



IFPSM
INTERNATIONAL FEDERATION OF PURCHASING & SUPPLY MANAGEMENT

Globalisation — Impact on Procurement

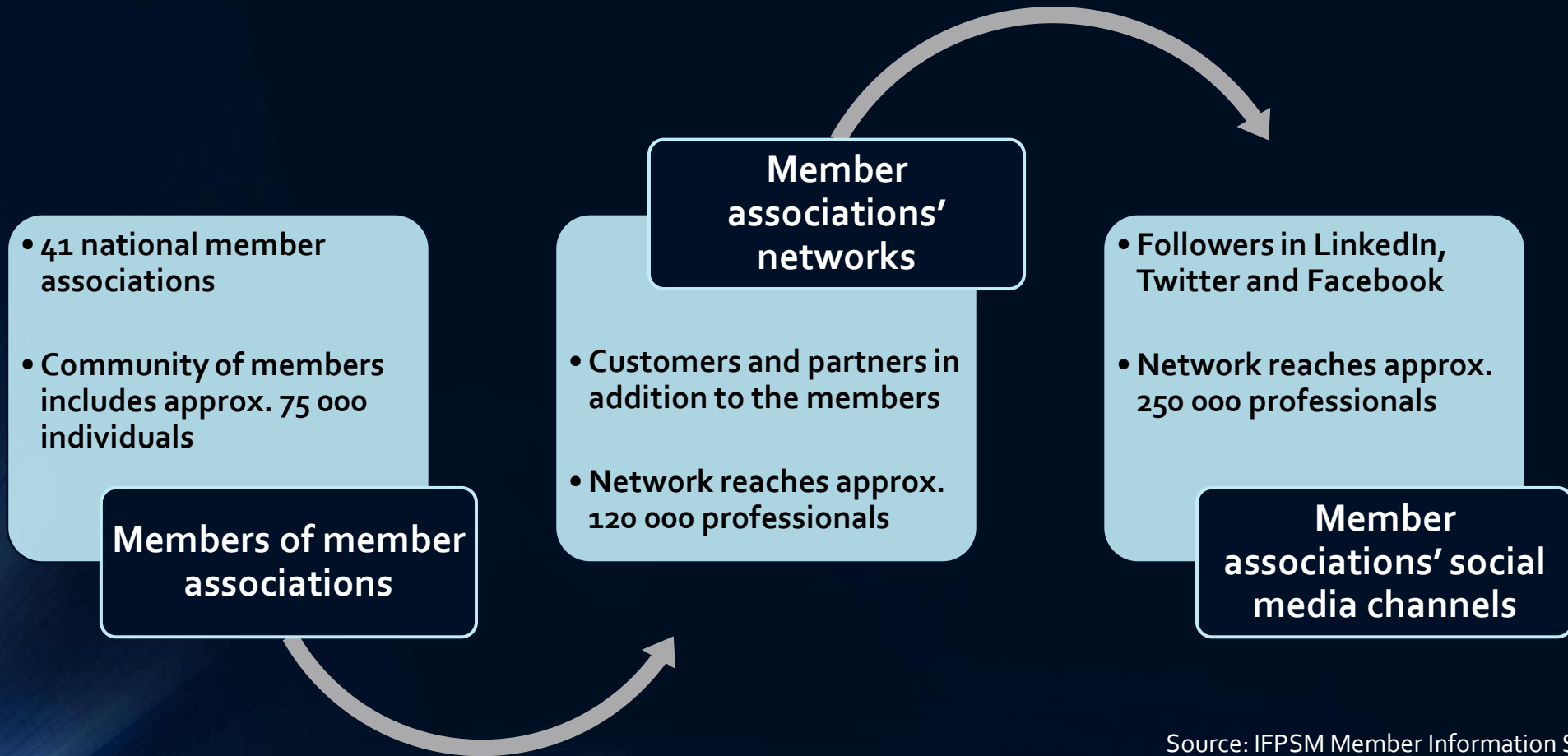
Markku Henttinen, CEO, IFPSM

International Federation of Purchasing and Supply Management (IFPSM)

- IFPSM is a Federation of 41 Purchasing, SCM and Logistics Associations worldwide
- Non-political, not-for-profit, independent international organization
- Founded in 1974 with the name: International Federation of Purchasing and Materials Management
- Head office in Helsinki Finland since 1.1.2019, CEO Markku Henttinen



