

Unlocking Better Business Outcomes with Procurement Customer Experience (PCX)

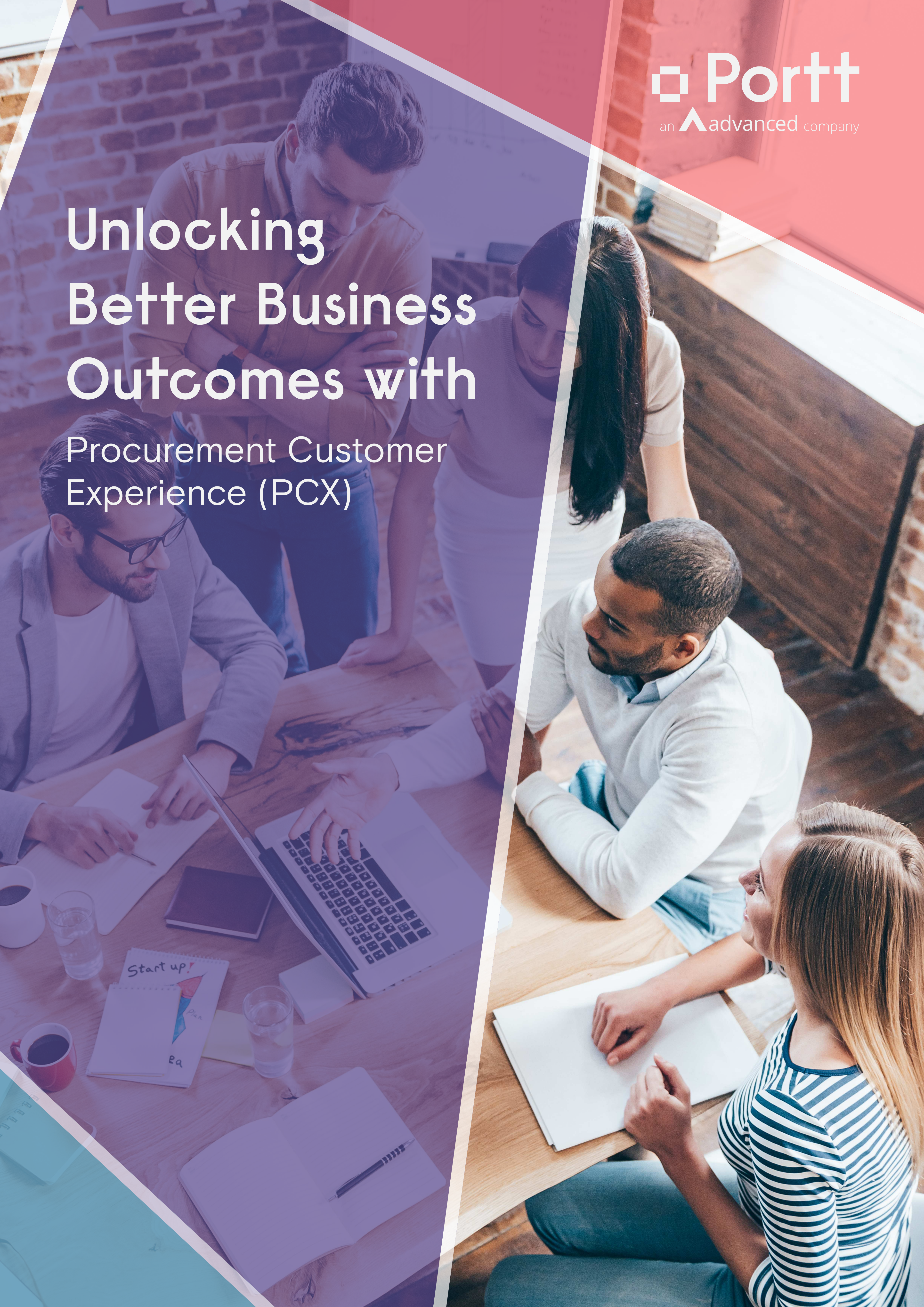


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Executive summary

In recent years, organisations across the globe are realising the importance of providing a great customer experience. From retailers and restaurants to technology companies and service providers, the concept of customer experience has become an integral part of business strategy, and for good reason — **86% of buyers** are willing to pay more for outstanding customer experience. More recently, there is one area where the importance of customer experience is starting to become more of a focus — procurement.

