

The Pandemic Crisis Management Handbook for Procurement Managers

Take control and optimize spend to
ensure business stability





The COVID-19 pandemic has left a huge negative impact on the global economy. At these uncertain times, the c-suite alone cannot prepare an organization for this pandemic, there is much that procurement leaders can do to lessen the impact. They can play a powerful role by providing information and guidance to get ready for what is waiting at the end of this pandemic.

The goal of this ebook is to give procurement leaders a sense of why it is time for them to step up and lead, how to turn their challenges into opportunities, tasks they can perform to tackle this pandemic, and tools they can use to collaborate better and enhance spend visibility.

It's time for procurement teams to lead from the front

Procurement leaders, by default are on the front line. The procurement team needs to identify and meet organizational needs swiftly. While the immediate threat is ensuring operational effectiveness, since all stakeholders work remotely, lack of appropriate action will lead to an unimaginable supply chain collapse.

Listed below are reasons why procurement leaders should be leading the charge (or at least playing a significant role) in the upcoming days. Procurement leaders can,

Work with other internal stakeholders to understand changing needs and reprioritize expenses

Determine and optimize spend categories that establish business stability

Make smart spend cut decisions that ensure business continuity while saving expenses

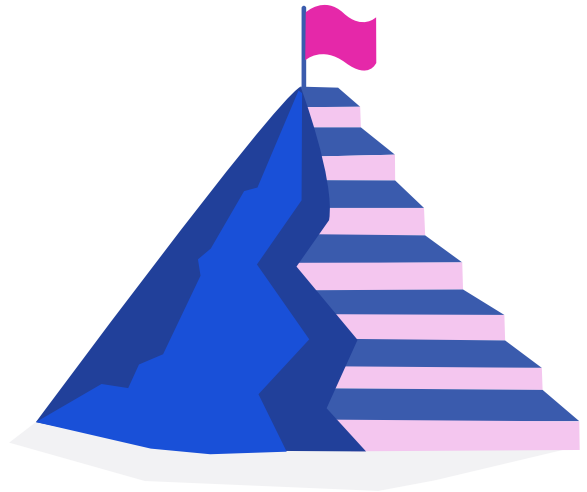
Spot supply nodes like fulfillment centers that can operate during the lockdown period

Create multi-tier supplier visibility to identify, predict, and tackle operational disruptions



Turn challenges into opportunities

Rather than looking at the pandemic as a destructive wave and losing hope, procurement leaders need to work on mitigating the worst impact and turning the situation into a competitive advantage.



Challenges

Disruption originating deep in the supply chain

Managing disconnected workforce

Unforeseen demands that elevate indirect spend

Delayed cash flows

Product/Service release delay

Loss of productivity

Damage to brand reputation



opportunities

Review and strengthen your supply chain strategy

Pave the way for digital transformation

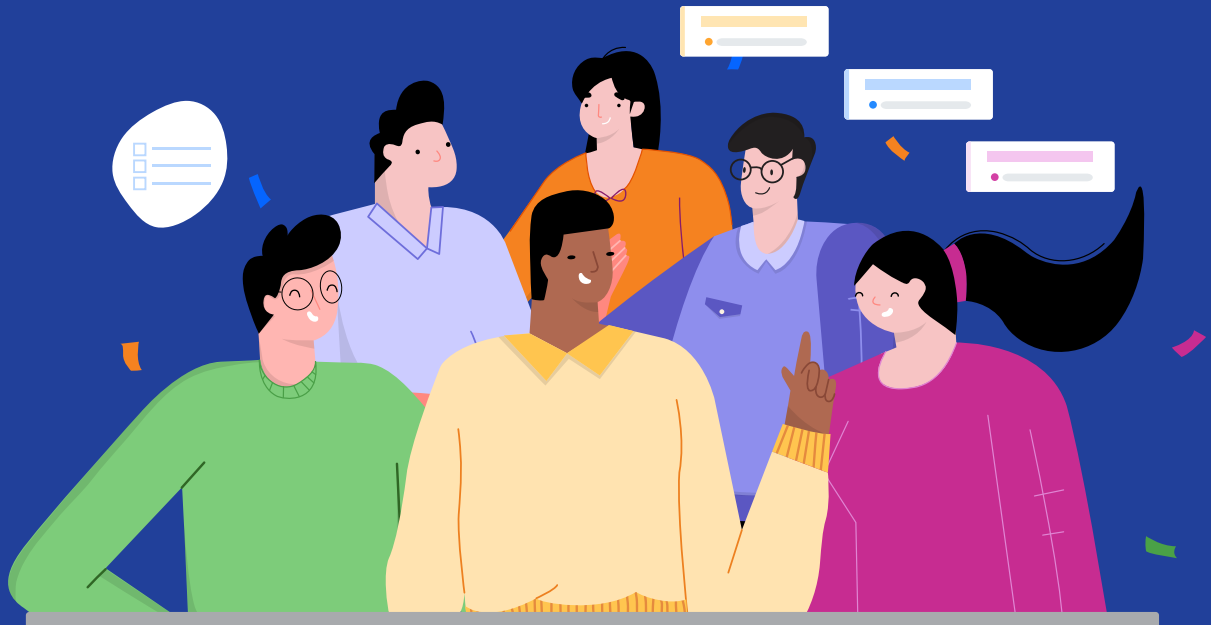
Analyse and optimize current spend patterns

Build deep supplier relationships

Upskill and cross-skill your workforce

Build remote working capabilities

Prepare for post-pandemic demands



Top 7 tasks for procurement teams to eliminate continuity risks

As each organization and industry comes with its own set of unique economic or operational complexities, there is no one-size-fits-all practice to mitigate procurement risks. Here are seven tried-and-tested measures that procurement leaders can use to ensure procurement resilience.