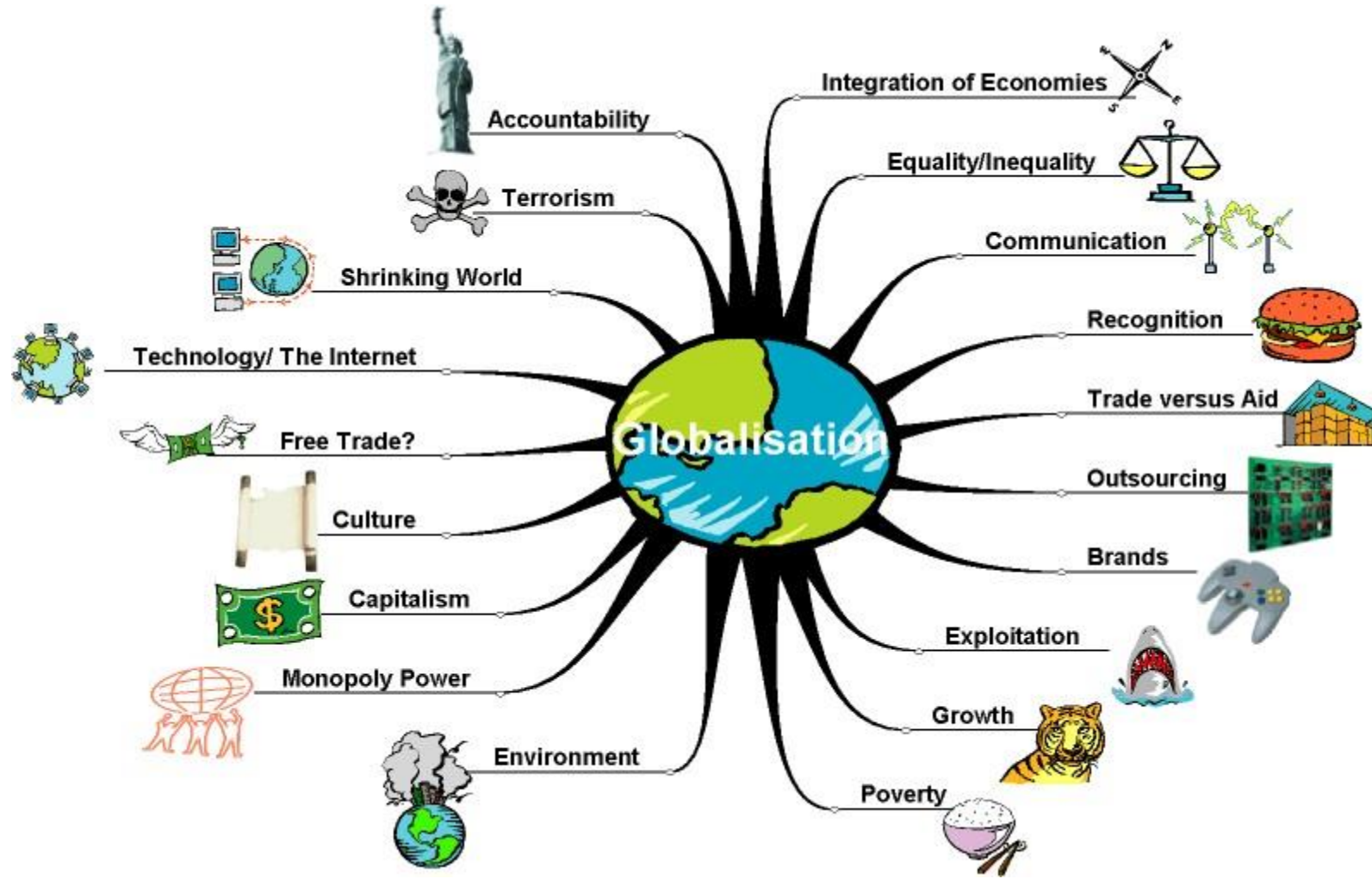
IFPSM's Global network



Source: IFPSM Member Information Sheet 2022 and 2023

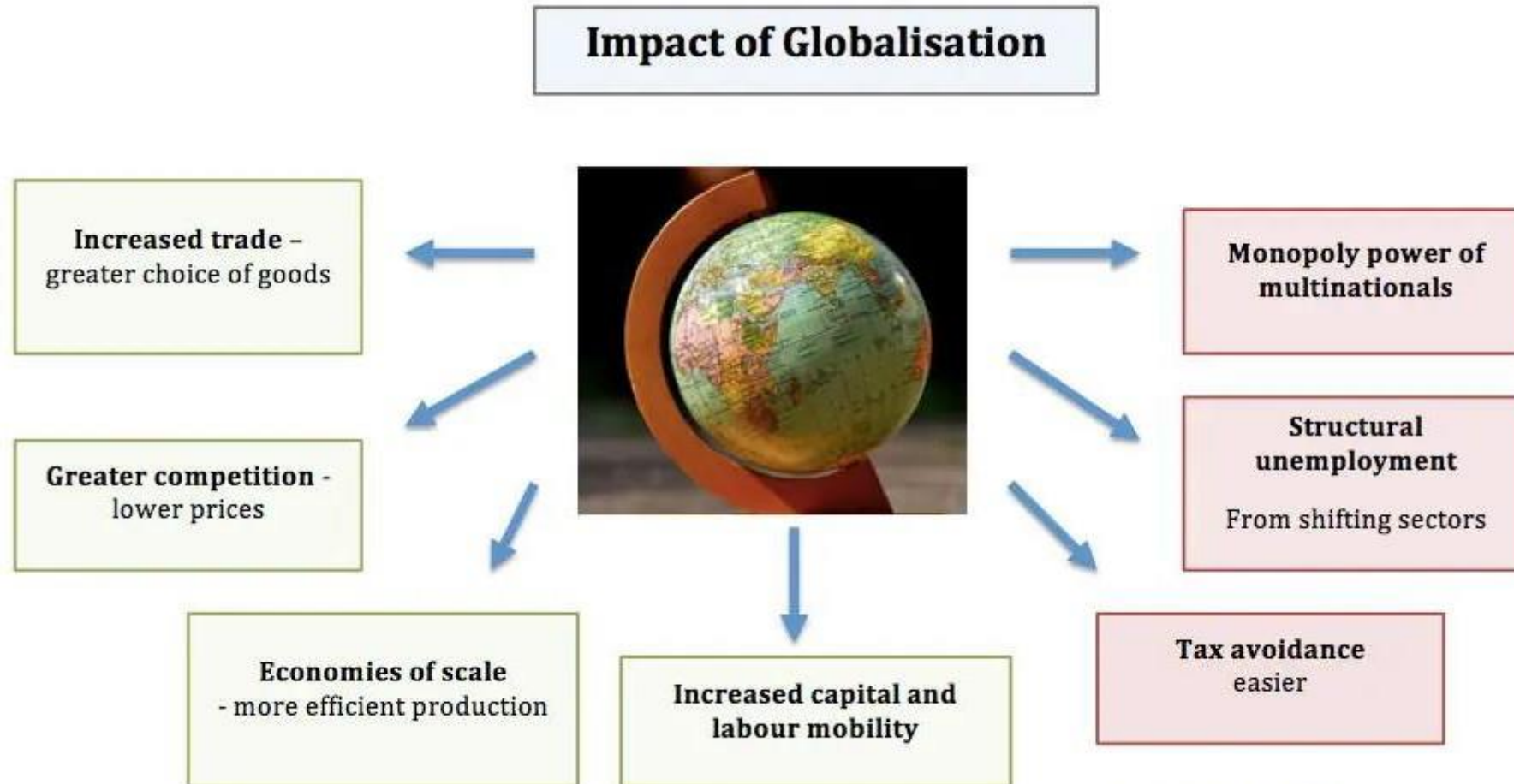
*Estimates of network and social media channels does not include all members' networks (not include CFLP, and IIMM's networks).

Globalisation



<http://wiki.ubc.ca/images/2/22/Globalisationmap.gif>

The Impact of Globalisation



www.economicshelp.org

Procurement is Changing

Increased need for agility

- Covid
- Huawei
- Suez
- War in Ukraine

... Will not stop here

→ Solution is not more plans, but more preparedness

Wider procurement mandate

- Sustainability
- Carbon
- Supplier diversity
- Risk

→ Savings to the bottom line remains on agenda, but is not enough.