Procurement Customer Experience (PCX) has the potential to significantly enhance business outcomes, not only for those involved in the procurement function, but many other areas of the organisation.

To fully understand PCX, it's essential to explore the different customer groups within procurement, such as suppliers, executives, and service users, to gain insights on how to reduce friction, effectively consider each group's unique needs, and unlock the true value of PCX. We'll also shed some light on the crucial role of procurement software in elevating PCX by unlocking valuable procurement data and facilitating strong supplier relationships.

Being truly customer-centric means procurement teams can unlock a number of key areas across the organisation — which is where a focus on PCX can make a significant difference. By prioritising PCX, procurement teams will improve supplier relationships, increase employee engagement and satisfaction across the organisation, streamline procurement processes, and drive overall business success.

Keep reading to find important insights around:

- The concept of PCX in detail
- The benefits and business outcomes of achieving exceptional PCX
- The value of putting customers first
- Understanding key customer groups in procurement
- The role that technology plays in PCX

What is Procurement Customer Experience (PCX)?

Procurement Customer Experience (PCX) is the practice of delivering a great experience to the customers of the procurement function, including internal customers such as executives and employees, as well as external customers like suppliers. At its core, PCX is about making the procurement process more efficient, effective, and customer-centric, with the goal of improving business outcomes, while fostering more meaningful relationships.

While many procurement teams have the intention to embrace a more customer-centric approach, they sometimes lack the freedom to be more flexible, or the tools to do so effectively. However, those that are able to deliver a great PCX can gain a significant competitive edge in the market.

Great procurement customer experience has a flow-on effect to great supplier relationships and performance, as well as better meeting the needs of internal customers – meaning the opportunity to create value for the organisation is greater.

KPMG agrees that the procurement function of the future should focus on customer-centricity in all aspects of procurement, including systems, processes, and people, stating “procurement will be a true business partner, not a spend gatekeeper”.



The 4 Pillars of PCX

The team at Portt, an Advanced company, have developed a unique model for PCX, built around four key pillars — Proactivity, Effort, Enablement, and Relationships. Each of these pillars plays a vital role in creating a customer-centric procurement process that drives better business outcomes.

01 Proactivity

Anticipating the needs of buyers is crucial to delivering a great PCX. By taking a proactive approach, procurement teams can identify opportunities for consolidation and get projects initiated faster than before. This not only improves efficiency but also demonstrates a commitment to delivering value to customers.

02 Effort

Reducing cycle times is a critical factor in improving PCX. By streamlining administrative tasks that can be easily automated, procurement teams can free up more time for customers to focus on the outcomes they're aligned to. This ultimately leads to greater satisfaction and better business outcomes.

03 Enablement

Providing buyers and teams with the right tools, capabilities, and insights is essential to creating value through PCX. By enabling customers to make more informed decisions, procurement teams can help drive innovation, and reduce costs.

04 Relationships

Building strong relationships with all customer groups is the foundation of a great PCX. By investing in understanding their needs, procurement teams can better align with customer goals and deliver outcomes that meet their expectations. This ultimately leads to greater customer loyalty and a competitive advantage in the market.

By focusing on these four pillars, procurement teams can create a customer-centric approach that fosters more meaningful relationships.



The Benefits & Business Outcomes of Achieving Great PCX

PCX is not only about creating a better experience for customers, but it also drives multiple positive outcomes for the organisation.

During a recent webinar by [Advanced](#), led by [Supply Management Insider](#), and spearheaded by our Head of Growth, Spend Management, Mark Reddy, procurement professionals were asked about their current priority for the procurement function. The options included customer-centricity, compliance and governance-centricity, savings-centricity, and value-centricity.

38% To the surprise of the hosts, 38% of attendees considered themselves to be customer-centric, making it the top priority among respondents.

This suggests that while many organisations recognise the importance of putting customers at the centre of procurement decisions, there may still be room for improvement in this area.

