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ISSUE 65

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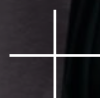
ProcureTex 2025

Empowering procurement's next frontier

NEDRA DICKSON

Small businesses are the untapped powerhouses you cannot ignore

Global procurement and technology leader, **Nedra Dickson, Interim President and CEO, WBENC**, explores why small businesses are the most undervalued force in global supply chains



DIAGEO

ROCHE

PEPSICO

Welcome to issue 65 of CPOstrategy!

THIS MONTH'S COVER story features a genuine procurement and supply chain guru. We sit down with global procurement and technology leader Nedra Dickson to explore why small businesses are the most undervalued force in global supply chains - and how empowering them can unlock innovation, resilience and economic growth on a global scale...

In the world of procurement, conversations often circle around cost savings, risk mitigation and supply chain efficiency, often leading towards a bias - the bigger the supplier, the better the supplier. Yet for Nedra Dickson - a procurement and technology leader with a global track record working for companies such as Accenture - these discussions are missing a vital thread: the transformative role of small businesses in shaping economic resilience, innovation and community prosperity.

Few leaders have made as lasting an impact as Nedra Dickson. A seasoned executive with over two decades of experience across technology consulting, operations management and procurement sourcing, Dickson has built a reputation not just for managing billions in spend, but for reshaping how global companies think about supplier diversity and sustainable procurement.

In her view, procurement leaders hold a unique lever for change. By strategically integrating small and diverse suppliers into their sourcing mix, they can not only strengthen supply chains but also contribute to healthier economies.

"If I look at this on a global scale, it is about creating jobs around the world. That's the common denominator. Let's create jobs and drive an economic impact."

Elsewhere, we also have insightful content from procurement leaders at Candex and Hitachi and an exclusive report from ProcureTEX, plus much, much more!

Enjoy the issue!



ANDREW WOODS
EDITOR IN CHIEF
CONTENT@B2E-MEDIA.COM





Transforming Tail Spend

Over **500 procurement leaders** across **61 countries** and **105 sectors** shared with us how they define Tail Spend, and one thing's clear: there's **no single definition that works for everyone.**

55%

Define Tail Spend
by low-value
spend thresholds

33%

Use the Pareto
80/20 rule to
size their tail

Be Part of Reimagining Tail Spend

However, the results revealed something *much* more telling - that Tail Spend turmoil is costing organisations time, value, and control. These leaders know they need to drive real change & dramatically increase efficiency in this area, and they recognize that 2026 must be the year to fix it.

Join Alistair (Axiom) and Joël (Pure Procurement) on **25 November at 15:00 (GMT)** to uncover what 500+ leaders revealed and how automation could finally close the gap.

Save My Seat

Attendees get **early access** to the tail spend report

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THE
PURE PROCUREMENT
NEWSLETTER

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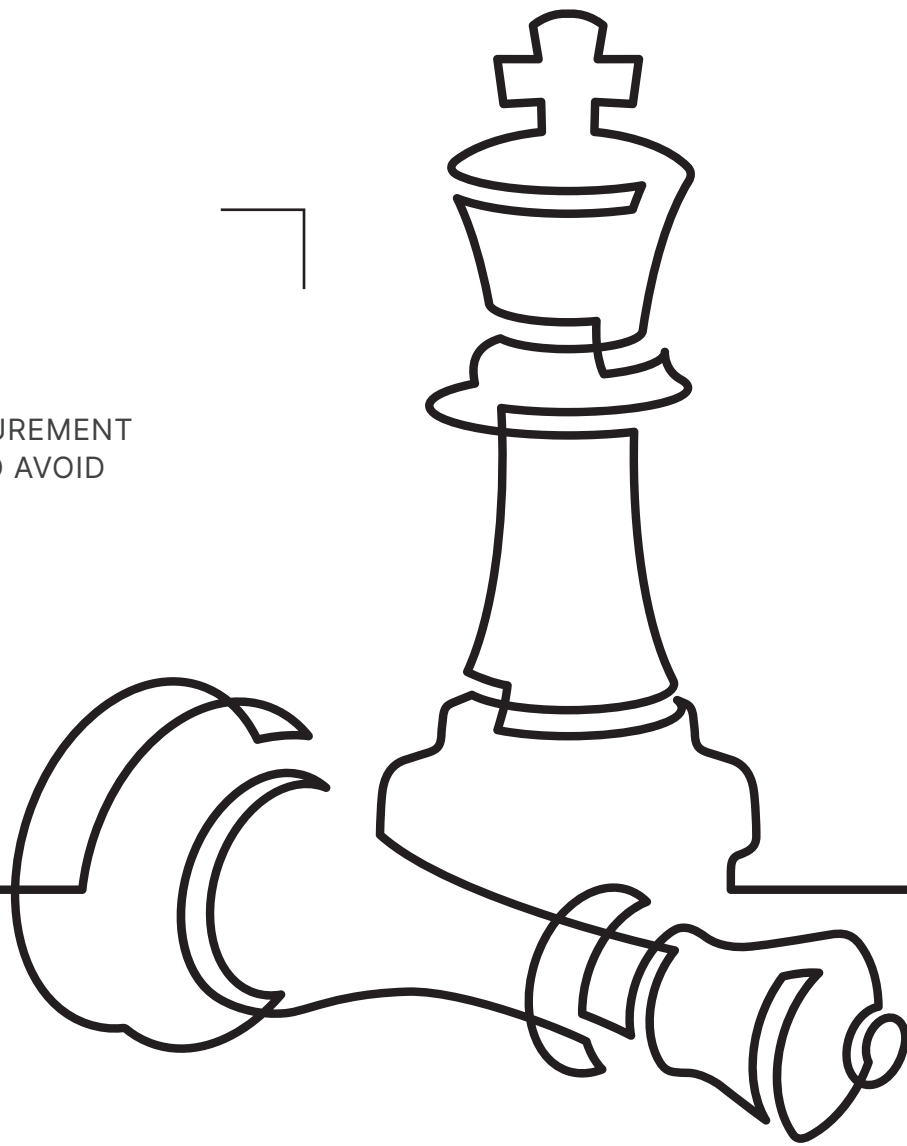
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A woman with curly hair is shown from the side, wearing a black top and a watch, with her hand on a laptop keyboard. The image is partially obscured by a teal vertical bar.

Small businesses are the untapped powerhouses you cannot ignore

CPOstrategy sits down with global procurement and technology leader, Nedra Dickson, Interim President and CEO, WBENC, to explore why small businesses are the most undervalued force in global supply chains - and how empowering them can unlock innovation, resilience and economic growth on a global scale...

WRITTEN BY
ANDREW WOODS

In the world of procurement, conversations often circle around cost savings, risk mitigation and supply chain efficiency, often leading towards a bias - the bigger the supplier, the better the supplier. Yet for Nedra Dickson - a procurement and technology leader with a global track record working for companies such as Accenture - these discussions are missing a vital thread: the transformative role of small businesses in shaping economic resilience, innovation and community prosperity.

In her view, procurement leaders hold a unique lever for change. By strategically integrating small and diverse suppliers into their sourcing mix, they can not only strengthen supply chains but also contribute to healthier economies.

"If I look at this on a global scale, it is about creating jobs around the world. That's the common denominator. Let's create jobs and drive an economic impact," she tells us.





A true visionary

Few procurement and supply chain leaders have made as lasting an impact as Nedra Dickson. A seasoned executive with over two decades of experience across technology consulting, operations management and procurement sourcing, Dickson has built a reputation not just for managing billions in spend, but for reshaping how global companies think about supplier diversity and sustainable procurement.

As a former Managing Director at Accenture, Dickson held two vital roles. On one hand, she led Accenture's Global Supplier Diversity and Sustainability Programs across 20 countries. On the other, she managed Europe Procurement Operations across 30 countries, overseeing more than \$2.5 billion in procurement spend. Balancing these dual responsibilities required the kind of strategic vision, operational precision and people-centred leadership that have defined her career. "Profitability and responsibility can go hand in hand. Supplier diversity isn't a side project. It's good business."

Her impact at Accenture is perhaps best illustrated by the expansion of the firm's award-winning Diverse Supplier Development Program (DSDP). What began as a focused initiative to mentor diverse businesses evolved under her leadership into a global model of success. With tailored curricula designed to help small and diverse businesses grow and integrate into multinational supply chains, the program extended across the US, Canada, UK, South Africa, Ireland and India. Plans for further expansion into Germany, Austria, Switzerland and Mexico followed in 2021, underscoring the program's influence and Nedra's vision for inclusive growth.

Dickson's vision is all about changing the very fabric of procurement. By embedding supplier diversity and sustainability into the DNA of global business operations, she has demonstrated that profitability and responsibility can coexist and that small businesses lay at the heart of her vision.

“If we focus on building local economies, we drive the broader economy. That’s sustainability — not just in environmental terms, but in keeping communities vibrant”

– Nedra Dickson, Interim President and CEO, Women’s Business Enterprise National Council

The perception problem

For all their potential, small businesses face stubborn misconceptions in procurement circles, according to Dickson. “People hear ‘small business’ and assume you’re just giving them work. That couldn’t be further from the truth.”

Nedra sees a curious bias in corporate culture: startups are embraced as disruptors and innovators, while small businesses are judged as if they were fully scaled enterprises.

“Leaders understand startups - they expect rapid scaling, they expect an IPO or acquisition,” she says. “Some startups aren’t even profitable yet, but they’re still seen as valuable partners. Small businesses, meanwhile, are held to the same standards as established corporations, which is unfair.”

The result? Many large corporations overlook suppliers who could deliver

competitive pricing, fresh ideas and unique capabilities simply because they don’t fit neatly into the procurement template.

Risk models - often designed for large, well-established companies - compound the issue. Procurement teams default to incumbents because it feels safer. Large corporations are seen as having deeper pockets, better insurance and more capacity to absorb failure. “In a crisis, small businesses can pivot far faster than an 800,000-person organisation.”

The pandemic drove this point home. While many multinationals were still convening





committees to assess disruptions, small suppliers were reconfiguring processes and retooling operations overnight. The resilience of small businesses isn't just operational either. It's economic. They have a disproportionate impact on local hiring and community development, which in turn supports global supply chain stability.

"Small businesses are ten times more likely to hire within local economies," Dickson reveals. "When you strengthen a local economy, you fuel the broader economy. That stabilises your customer demand and your workforce."



In an era when consumers want to buy from companies that align with their values, this local engagement matters. Corporations that invest in their communities - not just through philanthropy, but through their procurement choices - can deepen customer loyalty and brand equity.

Perhaps the most underestimated strength of small businesses is their capacity for innovation. From advanced manufacturing methods to AI-powered analytics, small suppliers often pioneer new ideas before larger companies can mobilise their bureaucracy to respond.

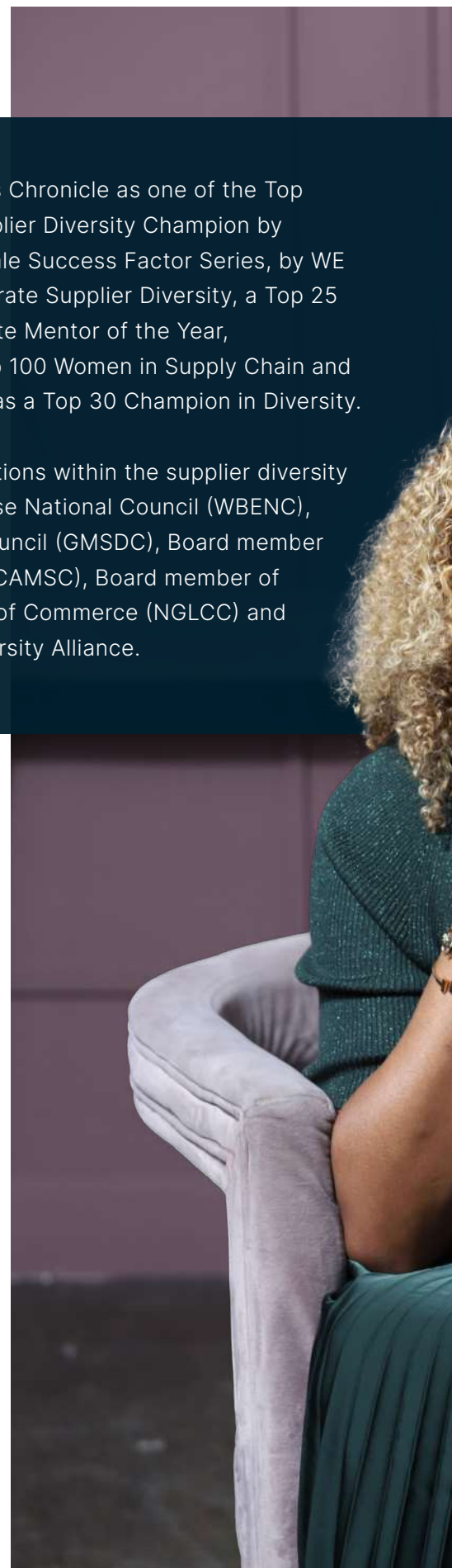
Nedra Dickson

Nedra Dickson has been recognised by Atlanta Business Chronicle as one of the Top Diversity and Inclusion Officers of Atlanta, a Global Supplier Diversity Champion by NGLCC, one of the Georgia Top 25 Women in their Female Success Factor Series, by WE magazine as one of America's Top 100 Leaders in Corporate Supplier Diversity, a Top 25 Women in Power Impacting Diversity, a WBENC Corporate Mentor of the Year, a USAPCC-SE region Mentor of the Year, among the Top 100 Women in Supply Chain and the Top 100 Women in Procurement, and most recently as a Top 30 Champion in Diversity.

Nedra Dickson also holds several Board of Director positions within the supplier diversity community: Board member of Women Business Enterprise National Council (WBENC), Board member of Georgia Minority Supplier Diversity Council (GMSDC), Board member for Canadian Aboriginal Supplier Development Council (CAMSC), Board member of Disability:IN, Board member of National LGBT Chamber of Commerce (NGLCC) and Founding Board Member of GSDA – Global Supplier Diversity Alliance.

“You’re not replacing a large corporation with a smaller business. The question is: how can collaboration give you a cost-competitive edge and access to new technology?”

– Nedra Dickson, Interim President and CEO, Women's Business Enterprise National Council





A compelling example

“When you start looking at something that’s important and global - around the CDC (Centers for Disease Control and Prevention) in the US, which also does global work with partners around the world - there was a small woman-owned business that came in to develop the software to test Zika and Ebola,” she recalls. “It wasn’t the large corporation. That innovation came from a woman-owned business. She had worked in global companies before, but it was her idea that leveraged that platform for testing. The platform that all of these global diseases were being tested on came from her design.”

For Dickson, examples like this illustrate the untapped potential within small businesses - if only they are given the chance. “Innovation doesn’t just live in big corporations. It’s thriving in small businesses that simply need a seat at the table,” she reveals.

Collaboration not replacement

The goal, Dickson insists, is not to oust large suppliers but to create a blended model that leverages the strengths of both. “You’re not replacing a large corporation with a smaller business. The question is: how can collaboration give you a cost-competitive edge and access to new technology?”

She points to an example in augmented reality. Long before the “metaverse” became a buzzword, a small company in this niche helped a major corporation enhance its client offerings. The partnership allowed the larger player to integrate cutting-edge capabilities quickly, winning new contracts and expanding existing relationships.

“That’s the power of collaboration,” she notes. “The small business brought the tech, the large corporation brought the scale, and together they created something neither could have done alone.”

Breaking the legacy cycle

One of the biggest obstacles to engaging with small suppliers is inertia, according to Dickson. “Sometimes the legacy mindset kicks in, but we just keep going with the partner we’ve always used because it’s easier. However, the landscape changes every year and procurement has to change too.”

This isn’t just about innovation; it’s about risk diversification. The pandemic made painfully clear the dangers of over-reliance on a single supplier or region. Small businesses, especially local ones, can help spread that risk.

Legislation such as the UK’s Social Value Act can encourage a shift in corporate behaviour. The Act outlines themes such as equal opportunity, which Dickson stresses is not about handouts, but levelling the playing field.

“If you keep going to the same partner, you’re missing out — on cost, on innovation, on resilience”

– Nedra Dickson, Interim President and CEO, Women’s Business Enterprise National Council

Industry networks also play a critical role. Nedra cites organisations like Minority Supplier Development UK, which identify high-potential businesses that might otherwise fly under the radar.

Emerging technologies could further tilt the playing field toward smaller suppliers. AI, for instance, can help them respond to RFPs and tenders faster, showcase innovation more effectively and manage operations with fewer resources. “Small businesses have been leveraging AI for years - they’ve already seen the benefits, while big companies are still in meetings about it.”





From reluctance to action

For procurement leaders hesitant to take the plunge, the advice is clear: start small, but start now. “If you keep going to the same partner, you’re missing out – on cost, on innovation, on resilience.”

She encourages experimenting with pilot projects or co-sourcing arrangements that allow large corporations to test small suppliers’ capabilities without overexposing themselves.

She also urges leaders who are already partnering with small businesses to share their success stories. “The more we highlight these wins, the more we change the narrative.”

The bigger picture

Ultimately, Dickson's passion for small business advocacy is grounded in a bigger vision: economic empowerment. "If we focus on building local economies, we drive the broader economy. That's sustainability - not just in environmental terms, but in keeping communities vibrant."

This vision includes workforce development, particularly in re-skilling workers for the AI-driven economy. Dickson believes small businesses can play a key role in helping large corporations train both younger generations and older workers who risk being left behind.

"We can't lose our senior population when it comes to technology," she warns. "Small businesses can bridge that gap, keeping them engaged and skilled. It's about equal opportunity, collaboration, and experiencing the growth of jobs that small businesses bring to every economy."

"By casting a wider net, embracing partnerships, and challenging old assumptions, procurement leaders can unlock innovation, resilience and prosperity for their organisations and the communities they serve."

"If I get anything out of these conversations," she concludes, "it's the hope that more leaders see the value in collaboration between large corporations and small businesses. That's how we fuel economic growth and create jobs. That's the message." ■





The ProcureTEX logo is positioned at the top left of the image. It features the word "Procure" in white and "TEX" in a bright yellow-green color. The "X" in "TEX" is stylized, resembling a network or a crosshair.

ProcureTEX

Empowering procurement's ***next frontier***

In September 2025, CPOstrategy travelled to London to attend the first ever ProcureTEX for an interactive conference filled with important discussion and valuable insights



SEAN GALEA-PACE

WRITTEN BY

INTRODUCING PROCURETEX.



A new kind of event has arrived - one built by the best-of-breed community, for procurement leaders driving real change.

Held for its inaugural event in Kings Place, London, on 17th September, and hosted by Keelvar, Beroe and Zip, ProcureTEX brought together the procurement community with proven best-of-breed technologies, so forward-thinking practitioners can build their own bespoke, integrated best-of-breed ecosystem to solve their biggest challenges. Designed for procurement leaders and digitalisation teams at large enterprises, the event was created for those seeking scalable, modern alternatives to legacy systems.

The idea of ProcureTEX was born following a casual conversation between Alan Holland, CEO and founder at Keelvar, and Vel Dhinagaravel, CEO and founder at Beroe, who both felt there was a gap in the market for an event that could combine the best of innovation with providers and vendors of a certain scale that can be interoperable. They mused that while some events focus on innovation, primarily attracting startups, and other conferences centre more on larger, more established players with a huge amount of pedigree - there was nothing quite like ProcureTEX out there.

Having been described by Dhinagaravel as an “unconference” in his opening address, ProcureTEX wanted to put practitioners at the forefront and create a place for transparent discussion about the direction of travel for procurement amid significant digital transformation.