→ Not only procurement game;; need to collect data, create analytics and collaboration across functions.

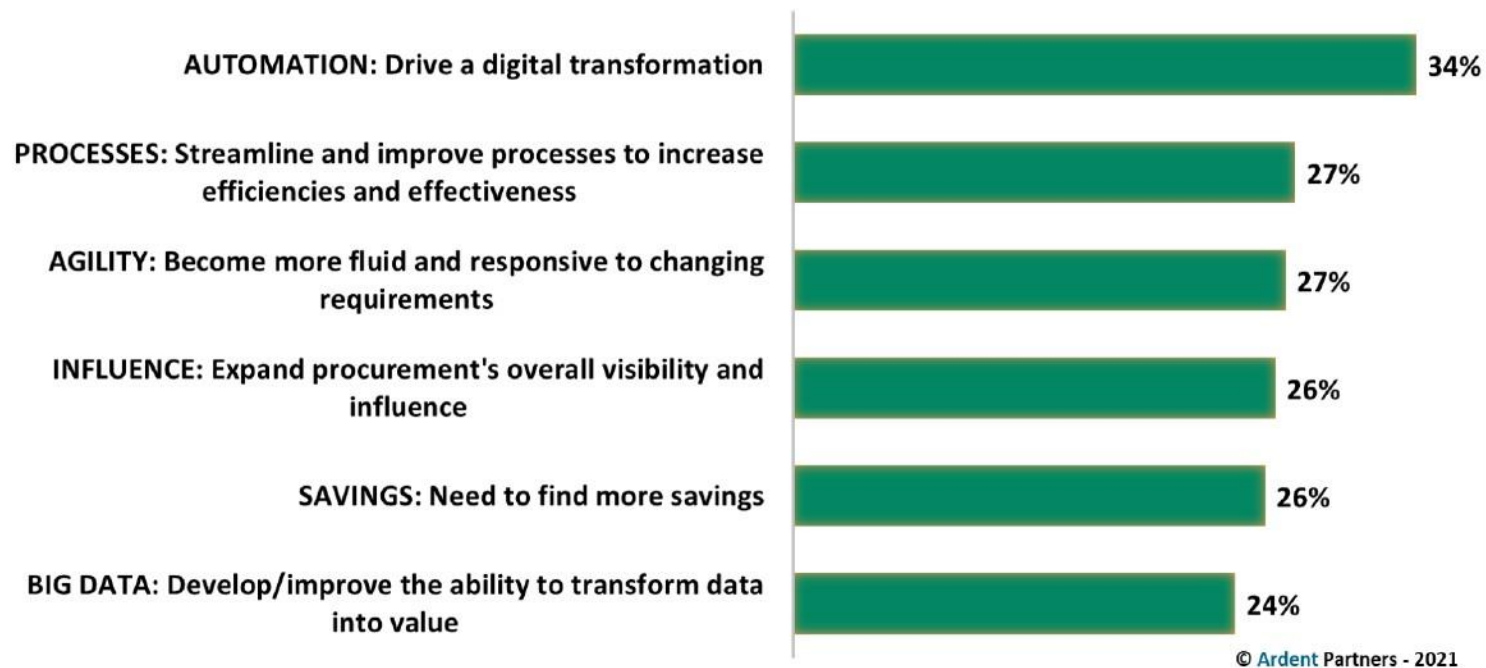
War for talent

- Changing expectations by new generations
- Procurement not traditionally well positioned

→ Need to create a purposeful job roles in procurement – sustainability is the key

Procurement is Changing

Fig. 3: Top CPO Priorities in 2021



The Future of Digital Procurement



...but poor data quality is still the #1 challenge ”

FIGURE 11

Poor data quality and lack of integration are still top challenges

What do you see as the main barriers to the effective application of digital technology in procurement? (Select and rank top three)



Source: Deloitte Global CPO Survey, 2021.