Let's explore how customer-centric procurement practices can contribute to better business outcomes, as well as the value that a customer-first approach can bring.

The benefits of being more customer-centric

One of the main benefits of implementing customer-centric procurement practices is the ability to better understand and meet the needs of internal customers and stakeholders.

By focusing on PCX, procurement teams can build strong relationships with their internal customers, understand their requirements, and ensure that their needs are met. This can lead to improved supplier relationships, better communication, and streamlined processes that save time for internal buyers and service users.

In addition, customer-centric procurement practices can also improve the overall perception of procurement within the organisation, demonstrating that the procurement team is a valuable partner in achieving the organisation's goals.



What does this look like?

A procurement team that is customer-centric focuses on understanding the needs of internal stakeholders, such as business units and departments, and delivering procurement solutions that meet those needs.

The value of putting customers first

Prioritising PCX will bring value in a number of ways, and these ways will not only help procurement teams, but organisations as a whole, to achieve better results. Three major values that outstanding PCX can bring include becoming the customer of choice, moving to a state of unconscious competence, and becoming an employer of choice.

Becoming a customer of choice

One of the most significant ways that prioritising PCX will bring value is by helping the organisation to become a customer of choice, and the go-to business for suppliers in the market. When procurement processes are designed with the customer in mind, it leads to a positive experience for both internal and external customers.

This results in better supplier relationships, which means that suppliers are more likely to prioritise your business over others and provide better service, ultimately leading to better business outcomes.



02 Moving to a state of unconscious competence

Moving to a state of unconscious competence is another significant way that implementing PCX practices will bring value. Unconscious competence is a term used to describe the highest level of skill mastery, where a person can perform a task so well that they do it instinctively, without having to think about it consciously.

In the context of procurement, the term "unconscious competence" is often used interchangeably with "unconscious compliance." Procurement teams need to ensure compliance with various regulations and standards, such as

GDPR, modern slavery laws, and environmental regulations, among others.

Achieving unconscious compliance means that the procurement team streamlines and automates these routine tasks that are critical to compliance.

This can be achieved with the help of purpose-built technology, which can perform these routine tasks in the background, allowing the procurement team to focus on more strategic initiatives.

03 Becoming an employer of choice

Achieving exceptional PCX can also position an organisation as an employer of choice, by creating a positive workplace culture, and in turn, attracting and retaining top talent. Here are some ways that great PCX can contribute to becoming an employer of choice:

Employee Satisfaction — streamlined and efficient procurement processes can positively impact employee satisfaction by reducing frustration and stress associated with complicated processes.

Innovation — innovation plays a crucial role in becoming an employer of choice, as it encourages employees to seek out new solutions and ideas that can improve the customer experience.

Understanding Core Customer Groups in Procurement

In any business, there are multiple stakeholder groups that procurement professionals need to engage with and provide value to. These groups include suppliers, executives, and service users, each with their own unique set of needs and challenges. By understanding the individual journeys of these stakeholder groups and identifying their pain points, procurement professionals can remove friction,

optimise relationships, and create a positive procurement experience for everyone involved.

In this section, we will take a closer look at each stakeholder group in detail, examining their needs and highlighting strategies for improving engagement and satisfaction.



Suppliers

Suppliers are a critical customer group for procurement, as they are the source of the goods and services that an organisation needs to operate. From the supplier's perspective, doing business with a company can be a complex and time-consuming process. The same way Marketing experts outline the buyer journey to identify barriers or roadblocks, Procurement professionals need to understand the supplier journey and identify pain points to remove friction and strengthen the relationship.

One way to profile suppliers is by looking at the different ways they contribute to the

business, such as powering growth, underpinning productivity, contributing to sustainability goals, or helping with risk and compliance.

Each of these categories may require a different level of engagement, so being agile in the way you approach each individual supplier is key.

Another important consideration when interacting with suppliers is the size of their business. Smaller businesses may have different needs and resources compared to larger businesses, so it's essential to tailor the procurement experience accordingly.

