

Procuring MedComms....

An Insider's View

David Pilley
Director, David Pilley Consulting Ltd

Agenda

- **Introduction**
- **Structure & Terminology**
- **Role of Procurement**
- **The Way we view Suppliers (and assess how they view us)**
- **4 Key Points**
- **Questions**

Structure & Terminology



- **HoP – Head of Procurement**
- **GCL – Global Category Leader**
- **GCM - Global Category Manager**
- **GSM – Global Sourcing Manager**



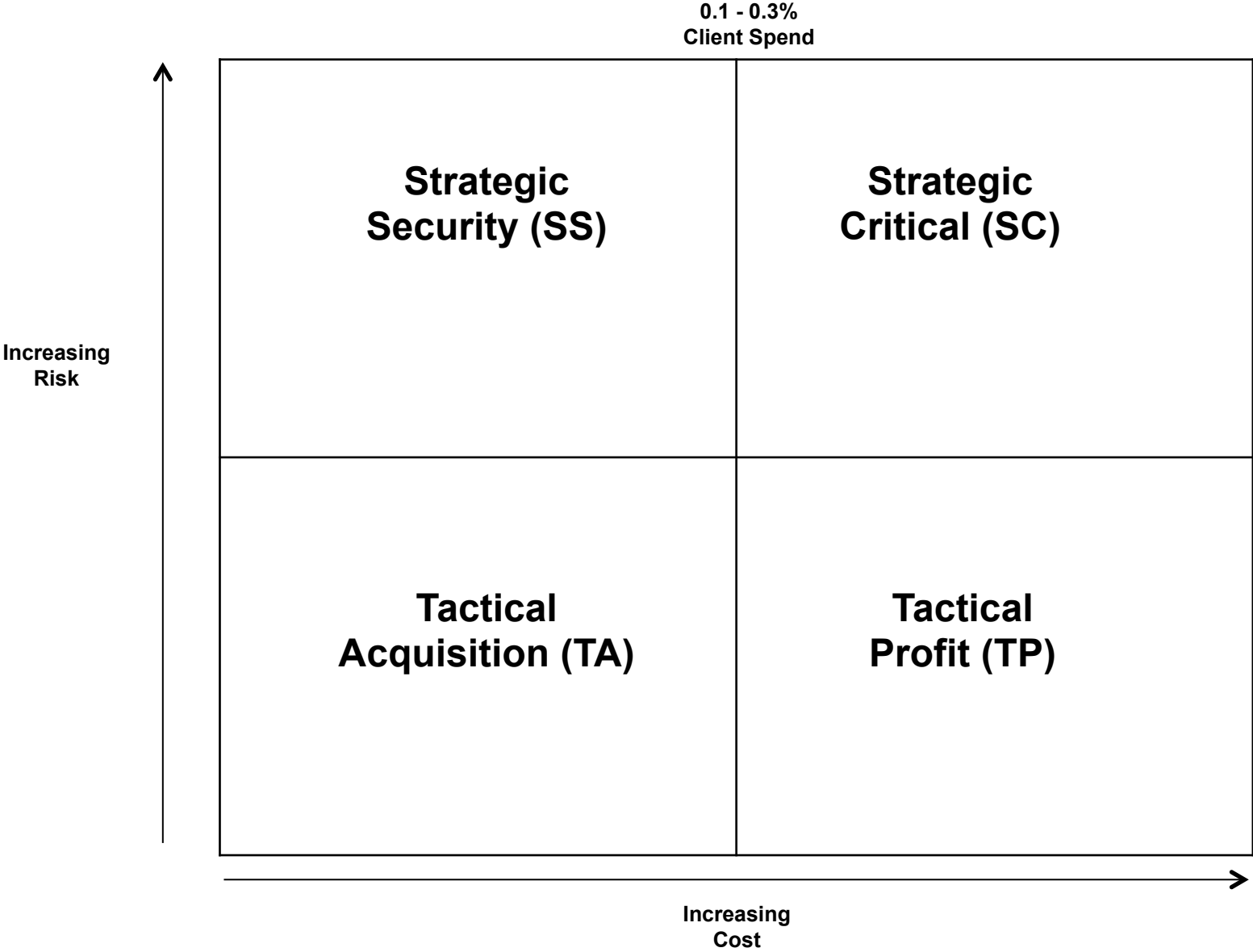
- **CM – Category Manager**
- **PM – Purchasing Manager**