The Future of Digital Procurement

The procurement function is the key information boundary between company and upstream ecosystem

Suppliers

Commodities

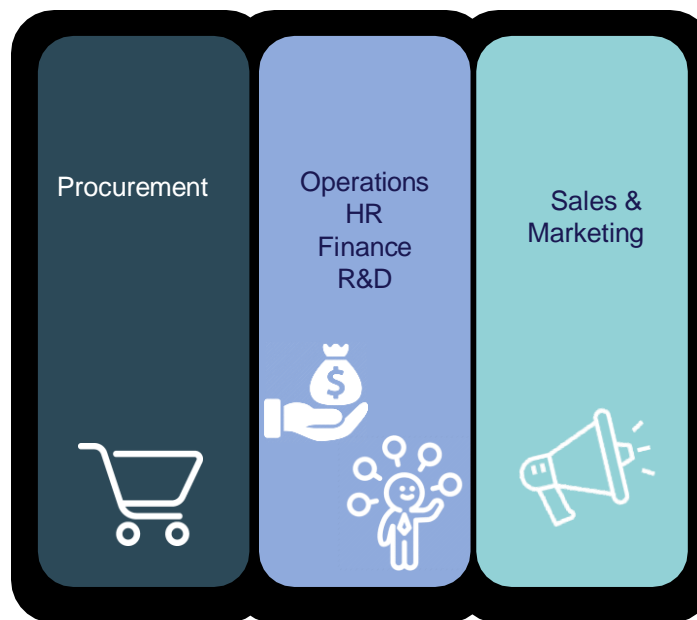
Currencies

Technology innovations

Regulatory

Disruptions

Upstream ecosystem



Downstream ecosystem

The Future of Digital Procurement

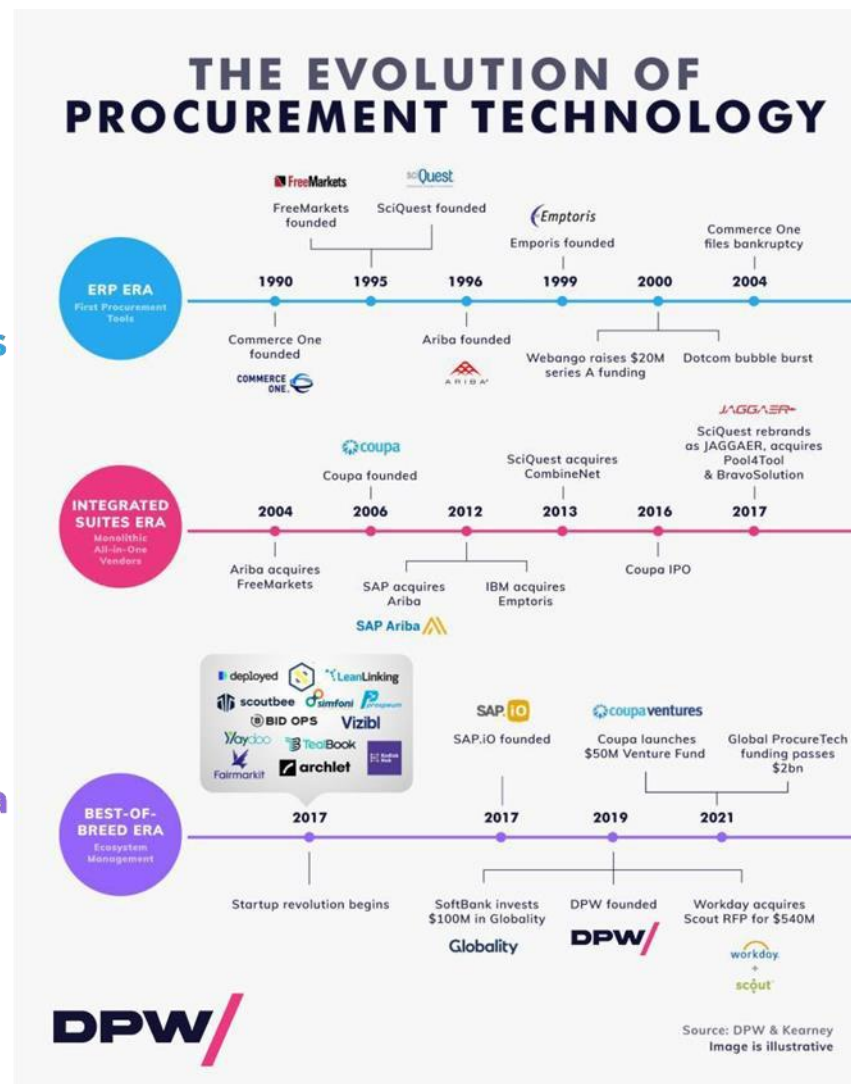
Best-of-breed era is changing how to think about digital

