

CPO's Speak: Earn and Keep a Seat at the Table

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Abstract. A select group of leading CPOs share insights on developing and sustaining internal client relationships. Panelists respond to questions on rewards, challenges and lessons learned in building strategic business partnerships with internal clients. Discover through personal insight and lively interchange why it is essential to prioritize internal relationships and how to assure supply management earns – and keeps – a seat at the table. This session provides the CPO perspective on Strategic Business Partnerships with internal clients through the words of the CPOs themselves. The panel consists of CPOs at the top of their profession and recognized as effective strategic business partners to their internal clients. Additionally, they have established their own organizations to serve as strategic business partners and are harvesting the benefits.

Objectives. The session will provide the following:

- The connection between effective internal relationships and success at the organizational and personal levels
- Success practices in internal client partnerships
- A template to build a personal action plan for building strategic business partnerships with internal clients

Introduction. Perhaps because of the turbulent and fast-changing environment impacting all organizations, the need to align internally and contribute fully to the success of business initiatives has taken on greater urgency. Stakeholder management is increasingly recognized as an essential priority.

While all clients are stakeholders, all stakeholders are not clients. During a recent discussion at the December 2009 meeting of The A.T. Kearney Center for Strategic Supply Leadership, discussion focused on the significance of this fact. The stakeholder category can be so broad that focusing on stakeholder desires without distinguishing the true client and defining the results the client must achieve, can easily result in misalignment of supplied performance and results that don't meet the needs of the organization.

As audience members pose questions to the panel, new insights and personal reflections will be shared. However, the perspectives presented below are a recent sample from the group.

Retired from several CPO positions and now serving as senior strategic advisor and interim CPO, Dave Nelson has been recognized throughout his career as being among the best at internal client management. When asked what career advice he had for supply managers as a contribution to the February, 2010 ISM Satellite Seminar on Talent and Career Management, Nelson shared the following:

"If I had it all to do over again, the one thing I would do better is to put a much greater emphasis on internal customer satisfaction," said Nelson.

Nelson further remarked that building internal client relationships is an area that really has no downside, just enormous benefits of doing...and doing right.

Lisa Martin simply stated, *"If we don't have effective internal relationships at multi-levels, we will not be successful. I don't think anything is more important."*

Benefits of Strong Internal Client Partnerships. Stewart's Tyco was recognized in 2009 by Purchasing Magazine with this headline: *A seat at every table: Tyco wins the 2009 Medal of Professional Excellence.*

In the article subheading, the impact is summarized: *"Tyco International has given purchasing a seat at the table of every business unit, blending decentralized and center-led purchasing practices that actually boost earnings per share. For its achievements, the company wins the 2009 Purchasing Medal of Professional Excellence."*

Shelley Stewart reinforces that communication cannot be overemphasized in this process of gaining the seat at the table. *"We must understand the customer needs clearly, because some are in different places and points in their journey. Getting them to realize benefits will only be effective, if we both have the same starting point. Assumptions that the other will know are not acceptable. It is a collaborative effort where both business partners must have trust in each other to move forward and work strategically toward the end goal."*

Upon reflection, most CPOs realize they would not have achieved the level of career success they have enjoyed if building relationships with internal clients were not a strength for them.

There are also benefits to the supply management organization as a whole for partnering effectively. Nelson reports that he has seen the impact firsthand: *"It will cause the entire company's attitude toward your entire Supply Management Department and personnel to receive greater respect and to feel that 'our supply management department is doing a great*

job,' and further it will enhance your career as well as the careers of other leaders' in the supply management department.

Lisa Martin acknowledges that the greatest benefit is not for supply management but for the enterprise. She has personally seen organizational benefits through goal alignment, work prioritization, and a focus on resourcing that achieves internal client buy-in on terms and the saving targets.

Investing in Strategic Business Partnerships. CPOs assert that they invest more time in this area than in any other area—including supplier relationships. The building blocks for success are one-on-one meetings and informal interactions. Especially for new CPOs, there is no substitute for face time. Most CPOs interviewed say they regularly connect with 30 or more senior level people within their own organization in a one-on-one or two-on-two format. Opportunities abound to “change the game” and establish a new level of client engagement. Examples include the on-boarding of a new leader (external to supply management or internal to supply management), when there is a crisis, or at the dawn of the business planning cycle. All of these situations present great opportunities to engage and establish higher levels of collaboration. This engagement not only facilitates cost savings but many other benefits, including the opportunity to influence business strategy and direction as well as serve as true value integrators.

Increasingly, leading supply chain organizations are developing an internal strategic business partnering framework and providing additional role clarity regarding client relationship management. Some have designated internal client relationship managers/strategic business partners whose responsibility is to assure appropriate engagement, alignment and integration with senior business clients. Martin recently established a new internal client relationship management team in her organization. This panel discussion provides attendees with the opportunity to hear how some of the most successful supply management organizations are approaching this issue.

Conclusion. This panel discussion promises to be lively and full of best practice insights regarding the functional, organizational and personal aspects of internal client engagement including engaging with the business, aligning supply management strategy with business strategy, and integrating value across the extended enterprise.

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