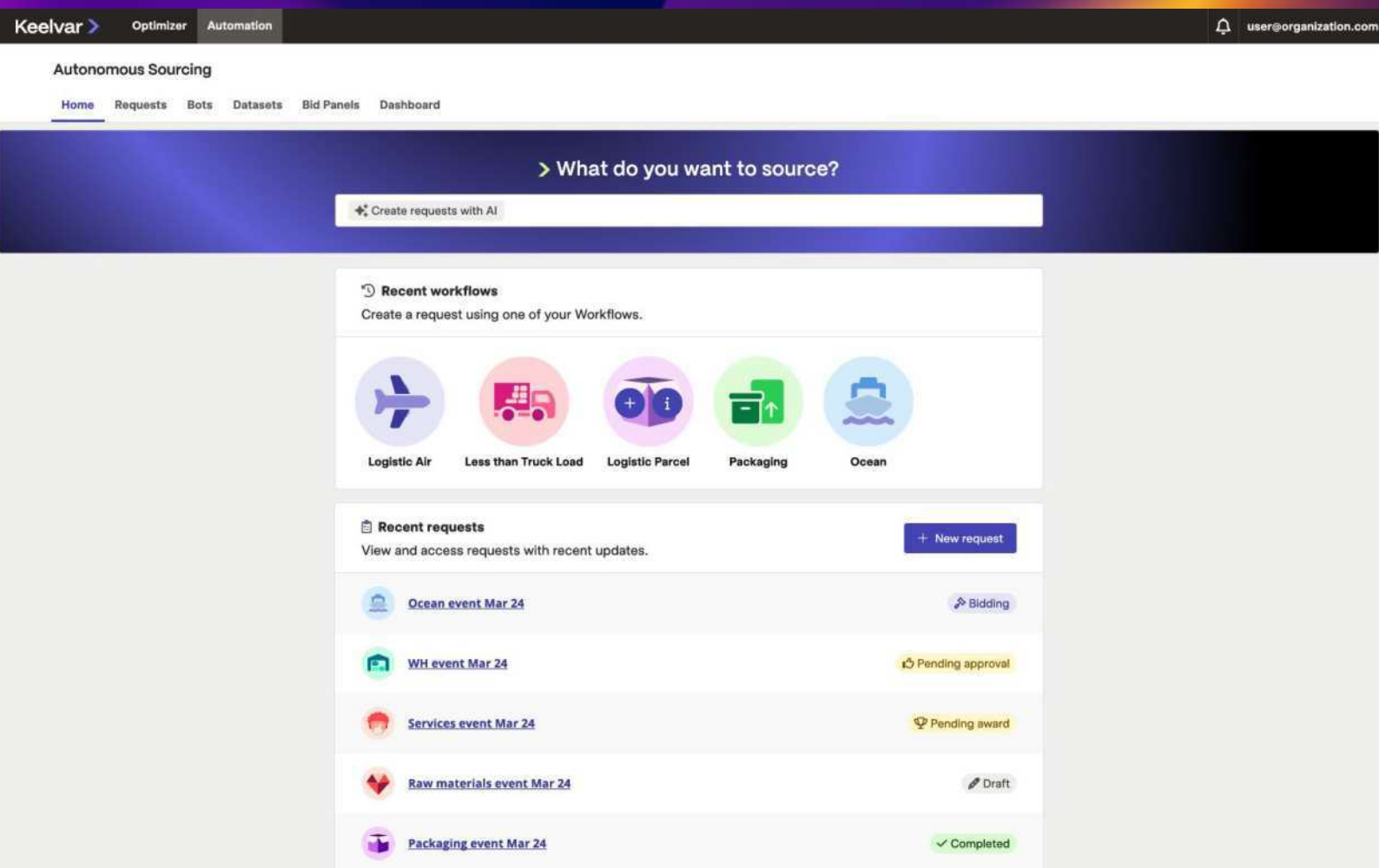






The AI-Native Sourcing Solution

Alan Holland, CEO and Founder of Keelvar, on how his AI-driven company is pushing the possible amid a transformative digital revolution in procurement.



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AI-first sourcing solutions

Speaking exclusively to CPOstrategy at ProcureTEX, Alan Holland, CEO and Founder at Keelvar, discusses his company's AI mission amid a global digital transformation

For the past 13 years, Keelvar has grown to become a market leader in advanced sourcing optimisation and autonomous sourcing for procurement. Led by CEO and Founder Alan Holland since the company's creation in 2012, Holland has witnessed first-hand how the procurement function has mobilised and embraced AI amid industry-wide digital transformation journeys.

And that past isn't lost on Holland.

"As a company that came from an AI research lab, it's fascinating to remember that in our early days when we were talking about AI to prospects and customers, they weren't really listening," he recalls. "In some ways they thought we were techies, maybe a little too far away from the problems that they had at that time. I guess, in some ways, they were right because they weren't yet ready to adopt AI. But I still have no regrets that we needed to start building then because the frameworks for successful AI adoption require deep foundations. In the realm of sourcing, in order to do the process in the best



way possible, you've got to have a sourcing optimiser that can reason about expressive bid information from suppliers, expressive constraints and preferences from your stakeholders. That's the key to having efficiency and speed."

Keelvar is committed to delivering 'AI-first' instead of 'AI-enhanced' sourcing solutions, demonstrating a firm mission is to scale sourcing excellence. For Holland, he believes that sourcing excellence revolves around approaching suppliers with transparency. "You must be clear about what

you need from them, what your expectations are, what excellence looks like for you, and how you will measure their performance," explains Holland. "At its core, sourcing excellence is about rich communication. But it can often be multifaceted so there's always trade-offs to be had. If you look behind the curtain of any supplier, you don't know just how much complexity there is. But if you can allow them to condition their offers based on the right structure of the package of items that would suit them, then that's a good way of supporting excellence."

Find out more about Keelvar >



One of the biggest successes of the event was the spotlight on peer-to-peer learning. In addition to speaker sessions and panel discussions, ProcureTEX provided practitioner-only sessions and workshops offering candid conversation, as well as a series of hackathons showcasing a deep-dive into real-world challenges. The result was an enthusiastic floor filled with a shared buzz and hunger for collaboration to achieve better outcomes for individuals and their procurement teams.

The first session was an engaging and educational keynote from Professor Mike Woolridge from the University of Oxford who stressed how “you can’t have an AI strategy without a data strategy.” Woolridge’s message set the tone for the day with speakers and attendees alike reinforcing the notion that clean, contextual data is procurement’s most valuable asset while also being its greatest challenge. No data, no AI.





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Unlocking an AI-driven procurement revolution

Speaking exclusively to *CPOstrategy* at ProcureTEX, Vel Dhinagaravel, CEO at Beroe, discusses how to navigate a new era of procurement amid an AI transformation



"I think procurement's being asked to do a lot."

Vel Dhinagaravel, CEO and Founder at Beroe, is well aware about the challenges facing the procurement industry today. With almost two decades of experience running operations at Beroe, it is fair to say that Dhinagaravel has seen it all since the company's founding in 2006.

"There's a lot of volatility and unpredictability in the market, but I think the key common denominator with the asks of procurement are to prove that there's a competitive cost structure that they are providing," he explains. "I think the old notion of measuring procurement performance in the form of savings is changing and evolving into a competitive advantage. This could come through cost, flexibility, innovation, speed, etc. I see best-in-class procurement organisations focusing on measuring their competitive differentiation on all of these different parameters."

Today, Beroe has become a global powerhouse in procurement and stands as one of the world's leading procurement intelligence platforms. The organisation empowers procurement leaders to make better, more informed decisions via real-time data and AI-driven insights. For years, Beroe has been actively enabling procurement's shift from calendar-based optimisation where contracts are looked at shortly before renewal

to continuous optimisation, where spend areas are optimised on an ongoing basis.

"The role of the category manager is to make sure that they understand what's changing in the market, what are the emerging opportunities and risks while ensuring that they're addressing each of those in real time," explains Dhinagaravel. "As that shift is happening, we've had to change our operating model from something that was tailored to supporting discreet one-off events, to supporting the category manager throughout the lifecycle."

With this in mind, Beroe is solving the need for proactive intelligence via its AI agent Abi. Built on a foundation of Beroe's in-depth, curated market intelligence datasets, consisting of the likes of category developments, supplier alerts and in-depth benchmarks, Abi leverages cutting-edge LLM technology to distill critical insights and deliver them directly in a digestible and actionable format. For more challenging complex contextualisation, Abi can utilise human-in-the-loop capabilities to ensure accurate, nuanced responses tailored to the users needs.

FIND OUT MORE

Clare Cassano, Head of Procurement, Strategy and Execution, Invesco

"It was an opportunity to meet with other practitioners. We are in this world of new digital solutions and are at different points of the journey. It's a great opportunity to learn from each other."

Kim Harris, Global Procurement, Senior Director of Digital Transformation, The Coca-Cola Company

"I was really excited to hear about ProcureTEX a few months ago. It's a brand new event on the London circuit so I'm always looking to take in new procuretech events and experiences. I've loved what I found this morning and there's been great engagement with other customers and suppliers. It's been really interesting to hear what the speakers have had to say today."

What brought you to ProcureTEX and what are your thoughts about the event?

Kasia van Rijnberk, Procurement Team Lead, Source to Contract, Global Categories, FreislandCampina

"Curiosity brought me. I'm really interested in what the hype is, what other companies are doing and how digital transformation is evolving the industry."

Harry Saurai, Global Procurement Technology Lead, Astellas Pharma

"I think it's very important that we as an organisation and a wider community evolve with what is happening in procurement technology. For me personally, it's about understanding what our peers are doing and listening to any lessons that they can share."

Darshil Khimasiya, EU Demand Services Procurement Logistics Manager, Colgate-Palmolive

"We wanted to understand how the industry is changing. It's a great place to come and see what other companies are doing in procurement and how they are leveraging AI."

Jemima Ahmed, Digital Garage Advisor, bp

"Keelvar invited us here today and I was keen to see what it was all about and see what others are doing. I'm enjoying it, it's a great event."

Martin Ward, Digital Procurement Solutions Lead, Roche

"The primary reason for being here today was that I gave a presentation about our journey in orchestration and explained our learnings on what has been a long running initiative for us. It's also been great to come and see how scale ups are working together and collaborating to show how the procuretech ecosystem can be vibrant and efficient. There's huge value here."

Another notable theme from the day's proceedings was that discussions about AI are now grounded in practice rather than hype. Real use cases were showcased, including a presentation on Roche's AI orchestration journey delivered by Digital Procurement Solutions Lead, Martin Ward, and a discussion of how Siemens Energy is leveraging AI to tackle inflationary pressures. ProcureTEX highlighted that leading organisations are already "walking the talk", when it comes to AI implementation.

Given the rapid development of AI-powered procurement technologies, it can be challenging for people and organisations to always keep pace with the latest innovations. ProcureTEX showcased the skills gap in data literacy and comfort with AI tools as an important focus area for the industry. Satvinder Panesar, Data and Analytics Director at AstraZeneca, said it best: "If you're not competent from a digital perspective, you'll struggle. Many large enterprises are like big slow ships, while AI is moving so quickly."

Further, ProcureTEX demonstrated how the best-of-breed model is a viable alternative to purely traditional suites. The future is one of digital ecosystems with orchestration holding the keys to link it together. According to one attendee, orchestration is not simply workflow efficiency, but in fact, the data engine that powers AI and captures structured, high-fidelity data at every step.



State of spend



Zip

Global report

How 1,030 leaders are
planning for the future of
AI, talent, and business

[Access report](#)



Pushing the possible in procurement orchestration

Speaking exclusively to *CPOstrategy* at ProcureTEX, [Roque Versace, Managing Director, EMEA at Zip](#), discusses the changing role of procurement amidst significant transformation

Agentic AI has the potential to transform the entire procurement ecosystem, and Zip has been among the early adopters.

At Zip's inaugural AI Summit in New York earlier this year, the company announced agentic procurement orchestration and a fleet of over 50 purpose-built AI agents designed to automate specific, manual tasks across procurement, finance, legal, IT and security.

And since its founding in 2020, Zip has pushed the envelope in orchestration and the way in which businesses spend. It is something that isn't lost on Roque Versace, Managing Director, EMEA, at Zip who believes that AI is simply technology that 'accelerates processes and reduces risk'.

"AI will continue to get smarter, continue to get more agentic and continue to improve so I find that really exciting," he tells us. "At the core, it's just how we use automation to speed up things, but beyond that, it's about what we

will continue to learn in the future. The agents that we've released will handle complex things such as tariff assessments, contract reviews and compliance checks. It's going to eliminate a lot of time."

Indeed, the scale of this transformation is well underway. Last year, Zip approved more than 14 million requests and it is expected based on Zip's growth that the number will shoot up to 58 million approved requests by 2026, with 30% of those handled autonomously by agents. While over the next five years, that number could reach over a billion approvals yearly with 90% of them completed entirely by agentic AI.

"When you look at the procurement process and you see with us launching 50 agents, it didn't take long to find 50 different areas of very manual, time consuming and error prone tasks that need to be automated," explains Versace. "If you're a company that's not automating your procurement

process, then you are essentially killing the careers of your people because they're going to be doing a lot of the manual stuff that AI will take over doing."

Zip's 2030 roadmap is clear, the future is clearly agentic.



[Find out more](#)

Attendees praised the vendor-alliance format with one declaring ProcureTEX as a “breath of fresh air” and “refreshingly human.” Posting on LinkedIn after the event, Channing Brazier, Partner and Alliances Manager EMEA at SpendHQ, said: “I’ve been to more procurement conferences than most people have hot dinners - and usually, they’re all about chasing leads like seagulls after chips. So I

was genuinely curious to see how this new vendor-alliance format would play out compared to the usual big-platform and organiser-led marathons and honestly, it was a breath of fresh air. Instead of the usual sales pitch parade, the vibe was open, collaborative, and refreshingly human.”

Sourav Das, Senior Product Manager at Maersk, who also joined Head of Operational Excellence at Maersk, Dilip Nair, on stage for a practical look at real world transformation, shared how the event felt more like a “working session than a conference.” He said: “Great job done by Keelvar, Beroe and Zip - this feels like the start of something lasting!”

Following the success of its first event, ProcureTEX is keen to build momentum. Given the overwhelmingly positive response from attendees, event organisers are already planning how to launch future ProcureTEX conferences elsewhere in Europe or in the United States, amidst a drive to create an ongoing community that meets regularly.



Clare Cassano, Head of Procurement, Strategy and Execution, Invesco

"They are super important because the world is changing so quickly in procurement, particularly in the digital solution space. It can be really hard to keep up with the latest trends and what good looks like so coming to events like this can provide a view over what other people are utilising and doing day-to-day."

Kim Harris, Global Procurement, Senior Director of Digital Transformation, The Coca-Cola Company

"This is the best opportunity to share knowledge, best practice and experiences with each other as large corporations so that we can come together and exchange ideas to help us all mature digitally in this fast paced environment."

Kasia van Rijnberk, Procurement Team Lead, Source to Contract, Global Categories, FreislandCampina

"It's about bringing people together. We all speak the same language. We have the same issues and challenges to face so we can work together to do better."

Why are events like ProcureTEX important for the industry?

Harry Saurai, Global Procurement Technology Lead, Astellas Pharma

"It's the future. It's a huge, emerging market. Events like this will equip us with the knowledge we need to succeed. AI is the magic word and we need to grasp that because that's the future. Events like this are very important in order for us to adapt going forward."

Darshil Khimasiya, EU Demand Services Procurement Logistics Manager, Colgate-Palmolive

"It's about networking. I love finding similar challenges that everyone is facing, so coming to events like ProcureTEX gives us the ability to learn and take things on board to improve."

Jemima Ahmed, Digital Garage Advisor, bp

"I'm quite new in the space, so listening to what other people have challenges in is really interesting. This is especially true in some of the more intimate sessions, where people ask questions so you can connect and relate with them. In the garage, we like to look at what others are doing to see if we can help them while also seeing if what they say can instil something in us too."

Martin Ward, Digital Procurement Solutions Lead, Roche

"It shows an evolution and an increase in maturity. You've got scale ups who are getting together not only to showcase their own capability but also about how they can work with others. It gives more choice, increases confidence while also displaying resilience which is what we're after. We need to be able to minimise our risk when we make investments when we look to deploy technology."





“We felt there was a real gap in the market for us,” Jenny Rushforth, Vice President, Communications and Content at Beroe, told us towards the end of the event. “We wanted to put practitioners front and centre to make our event incredibly practical with lots of key takeaways. We have hackathons which show how best-of-breed providers can be interoperable and can come together to make more than the sum of their parts. We are hearing from customers that this is what they need right now. They don’t want massive enterprise systems or to feel overwhelmed with too many point solutions so we are showing that companies can come together and create a better solution.”

Procurement’s future is transformative and ever-changing. It is set to involve a blend of robust data foundations, creative usage of AI and collaborative problem solving which is transitioning away from theory into producing scalable solutions with real-world impact.

The tools exist, the use cases are real - and ProcureTEX aims to facilitate the discussions and collaboration needed to bring more organisations along on the journey. ■

FROM OVERSIGHT
TO AUTONOMY

Why agentic AI is now a CPO's *strategic advantage*

AI pioneer and founder of Quant Chetan Dube discusses the opportunity presented to procurement leaders today in the form of agentic AI

WRITTEN BY CHETAN DUBE





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s the role of Chief Procurement Officer has evolved you have taken on, willingly or not, an increased number of responsibilities within your enterprise. Responsibilities that must be handled efficiently and without error for the company as a whole to run and produce as it should. Global use of AI in procurement has surpassed \$1 billion, and “94% of business executives believe AI will enhance their operations in the next five years.” The reality is, you must begin leveraging AI immediately to the fullest of your capabilities, specifically agentics.

Agentic AI is the latest evolution of artificial intelligence. It needs minimal human oversight, learns on its own, and can make decisions autonomously based on real-time data. To get ahead of this curve and maintain and grow your lead there are several avenues for you to implement agentic AI now for immediate results.

SOURCING GOODS

Agentic AI has the potential to check inventory in real time, review sales and demand forecasts, and automatically request new orders or actually create an order with a supplier once inventory reaches preset points. This reduces the chances of running out of stock and overstocking which in turn creates a better flow of operation.

NEGOTIATION WITH SUPPLIERS

Agentic AI processes data, automates operations, and offers critical insights for you when negotiating with your current and potential suppliers. With agentic AI, a large number of potential suppliers can be scanned, their performance information can be analysed, and the best ones, that suit a particular requirement, can be selected. This will speed up the process of identifying the right vendors and consume less time than manual searches.