Role of Procurement

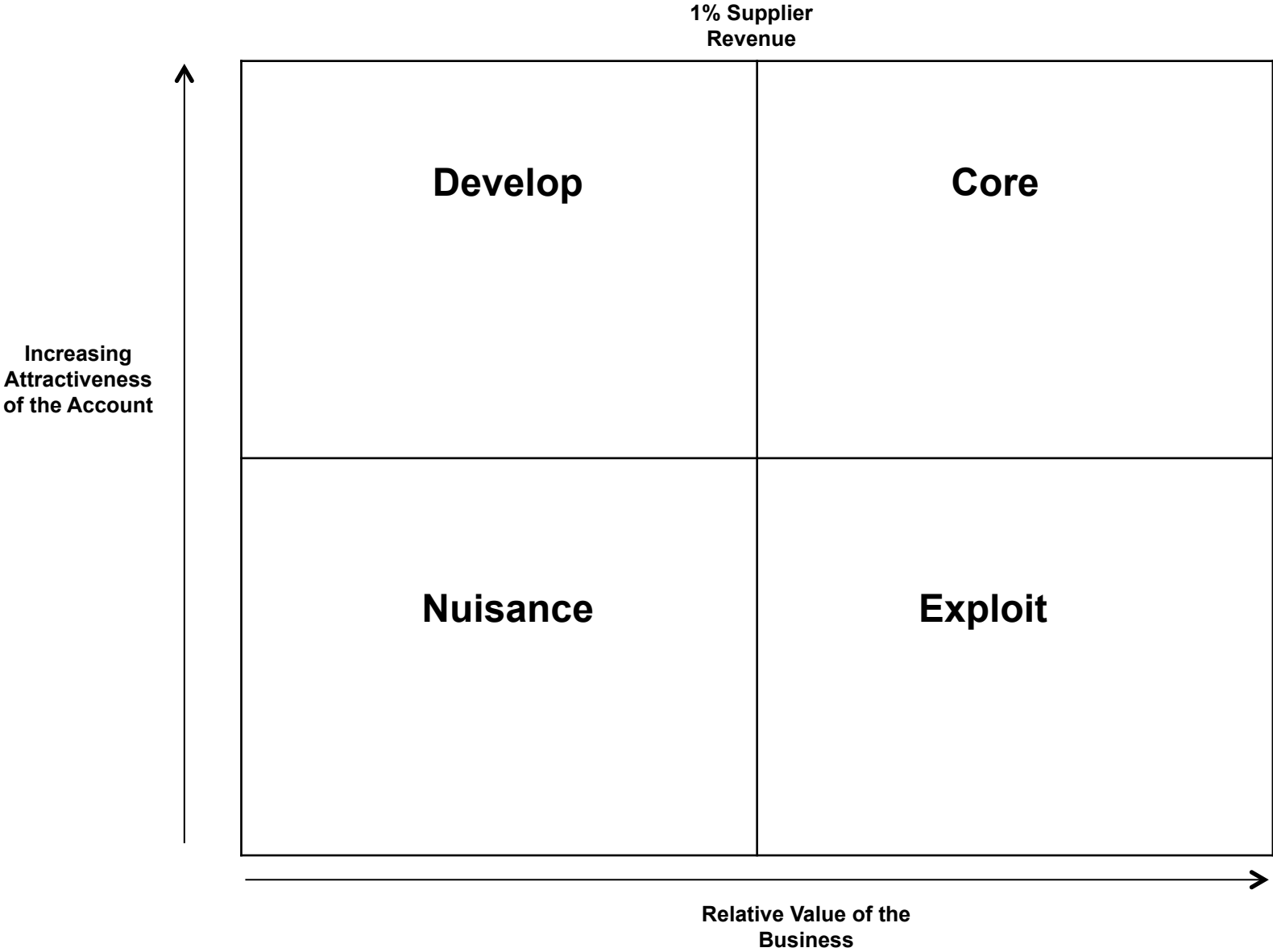
<p><u>Category Knowledge</u> Identifying innovation Landscape and market place Future trends Niche vs. one stop shop</p>	<p><u>Improving Value</u> Deliver Value Consolidation of Supply Base Improving Cash Flow Outsourcing non-core activity</p>
<p><u>Supplier Relationship Management</u> Managing Risk Review & Improve External Compliance Management Information and Data</p>	<p><u>Business Partnering</u> Understanding your customers' needs Consistent ways of working Visibility of all your spend Internal Compliance</p>

