies that use to rely on name brands are now coming out with generics because that is what people are buying (e.g. Proctor and Gamble).

What are companies doing to cut costs? Both the cost leaders and laggards surveyed (see slides for results) are cutting costs the same way. The leaders are just being more aggressive - layoffs, across the board cost reduction, working capital management, reducing management layers, salary freezes or compensation changes, off-shoring or outsourcing.

Green sourcing has come back on the radar. This shows we may be getting past the recession.

The supply chain curve never slows down. The focus is to be cost leaders; we have to take and accept change. A good leader can promote and support change – you have the choice to become a visionary.

Procurement does not want to deal with sales people; “we already said we’d buy what you’re selling. We want another operations person. They can bring best practices from other companies.”