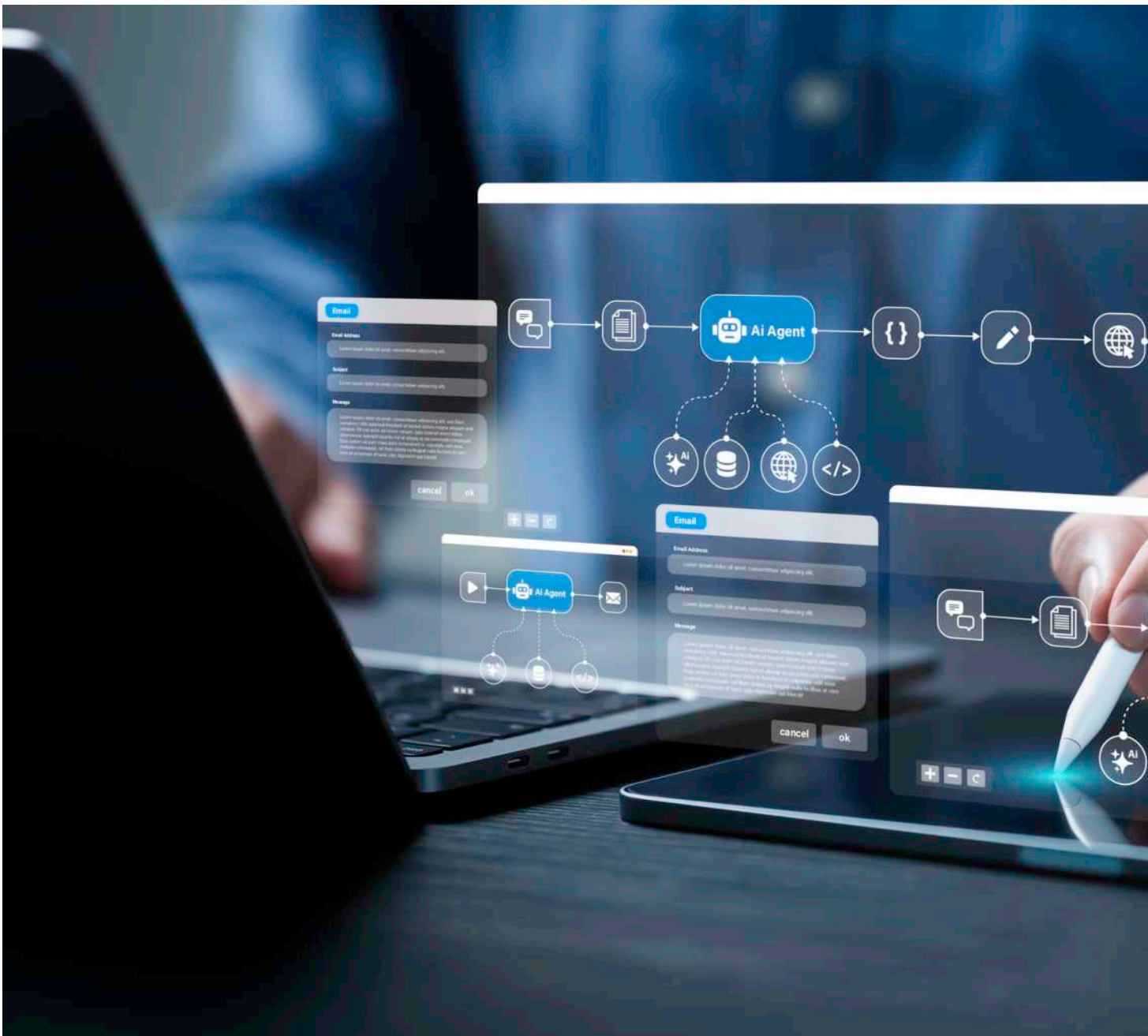
**“HUMANS CAN ONLY
MONITOR SO MUCH, THIS
IS WHERE AGENTICS WILL
GIVE YOU IMMEDIATE
AND SUBSTANTIAL ROI”**

– Chetan Dube, Founder, Quant

CONTRACT MANAGEMENT AND SUPPLIER RELATIONSHIP MANAGEMENT

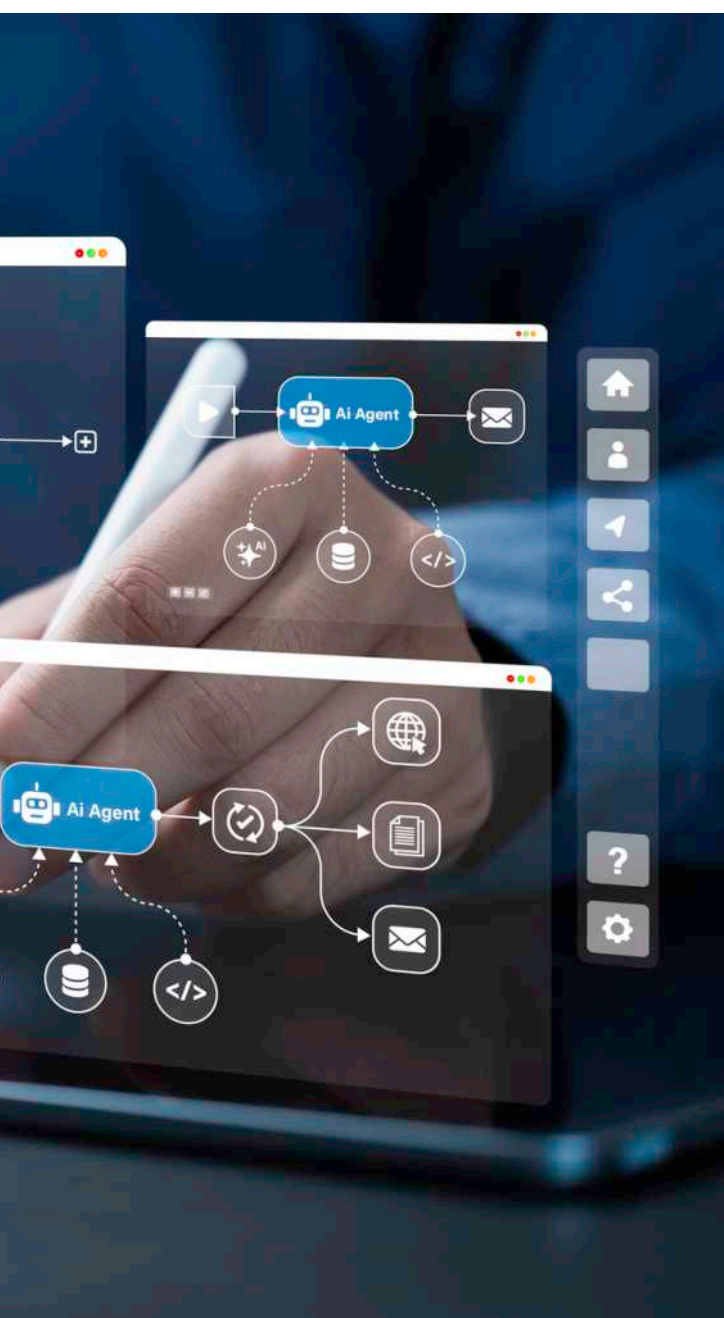
Annually businesses lose approximately 5% of spend, or \$10,000 to \$150,000 due to procurement fraud, and waste and abuse. Humans can only monitor so much, this is where agentic AI will give you immediate and substantial ROI.

Via Contract Management (CM) and Supplier Relationship Management (SRM) agentic AI capabilities can replace all manual tracking and processes and eliminate your



over-reliance on software such as Excel. AI agents can automate contract development, monitor compliance, and even renegotiation.

Agentic AI is capable of drafting contracts, following an already set template and rules, which substantively accelerate the process and limit the number of errors. You can also apply agentic to match proposals on elements that would be beneficial to you or parts that would be overly beneficial to your suppliers.



RISK MANAGEMENT AND COMPLIANCE

With agentic AI it is possible to analyse transactions in real-time to the point when a possible compliance-related problem arises it can be flagged immediately. The capacity to lower risk scores around a dynamic set of circumstances makes sure that the riskiest and the most important threats come to the top of the list. Automating alerts for suspicious behavior, Agentic AI helps to react to potential risks faster and minimises the time within which the risk may cause any damage, improving productivity of compliance teams.

In addition to operational responsiveness in real-time, Agentic AI provides potent risk mitigation. It uses predictive analytics to identify threats, which could be fraud, regulatory change, or geopolitical disruptions so that an organisation can be proactive instead of reactive. Not only does it improve accuracy and reduce human error, it also eliminates bias in critical judgments by analysing large volumes of data to detect patterns of fraud and automating the process of checking compliance. Early warning systems enable companies to be proactive and make the compliance process proactive and strategic.

PAYMENT PROCESSING, COST OPTIMISATION AND PROCESS IMPROVEMENT

In terms of payment processing, agentic AI facilitates smart payment routing, based on real time data in order to select the most optimal paths, automatic reconciliation of discrepancies and improved fraud protection through dynamic payment authorisation. Also, it is possible to conduct international transactions via agentic AI; the conversion of currencies can be automated, the transactions can comply with international regulations, the payment can be monitored in real time, and the transaction would be done automatically without further human intervention within specific conditions.

Regarding cost optimisation, agentic AI lowers the demand of manual labor due to automation of repetitive processes and, therefore, cuts down the operational costs related to human error. It boosts the efficiency of processing, allows more effective use of resources, and prevents and solves disputes and frauds by detecting them in real-time and running a self-contained investigation.

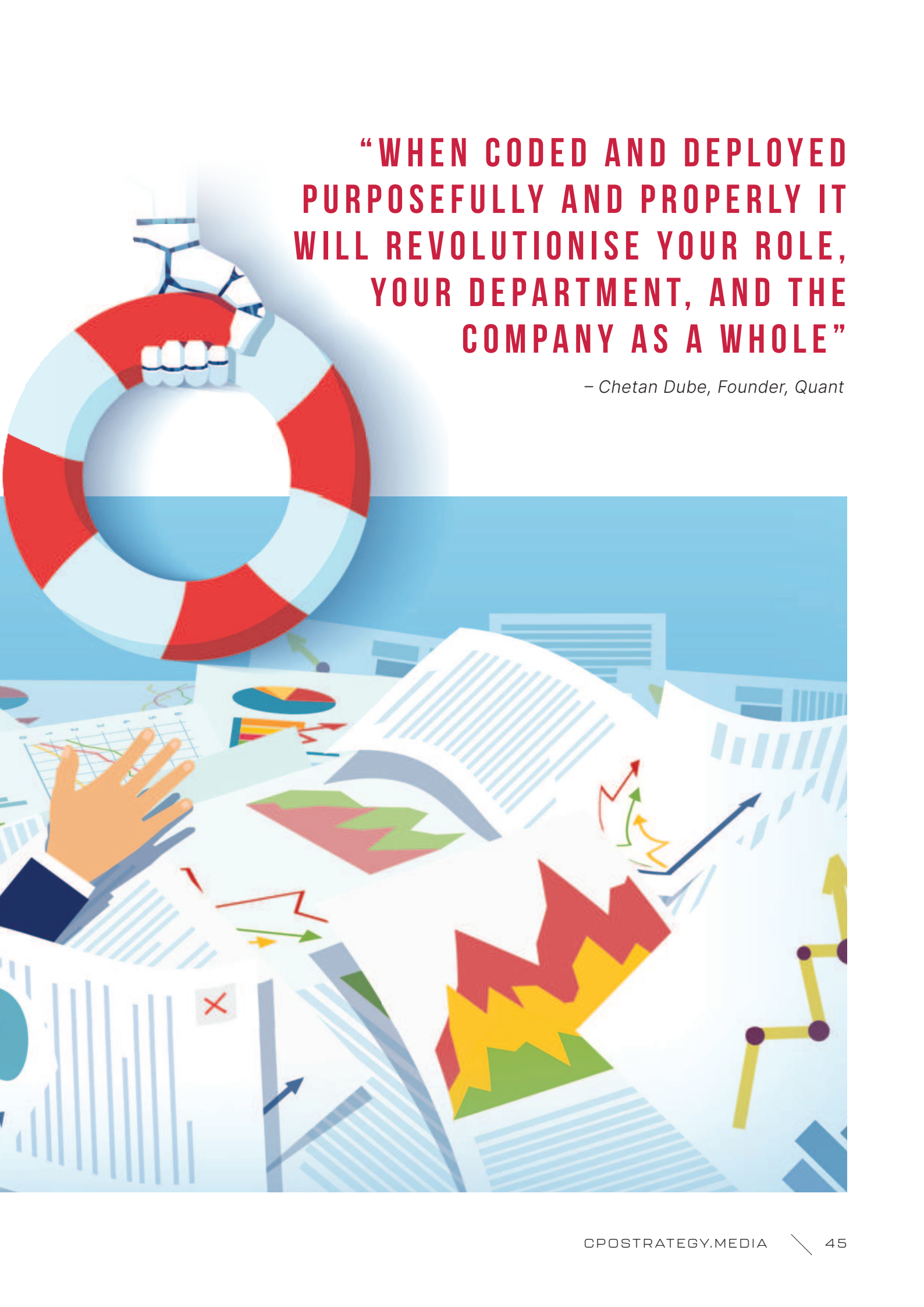
Agentic AI can improve cash flow management by making predictions of the flow helping organizations manage liquidity and prevent financial penalties. Agentic AI makes continuous process enhancement possible due to the constant learning of new information, rule-directed compliance within workflows, and provides case-specific customer experience.

An undeniable opportunity sits before every CPO in the form of agentic AI. When coded and deployed purposefully and properly it will revolutionise your role, your

department, and the company as a whole. To not explore this technology would be negligent at this point. Grab the future by the tail and unleash the power of agentic AI in procurement now.

Chetan Dube is an AI Pioneer and the founder and CEO of [Quant](#), which develops cutting-edge digital employee technology.



An illustration of a hand holding a red and white lifebuoy over a desk. The desk is covered with various business-related items: a line graph, a pie chart, a bar chart, and several documents. One document features a large red 'X' mark. The background is a light blue gradient.

**“WHEN CODED AND DEPLOYED
PURPOSEFULLY AND PROPERLY IT
WILL REVOLUTIONISE YOUR ROLE,
YOUR DEPARTMENT, AND THE
COMPANY AS A WHOLE”**

– Chetan Dube, Founder, Quant

CANDEX®

HITACHI

A STRONG — PARTNERSHIP TO ENABLE GROWTH

Jeremy Lappin, CEO and Co-founder at Candex, and Armin Ploetz, Chief Procurement Officer at Hitachi Energy, talk about the importance of their strategic partnership and leverage Candex's ability to simplify and expedite the procurement process of indirect materials & services.

WRITTEN BY
SEAN GALEA-PACE



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anaging tail spend efficiently is a challenge many organisations face.

Those small, scattered purchases can be hard to keep track of and can quickly add up in cost, complexity and compliance efforts.

But Candex, led by CEO and Co-founder Jeremy Lappin, is tackling this issue head-on.

While in his previous company, Lappin was tasked with invoicing a number of large organisations when he discovered there was a gap in the market to simplify the process for purchasing from small vendors and one-time purchases.

“When I started Candex, I noticed that this problem was common to organisations all over the world,” explains Lappin. “So we decided to build a fantastic purchasing infrastructure to allow for the ability to invoice clients globally and then pay smaller vendors. We started focusing on recruitment vendors and then broadened into all types of vendors as we began to understand how things worked and how to better serve our clients. That’s the genesis of how Candex got to where it is today.”

Together with Co-founder and Chief R&D Officer Shani Vaza, Candex was born. And today the company delivers a fast, compliant, and easy buying experience for requisitioners, while procurement gains automation, visibility, and control, reducing the vendor master by up to 80%.

Hitachi Energy was an early customer of Candex back in 2021. Lappin was introduced to Chief Procurement Officer at Hitachi Energy, Armin Ploetz, and his team in Switzerland.

The partnership continuously grew and developed into a strong alliance, which now acts as a template and best practice and helps shape how Candex works.

The journey between Candex and Hitachi Energy started as a pilot in Switzerland, Spain and Portugal, but following a successful year, Hitachi Energy decided to roll out the Candex solution in 40 countries. The adoption rate has more than doubled each year, and this year the trend is even tripling.





Shani Vaza Co-Founder, Chief R&D Officer

Shani is the powerhouse behind Candex's cutting-edge technology, where she serves as the Co-founder and Chief R&D Officer.

Before joining Candex, Shani held the esteemed position of Director of Engineering at SuperDerivatives, a prominent Fintech company renowned for its expertise in derivatives.

Her journey into the tech world began in the prestigious tech unit of the IDF, where she honed her coding skills straight out of college.

Armed with a degree in Computer Science and Business Administration, Shani's expansive knowledge forms the foundation of her unwavering dedication to achieving technological excellence.

Jeremy Lappin Co-Founder, CEO, Candex

Jeremy is one of the co-founders and the CEO of Candex. He is responsible for driving the company's business innovation, overseeing product development, and implementing growth strategies.

Prior to Candex, Jeremy served as the CEO of Bounty Jobs, a prominent Enterprise Agency Management solution and recruiting platform. During his tenure, he successfully raised \$18 million in funding and led the company to achieve over \$20 million in annual revenue within three years. With a diverse background in the internet, financial, and technology sectors, Jeremy brings valuable entrepreneurial and management experience to the table. In 1998, Jeremy founded Versity.com, an internet software company where he developed enterprise course management software for universities. Jeremy managed to secure \$12 million in funding for Versity and eventually sold the business for \$80 million.

Jeremy earned his undergraduate degree from the University of Michigan and holds an MBA from the Massachusetts Institute of Technology. Outside of work, he enjoys skiing and playing tennis during his spare time.





Jeremy Lappin, Co-founder, CEO, Candex and Shani Vaza, Co-founder, Chief R&D Officer

INSIDE CANDEX

Over the years, some of the biggest challenges procurement teams have faced involve the likes of fragmented data, manual vendor onboarding processes, and administrative bottlenecks. This leads to time and resources being devoted to low-impact tasks, causing major strategic projects to receive insufficient attention. In many organisations, 70% of vendors represent only 5% of total spend. Candex enables procurement teams to efficiently handle this long tail of spend without increasing operational workload. As a result, teams can concentrate on strategic goals, shift spending towards preferred suppliers, and generate greater value for the business. Currently, Candex is supporting procurement in moving beyond

just compliance and cost reduction to achieve something much more meaningful - transparency.

Procurement leaders often face resistance when implementing new systems. However, Candex has ensured high adoption rates and navigation through some of this initial inertia because of its unique and simple user experience offering. "Usually when our clients first deploy us, it starts a little slow because people aren't familiar with Candex or how it works," explains Lappin. "But over time, we see incredible adoption from our customers like Hitachi Energy, who have got a real feel for how compliant this methodology is. We've seen a very steady growth within our clients in very predictable ways which is amazing."

“It’s humbling to see that a company like Hitachi Energy finds what we do to be so important, and that’s what drives us day in and day out”

– Jeremy Lappin, CEO and Co-founder, Candex

CANDEX AND HITACHI ENERGY: STRATEGIC PARTNERSHIP

Hitachi Energy’s core markets are expanding rapidly, demanding full attention on strategic and high-impact suppliers. Candex plays a crucial role in supporting this growth by efficiently managing short-turn, low-risk tail-end suppliers, for example in R&D - allowing Hitachi Energy to stay focused on its key business relationships, products and services.

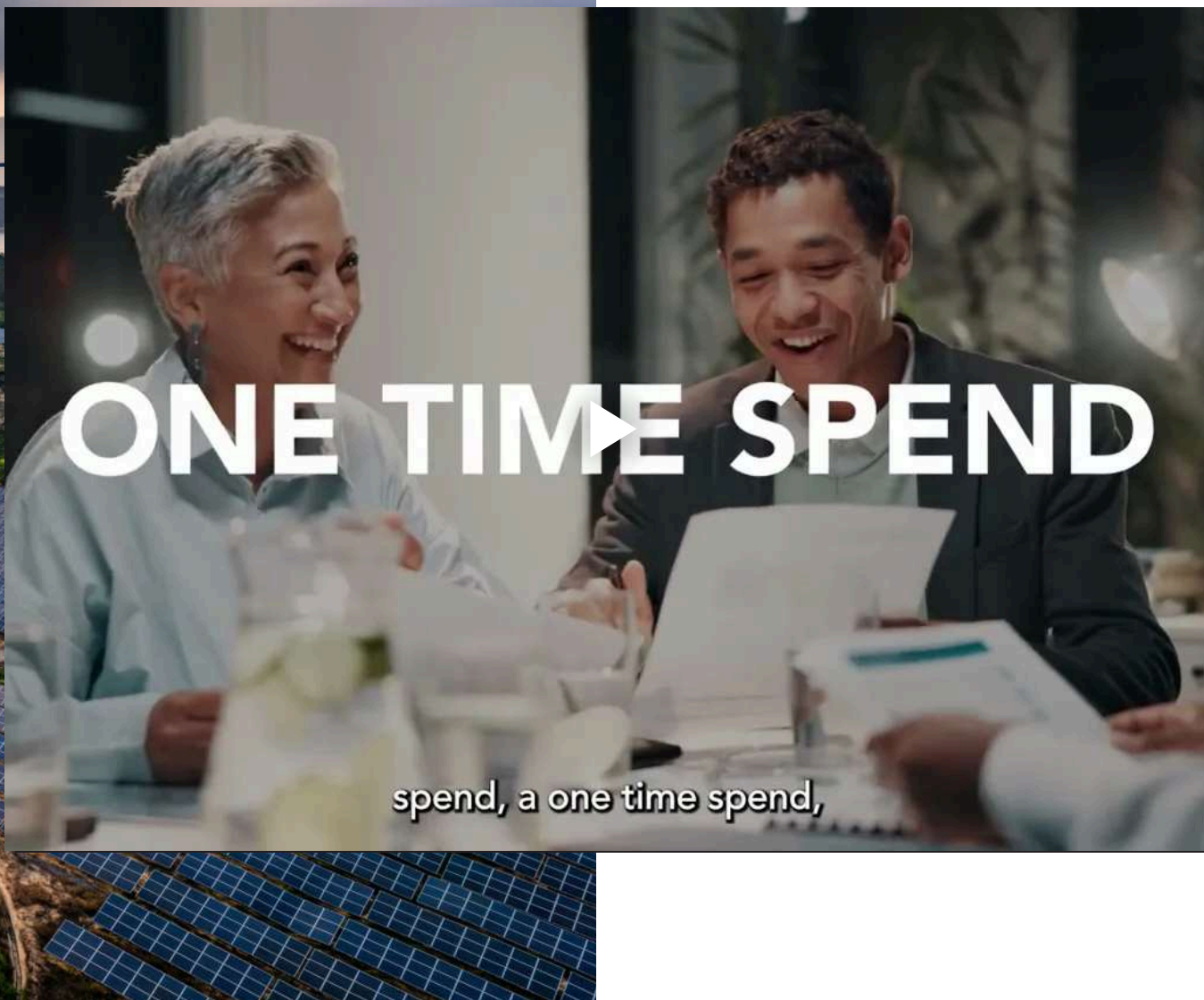
Armin Ploetz explains that one of Candex’s biggest advantages is that it allows Hitachi Energy to act quickly and omit a lengthy supplier onboarding process for small-spend or one-time purchase suppliers.