To remove friction points for suppliers, procurement professionals should focus on:

- Improving communication
- Streamlining processes
- Providing better visibility into procurement activities

For example, implementing a user-friendly supplier portal that simplifies the procurement process and enables suppliers to easily update their information, provide important assessment details and liaise with key contacts in a collaborative environment can improve the overall supplier experience.

However, it's important to consider how accessible and convenient these portals are. Suppliers often have access to multiple portals, and if the system is clunky and difficult to navigate, it can create even more of a barrier.

To optimise the relationship with suppliers, procurement professionals should focus on:

- Building trust
- Fostering collaboration
- Providing value-added services

Building trust can be achieved by being transparent about procurement processes, treating suppliers fairly, and paying on time. Collaboration can be fostered by involving suppliers in the decision-making process, seeking feedback, and creating joint initiatives in order to make proactive improvements.

Value-added services can be provided by offering training, resources, or support to help suppliers improve their businesses.



Executives

Executives are a critical stakeholder group for the procurement function, as they are ultimately responsible for the success of the organisation. When it comes to the experience that procurement is delivering to the business, there are three main areas that executives tend to focus on.

The first area is limiting the noise. Executives don't want to be inundated with every detail of procurement activities.

Instead, they want to be confident that there is a streamlined workflow with an approval process that ensures necessary tasks are being completed efficiently and effectively. Leveraging technology to automate these processes can help reduce unnecessary noise and free up time for executives to focus on other strategic priorities.

The second focus is effective incident management. When a major risk or issue arises, executives need to be armed with the right information to make informed decisions.



This includes not only understanding the specific details of the incident but also having insight into the flow-on effect of the issue and how it may impact other projects or suppliers. Procurement professionals can support executives by providing accurate data and collaborating with them to ensure a holistic view of the situation is available. Additionally, having historical data and industry insight can help forecast potential issues and proactively act on them.

The third area of focus is helping executives win more.

Procurement is responsible for everything from operations to sourcing to growth, so it's essential to understand what the executives care about and what drives their success. This requires insight into what they value — whether it's supplier market knowledge, speed to market, or the importance of intellectual property. Procurement professionals can also leverage the trust equation to build stronger relationships with executives. By prioritising reliability, credibility, and intimacy over self-orientation, procurement teams can inspire trust and build a solid foundation for future success.

To remove friction points for executives, procurement professionals should focus on:

- Limiting unnecessary noise
- Ensuring accurate data is available to inform effective incident management
- Collaborating to provide a more holistic view

To optimise the relationship with executives, procurement professionals should focus on:

- Understanding the priorities and values of executives, and leveraging procurement to support them in achieving their goals
- Building trust by prioritising reliability, credibility, and intimacy over self-orientation, and positioning procurement as a strategic partner
- Ensuring procurement is aligned with the overall business strategy and focused on driving growth and success across all areas of the organisation



Service Users

Service users are the ultimate customers of the procurement function. They are the people who will be directly impacted by the goods and services that are being sourced, and therefore their experience is very important. In procurement, service users are the internal stakeholders within an organisation who use the goods and services that are procured.

This could include employees across different departments such as marketing, finance, HR, IT, and operations, as well as contractors or consultants who work for the business.

Service users might encounter several friction points with the procurement function. One common friction point is the lack of understanding of the service user's specific needs and requirements.

If the procurement function is not able to fully understand the unique needs of the service user, it can lead to inefficient and ineffective procurement decisions. Another pain point could be a lack of communication or transparency regarding procurement processes and decisions, which can lead to confusion and frustration for the service user.

Delays in procurement processes or delivery of goods and services can also cause friction for service users, as it can impact their ability to perform effectively. Finally, a lack of responsiveness or flexibility on the part of the procurement function can create friction, particularly if service users require adjustments or changes to the procurement process to better meet their needs.