The Way we view Suppliers (and assess how they view us)

Supplier Positioning Matrix



Supplier Preferences Matrix



Market Management Matrix

<u>Development</u> Seek areas of mutual dependency	<u>Core</u> Maintain long term relationship
<u>Nuisance</u> Change supplier. Offer Incentives	<u>Exploitable</u> Change supplier. Monitor price & service trends

<u>Development</u> Work together to develop business	<u>Core</u> Potential long term relationship
<u>Nuisance</u> Raise Attraction. Change Supplier	<u>Exploitable</u> Raise mutual dependency. Seek competition

Strategic Security	Strategic Critical
Tactical Acquisition	Tactical Profit

<u>Development</u> Offer incentives. Raise mutual dependency	<u>Core</u> Strong position. Maintain relationship. Offer other opportunities
<u>Nuisance</u> Passive relationship. Seek alternative supplier	<u>Exploitable</u> Monitor price trend. Increase attraction. Seek alternatives

<u>Development</u> Encourage participation. Seek mutual development	<u>Core</u> Sound Position. Improve own profit
<u>Nuisance</u> Mismatch. Change supplier	<u>Exploitable</u> Adversarial position. Check power balance. Consider other sources

4 personal tips!

- **Be proactive**
- **Assess you position / audit?**
- **Be open & transparent**
- **Keep Procurement Updated**

Appendix Slides

Project activity

Update protocol to align with new objectives

Data extraction

Analytical programming, and modelling as per SAP

Develop report

Meetings/calls with xxxxxxxx Pharma

Total

Fees (£)