“In R&D, teams often require unique suppliers for one-off tests of new materials or components - items they know they’ll purchase only once,” says Armin Ploetz.



“Candex is ideal because there’s no need to qualify the supplier for ongoing production. Scalability checks aren’t required, making procurement much faster.”

“If a needed part isn’t available in our catalogue, R&D can use Candex to source it for their specific project. The key is clear communication because knowing when and how to use Candex makes all the difference. That’s why we stay in close contact with our R&D teams to ensure they use Candex as efficiently as possible.”



BUILDING TRUST

As exemplified by the Hitachi Energy relationship, one of the things that stands out is the trust that exists in this partnership. In fact, Lappin reveals that his entire business revolves around trust. "It's a relationship business," he tells us. "Orders, invoices, and payments must go where they're meant to, so the system has to function smoothly and any complexities should disappear into the abyss. It should feel simple and consistently dependable

and like it always works."

Before Candex, Hitachi Energy spent a significant time with onboarding and invoice alignment to specific countries, where their specific efforts often outweigh the cost or even the benefits. "Now, with Candex handling and streamlining this for their infrequent, low-value and low-risk areas, Hitachi Energy is able to better focus on where it matters most for them, their line of business, products, markets and their clients," adds Lappin.



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easy-to-use

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Reduce vendor
master by 80%

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small vendors

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accurate reporting



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sales@candex.com

THE CANDEX DIFFERENCE

According to Armin Ploetz, the management of tail spend is an important area because it touches many stakeholders. “Imagine we run a one-time team-building event in the UK.” reveals Armin Ploetz. “Normally, bringing in a new supplier means going through a full onboarding process and checking the likes of cybersecurity, sustainability, and financial liability, which is similar to what we do for critical, strategic suppliers. While this process is necessary for our core business, it exceeds the actual need in other areas and consumes valuable time.

“For low-value, one-off events like this, it’s far more efficient to work with a company like Candex, which performs the essential safety checks without going as deep as our full supplier onboarding process. That way, we can onboard and purchase from such suppliers much faster, avoiding the specifics and additional efforts necessary for others. Payment, as a consequence, also becomes quicker, making the entire process smoother.”

Previously, internal requesters often found this process frustrating and questioned why a small, one-off event was difficult to arrange and why payment couldn’t just be made quickly. Now, there is a targeted solution - faster processing, better efficiency, and improved internal reputation. Lappin reveals how delighted he is that Candex is able to provide that value to organisations the size of Hitachi Energy. “It’s humbling to see that a company like Hitachi Energy finds what

Candex and Hitachi Energy

At companies like Hitachi Energy, onboarding high-risk, high-spend suppliers - especially those tied to critical production elements - requires rigorous due diligence and thorough evaluation. This process is essential to ensure compliance, quality, and operational continuity. However, for infrequent, low-value, and low-risk purchases, such extensive onboarding can be disproportionate. Candex streamlines this segment by enabling suppliers to onboard quickly and independently, without lengthy delays or complex dependencies - allowing procurement teams to focus their resources where it matters most.

we do to be so important, and that’s what drives us day in and day out,” he tells us. “We love listening to their suggestions for improvements. We love their excitement to bring us into new markets. We love how it makes their automation goals more achievable and makes their processes more efficient and easier to follow. I think that is the reward that we get from doing it and it’s always fun to see the surprise on their requisitioners’ faces at how effective our solution is and how easy it is to use.

“Hitachi Energy has been incredibly efficient and effective at how they’ve performed change management and rolled Candex out around the world to their people and got them using it. We’ve learned quite a lot from that experience in terms of collaborating and we’ve been able to use that learning with some of our other clients.”

“If a needed part isn’t available in our catalogue, R&D can use Candex to source it for their specific project. The key is clear communication because knowing when and how to use Candex makes all the difference”

– Armin Ploetz, Chief Procurement Officer, Hitachi Energy



However, success is not without challenges. According to Lappin, one of the biggest hurdles is being available within each individual country. He stresses that there are key criteria to meet such as following local rules and regulations, understanding how taxation works and opening new bank accounts. Fortunately, Candex has become well-versed in handling those challenges within different countries. “The first part is being available in the countries where the clients need us, which is basically everywhere,” explains Lappin. “Then the

second challenge is getting set up as a vendor in those countries with our clients and enabling the users in those countries to trust us for their purchases. They don’t want things to get messed up. They want everything to be right, because they know how things work in these countries. So, we have to work perfectly, and ensure Candex is working perfectly for the purchases that they’re making in these countries. Being good at this is one of the hardest challenges that Candex has.”





Armin Ploetz, Chief Procurement Officer, Hitachi Energy

With more than 30 years of experience within the supply chain management realm, Armin is the Chief Procurement Officer at Hitachi Energy and leads Supply Chain Management and the Common Shared Services.

Armin is passionate about driving value creation beyond cost reduction and efficiency improvements. He is continuously improving sustainability maturity, leveraging technology and promoting diversity and inclusion at work.

Armin's most recent focus is on implementing robust risk management strategies and ensuring proactive supply chain regulatory compliance by leveraging artificial intelligence. Armin holds a PhD in Industrial Engineering from the Federal Institute of Technology in Switzerland and has held various leadership roles in multinational companies, such as Ernst&Young (EY) and IBM.

FUTURE FACING PROCUREMENT

The future of the partnership between Candex and Hitachi Energy looks bright. Already using this alliance as a template for others, Hitachi Energy is set to continue to roll out Candex to as many countries as possible. "Our plan will be to go with them as far as we can go, because we currently see a massive increase in efficiency on our side since partnering with them," says Armin Ploetz. "If Candex comes up with additional solutions in the future, we will certainly consider and evaluate these according to our needs, to embrace new solutions as long as they fit within our overall technology landscape. For the time being, we are still rolling out the existing solution and ensuring we drive the adoption of the tool but there is still a way to go."

From Lappin's perspective, he is well aware about how the future of payments in procurement is evolving and believes compliance is becoming increasingly important. "There's a lot of sanctions and screening processes that are expected of companies," he says. "The requirements

on that front are getting more significant, and the government requirements on invoicing are similarly getting substantially more difficult. As time progresses, I think people will be even more concerned with compliance, and government processes will become even more complicated to deal with in terms of how invoicing needs to be done. I don't see that trend stopping at all, nor do I see an easy way around it.

"In procurement, there's some amazing analytical tools that are coming out that'll be incredibly valuable that use AI to get real important knowledge out of what's happening. I think that people will figure out how to use AI to help them find the right vendors, to help them create the right quotations and scopes for the projects that they're embarking on. I don't think the payment infrastructure will be affected as much as some of the other user-facing areas that are gaining traction in the space such as guided buying and orchestration. I believe everyone is focused on making the user experience easier and helping people make the purchases that they need to make." ■



THE NEW PROCUREMENT

Excellence at the core
and business value
at the forefront

WRITTEN BY
HARRY MENEAR

PRODUCED BY
HEYKEL OUNI

Marielle Beyer and
Patrick Foelck explore an
attitude to procurement
transformation that goes
beyond traditional tactical
procurement and creates
real value for the business

P

rourement is changing. The rising tide of digitalisation means that the core activities associated with procurement functions — sourcing, negotiations, and category management — are becoming increasingly automated and optimised. However, as procurement teams are expected to do more with less for the business as a whole, they find themselves facing a choice: continue to strive for efficiencies in delivering their core activities, and risk being automated away or outsourced to a growing market segment of third-party procurement-as-a-service companies; or do something different — rip up the script and take a bold new approach to how procurement can create value for the business.

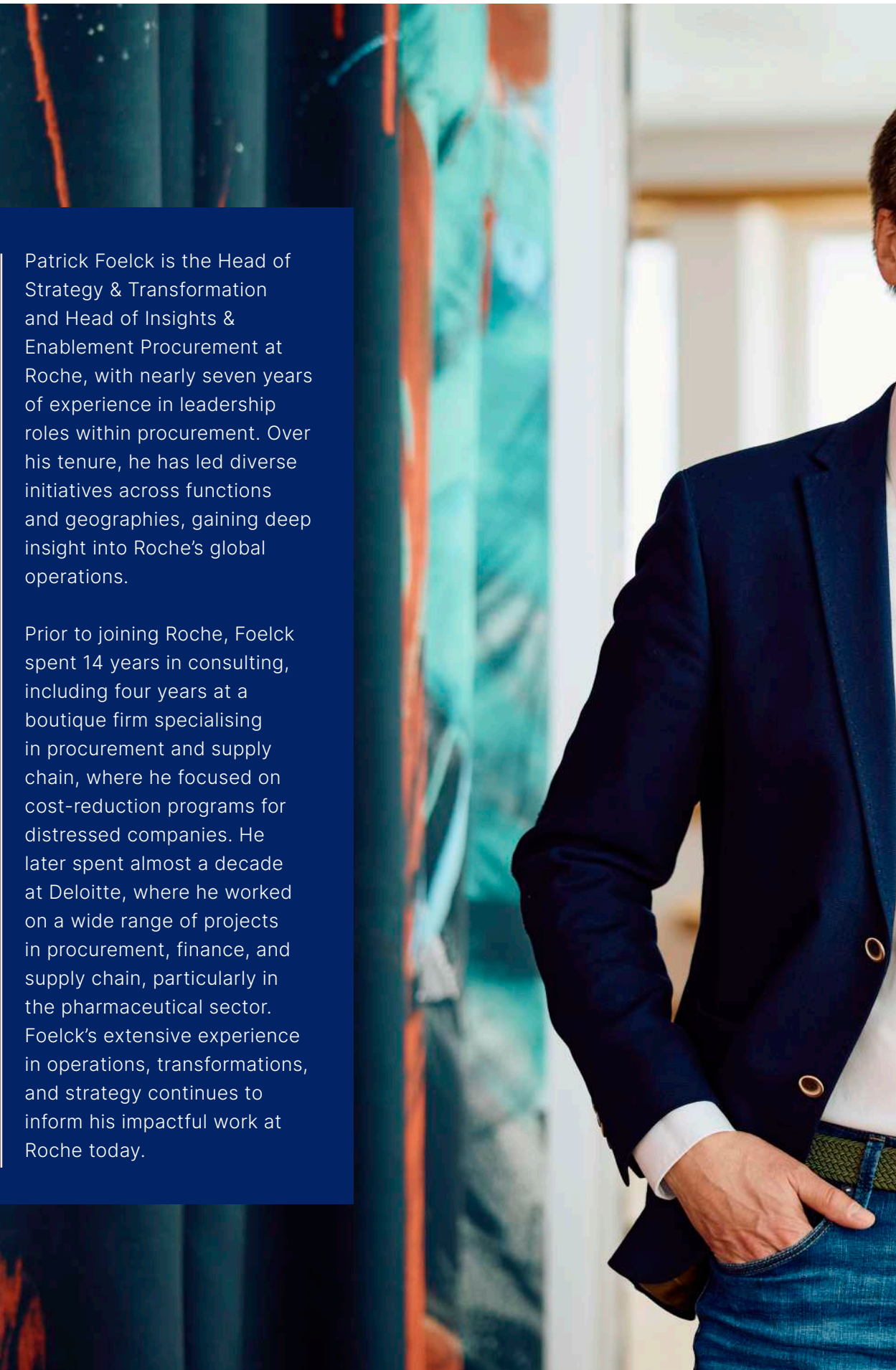
Procurement already underwent a sea change around the turn of the millennium. The days of paper purchase orders, excel spreadsheets, and handshake deals over long lunches came to an end. Procurement went from a reactive, tactical backroom function to a strategic centre of category and supplier management.

In the next few years, procurement leaders will need to execute another transformation of comparable magnitude, taking their functions beyond sourcing, negotiations, and category management to make procurement an embodiment and an enabler of the broader organisation's strategic ambitions relating to everything from contributing to core business objectives and delivering shareholder value to sustainability.

At least, that's the future that Roche's Chief Procurement Officer, Marielle Beyer, and Head of Strategy & Solutions, Patrick Foelck believe is coming. And it's the one they are working towards today.





A photograph of Patrick Foelck, a man with short dark hair, wearing a dark blue blazer over a white shirt and blue jeans with a green belt. He is standing in front of a large, abstract painting with vertical strokes of teal, orange, and white. His right hand is in his pocket.

Patrick Foelck, Head of Strategy & Transformation and Head of Insights & Enablement Procurement

Patrick Foelck is the Head of Strategy & Transformation and Head of Insights & Enablement Procurement at Roche, with nearly seven years of experience in leadership roles within procurement. Over his tenure, he has led diverse initiatives across functions and geographies, gaining deep insight into Roche's global operations.

Prior to joining Roche, Foelck spent 14 years in consulting, including four years at a boutique firm specialising in procurement and supply chain, where he focused on cost-reduction programs for distressed companies. He later spent almost a decade at Deloitte, where he worked on a wide range of projects in procurement, finance, and supply chain, particularly in the pharmaceutical sector. Foelck's extensive experience in operations, transformations, and strategy continues to inform his impactful work at Roche today.



“Procurement used to be quite a limited function,” says Foelck, explaining that, narrowly focused, with fewer responsibilities, procurement’s potential for value creation and impact within the larger business was limited to cost savings. Since then, procurement has undergone multiple transformations, transitioning from simply administering the ordering process to category and supplier management. Now, Foelck argues, procurement needs to reinvent itself once again, as the unfolding AI revolution and a rapidly-evolving economic environment redefine budget and resource management. Given the advances in digitalisation, automation, and solutions-as-a-service, external service providers or technology can soon, Foelck argues, probably do a better job of connecting demand to supply for less money.

In short, procurement in 2025 is facing an existential threat.

Foelck asks: “If you focus your procurement organisation solely on the core without looking beyond the function for opportunities to create strategic value, that’s fine, but what’s to stop that core from just being automated away?” He and Beyer believe that there is “so much more” that procurement can (and must) do.

Of course, making procurement an enabler of strategic wins for stakeholders across a growing portfolio of business needs and expectations can’t happen at the expense of flawlessly executing procurement’s core functions. Procurement needs to do both.

Creating the space for procurement to creatively execute its core functions while also exploring new opportunities to drive value for the business was, therefore, the first step in Beyer and Foelck’s plan to transform procurement at Roche.

Beyer and Foelck: Partners in procurement

Even after just a few minutes talking to Foelck and Beyer, it's clear that they're working from a shared belief in a compelling vision. The two met seven years ago, when Foelck worked outside Roche as a consultant, and Beyer had just stepped into a new role as Head of Global Procurement. Foelck joined Roche's in-house procurement team in 2018, and the two of them have worked side-by-side ever since to overhaul the company's procurement function.

"There's rarely a moment when we're not aligned," says Beyer. "We share a vision, ambition, and a passion for procurement. And we both appreciate the environment we're in at Roche, where we have the

flexibility and freedom to drive this transformation." Sharing an outlook — a vision for procurement at Roche — the duo have worked side by side through their share of challenges, but Beyer reflects that their working relationship has been valuable in overcoming those challenges. "Patrick has supported me during difficult times, and vice versa. There's a lot of trust here." Beyer and Foelck's partnership has been a key enabler of their efforts to change the relationship between Roche's procurement function and the rest of the business' stakeholders. Without it, the transformation may not have been so successful.



“If you **focus**
your procurement
organisation solely
on the core ...
what’s to stop that
core from just being
automated away?”

– Patrick Foelck, Head of Strategy &
Transformation and Head of Insights &
Enablement Procurement, Roche



Doing more with less

Roche is an innovation-driven company. Its researchers, scientists, and commercial teams work constantly to develop and launch new treatments and medications that save and lengthen the lives of millions. As a result, the company’s needs with regard to suppliers, materials, and services constantly evolve and are less focused on the traditional outcomes procurement typically drives. These aren’t small challenges; Roche spends more than \$14 billion every year on R&D alone, which translates into significant expectations placed upon its procurement function to enable the business across various financial and non-financial measures of success.

“What we’re doing today is not what we’ll be doing tomorrow,” says Foelck. In an organisation so firmly centred around its research and development pipeline, supplier onboarding, for example, was a major pain point, particularly when it came to smaller or infrequent orders from new suppliers. In the past, Foelck explains, a scientist might need a product to progress in their research, but the procurement process resulted in them facing long lead times. It sometimes took weeks or even months before the supplier was onboarded and the required product would actually become available. “That was a huge problem,” Foelck recalls.

Transforming these processes in many companies takes time, labour, and investment. Foelck and Beyer’s initial business case, however, looked at how to approach these pain points without ballooning budgets or headcounts. “The goal was very simple: do more with less,” Foelck explains, “while also investing in solving the biggest pain points related to procurement’s ability to deliver value far beyond savings.”



Marielle Beyer, Chief Procurement Officer

Marielle Beyer is the Chief Procurement Officer (CPO) at Roche, with 13 years of experience leading procurement initiatives at the company. Prior to joining Roche, Beyer worked at Zurich Insurance Company and GATE Group, an airline catering company, where she developed her deep expertise in procurement.

Beyer's career began as a buyer, and she quickly became captivated by the diversity of roles within procurement. Her experience at Zurich, particularly during a major transformation to outsource the D2P scope, was a significant learning period. Seeking to further explore the process and potential of procurement transformation, she joined Roche, attracted by its global impact and meaningful purpose. Over the years, she has driven substantial procurement transformation within Roche, shaping its strategic direction and furthering its mission, which she continues to lead today.



He and Beyer threw themselves into figuring out how to provide more procurement output and outcomes for less cost, primarily focusing on the areas where the business felt procurement pain points most keenly — a challenging prospect given the fact that their procurement transformation had to take place without disrupting the day to day operations for Roche's stakeholders.

Focusing first on tail spend, the procurement team rethought the process from the ground up, making it "fast and painless, which delivered value for the business, the supplier, and procurement." They partnered with a startup to deploy a lean and innovative solution delivering business value quickly, rather than struggle to integrate something more complex driving procurement priorities. Foelck likens the process to a car. "In some cases, we were making the business crawl through the trunk to get to the driver's seat, because the front door key didn't exist," he says. The first step in fixing this process wasn't "turning the car into an aeroplane," but finding a key to the front door.

Quick, common sense wins allowed Beyer and Foelck to demonstrate their ability and ambition to drive impactful change for the business, which they note was a key part of establishing the necessary credibility and consensus from Roche's stakeholders to support the next steps of the transformation. "I want to give kudos to Marielle for not just supporting but also amplifying our strategy and communicating the need for more significant changes with the business," adds Foelck.

Change has, indeed, been significant. During the COVID-19 pandemic, Roche launched the next phase of the procurement operating model transformation, moving away from traditional category and procurement activity-focused ways of

working and embracing a more agile and flexible structure. Foelck and Beyer repurposed their existing talent to build capabilities far beyond procurement's core sourcing and savings focus, invest in technology to complement their reduced core procurement capacity, and develop a portfolio of new services that began gaining traction with the business and supported an expansion of procurement's scope.