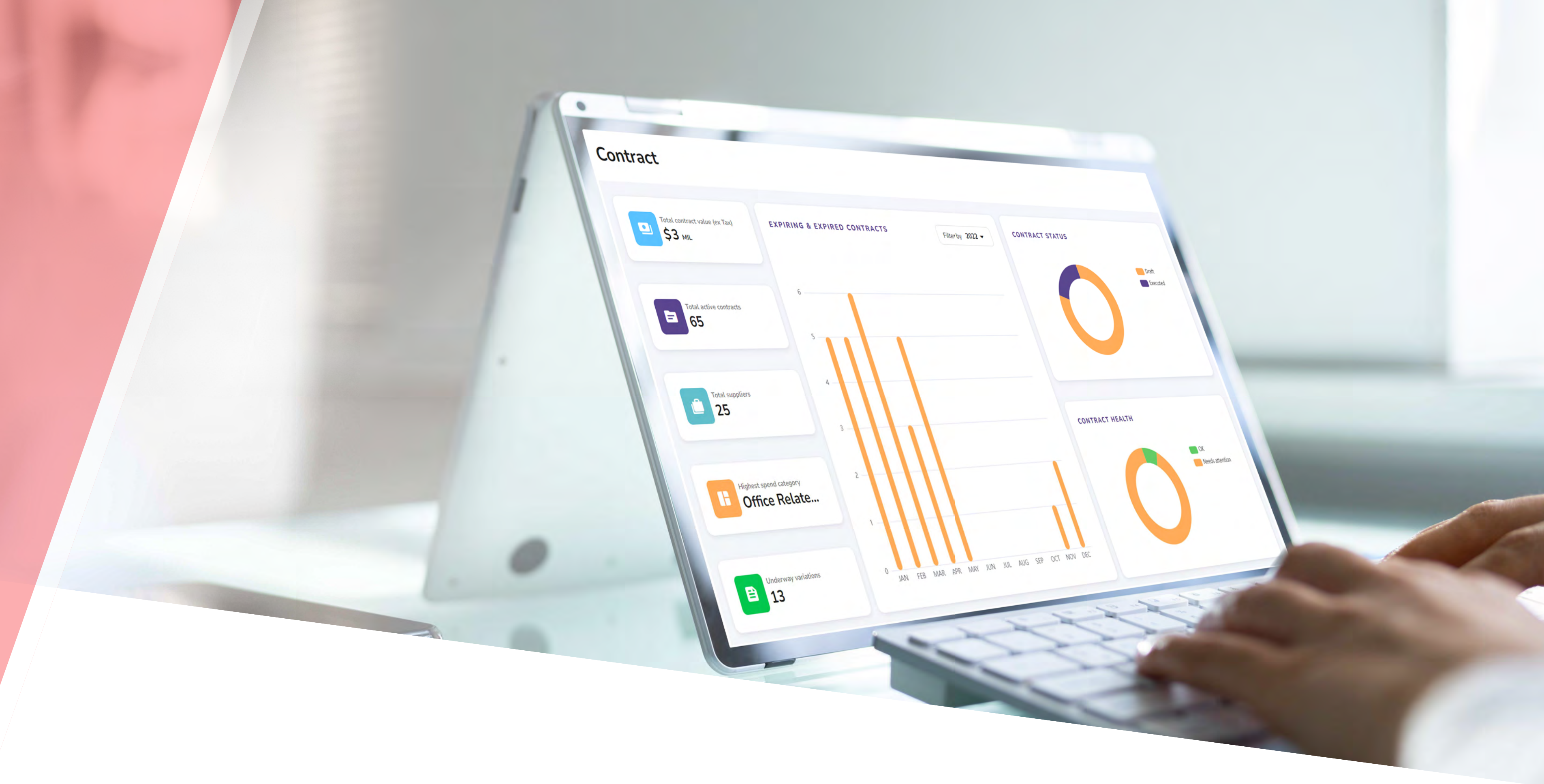
To reduce pain points for service users, procurement professionals should focus on:

- Creating personal value by going beyond what the service user thought was possible
- Giving procurement a personality by being approachable and responsive
- Identifying common barriers to enhance the overall experience

To optimise the relationship with service users, procurement professionals should focus on:

- Building strong relationships with service users and proactively seeking opportunities to improve their experience
- Providing excellent customer service by being responsive, transparent and accessible
- Continuously improving processes with regular reviews to ensure procurement is always delivering value





Elevating PCX with the Right Procurement Software

Managing procurement effectively can be a complex and challenging task, especially for organisations that have to handle large volumes of procurement data and supplier interactions. This is where procurement software comes in. By leveraging the right software tools, organisations can improve their procurement processes, gain greater visibility into their spending, and optimise their supplier relationships.