10,035.00

20,810.00

83,020.00

24,120.00

11,180.00

149,165.00

Agency Project Feedback Questionnaire for AstraZeneca					
				Score (where 0 = poor, unacceptable, not at all, very low, and 5 = Excellent, outstanding, exceeds expectations, very high	
	Number	Question	Areas to consider	Comments	
Prior to project implementation	1	How clear was the brief ?	Was the brief written? Were the objectives clear? Was enough time given to make a considered response? Was all the relevant background information provided? Were you given a contact for follow up information?	2	
	2	How would you rate the RFP/pitch process ?	Was enough notice given? Were the RFP questions focused & clear? Were you given enough time for your presentation? Were the audience relevant, attentive etc?	4	
	3	How would you rate the post RFP/pitch feedback process?	Did AZ give feedback on your RFP response/presentation within the timescales promised? Was it written or verbal? Was the feedback constructive?	4	
	4	How do you rate the end to end contracting process?	Are processes timely and appropriate? If relevant, how easy was it to agree the MSA? How easy is it to set up and approve an amendment/SoW. Was the PO raised in a timely manner?	2	
During Project Implementation	5	How well does AZ communicate? Are you kept up to date on change?	Do you have a clear point of contact? Is communication clear and timely? Are calls returned and messages actioned? Are you updated on changes within AZ that may impact on the project? Is new information passed onto you in a timely manner?	4	
	6	What is your assessment of AZ routine decision making?	Are decisions turned around in a timely manor? Are individuals empowered to make decisions or is a committee and a series of internal meetings required? Once made, are decisions stuck to?	4	
	7	Do AZ make reasonable requests upon you?	Are you given enough time to complete key activities? Are requests reasonable and made in a timely manner? How often are you asked to action requests immediately - i.e. Outside of plan or due to poor time management/project planning?	3	
Post project	8	How do AZ manage the relationship?	Are you made to feel part of the team? Are you treated as a partner or just a supplier? Are your skills being exploited in the most effective way?	4	
	9	What is your assessment of the remuneration process?	Have all the invoices been paid in the appropriate timescales? Have all agreed costs been honoured?	4	
	10	Have you received feedback?	Have you had regular reviews with AZ? Have you been given constructive feedback on the projects you have delivered? Have you been given the opportunity to feedback on AZ?	4	
			Total Score	35	
				Score per KPI:	Total Score:
Experience of working with AZ:-		Unacceptable performance		0 -1,9	0 -19
		Address with Leadership team		2,0-2,5	20-25
		Significant issues to address		2,6-2,9	26-29
		Some issues to address		3,0-3,9	30-39
		Target Performance		4,0 -5,0	40 -50

AstraZeneca Supplier Feedback Questionnaire				Score (where 0 = poor, unacceptable, not at all, very low, and 5 = Excellent, outstanding, exceeds expectations, very high	Comment
	Number	KPI	Areas to consider		
Prior to project implementation	1	How well did the agency interpret the brief?	Is the supplier clear on desired outcomes/objectives for the project? Did the supplier make full use of the resources provided? Did the supplier approach AZ for clarification? If appropriate, how did the supplier perform at the pitch?	4	
	2	How would you rate the SOW?	Does the SOW capture the key project deliverables? Is the SOW presented in the correct format? Was the SOW delivered in a reasonable timeframe?	4	
	3	How clearly are the project costs broken down?	Are the costs transparent? Do rates and activity costs match those in the framework agreement? Are expenses clearly identified and reasonable? Are third party costs clear? Have they been marked up? Are preferred suppliers being used where appropriate?	4	
During Project delivery	4	What is your assessment of project delivery?	Is the supplier delivering what they promised? Are they delivering quality outputs on time? Are they able to operate independently?	5	
	5	What is your assessment of account management?	Is the supplier effectively managing costs on behalf of AZ? Are invoices presented on time without chasing? Are they accurate? Have additional costs been discussed and agreed up front?	4	
	6	How proactive is the supplier?	Does the supplier raise issues and problems well in advance and proactively identify solutions? Do they participate and contribute fully to project meetings? Do they always wait for direction or are they able to proactively deliver? Are they part of the team?	4	
	7	How well does the supplier communicate?	Do you have a clear point of contact? Is communication clear and timely? Are calls returned and messages actioned? Are written / email communications clear relevant and focused?	4	
Post project	8	Is reconciliation complete?	Have all deliverables been completed and signed off? Have all invoices been received? Do they match budget expectation? Have all loose ends been dealt with?	4	
	9	Has the supplier achieved the stated objectives?	Have all the agreed outcomes been delivered? Have any KPIs been measured and reported? Did the project/ module of work represent good value from an ROI point of view?	4	
	10	How would you rate this supplier and their project management skills to a colleague?	Does the supplier provide the quality, technical ability and cost effective delivery that AZ demands?	4	
Total Score				41	
Average Score				4.1	
				Score per KPI:	Total Score:
Agency loses preferred status				0-1,9	0-19
Monitor improvement plan bi-weekly				2,0-2,5	20-25
Significant issues to address				2,6-2,9	26-29
Some issues to address				3,0-3,9	30-39
Preferred agency target range				4,0-5,0	40-50