The value-add

It's been a profound transformation. Five years later, Roche's procurement department has a more efficient system for handling its sourcing and core procurement work. However, where many departments might take the opportunity to cut headcount in pursuit of cost reductions, Foelck and Beyer are taking the newly available talent and leveraging their skills for more value-added activities that contribute to shareholder value.

After freeing up resources and talent through agile and flexible ways of working and footprint optimisation, the next level of value creation that Beyer and Foelck pursued focused on technology, automation, and digitalisation — a process which began with the rationalisation of the organisation's tech stack. "When we brought together multiple decentralised functions, we also inherited a variety of technologies," says Foelck. Instead of going down the traditional path of trying to integrate disparate tools and solutions, working with the big providers in long, drawn-out technology deployment projects, Foelck and Beyer decided to take a different approach: rip everything out at the roots and start from scratch.

Rather than engage a traditional full-suite enterprise technology provider to create a large system that we would spend years building, configuring and deploying

without realising the benefits and user experience promised, they instead built a core backbone with an end-to-end suite provider, complemented by best-of-breed or point solutions. This allowed Roche to create a more customised environment — something Foelck and Beyer branded a "best of both" approach, focusing on a source-to-pay backbone supplemented with solutions that are faster, more innovative, and better suited to the function's specific needs. Over time, they've built a tech stack that is truly their own and "delivers immense value" for the business — both in terms of automation and user experience.

"Our initial business case was very simple: do more with less"

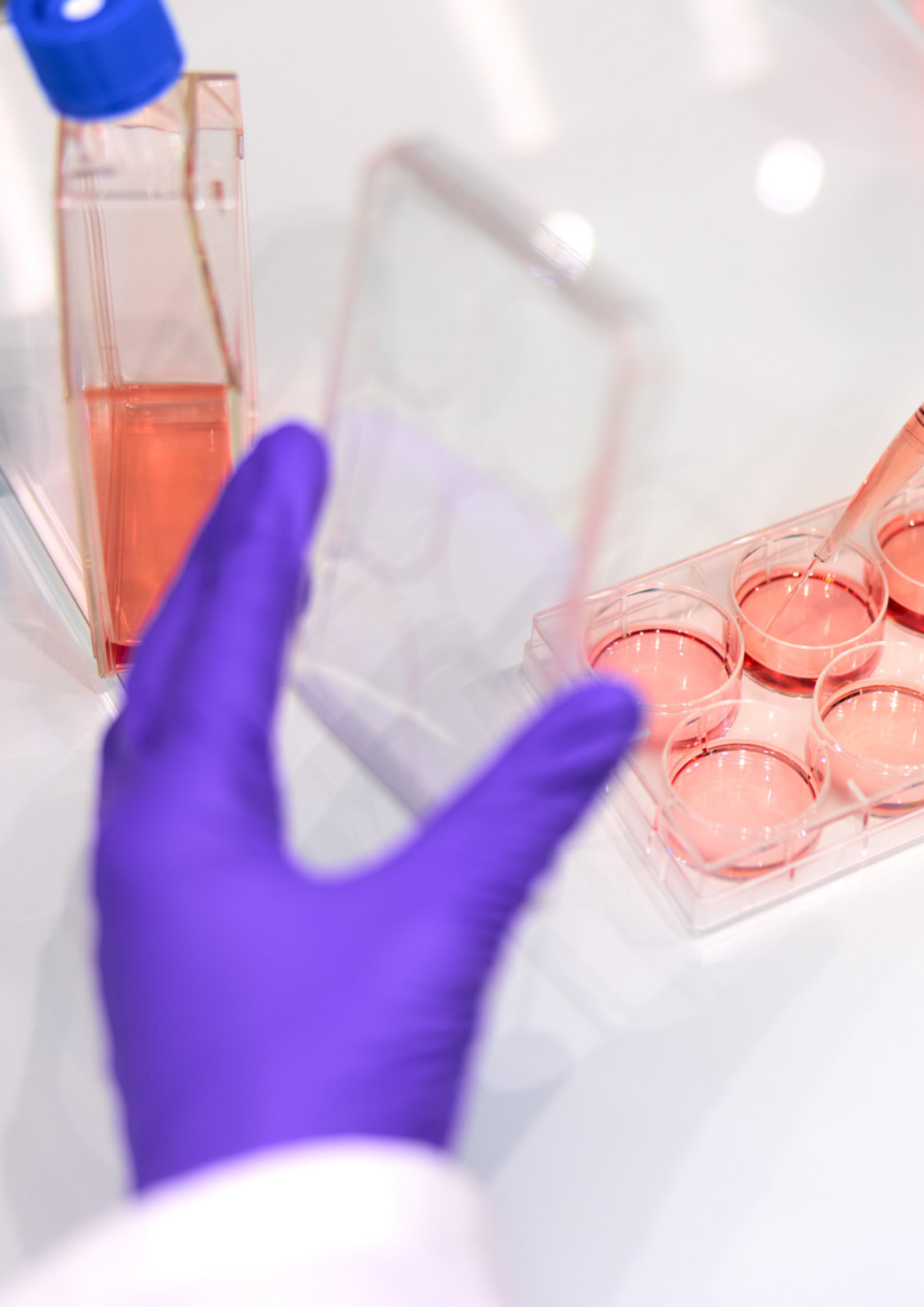
— Patrick Foelck, Head of Strategy & Transformation and Head of Insights & Enablement Procurement, Roche

Diving into the idea of user experience, Foelck highlights their technology project to help the business buy "faster, easier, and better," by creating a procurement process and technology solution that feels more like shopping at home. Clunky b2b interfaces and portals that slow down or complicate the buying process are a fixture of traditional procurement and, while "many organisations talk about this problem, few, if any, have truly solved it," reflects Foelck. For example, many suite providers offer features like guided buying, but don't replicate the ease of shopping online. "What you can't do easily in most procurement systems, if you can at all, is search and buy in one simple workflow



across all the content you have — whether it's from punch-outs, hosted catalogs, internal stockrooms, or in-house produced items like the 3D-printed materials we make at Roche," he says.

To try and build something better, Roche partnered with a small startup to build a tool they call "OneMarketplace" — an AI-driven search and marketplace solution that can not only access all of Roche's content, but presents it in a user-friendly interface and enables efficient buying. The system can then recognise, guide, and understand individual users' decisions, learning from past purchases, and ranks, filters, and sorts the results, allowing users to create and check-out a basket from items across multiple suppliers and catalogs. "The user only needs to search and check out once for everything they need, and the system ensures greatest savings realisation by channelling the demand to the most cost-effective supplier," enthuses Foelck. For procurement, this solution has proved incredibly powerful, and also benefits the company's suppliers — especially small ones — who now have equal opportunity to sell their products through the platform that creates full transparency for buyers and suppliers. Stakeholders have responded positively to the new system, with senior leadership, including R&D executives inviting procurement to demo it. The tool also enables Roche's procurement team to make internal materials, machinery, and products available to colleagues who previously bought externally, even though Roche produces these items and sells them outside the company. But it's the user-friendliness and intuitive interface that Foelck notes has made this technology solution such a game-changer. "We wanted to create something radically different to support the next generation of procurement, with a level of automation that hadn't been seen before."





Learning the lessons

Transformation stories do well to focus on their successes — of which Roche has experienced plenty. However, Foelck is quick to point out that the journey has been far from smooth, noting that “one of the key lessons we learned during our transition to a new operating model was around flexibility.” He explains that, as the transformation continued, Roche applied increasingly agile and flexible principles to the organisation. “But in some areas, it went too far,” he reflects. “For example, we split contracting, supplier management, and sourcing into separate parts of the organisation to address specific operational requirements and opportunities. While this created some benefits, such as better integration and efficiencies across the enabling roles, it also led to a loss of connectivity between the different parts of the end-to-end process, particularly in sourcing and contracting.”

With the benefit of hindsight, Foelck observes, “in some areas we pushed the flexibility and agility too far, and as a result, we need to bring some structure back into the organisation.” Too much flexibility obviously has the potential to create ambiguity, especially in a process-driven function like procurement. “We found that some employees, particularly those who had been with the organisation for a long time, felt lost without the foundational structure they were used to,” he says. Balancing empowerment with proper support and structure is critical, and now Beyer and Foelck explain that they are reflecting on how to adjust some of these changes and introduce some more guidance, coaching, and a framework that supports flexibility while still providing a stronger foundation and clearer direction for the team.



“We believe in the solutions
we advocate for and want to
maximise their use for everyone
in procurement, not just at Roche”

– Marielle Beyer, Chief Procurement Officer, Roche



Taking procurement to the next level

The initial phases of Roche's procurement transformation focused on creating efficiencies and expanding procurement's scope. This allowed procurement to solve more straightforward business pain points and take on new responsibilities as a faster, more efficient, more automated function. These early successes have now created the necessary space to enter what Foelck describes as the "third tier of value: where procurement applies its skills and scope to deliver a solution to a business need or problem."

Traditional procurement strategies take a saving-centric approach, with the notion that additional benefits like speed to market, sustainability or continuity of supply are a nice bonus. This, Foelck points out, is not how the stakeholders in the business think. "This is where we, as procurement, often go wrong," he says, noting that, if procurement focuses too closely on a single measure of success without fully understanding that the business sees procurement as an enabler or a means to an outcome, CPOs risk being considered just a process gatekeeper. Goodwill dries up. Procurement's seat at the table starts to look increasingly tenuous. "If that happens," says Foelck, "they'll start working around you." If procurement focuses solely on its core functions, there's a risk that technology will quickly replace many of those activities — something the industry is already seeing as technology developments like agentic AI gain prominence.

Roche is an outcomes-driven organisation. Not only is it one of the world's largest biotech companies, but also a leading provider of in-vitro diagnostics and a global supplier of solutions across major disease areas. The company's goal — its driving purpose — is to help its patients live longer, better lives. The disconnect between a primarily cost-centric procurement function and the mission to lead in the field of biotech and diagnostic are pretty apparent. As a result, Foelck and Beyer are aware of how critical it is to look beyond the traditional metrics of procurement success. "We also place value on things like innovation and speed, which are just as important as cost and savings," says Foelck. Therefore, he explains, the procurement team needed to redefine its purpose to better align with the culture and objectives of the business and deliver real value.

The value route — Beyond “faster horses”

“I think this is a critical moment for procurement,” Foelck reflects. “We have two choices: one is the ‘productivity route,’ where procurement is reduced to a process — connect demand with supply, negotiate along the way, and deliver savings. This can lead to procurement outsourcing, offshoring, or even being replaced by technology. The other route is what I call the ‘value route.’ Here, you optimise the core through automation and technology, but also invest in capabilities, customer service, and engagement to be seen as a valuable partner, not just a source of savings for the finance team.” It’s the same crossroads that IT departments faced 15 years ago; offer something of real value to the business or be automated and outsourced away to third-parties.

Finding this value, then, means more than just executing the business’ requests faster and more efficiently than ever before. “I like to explain this with an analogy to Henry Ford,” says Foelck. “If Ford had asked his customers what they were looking for in a new mode of transportation, I think a lot of them might have asked for a faster horse. The same thing we’ve always done, but a little faster, maybe that eats a little less hay.” This, he warns, is the risk procurement faces when trying to transform the method without looking more closely at the root causes of challenges and opportunities: faster horses. Instead, Foelck and Beyer asked themselves “What if we could build a car?” A car, he points out, still gets you from A to B, but with added comfort, safety, and convenience — a new solution that’s radically better and more forward-thinking than a faster horse.

“We’re entering the third tier of value: where procurement applies its skills and scope to **deliver a solution** to a business need or problem”

– Patrick Foelck, Head of Strategy & Transformation and Head of Insights & Enablement Procurement, Roche

“When we look at procurement, the basic approach is very linear. The business wants something, and we know the solution involves going to the market, finding a supplier, and procuring a product or service — following a process from category strategy to contract negotiation, and that’s it — done,” he says. Applying technology or some organisational tweaks to that process can, no doubt, result in a faster horse. “But we want to think beyond the horse,” Foelck says. “What if we explore other modes of transportation — motorbike, bike, plane, train, car, truck? What does the business actually need? Can we not just buy something, but rather create a new service or find a different solution to the problem behind the business’ need?”

A good example of this approach is rooted

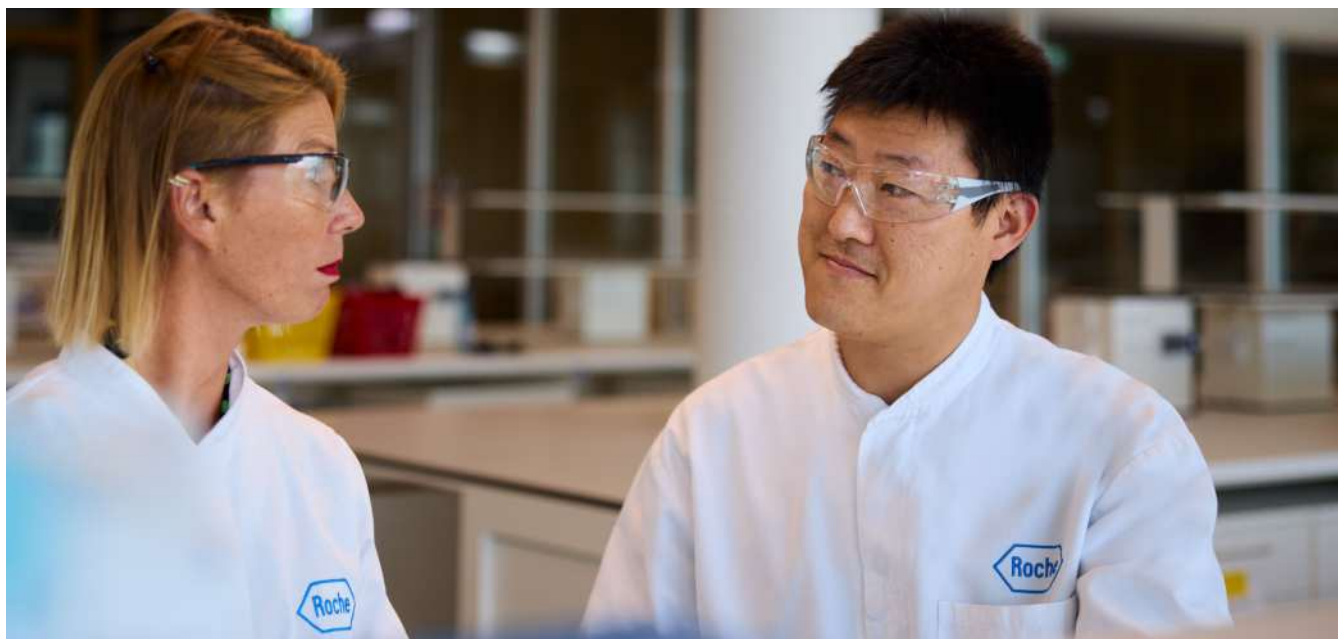


in Roche's growth as a company. With more medicine coming to market, the company has also expanded its physical footprint and its locations. As a result, Foelck explains, security has become a greater concern. Procurement was asked to source additional security measures for the company's sites, with the usual laundry list of needs: more monitors, more space for security staff, more gates, and more personnel, to name a few "It was a typical scale-up request, which makes sense — more buildings require more security," Foelck says, noting that he and Beyer "could have taken the traditional approach, finding more suppliers and buying more cameras, monitors, buildings, etc."s

Instead, they looked at the problem differently. "We thought, 'How can we

leverage existing technology assets, use data, AI, and external solution providers or startups to redefine how we do security?' The goal was not just to add more people in front of monitors, waiting for incidents to react to, but to proactively redefine security," he says. Procurement worked with the business and a startup to develop an AI based solution that leverages existing technology and different data sources to predict risk scenarios proactively and analyse camera footage far better than humans can. "Instead of relying on a certain ratio of monitors per employee, we now have information from numerous monitors analysed by one AI," Foelck says. "This is a true solution to a problem, not just connecting demand to supply. That's the third tier of value."





Laying down the gauntlet to the procurement sector

Throughout our discussion, it's very clear that Beyer and Foelck are not only passionate about their revolutionary approach to procurement reform, but that the approach itself is grounded in tangible results. "It's very important to us that we're not just talking about ideas or following the status quo but deliver impact that matters to the business and Roche overall," says Foelck, who is acutely aware that, when it comes to engaging with the wider business, procurement is rarely seen as the most important function in the room. "If you want to change that perception, you can't just talk about it — you need to act," he says. "It requires risk-taking, smart decisions, and a willingness to challenge the norm. I'm proud of what we've accomplished because we didn't just talk; we delivered results. We've answered many of the tough questions with tangible outcomes, not just buzzwords. This credibility is recognised by our network, our colleagues, and even outside Roche, which strengthens our internal position."

Roche's transition from a traditional procurement model — one focused on category management and procurement

outcomes — into a digitally powered agile organisation, where a large share of the team now focuses on new tasks that were never part of the job before, has been a profound shift. "It's an extreme change, and we knew we wouldn't get it all right initially," says Foelck. As a result, he and Beyer communicated certain elements of the change as an experiment, and openly acknowledged that some aspects required more testing. "We ensured transparency with our people and the business, and every time we didn't get it quite right, we adapted and reshaped it."

Lastly, neither of them believe in gatekeeping the results of the lessons they've learned along the way. "We don't shy away from sharing; our ideas are not exclusive. On the contrary, Patrick and I have always taken the approach of engaging with fellow practitioners," enthuses Beyer. "In the end, it makes us all stronger. And I think this really differentiates us from many others. We believe in the solutions we advocate for and want to maximise their use for everyone in procurement, not just at Roche." ■



WRITTEN BY
ANDREW WOODS

PRODUCED BY
RICHARD DEANE



DIAGEO

A customer-centric supply chain for Africa

As the African continent's economies modernise and its consumers evolve, few companies are positioned to seize the opportunity quite like beverage giant, Diageo. Behind the scenes Diageo Africa's growth ambition is empowered by a robust supply chain transformation, being steered by the highly experienced Marisa Schoeman, VP of Planning & Logistics for Africa...

D

iageo's London HQ is something else. The softly lit and tastefully decorated Soho pile even has a beautiful - and highly subsidised - restaurant/

bar nestled in the basement that outshines many of its neighbouring establishments in Central London. However, today's meeting is centred around a very different territory to the bustling Carnaby Street outside. Africa.

Diageo plc is a British multinational alcoholic beverage company whose 30 malt distilleries in Scotland - that can only make Scotch whisky - are responsible for producing one in every three bottles of Scotch sold globally with over 100 brands, such as Johnnie Walker, J&B and Buchanan's. Africa represents the drinks giant's third-largest region globally - 9% of all Diageo net sales are generated on the continent - but it's also arguably one of the most complex, according to Marisa Schoeman, Diageo's VP of Planning & Logistics for Africa. "We operate 31 production lines across the continent," she explains. "The terrain is fragmented, infrastructure is inconsistent and distances are long. It demands a unique supply chain design and so for example, we rely on third-party partnerships or distributor models in some African countries."

Marisa Schoeman is a seasoned supply chain leader with more than two decades of experience shaping operations across Africa and beyond.

She has held senior leadership roles across several large multinational companies, building a track record of driving operational excellence, large-scale transformation, and sustainable business growth. Living and working across Africa and Europe, she has built deep international expertise and cultural agility while successfully leading



large, diverse teams in dynamic markets.

Marisa began her supply chain career at ExxonMobil in England before moving back to South Africa into the automotive industry, where she gained extensive experience in managing complex operations. Since joining Diageo, she has played a pivotal role in shaping and executing the company's supply chain strategy, leading high-impact initiatives that strengthen performance, efficiency, and resilience.



“Not everyone adjusts at the same pace, especially in operational areas like logistics. But by **focusing on ‘translating’ the system’s outputs** into business-friendly insights, adoption has surged”

– Marisa Schoeman, VP of Planning & Logistics for Africa, Diageo

At Diageo, Marisa is responsible for directing the transformation of Diageo’s supply network operations in Africa, creating a simplified and integrated network designed to unlock agility, innovation, and long-term value.

Passionate about transformation and innovation, Marisa has built a career on creating supply chains that are not only efficient, but also agile and adaptable to the dynamic needs of diverse markets.