Procurement software can help organisations improve their PCX outcomes, by providing valuable insights and tools to help them make more informed decisions, reduce costs, and build stronger relationships with their suppliers.



Uncovering the hidden treasure trove of procurement data

Procurement data can be a goldmine of information that can help organisations improve their PCX. With the right procurement software, organisations can harness this data to make better-informed decisions and improve their procurement processes. Organisations will also gain visibility into their spending habits and identify areas where they can reduce costs and optimise their procurement processes.

Additionally, procurement software can help identify contract leakages and reduce "maverick spending," which is spending that falls outside of established procurement policies and procedures. By identifying contract leakages and reducing maverick spending, organisations can achieve significant cost savings and better compliance with procurement policies.

02 Building strong relationships for success

Procurement software can also improve supplier collaboration and relationship management through features like supplier onboarding, performance management, and communication tools. This can help organisations build stronger relationships with their suppliers, which can lead to better pricing, more reliable deliveries, and improved product quality. Procurement software will also help to streamline their procurement processes to not only reduce the amount of time and effort required to manage suppliers, but also the number of potential errors associated with more time-consuming manual processes.

03 Leveraging the power of procurement software will allow businesses to deliver

Improved spend visibility and control — allowing organisations to make data-driven decisions that lead to cost savings, better supplier relationships, and ultimately, a better customer experience.

Better contract management — helping organisations ensure compliance with contract terms and reducing the risk of contract leakage.

Improved collaboration and communication — enabling better supplier relationship management and fostering more efficient and effective collaboration with suppliers.

Increased transparency and accountability — allowing organisations to track performance against key performance indicators (KPIs) and hold suppliers accountable for meeting service level agreements (SLAs).

Streamlined procurement processes — reducing the time and effort needed to manage procurement activities and enabling procurement teams to focus on strategic initiatives that drive customer value.

In summary, procurement software can be a game-changer for organisations looking to improve their PCX outcomes. By leveraging the right tools, businesses can unlock the hidden value of their procurement data, reduce costs, and build stronger relationships with their suppliers. Procurement software can also help organisations achieve greater transparency, accountability, and efficiency, allowing procurement teams to focus on strategic initiatives that deliver value to customers. Ultimately, the right procurement software can help organisations take control of their procurement processes and deliver a better overall customer experience.

Final thoughts

Providing a great customer experience is the key to success, and procurement is no exception. By prioritising PCX, procurement teams can build strong partnerships with suppliers, executives, and service users to achieve their desired business outcomes.

By adopting a customer-centric approach to procurement, organisations can become the customer of choice for suppliers and move to a state of unconscious competence to ensure compliance with policies and procedures.

In addition, procurement software can help procurement experts make the most of the goldmine of data they have at their fingertips. By leveraging the insights provided by procurement software, businesses can improve spend visibility, streamline processes, increase transparency, and enhance collaboration and communication.

The benefits of achieving great PCX are clear: stronger partnerships with suppliers, better meeting the needs of customers, and achieving desired business outcomes — all while providing a positive experience across the board. With the right approach and the right tools, procurement teams can unlock the full potential of PCX and drive their organisations forward.

Empower your organisation

Empower your organisation with strategic analytics, and **join the 8000+** public and private sector procurement professionals across ANZ who are making faster, better procurement decisions with Portt.

About Portt

— an Advanced company

Portt is your intelligent procurement, contracts and supplier management platform; here to enable the strategic potential of your procurement team.

At Portt, we pride ourselves on being able to help organisations solve a range of critical issues with minimum fuss. Using easily customisable and simple to navigate tools that can be deployed across the business, you'll be able to:

- **Optimise visibility and value to mitigate risk**
- **Understand your supplier performance**
- **Keep your business compliant**
- **Increase efficiency and reduce costs**
- **Improve your supplier relationships**

Streamline the necessary, unlock the opportunity, and realise the outcomes.

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