- More VC/PE money flowing into procurement software space than ever before
- Are new entrants "software players" or "data players"?
- Cloud-based SaaS solutions with API designed for integration

ERP Era
Transaction focus

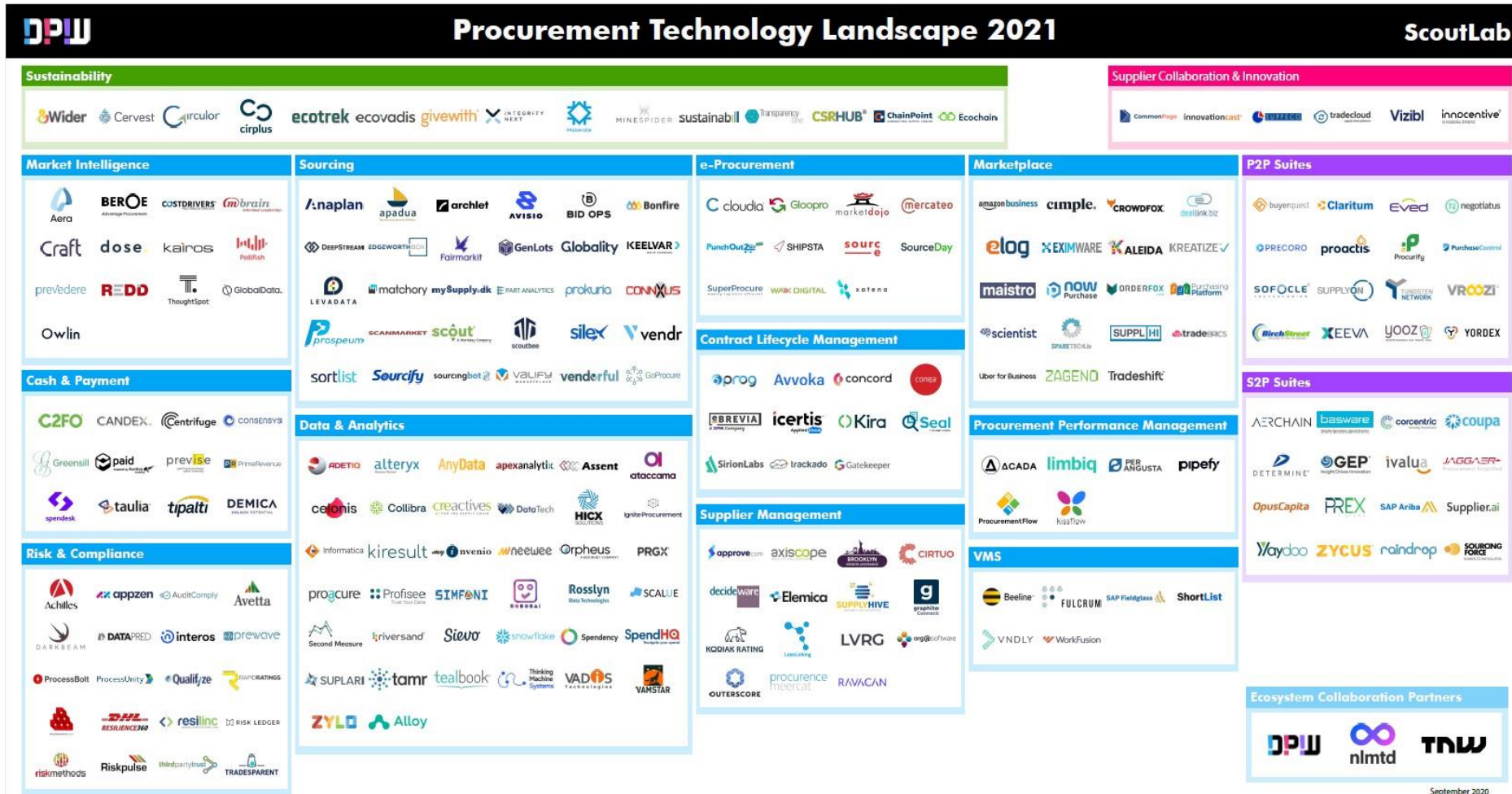
Suite Era
Process Focus

Best-of-Breed Era
Data Focus



Source: Sievo

The Future of Digital Procurement



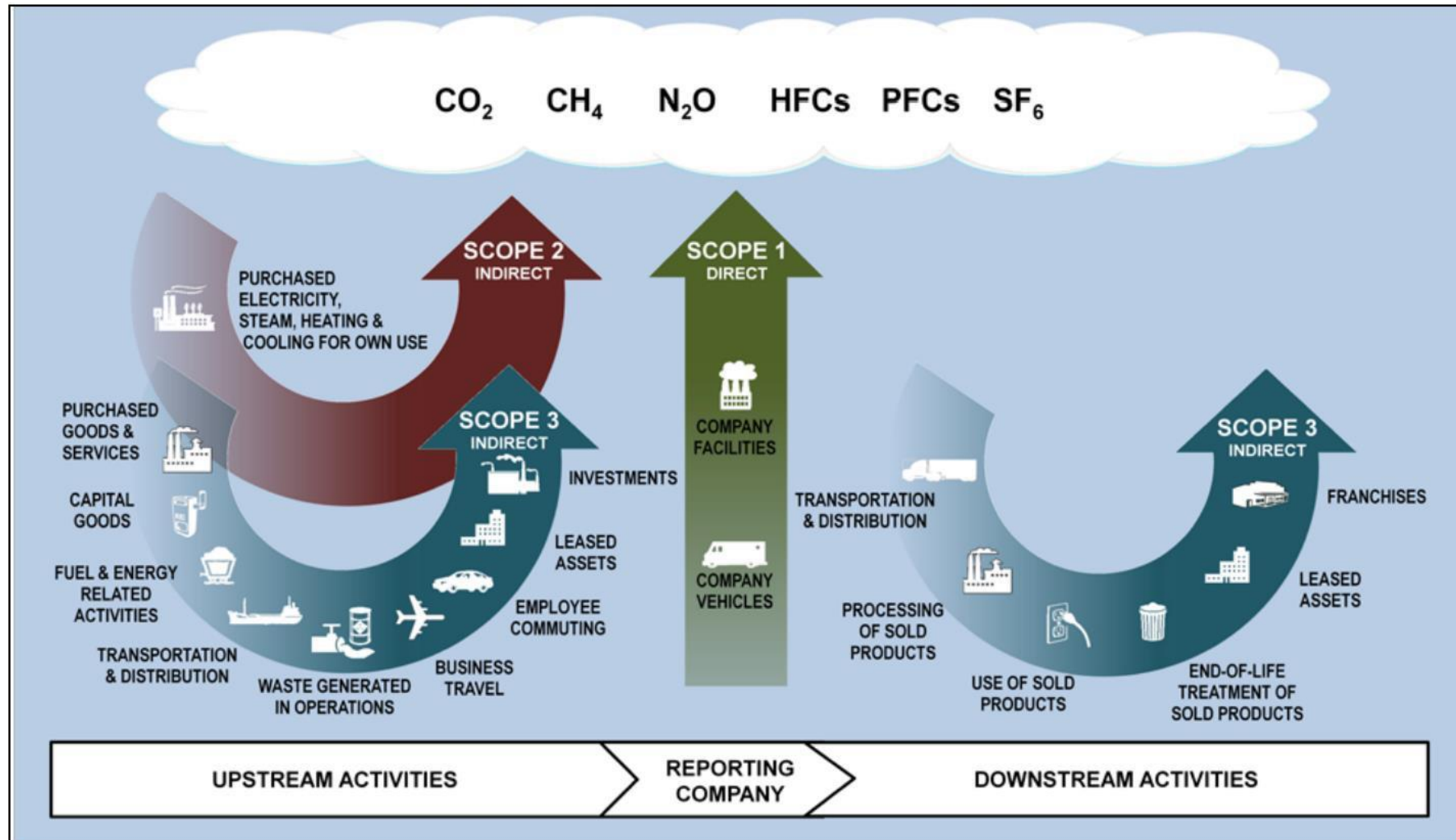
Source: Sievo

Sustainability—what can we do?