SUPPLY CHAIN STRATEGY

While Diageo nurtures its global brands in Africa it is also committed to developing new ones that resonate with the African market. This has given rise to local brands Serengeti, Tanzania's number one beer, and Orijin Marula, an African gin made with native fruits. However, this kind of strategic approach to such an untapped market requires stealth and agility in what can be a challenging territory, especially from a digital maturity standpoint.

One of these digital investments to accelerate its digital transformation ambitions across the continent is the Kenya Transport Control Tower in partnership with DHL EABL. Implemented in 2024 the control





tower provides cutting-edge technology with advanced displays and dashboards, showing real-time data across the market, within Diageo's site, key distributors and transport suppliers. The facility represents a major step forward for transport in Kenya, integrating world-class tools to enhance efficiency, controls and health & safety across the market. It's bold moves like this that are underpinning Diageo's growth across the region. "We focus on creating a digital supply chain to take Africa's maturity from where it is today to what is needed to win in the future - with digital being the only way forward," South African-born Schoeman explains.

GLOCALISATION

Africa presents significant logistical challenges due to long transportation distances, underdeveloped road networks, and the amount of time required for product movement. The region's digital infrastructure and adoption levels also lag behind many other developing markets. In response, Diageo has implemented a digital supply chain strategy designed to improve efficiency and flexibility. This approach uses data-driven systems to enhance demand forecasting, inventory management, and distribution visibility, enabling the company to respond more effectively to disruptions and support market expansion.

"Our ambition is to grow Africa, Diageo's fastest growing region, into a multi-billion-pound imported spirits business," she says. "But for that, we need a flexible, segmented supply chain. Africa represents huge untapped potential as a developing environment and our consumer base is growing all the time. So, for us there is a very big focus around how we grow into a multi-billion premium spirits business."

With African markets offering immense potential in premium spirits, Diageo's supply chain must cater both to local value brands and imported luxury offerings. Schoeman's transformational work epitomises Diageo's ambition to be a world-class supply chain operator - globally synchronised yet locally agile.



At the heart of Africa's transformation



MULTIMODAL OPERATOR LOGISTICS

AGL is the trusted logistics operator in Africa, offering logistics, port, sea and rail solutions. With 23,000 employees in 50 countries. AGL leverages its developed expertise to provide tailor-made and innovative services to its African and international clients. AGL's ambition is to make a lasting contribution to Africa's transformation. AGL is also present in Haiti, East Timor and Indonesia.

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AGL's competitive edge in contract logistics

Jason Reynard, Regional Managing Director — East Africa, discusses AGL's sustainability initiatives and the development of his organisation's key partnership with Diageo

"Sustainability is not a siloed initiative; it is rooted in the heart of everything we do." To Africa Global Logistics (AGL) Kenya, there is nothing more important than doing right by the planet. And with good reason.

Standing as the continent's largest integrated logistics provider with a presence in 47 African countries, AGL serves as a vital gateway into East and Central Africa, connecting businesses, communities, and markets through agile multimodal solutions. Across the region, AGL's services span freight forwarding, customs clearance, contract logistics, warehousing, inland transport, shipping, dry port and port operations.

Today, Jason Reynard is responsible for the East African region which stretches from the source of the Nile to the Nile Delta, including the likes of: Kenya, Uganda, South Sudan, Sudan, Somalia, Somaliland, Eritrea, Ethiopia, Djibouti, and Egypt. During his time with the company, Africa Global Logistics has rolled out sustainability strategies across the region which are at the core of the company's mantra. "We are especially proud of our commitment to sustainable logistics," explains Reynard. "In Mombasa, we operate East

Africa's first Green Terminal under the Mombasa Container Terminal (MCT). In Uganda, we recently broke ground on a fully solar-powered Green Logistics Hub in Namanve, a €10 million investment and bolstered our fleet with 50 new trucks, a reach stacker, and an empty container handler to enhance operational capacity.

"In Kenya, we have introduced biodiesel for our fleet, and we are increasing the use of SGR rail network to reduce carbon emissions across our inland logistics. We are also transforming our energy supply to solar and converting our forklifts from LPG to electric. As a leading global logistics player, we aim to support positive change in Africa by developing human capital and value chains, while promoting initiatives that protect the planet."

However, success is impossible to achieve without the help of key, strategic partnerships. Fortunately, AGL has found one such relationship with Diageo which is formed of mutual trust, shared values, safety, operational excellence, innovation and sustainability. "We manage critical aspects of

Diageo's supply chain in Kenya and the region, including warehousing, inventory management, and outbound logistics," says Reynard. "But beyond service delivery, this relationship is strategic and deeply collaborative. Together, we co-develop innovative solutions and drive continuous improvement.

"But beyond service delivery, this relationship is strategic and deeply collaborative. Together, we co-develop innovative solutions and drive continuous improvement."

"Working with a global company like Diageo — renowned for its strong brand and operational excellence - has also elevated AGL's expertise in the FMCG sector. Diageo's leading sustainability and diversity programs have further inspired us. We've been able to match their ambition with our own efforts, gaining traction in our social responsibility agenda.

"Perhaps most importantly, the partnership has sharpened our appetite for innovation. Diageo is a global giant in innovation, and their forward-thinking culture has challenged and motivated us to stay bold, and future focused."

SIMPLIFICATION

Diageo's transformation began with a fundamental principle: to simplify operations. Schoeman tells us. "We have both local supply chains and long lead time import supply chains," she reveals. "We're building resilience by developing local supplier ecosystems in a region where we are subject to high taxation for importing goods and where supply chain shocks are frequent. This is non-negotiable."

Local sourcing is very important to Diageo's strategy, currently at 86%. Today, Diageo sources grain from over 40,000 African farmers, underscoring its community commitment. Not only does this enhance the authenticity of their products, but it helps to create employment opportunities and revenue in local communities.

To continue sustaining the growth trajectory in Africa, Diageo explored alternative solutions to the traditional supply chain model by investing in vendor managed inventory on varying scales. During 2024 Diageo piloted a solution with Czarnikow, a leading international sugar broker that has expanded its solutions to a range of services from corporate and trade finance to ingredients and sustainability.

"All solutions are completely bespoke and specific to the problem you want to solve. In Africa we leveraged their network and capabilities to source and store grain in a bespoke one-off VMI solution, says Schoeman. This pilot however allowed us to see what was possible and we are now exploring alternative categories to determine if there are joint values to be created."



CLOSER TO THE CUSTOMER

As the premium spirits market continues to grow in Africa and Diageo ambition to be the leading this growth is clear, the supply chain solution offering is one that needs to be close to the customer. And that's why Diageo is now exploring a segmented supply chain for imported premium spirits through a strategically placed logistics hub shortening lead times to nearby countries or moving Scotch manufacturing locally to increase agility to respond to shifts in the market place. It's an evolution as the category grows and supply strategies shift depending on the challenges. "What's the right model to allow agility at the front end while sourcing from out of market?" she posits. "We are also focusing a lot on resilience planning with the localisation.



We have a material supply strategic management program with a sourcing team looking at how we develop more local suppliers so that we can actually split the supply instead of being reliant on one or two sources, which is not ideal in this current climate. If a supplier in India drops the ball, then you don't have stock for three to four months. It's a continuous process because in Africa the maturity of the suppliers are still evolving. It takes longer to get the supplier to the quality you want because we have very strict quality measures. But it is not impossible."

DIGITAL SUPPLY CHAIN

Perhaps the most revolutionary shift within supply chain at Diageo is the move to a digitally enabled operation with a 'people, process, system' focus. After all, transformation isn't just about tech - it's also about the people who use it. "Change management was the initial priority," Schoeman stresses. "We had one-to-one conversations with the teams to help them understand what's in it for them. Not everyone adjusts at the same

"Be it structure, operations or the ability to drive value in your business, I feel it's time for us to **accelerate our movements** where potentially before we were nervous to do certain **bolder transformation** things. Too scared to simplify"

– Marisa Schoeman, VP of Planning & Logistics for Africa, Diageo



pace, especially in operational areas like logistics. But by focusing on “translating” the system’s outputs into business-friendly insights, adoption has surged.”

Diageo recently transitioned from SAP APO to OMP (driven by advanced solver optimisation) for supply planning - a change Schoeman helped lead. But this wasn’t just a straight system swap. Schoeman first designed and built a centralised Planning & Logistics Centres of Excellence for Africa with a key focus on standardised processes to prepare teams to work in a consistent, structured way. This centre of excellence

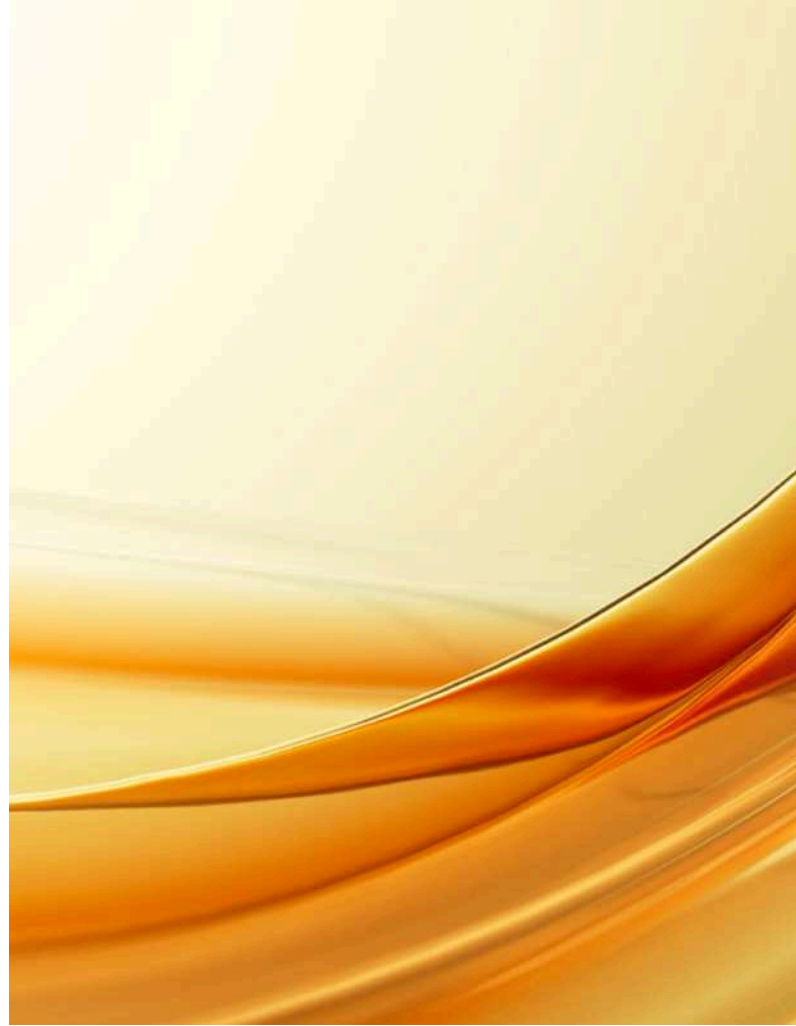
is responsible for end-to-end Business and Supply Chain planning operations as well as Logistic Transformation and Strategy leadership. This operating model has delivered valuable standardisation and governance on operational processes. “By the time we went live, our team was ready and excited due to the creation of this operational excellence mindset. I think it’s those small things that make a huge difference.”

The benefits, according to Schoeman, were immediate. What used to take days to analyse now happens in real-time. In

its end state scenario planning, material flow and production management are all integrated. It brings speed, agility and fact-based decisions, while building resilience to risk. "Scenario planning and problem solving could potentially take two to three days to get an answer if you do everything manually and talk to a number of people to get alignment," she explains. "But within an integrated system, your materials, your production, everything is in one place. You can make real-time decisions instead of having to wait. It also takes away opinion and it becomes much more data driven. 'This is what the data is telling me.' I think the next stage of automation is when you have the system doing the job of a planner and the planner's job is moving to something where they are responsible for governing the parameters and information flowing into the system. This is a fundamental shift from existing planning capability expectations."

SUPPLY NETWORK PLANNING

With supply planning in place, Schoeman and her team are now moving on to supply network design analysis. "If I look at it from a transformation perspective, the biggest change I'm driving or working on right now is how do we make every route profitable?" she reveals "How do we make sure that there's a strong route to market, to the consumer, as coordinated as possible so that it is value adding? Can the distributor deliver to that customer instead of Diageo? How do we actually look at order management rules? How do we change the way we are currently delivering? I've got a team that looks after network modelling and value stream mapping. They are monitoring all the way from the source of the product right up to the customer. Is that the most optimal route and how do we find inefficiencies within there so that



we can streamline our supply chain to be more effective? And I think that's probably the future, especially in a developing environment because you grow so fast. How do we set ourselves up for the next maturity jump and the next growth leap?"

Schoeman and her team are building the supply chain around consumer occasions. From premiumisation to value hunting, they've mapped five African consumption trends, each with a different supply chain behind it. For premium malts, that means agility in simplification through a streamlined portfolio and a focus on excellent service delivery. For value beers, it's efficiency driving cost savings that can be passed back to the consumer. For innovation and ready-to-drink products, it's all about agility and scalability. "No more one-size-fits-all," she says. "We're tailoring supply chains to consumer needs. How do you make sure that the offering for that consumer is clear and that the product is on shelf all the time?"



TRANSFORMING AFRICA AGILITY, INNOVATION, A DIAGEO

DIAGEO IS RESHAPING ITS AFRICAN OPERATIONS WITH
ENABLED, AND SUSTAINABLE SUPPLY CHAIN DESIGN

DHL Supply Chain

A'S SUPPLY CHAIN: AND GROWTH WITH

WITH A CUSTOMER-FOCUSED, DIGITALLY
IGNED FOR GROWTH AND EFFICIENCY.



Schoeman and her team are also looking at logistics in that space. “Because if it’s a premium malt, you may want to move away from putting it on the back of a beer truck. You may have a very different logistics offering to the consumer that you wish to deliver in a differentiated premium way. These are some of the strategies we are exploring. That’s the premium supply chain. To succeed you need to be really close to the customer and consumer information because if you’re not reading it fast enough you could miss an opportunity to play in that space. This is why digital supply chain and insights are so important.”

According to Schoeman there are different kinds of agility. There’s agility around how you capitalise on opportunities that could be within your trading or your inventories. And then there’s a focus on how you partner with your suppliers to be as agile as possible. “We have very strong partnerships with key suppliers,” she explains. “For example, we’re now looking at the digital printing of labels in Kenya, which is so much faster and more agile as the batch size is smaller. Then you can test a product with merely hundreds of bottles. We’re continuously working with our suppliers to look at how they become more agile too and change their manufacturing processes to support us.”

VISIBILITY WITHIN THE SUPPLY CHAIN

One key partnership for Diageo is its work with DHL to create a digital control tower to increase visibility and productivity within the supply chain. “We were one of the first markets in Africa that actually went live with a digital control tower that is bespoke to DHL,” she explains. “We went on a journey about two years ago to understand what the future for logistics within Africa could look like. We explored ways to partner with our suppliers better to create these value-

adding opportunities, hence the digital control tower.”

Now, Diageo has a transporter with the digital control functionality that supports suppliers, allowing for more efficient operations. “The visibility is amazing,” she enthuses. “We can see exactly where the driver is - through an app - because we are always looking to turn the trucks around more quickly. It’s critical to reduce idle time. We have significant volumes going out of our site in Kenya to minimise the turnaround time. We were at 24 hours and we’re currently at eight, and this was all driven by the control tower and the visibility. That for us is a substantial change in Africa. It was also a strategic investment to sign a five-year contract for the first time, with DHL, focusing on how we create value together for Kenya logistics operations.”

One other supplier in Kenya is AGL (Africa Global Logistics) that has been in Kenya for a very long time and Diageo has been working with them for nearly 30 years. The warehouse operator – formerly known as Bolloré Africa Logistics (BAL), is now also part of a bigger business with MSC who rebranded the company as AGL in 2022. AGL is an established organisation with a high skill level in warehouse operations which manages all of Diageo’s warehouses in the region while working closely with DHL, who manage the trucks. “They’re now able to provide us with many other options, such as potential shipping or clearing options. If you have a local business with exceptional local knowledge and experience being brought over by a global player, this combined maturity shift conversations to a more strategic way of working. I can have exceptionally good strategic conversations about what the future looks like with AGL. We work well together, and they are supporting us with some of the work we’re doing on a

“I think when things go well, it’s easy to forget that **there’s a supply chain supporting you**, but it’s becoming more and more visible now as to how important a good supply chain can be”

– Marisa Schoeman, VP of Planning & Logistics for Africa, Diageo



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potential Hub for East Africa as well. AGL is definitely a long-term partner.”

Another key partner in Diageo’s expansion is CZ, also known as Czarnikow, a supply chain solutions provider that has been supplying the manufacturing sector in East Africa for over 30 years. “Through their end-to-end vendor managed inventory (VMI) offering, CZ manage and finance the entire supply chain, delivering to us on a just-in-time basis; crucially, we retain full visibility of our supply chain as they operate on a transparent basis, as partners. Our planning team works in conjunction with CZ to ensure an optimal supply chain, concurrently reducing risk and improving security of supply.”

CZ and AGL, who are also long-term partners, have collaborated with a joint offering, Supply Chain Alliance Africa (SCA Africa), which marries CZ’s agile approach to supply chain management with AGL’s breadth and experience on-the-ground in African logistics.

THE SUSTAINABLE SUPPLY CHAIN

ESG has been driving supply chain conversations for a few years now. In meeting rising expectations in that space, Diageo has made a significant shift to partner with suppliers with better Scope 3 emissions. “Every contract we sign has an expectation around sustainability,” Schoeman reveals. “We are much more demanding around the kind of contracts we’re signing with suppliers. For example, this year I’ve been able to reduce the logistics carbon footprint by 2% versus the previous year because we put requirements in for new trucks within our contracts. We bought around 50 new trucks in the region this year, which then brought down the carbon footprint because 10-year-old trucks are not so eco-conscious. Now we stipulate that the truck cannot be more than 5 years old.”

Schoeman and her team are also looking into how to move stock by rail instead of road, which is obviously more carbon heavy.

“These are the kinds of things we do in Africa, but it’s a journey with the governments and the region as it evolves into something more mature. In South Africa it’s easy because it’s much more evolved from an infrastructure perspective. We have electric forklifts in the warehouses; we have electric vehicles. DHL in Kenya is exploring using biofuel in their trucks, which will also make a difference for us. Then of course there’s the transport modelling. It all links to each other. The better your flow of product, the fewer miles you are moving, therefore you also get the savings. Every time we make a decision we ask, ‘Do we have a sustainability mindset in place?’ Every time we make a decision, we first look at the environmental impact before we do any final decisions.”

One major project in the region that Diageo has showcased recently is a biomass steam generation plant in Kenya and Uganda. Biomass is burned in a boiler to produce high-pressure steam. This steam flows over a series of turbine blades, causing them to rotate. The rotation of the turbine drives a generator, producing electricity. “It’s amazing to see. We literally use all the cones, bark, macadamia shells, sugar bagasse, and coffee and rice husks and put it through the biomass plant,” she tells us. “We then use it as steam generated electricity in the packaging plant. It’s completely self-sufficient.” The project assisted the local community by providing approximately 200 new jobs during the construction phase and is expected to create approximately 900 direct and indirect jobs during operations.





THE FUTURE

Schoeman truly believes that there isn't a better time to be in supply chain than now. With every crisis comes opportunities. "And then supply chain can really come to the forefront to drive the business," she enthuses. "I think when things go well, it's easy to forget that there's a supply chain supporting you, but it's becoming more and more visible now as to how important a good supply chain can be. Be it structure, operations or the ability to drive value in your business, I feel it's time for us to accelerate our movements where potentially before we were nervous to do certain bolder transformation things. Too scared to simplify. A fear of changing the norm. With the way the world is changing, supply chain practitioners need to be braver to be competitive. Because right now we have a seat at the table to truly influence business strategy." ■

A person in a dark suit is walking up a long, wide staircase that recedes into the distance. At the top of the stairs, a bright, glowing light source creates a strong silhouette effect. A large, semi-transparent red circle is superimposed over the left and center of the image, partially obscuring the stairs and the person. The overall color palette is dominated by reds and oranges, with the bright light at the top of the stairs providing a focal point.