01 Reprioritize your organizational spend

At uncertain times, there is a great need for structured spend regulation. To ensure that only critical needs are fulfilled, the procurement team must reforecast budget, prioritize spend, and redefine purchasing policies to ensure maximum ROI, cash flow, and business continuity at the least possible cost.

Rather than resorting to good old spreadsheets, procurement teams need to invest in a tool that provides real-time spend oversight, a comprehensive view of complete spend history, and a clear comparison of predefined and revised organizational spend.

02 Assess your supply chain risks thoroughly

Procurement teams need to effectively monitor and recognize real-world risks like transportation restrictions, manpower shortage, ware-house accessibility, strict regulations, and more so that they can come up with possible ways to overcome them.

Additionally, it would be a good practice to segment and prioritize existing suppliers with respect to their ability to fulfill critical business needs and engage with them to review resilience plans and suggest alternatives if their ability to deliver is hindered.

03 Over communication with key stakeholders

When uncertainty has free reign, it is counterproductive to withhold information. Be it spend reprioritization, unexpected lockdown, or a supplier failure to deliver on time, alerts need to keep all stakeholders (employees, suppliers, etc.) informed and equipped to deal with the consequences like long lead times, missed due dates, and more.

Most importantly, all decisions about spend control and purchase restrictions on off-catalog products need to be communicated to all stakeholders so that they make informed purchasing decisions. Investing in a collaboration tool enables stakeholders to have contextual conversation by breaking down existing communication barriers.

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The consequences of a pandemic event are hard to predict leading to a shift of mindset in risk management and business continuity.”

Koray Köse,

Senior Director Analyst, Gartner

04 Move towards concurrent planning

When handled manually, procurement planning tends to be sequential with interdependent plans for sourcing, purchasing, transportation, allocation, and distribution.

This often leads to unsynchronized plans, so it is essential to shift to a concurrent planning strategy for creating a seamless and responsive supply chain. A procure-to-pay suite can help businesses make a seamless transition from sequential planning environment to a concurrent planning style.

05 Renegotiate existing contracts

Since overspend can cripple pandemic responses, it is critical to renegotiate existing purchase contracts for each category and service to eliminate resource overspend. To ensure win-win negotiations, businesses need to get a holistic understanding of future needs while paying specific attention to evolving goods/service consumption trends.

Once the usage capability is reforecasted, procurement leaders can review existing goods or service contracts from all suppliers, cut down purchases or move to a lower consumption plan and place restrictions on contractual purchases using automation.

06 Look for new sourcing opportunities

As COVID-19 has sown chaos in the global economy by locking down borders and oceans, to sustain this pandemic, organizations need to seek alternative suppliers in areas that are less vulnerable to disruptions.

It is prudent to have a list of alternative sourcing strategies in place before the shortage of supply crops up and all inventories are exhausted leading to problems with business continuity.

07 Assess remote working capabilities

As most corporates start facilitating remote work, tail-spend categories like remote work tools gain importance. As these are one-off purchases that cannot be negotiated by contracts; it is critical to keep track of indirect spend and identify negotiation possibilities.

Predicting and offering your employees the tools they need to work is the critical aspect since tools like Kissflow Digital Workplace facilitate contextual collaboration which is critical to ensure effectiveness and improve employee productivity.



Enable procurement continuity with automation

As this global COVID-19 pandemic continues to disrupt procurement operations and prolong procure-to-pay cycles, disparate systems and manual efforts will only hold procurement teams from making a smooth transition to remote work. By embracing automation businesses can increase resilience against future disruptions and prepare for rebound.

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The value of digital channels, products and operations is immediately obvious to companies everywhere right now.”

Sandy Shen, Senior Director Analyst, Gartner

Supercharge your procurement function with automation



Keep stakeholders engaged and up-to-date



Identify and get rid of process bottlenecks



Establish accountability and transparency



Speed up and streamline purchase approvals



Spot and eliminate maverick spend



Mitigate supply chain risks effectively



The remote working procurement manager's toolkit

To ensure efficient procurement operations during a pandemic crisis, procurement leaders need an arsenal of tools in place. Since finding the right tool for the right process is challenging, we've compiled a list of tools that can help procurement leaders get through the pandemic easily.



Accounting solution

Set budget limits, eliminate dark purchasing, and account for every purchase effectively.
Ex: **Quickbooks, Xero, and more.**

Collaboration software

Use engagement to improve stakeholder engagement and remove disconnectedness.
Ex: **Zoom, Slack, Skype, and more.**



Procure-to-pay suite

Manage requisitions, purchase orders, goods receipts, and invoices in a single interface.
Ex: **Kissflow Procurement Cloud, Coupa, and more.**

Inventory management system

Connect your supply chain with vendors by forecasting inventory levels and suggesting orders.
Ex: **TradeGecko, Orderhive, and more.**



Supply risk analysis tool

Assess, identify, and eliminate supplier and supply chain risks effectively.
Ex: **Risk methods, resilinc, rapid ratings, and more.**

Spend management software

Pay supplier invoices with prepaid and virtual cards while ensuring spend control.
Ex: **Spendesk, etc.**



How Kissflow empowers procurement teams to do remote work



"With Kissflow we can actually see who is requesting what and when. The accountability factor has made the process a lot better."

Lindsey Higgins, Specialty Earth Services, LLC

Take control of your company's spend and bring in business stability with Kissflow.

Book a demo