Supplier
sustainability



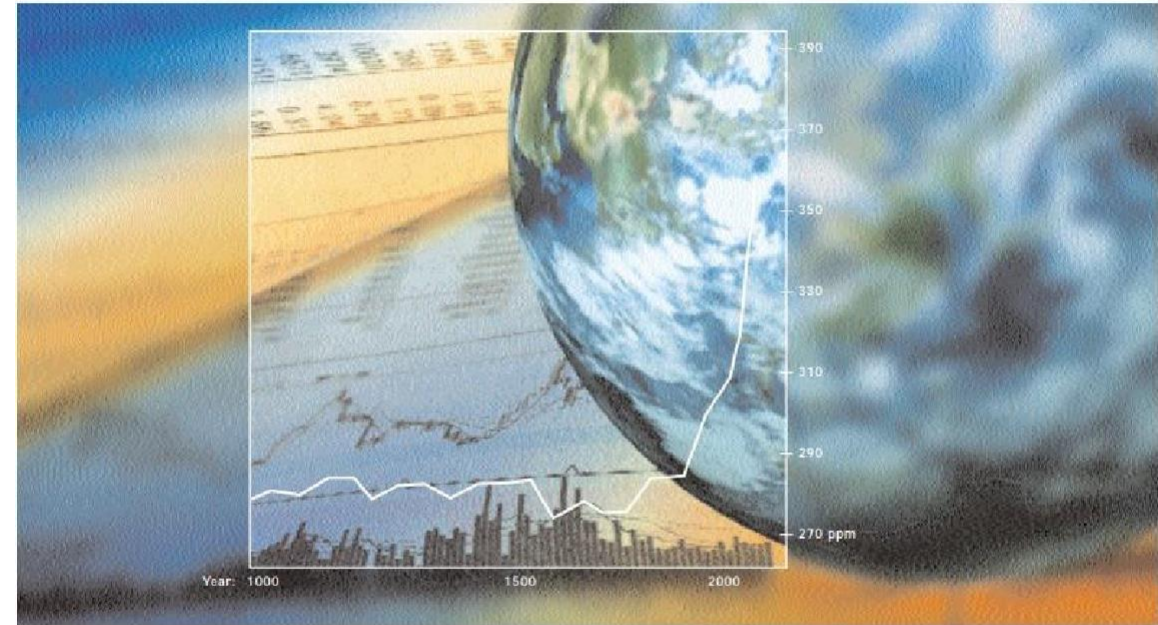
GHG protocol emission scopes



Instructions for calculating emissions

Greenhouse Gas Protocol (GHG Protocol)

- The best-known and most widely used guidelines for calculating greenhouse gas emissions “More than **9 out of 10 Fortune 500 companies** reporting to CDP use **GHG Protocol.**”
- GHG Protocol splits emissions into three “Scopes”
 - Scope 1: Emissions from the company's own operations
 - Scope 2: Emissions from the production of energy purchased by the enterprise
 - Scope 3: Other emissions (eg emissions of purchased goods and services)



A Corporate Accounting and Reporting Standard

REVISED EDITION

Source: Toni Tuomela / Nokian Tyres



ONLINE HUB FOR
PURCHASING & SUPPLY CHAIN MANAGEMENT
PROFESSIONALS

IFPSM eServices

<https://eservices.ifpsm.org>

IFPSM World Summit

- The World Summit conference is the IFPSM's annual high-level event. It has been held 21 times successfully since the first conference held in Venice, Italy in 1977.



1977 in Venice



2005 in Beijing
"Purchasing in China"



2011, in Stockholm
"Reshape a Professional World"



2013 in Bangkok
"How to Cope with Crisis"



2015 Barcelona
"Explore the Potentials of
the Association"



2017 in Taipei
"Sustainable Development
Makes Sure the Success"



2018, in Helsinki
"2020 Procurement"



2019 in Mombasa
"Sustainable Procurement and Supply
Chain Practices for the 21st Century"



2022 in Bali
"Leading Transformation Through
Disruptive Innovations"



2023 in Florence

World Summit 2024 in Cancun, Mexico by

<..\..\Downloads\VIDEO-2023-09-08-19-37-43.mp4>



Cesar Leal





THANK YOU!

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