The Big



What does procurement's road to 2030 look like?

In this issue's Big Question, CPOstrategy explores procurement's trajectory towards 2030 and how the function is equipped to meet global objectives amid significant transformation

WRITTEN BY
SEAN GALEA-PACE

2

2030 is regarded as the end destination for many sustainability and digital programmes.

The first part of this decade has been filled with complexity and uncertainty. From the likes of COVID-19, to the wars in Ukraine and Israel, to inflation concerns and

Trump's tariffs, the geopolitical landscape has appeared extra challenging in recent years. However, despite this disruption, procurement is still fighting back amidst an unprecedented and overwhelming plethora of new and exciting digital tools available on the market.

So, how does procurement map its way to 2030? CPO strategy explores this burning question and hears from experts in the field who are tackling this conundrum head-on.

PROCUREMENT TRANSFORMATION

Nicholas Walden, Europe Practice Leader, Procurement Advisory at The Hackett Group, believes that by 2030, procurement will be redefined as an intelligent and resilient function that helps guide the business on strategy and value capture, especially in a world characterised by sustained volatility and uncertainty. "Procurement will be

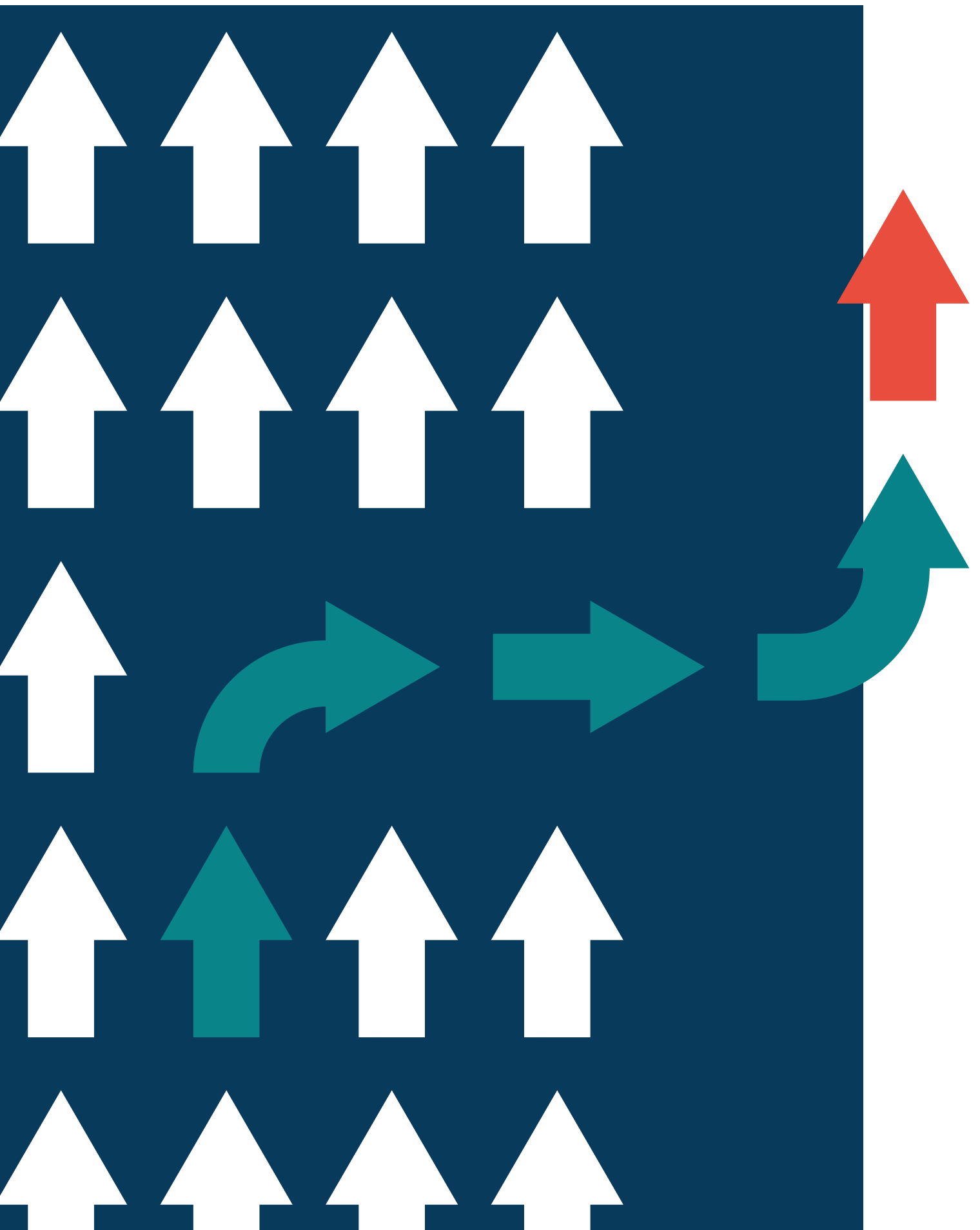
closely aligned with overall business strategy and goals, supported by strong capability 'muscles' such as scenario modelling, risk management, supplier-led innovation, and environmental, social, and governance (ESG) performance," he says. "Procurement functions must also develop a culture of

"There are a few forces driving this transformation, and each will adapt and evolve during the next five years"

– Simon Geale, Executive Vice President, Proxima

continuous learning to address new skill requirements and closing capability gaps. This includes adopting emerging technologies, particularly digital and AI-enabled tools, which will play a central role in enhancing productivity, improving decision-making, and handling time-consuming tasks such as regular revalidation of supplier data, certifications, and risk assessments.

"Critically, business processes across procurement will operate at significantly greater speed - potentially one and a half to two times faster than today - enabling more agile and effective operations. In this future, procurement will be a proactive, insight-led partner to the business, equipped to navigate complex challenges and deliver sustained results."

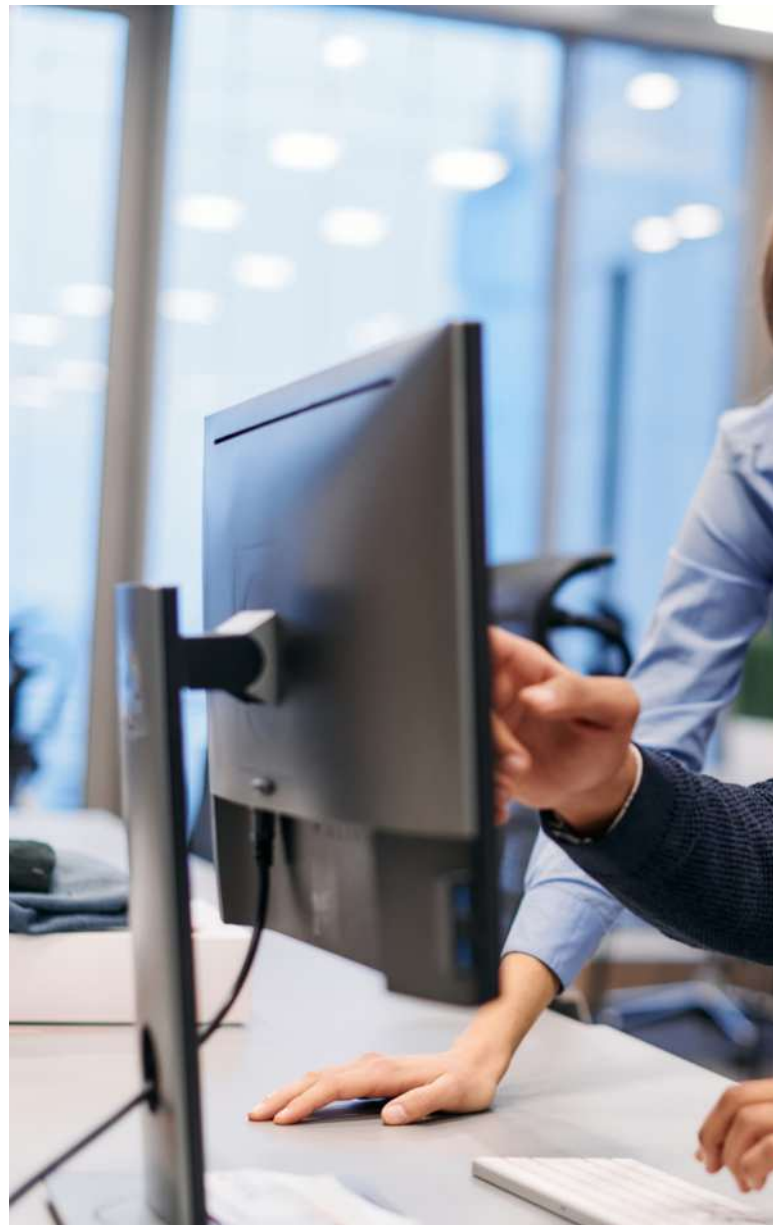


PURPOSEFUL AI

Simon Geale, Executive Vice President at Proxima, explains that as procurement leaders continue to find meaningful use cases for AI, both build and buy, many are not yet scaling investment. However, in his view, it is set to change. “There are a few forces driving this transformation, and each will adapt and evolve during the next five years,” he tells us. “Firstly, platforms are seeking to reinvent themselves. The best of breed market has threatened to usurp platforms and looking forward, agents and orchestration make this possible and practical. Platforms must reinvent or retarget those businesses that do not have the capability to invest in resources or build programmes.

“Secondly, the best of breed market is under attack from itself. What started as the easy antidote to complex platforms has become a complex market. The antidote to this could paradoxically be larger players and we should see some exciting consolidations and digital managed services or digital BPO arising.

“Finally, the barriers to build are disappearing. It’s getting easier to build private LLMs and use agents to automate process and replicate many tasks. Looking to 2030, we can probably expect to see an industry around ‘build’ allowing for bespoke architectures. And we will still be focused on savings, and to some extent bemoaning that fact. I say own it! There are few things more strategic than helping a business to achieve its strategic objectives to the best commercial benefit.”



POWERING DECISION-MAKING

Jenny Draper, Managing Director at Barkers Commercial Consultancy, reveals that procurement in 2030 will be expected to take a far more strategic approach within organisations, driving not just cost efficiency, but also sustainability and innovation. “Effective risk mitigation will be crucial and will heavily depend on having accurate, real-time data across a range of critical factors,” she tells us. “Procurement teams will need to integrate diverse data points, including supply chain performance, political and regulatory developments, climate-related disruptions, and the



“Critically, business processes across procurement will operate at significantly greater speed - potentially one and a half to two times faster than today - enabling more agile and effective operations”

– Nicholas Walden, Europe Practice Leader,
Procurement Advisory, The Hackett Group

availability of goods and services - using accurate, real-time data as forecasting processes to predict and respond to risks. From navigating geopolitical tensions, adapting to extreme weather events, or managing shortages and price volatility, the ability to underpin these unpredictabilities with accurate, real-time data will be vital in securing supply and supporting long-term business development.

“The widespread use of AI to scrape data and interpret it to create a scenario plan is already prominent, and the use of AI is already growing in real-time exponentially. It’s likely we will begin to have even more credence

in AI as the years roll on, and procurement teams - especially where data analysts are crucial to strategy planning and decision-making - will obtain data interpretations from AI more. AI will likely feed into decision-making, making it a streamlined, easy way to obtain data insights and scenario modelling. People can then focus their energy on interpreting for the business and continuing to manage and foster relationships with supply partners. We will likely gain even more confidence in AI’s ability, with analysts, to mitigate risk, set direction, and forecast any of these disruptions.”

FUTURE-PROOFING PROCUREMENT

As the procurement function continues to shift and move, its role will transition to one heavily underpinned by technology. “It can do much of the strenuous work to present options in front of a human, with a high degree of real-time accuracy,” adds Draper. “However, as opposed to broader, end-to-end solutions, it’s likely we will see point solutions in procurement to address particular, specific needs of the business. By 2030, orchestration tools like Zip and ORO will play an integral role in procurement functions by seamlessly connecting workflows across multiple platforms and technologies. These orchestration tools enable organisations to use different systems for differing stages of the procurement journey, including sourcing, contract management, or supplier onboarding, without losing efficiency.

“Orchestration platforms act as a workflow bridge, creating a unified, automated workflow that is tailored to specific roles within the business. Not only does this enhance user experience, but these tools also improve speed and compliance across processes. While these tools are already gaining traction in the market, their use is expected to escalate enormously as procurement becomes more digitally developed.”

Procurement’s journey ahead isn’t linear. Its way forward is a continuous journey of development and transformation. Indeed, the acceleration of new digital tools such as generative and agentic AI is set to continue to free up procurement practitioners and help deliver time and cost savings to the companies brave enough to adopt it into operations. As digital tools mature, innovations such as this will become increasingly popular options across the workforce. While digital transformation is the key, it is people which underpins procurement’s evolution. Procurement’s pathway to 2030 has never been clearer. ■







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MARCUS LAWRENCE

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CRAIG KILLINGBACK



PEPSICO

LEVERAGING GLOBAL LEVERS:

**THE PROCUREMENT
STRATEGY TRANSFORMATION
UNDERWAY AT PEPSICO**

Having led a major overhaul of procurement operations, Marcelo Stefani, Global Chief Procurement Officer, discusses the strategies, philosophy, and goals of swapping from PepsiCo's localised approach to a global one



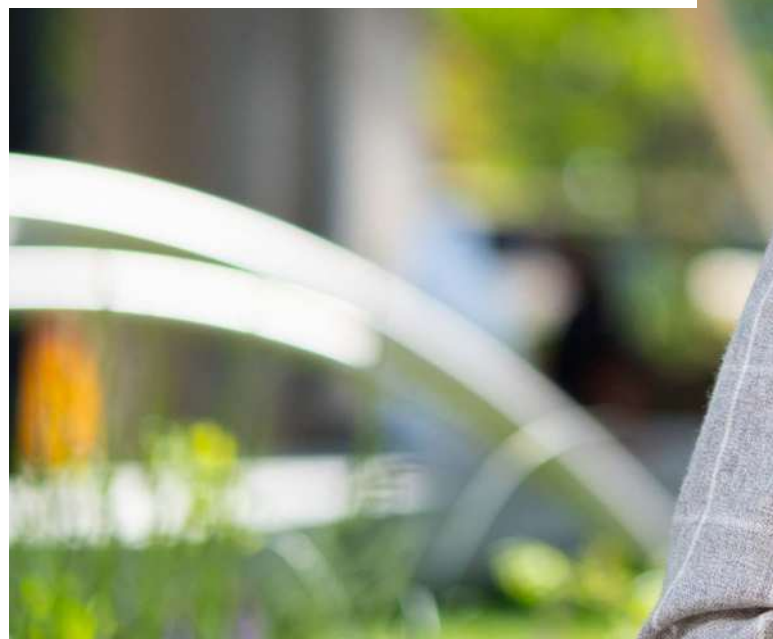
About us

PepsiCo products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. PepsiCo generated nearly \$92 billion in net revenue in 2024, driven by a complementary beverage and convenient foods portfolio that includes Lay's, Doritos, Cheetos, Gatorade, Pepsi-Cola, Mountain Dew, Quaker, and SodaStream. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including many iconic brands that generate more than \$1 billion each in estimated annual retail sales.

Procurement's importance within the business landscape has scarcely been clearer than now. Unprecedented levels of disruption to global supply chains via the Covid-19 pandemic, the war in Ukraine, aberrant weather events and international trade uncertainties have centralised procurement as not just a strategic enabler, but a functional imperative.

Gone are the days where procurement operated in the background; now it's a fundamental component of top-level strategy. For a complex multinational like PepsiCo, the depth of value offered by a robust, technologically enabled and strategically versatile procurement organisation is abundantly clear.

Marcelo Stefani, Global Chief Procurement Officer at PepsiCo, took charge of the food and drink giant's worldwide procurement efforts in 2023. For Marcelo, taking the reins at the top of PepsiCo's procurement function meant re-examining the fundamental principles governing its supply chain operations.





A new vision for PepsiCo's procurement operations

Despite its global footprint, PepsiCo's procurement was conducted on a regional basis, and Marcelo leapt upon the untapped potential.

"When I started this role, I was really surprised by the lacking use of PepsiCo's global levers," he says. "We are a \$92 billion company, and we weren't using the leverage of our global brands, specifically in procurement."

The trick is knowing where to start, but for Marcelo the focus had to be with PepsiCo's enormous supplier base.

"First, we had to ensure that we can negotiate globally with suppliers," he explains. "I established a team that was dedicated to supplier negotiations and delivering our strategy among them."

"That wasn't the only thing we changed, but

to deliver results and execute your mission and vision you need to have great talent and capabilities within the organisation, so that was another element. Then, even though you go global when global makes sense, the execution and the operational side have to be at the local level."

Of course, the top-level procurement strategy covers considerably more ground than the supplier relationship management element, as Marcelo elaborates.

"There are four buckets: global portfolios and commodities comprising the strategy of looking at global negotiations and opportunities to engage with suppliers more deeply," he says. "Then we have operational procurement excellence, making sure that whatever we negotiate is on-time with flawless execution in each market, with each

"This is a completely different opportunity, bringing an assortment of innovations from outside the company that we can then leverage"

– Marcelo Stefani, Global Chief Procurement Officer, PepsiCo



line being properly fed. It's all interconnected.

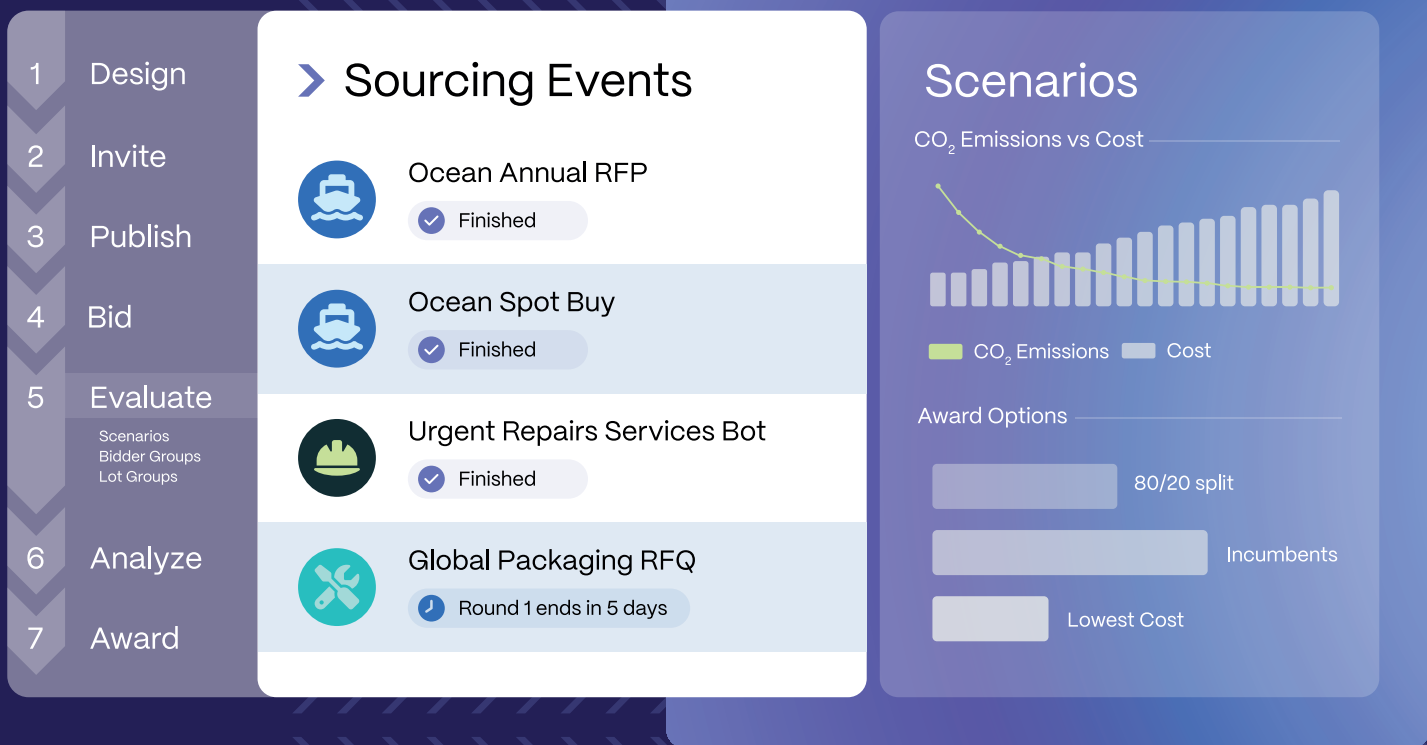
"The third one is sustainability and innovation. Sustainability is very important at PepsiCo, so we ask how we can drive sustainability on a global level. It can be more challenging because you may require more investment in some regions compared with others. We took sustainability from a regional basis to a global one, because it's better when you talk with long-term suppliers on a global level about investments and ways of working together.

