



The Challenge of Procurement Divergence Beyond 2007

vision

Clive R. Heal
December 7, 2006
ISM Services Group Conference
1:45 p.m. – 3:00 p.m.



The Future ?

“Procurement as a profession
is less than 10% developed
to where it can and will go.”



Different Perspectives:

We Don't Always See What's There!





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We Don't Always See What's There!

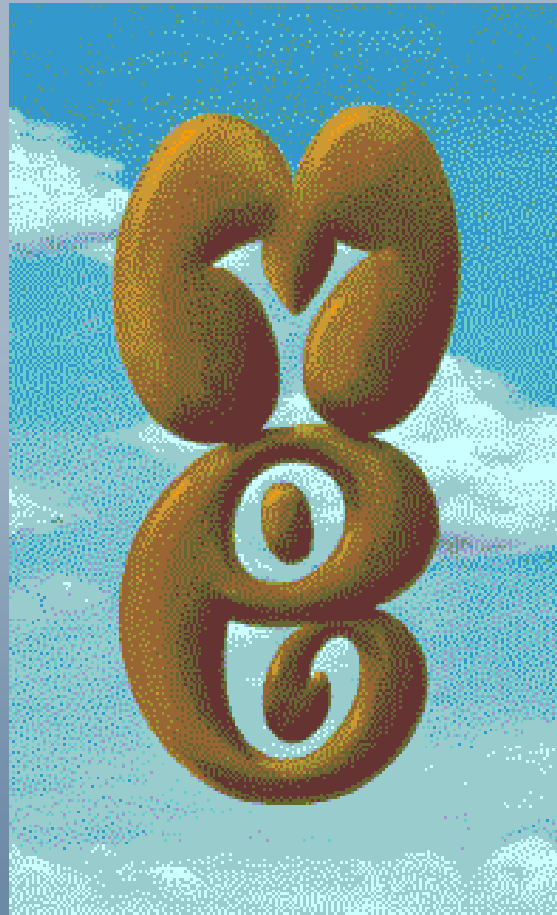
Count every " F" in the following text:

**FINISHED FILES ARE THE RE
SULT OF YEARS OF SCIENTI
FIC STUDY COMBINED WITH
THE EXPERIENCE OF YEARS...**



Different Perspectives:

We See Things Differently





Different Perspectives:

We See Things Differently





Different Perspectives:

We See Things Differently





A Question!!!

What is the Meaning of Life

?



A Question!!!

What is the Role of Procurement

?



Where Have We Been Going?





Opportunities –

1. Creating More Value

- Business Process Costs
- Revenue Generation
- Corporate Taxation
- Others



Opportunities – 2. Changing Our Role

- Merging Sales & Procurement
- Outsourcing
- Global Aggregation
- Risk Management
- Asset Management
- Others



Opportunities – 3. Utilizing New Technology

- Touch-free transactions
- Automated internet sourcing / contracting
- Transparency along supply chains
- Others



Opportunities – 4. Building Stronger Relationships

- Stakeholders
- Suppliers
- Alliances
- Governments
- Others

vision



Problem !!!

Too many pathways & too few people
Which opportunities and strategies?



→ Potential Competitive Differentiator



Two Choices:

1.



Wait and Watch?

2.



Select and Go!



Selection Process

Inputs?

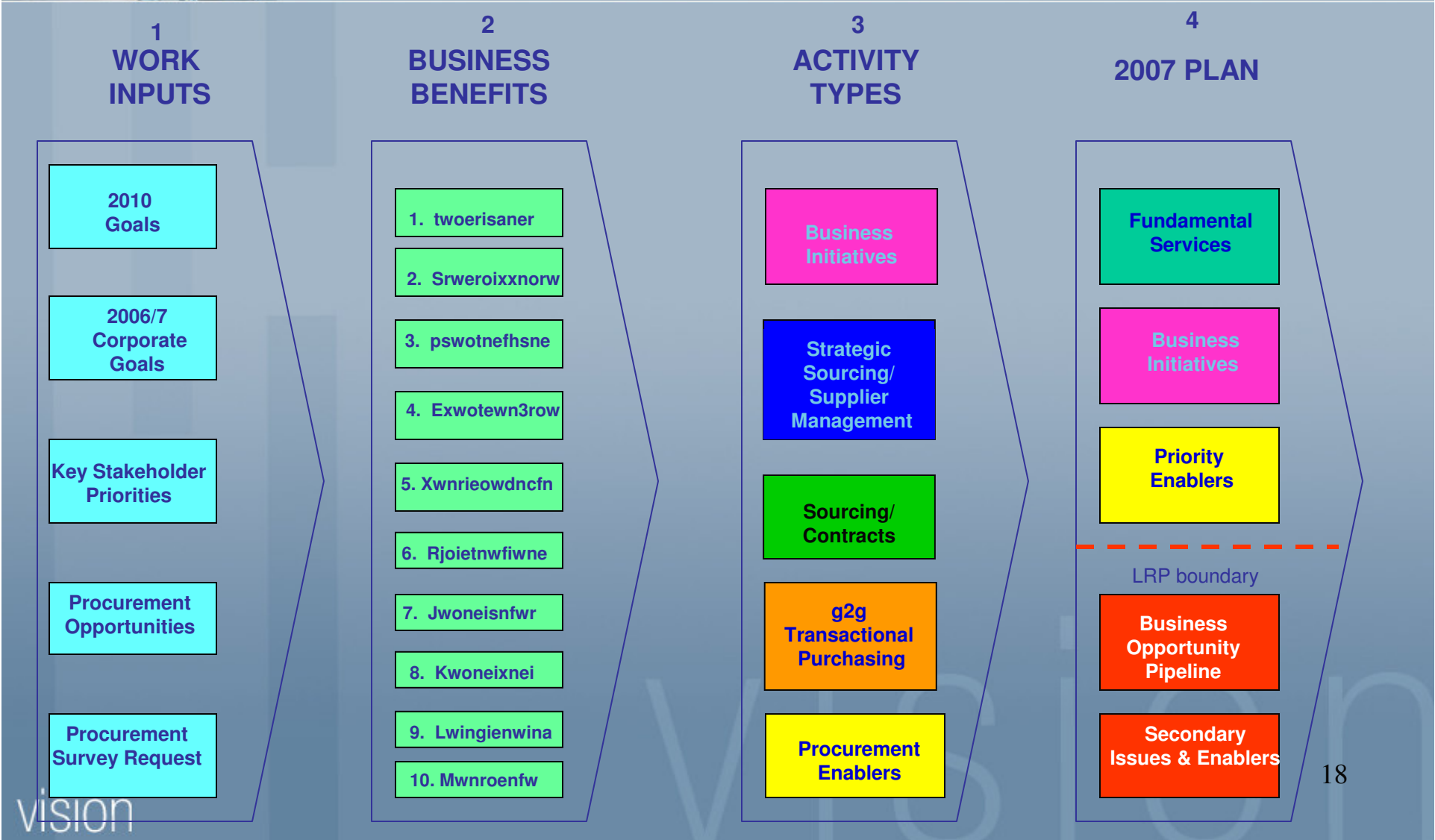
Prioritization
Criteria?

Constraints?





Selection Process





The Conclusion?



“Where We Go From Here Is Up To You”



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