"Then the fourth bucket is a bit of the glue of it all: capabilities and process harmonisations across the world, across the whole procurement organisation. Each

of these – the operational procurement, the leaders of the commodities and the portfolio, the innovation and sustainability, and the capabilities – are part of what we call the 'PepsiCo Procurement Leadership Team'.

"But there is a fifth element that is very important," adds Marcelo. "We have a digitalisation person that is sitting amongst the leadership team, and we are of course working together to deliver digitalisation efforts across procurement that will help to drive everything forward."

Smarter Sourcing, Stronger Partnerships: PepsiCo Powers Procurement with Keelvar



Keelvar >



PEPSICO

PepsiCo turned to Keelvar as part of **Global CPO Marcelo Stefani's** mission to modernize supply chain operations and unlock greater value through technology and global alignment.

For a complex multinational like PepsiCo, with a massive and diverse supplier base, automation and intelligence were essential to scaling strategic procurement. *“The depth of value offered by a robust, technologically enabled and strategically versatile procurement organization is abundantly clear,”* shared Marcelo.

PepsiCo partnered with Keelvar to implement Sourcing Optimization and Autonomous Sourcing, aiming to eliminate manual, time-consuming processes and refocus procurement teams on high-impact work—like building strategic supplier relationships. Marcelo noted:

“

Before, transactional suppliers were more reluctant to bring innovation to us. When there's a more established relationship and a long-term commitment, you can talk about co-investing. This is a completely different opportunity, bringing an assortment of innovations from outside the company that we can then leverage.

Keelvar enables PepsiCo to run complex bidding scenarios and model award scenarios based on more than price—factoring in Scope 3 emissions, supplier diversity, and other key goals. The result: faster, smarter decisions that align with PepsiCo's sustainability and operational excellence goals.

“Together, we're moving sourcing from tactical to transformative—helping PepsiCo act with precision, adapt faster, and elevate procurement's role as a strategic business partner,” shared Dylan Alperin, Chief Customer Officer at Keelvar.

This is just the beginning. As Marcelo builds a procurement function with “one team, one voice,” Keelvar will continue to support PepsiCo's journey with AI-powered tools built for complexity, scale, and sustainable growth.



Transforming suppliers from merchants into partners

Of the work he has spearheaded thus far as PepsiCo's Global Chief Procurement Officer, the supplier relationship management side has undergone the most dramatic transformation. Leveraging a global supplier base is no mean feat, not least with the breadth of PepsiCo's supplier base, and uprooting and replacing a long-held strategy comes with its own challenges.

It was, nevertheless, a challenge that justified its required efforts.

"When you talk globally with suppliers, focus on supply relationship management and move from transactional to strategic relationships, you create a different dialogue with them because now it's not just about the country or the region, it's about the opportunities that we both have across the world," Marcelo explains. "Agreements become more long-term, and people can then plan accordingly on both the PepsiCo and supplier sides.

"Some projects require a lot of investment from PepsiCo, but also from the suppliers. You cannot do that with a two-year contract or a locally isolated one. This global organisation, the new supply relationship management philosophy, and the new dialogues with suppliers have been of great benefit to the corporation.

"Before, transactional suppliers were more

reluctant to bring innovation to us. When there's a more established relationship and a long-term commitment, you can talk about co-investing. This is a completely different opportunity, bringing an assortment of innovations from outside the company that we can then leverage.

"But also, we have a lot of geopolitical issues to navigate around the world. Having a strong relationship with suppliers can protect you from those challenges in many ways, especially when they can prioritise you over other customers as a result of that deepened relationship; you become their customer of choice."

It's not the kind of overhaul that happens overnight, of course, and the breadth of PepsiCo's suppliers has necessitated strategic prioritisation within that pool.

"We have more than a million suppliers between indirect and direct materials, and you can't revolutionise a singular relationship in just one year or 18 months. It's a journey from the outset to gain the trust of potential supplier-partners.

"In terms of selecting those suppliers for a more strategic partnership, every company does it in a different way. Our way was to start with suppliers whom we deemed to be the most important, either because of the innovation they've brought over the years, because of the mutual strategic opportunities we could capitalise upon, or perhaps because of the diversity they brought to the company."

As to whether the previous, localised model could be sustained into the future, Marcelo is emphatic: "I think a procurement function without supplier relationship management is an obsolete one. This is the new way of working."

In terms of how best to approach developing selected suppliers into strategic partners, Marcelo and his team adopted a direct stance that provided the platform for iterating upon those relationships.

"We conducted a survey with the suppliers, and we heard them, we understood that we had to change the way we were operating with them," he says.

"For us, the start was making sure that they understand PepsiCo. We held a supplier summit where we explained where PepsiCo wants to go, the things that we wanted to change from a procurement perspective, and our desire to gain that customer-of-choice position among our suppliers."

The actions weren't exclusive to the outward facing, with Marcelo seeking to unite disparate voices within the organisation to drive this revolution across every front.

"On an interdepartmental basis, procurement's alliance with R&D and marketing is now much stronger than before," he explains. "The result is that we have become one voice for the suppliers. It

used to be that we would go to suppliers, and they wouldn't know if the people visiting them were from procurement, sustainability, or R&D and so on. I love the new unity between us, because it clarifies our outward communication and creates greater consistency for our suppliers."

"After almost two years of fostering relationships in this way, we have 20 suppliers who fit the modernised, strategic mould and we believe that around 50 will be the number where we will feel comfortable."



“Diversity of thought is extremely important to me. I look for people that are decisive, that are doers as well as thinkers. I think that’s the kind of mindset I like when I’m recruiting someone new”

– Marcelo Stefani, Global Chief Procurement Officer, PepsiCo





Raising procurement's profile within the organisation

Marcelo stresses that expanding the strategy beyond procurement has been essential to this progress, and taking this proactive, galvanising approach to engaging other departments and functions is fundamental to its early successes.

"We got a lot of traction in this project because it wasn't just coming from procurement," says Marcelo. "You cannot effectively conduct partnership-focused supply relationship management if it's only being driven by procurement; it has to be a company-wide effort. We are so fortunate that, within PepsiCo, everybody understood the need for this evolution."

Generating that sense of understanding requires its own careful considerations and efforts, particularly given that the various hats within the C-suite are all focused on their own strategies that can easily become

siloes from others. Marcelo approached this collaborative effort with three prongs: by demonstrating procurement's value to the wider business; by expanding his own team with a keen focus on transformative ambitions and qualities; and by establishing procurement's seat at PepsiCo's top table.

"In my own personal view, you need a good reason to believe in the change and understand why you can do better," he says of bringing other leaders and departments into the fold. "You need a vision and a mission first, and then you need to find your first followers."

"That's the start of the journey in terms of seeing people start to change their mindset and come to agree that we can do better. Then it's a cycle of walking the talk, getting a seat at the table, and ensuring the company sees the procurement organisation as a business partner, not just an entity that's buying things. Procurement needs to be on the agenda in the same way as sustainability, marketing innovations, and productivity."

"You could say, however, that it starts with recruitment. You bring people to the company who have some fire in their belly; they want to belong to a winning team and to be involved in big, transformative efforts. That focus on hiring the right people with the right mentality is at the core of how the wider mindset is being changed."

"Early on, it can be difficult to navigate the sense of 'here we go, someone that doesn't know the company very well is trying to transform it'. You need to give people a reason to believe and, once you show them that we can do better, that's where the magic starts."



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Marcelo Stefani, Global Chief Procurement Officer

Marcelo Stefani is PepsiCo's Global Chief Procurement Officer, taking the position in 2023 after first joining the company in 2021 as Senior Vice President and Market Supply Officer, PBNA. After two decades at Unilever culminating in a C-suite role, Stefani joined SC Johnson as Chief Procurement Officer. Following three years in that role, he transitioned into broader operational responsibilities and ultimately joined the executive committee. The experience further solidified his capabilities as a procurement leader, with an end-to-end grounding across operations and leadership.

From there he joined PepsiCo, and his wealth of experience has reaped dividends for the \$92 billion organisation.

Described as authentic and people-first by members of his team, Stefani describes himself as a transparent direct leader with a compassionate and empowering approach to team building. "I also try to help my team to build their emotional resilience," he says. "The corporate world is sometimes tough and frustrations can arise, so you need to have an emotional resilience to survive and thrive. I try to help them go through that and develop that thick skin."

Despite his relatively short tenure at PepsiCo thus far, his time at the company has been transformative for both the procurement function and the wider business.

"Seeing procurement with that seat at the table at the executive committee level, and having the company count on us as a business partner are two of my proudest achievements at PepsiCo this far," he says. "They see how we can help in innovation, how we can help in sustainability, how we can help in productivity."

"We also have over 1,000 people in procurement at PepsiCo, and I think everybody is behind the vision. We are one team, one voice. Everybody is interrelated, I would say. This didn't happen in the past, so we are proud of that too."





Leveraging greater procurement digitalisation across operations and sustainability

A key strategic relationship within PepsiCo has been with its digitalisation team, with Marcelo recognising the need to upgrade procurement's capabilities within that context.

"PepsiCo is progressing very well in digitalisation terms, and we have a lot of tools in marketing, in sales, in accounting, and in finance, but in procurement we weren't at that level," he says.

"You have to make sure that you have the right foundations in a procurement context. Something that's helping already is the digital and systematic Should-Cost modeling, which helps us to understand fair prices of things we procure. It offers greater intelligence from a commodity perspective, and we're at the beginning of digitalising and dashboarding our supplier relationship management processes, too.

"Now that we are advanced in terms of those foundational elements, we're starting to incorporate artificial intelligence with some algorithms. Pepsi is also a food company, and for us the digitalisation of crop management, predicting the weather more accurately, identifying the optimal time to harvest, what the farms needs, what quantity of water is needed, and so forth."

Then there's the sustainability side which, along with being a function in its own right at PepsiCo, is an imperative across its operations. In procurement, a central focus, and one of the biggest challenges, is scope three: the emissions rendered by an organisation's value chain.

“That is the most difficult task we have, right? We have a big footprint in suppliers and with some of them you work together, you invest together. We agree on challenging targets in terms of emissions reductions amongst suppliers, and through that we’re aiming to bring our scope 3 emissions under control.

“It’s also not just a PepsiCo thing. Between other companies and industries, we need to share and strive for those goals together. It’s not an easy task, it’s going to take more time, and more innovation from an artificial intelligence standpoint and the like, but it’s a journey we can’t miss.”

Along with taking actions to mitigate emissions within the supply chain, Marcelo, his team, and the wider organisation at PepsiCo are deeply committed to CSR, and on the procurement side it’s heavily integrated into the new supplier relationship strategy.

One key demonstration of this is in the relationships PepsiCo has established with farmers within its supply chain; delivering

technology, know-how, and predictive capabilities that can maximise farming yields and support local communities.

“There is a lot of technology being deployed with regards to irrigations and weather management, along with gleaning and sharing insights for improving the ROI from the seed that’s planted, how many acres are needed for certain things, and how you can optimise farming operations,” enthuses Marcelo.

“In some communities, we’ve also provided educational resources to help people stay updated with technology and best practices whilst also teaching them how they can optimise their farms.

“I am super proud of that, but something that makes me prouder is that we do it without showing off or celebrating everything we do.

“Some companies do much less but tell the public much more, but you have no idea about the scale of our investment in CSR and the volume of people within the organisation who are energised in the sustainability area.”

“I have a very open approach. I trust and I empower my people to really go ahead as soon as we’re aligned on the strategy and imperatives. I think that freedom makes people feel more comfortable”

– Marcelo Stefani, Global Chief Procurement Officer, PepsiCo



Building a winning team

Delivering such a multifarious strategy takes a village, and Marcelo has paid particular attention to building a procurement leadership team that's both capable of grabbing the bull by the horns and able to expand Marcelo's own field of view.

"Diversity of thought is extremely important to me," he says of his approach to hiring. "In all my career, it's been very important to have people that think differently to me, and of course to be around people who are smarter than myself. I look for people that are decisive, that are doers as well as

thinkers. I think that's the kind of mindset I like when I'm recruiting someone new.

"On top of that, I think it's very important to have a team consisting of a good mix of people from inside the company, who know the company inside out, and external people who can bring a fresh way of seeing things. That combination of people that are super-connected, know the culture and know the company upside-down, and the new





people who come with completely different experiences can really give rise to fresh dialogues and exciting results.”

Setting such a robust agenda, galvanising disparate groups, and tackling a broad strategic overhaul is no mean feat, but Marcelo’s approach has thus far yielded tremendous progress. Described by his team as authentic and people-first, Marcelo’s approach to building and nurturing teams speaks to his wider philosophy as an executive.

“I believe I am a super transparent and direct human being,” he says. “I look for people that believe in the journey, believe in the mission and vision. Having a great team makes all the difference.

“I have a very open approach. I trust and I empower my people to really go ahead as soon as we’re aligned on the strategy and imperatives. I think that freedom makes people feel more comfortable. The mindset is always ‘why yes?’ rather than ‘why not?’.

“I also feel really close to my team,” he adds. “I know their families, I know what is going on with them and that’s the way I like to live. For me, it’s about walking the talk. I don’t promise anything I can’t deliver. When you achieve what you said you will achieve and you’ve promised something that’s become reality, then people really start believing in you, and it makes for better relationships. It’s also important to have fun along the way and believe in yourself.”

Despite his long career, wealth of knowledge and expertise, a key takeaway from Marcelo’s approach is the sense of humility that shines through as he discusses his approach to procurement leadership. For him, it isn’t enough to be at the top of the pile: you need the buy-in first. “You always need the first one or two followers that believe in you,” he says. “Without them, things can be very difficult.” ■

Top 5 procurement

In this article, CPOstrategy examines how to avoid five of the most common procurement mistakes

WRITTEN BY
SEAN GALEA-PACE



ment mistakes to avoid



1

*Success in procurement
doesn't just happen.*

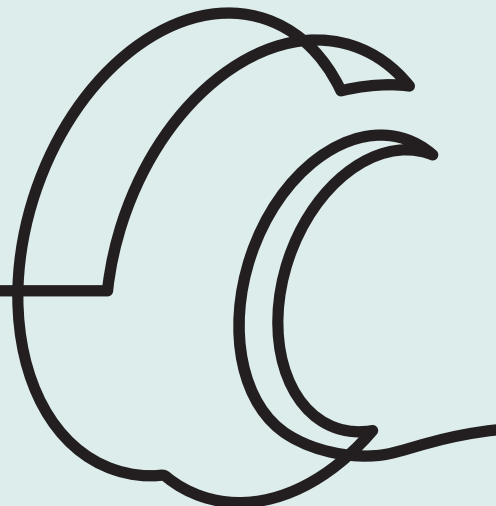
*A good procurement function
delivers cost savings, timely
deliveries and maintains robust
supplier relationships.*

*But the journey isn't linear,
and procurement leaders get
the strategy wrong at their
peril. A disjointed procurement
strategy could be an expensive
mistake and lead to unexpected
costs, significant delays and
quality issues.*

*With this in mind, CPOstrategy
explores five of the top
procurement mistakes to avoid.*

Lack of procurement strategy

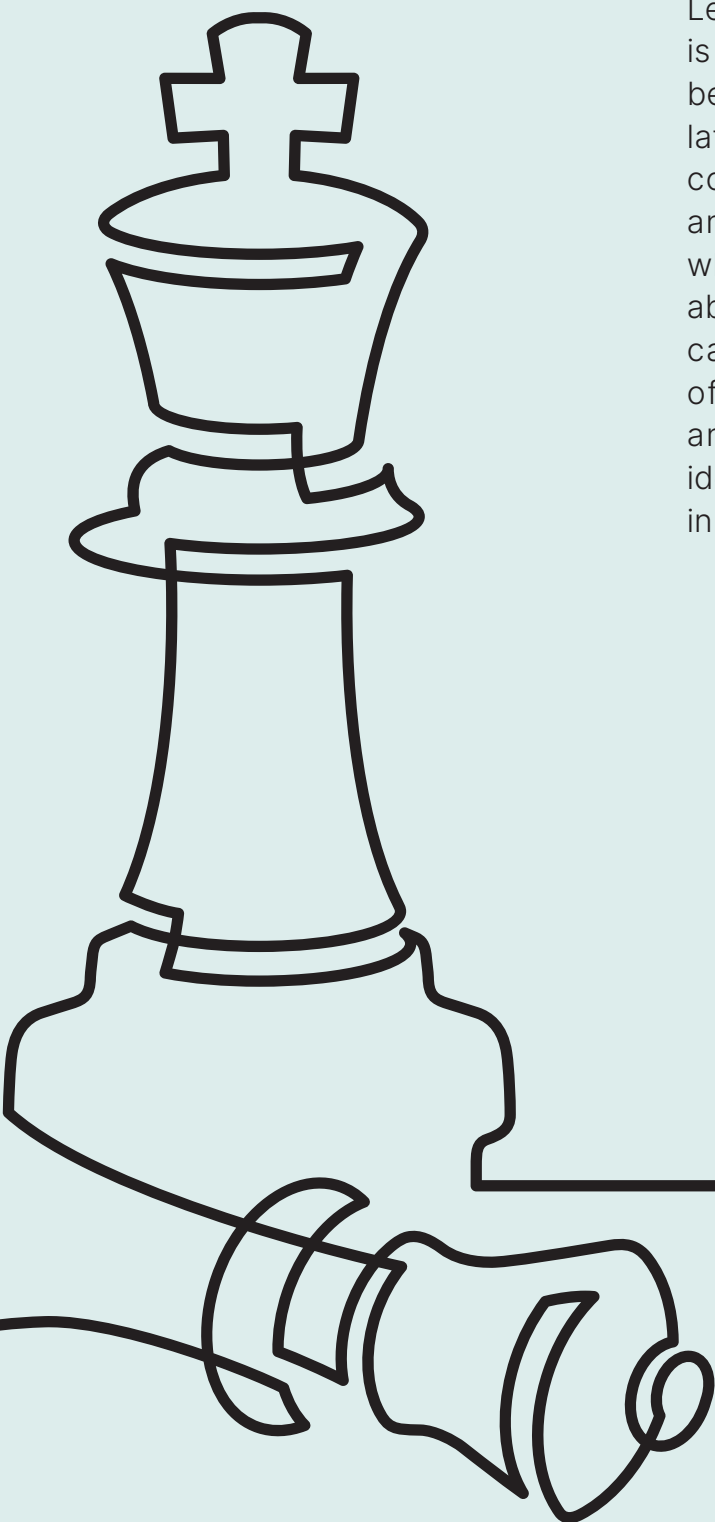
Operating without a clearly defined procurement strategy is a dangerous game. Without a strong framework in place, organisations run the risk of inconsistent decisions, missed cost-saving opportunities and poor supplier relationships. It is a key reason why developing a procurement strategy aligned with wider organisational objectives, with clear metrics and KPIs, is vital. There should also be a standardised policy and governance as well as ensuring procurement goals are linked with wider company goals. Procurement leaders should regularly meet with senior leadership in order to ensure long-term synergy is achieved.



2

Lack of automation

Leveraging technology isn't something that is optional any longer. All organisations must be digitally fluent and seek to embrace the latest innovations in order to keep up with competitors. The likes of spreadsheets and emails are prone to human errors, while a lack of visibility, brought on by the absence of real-time tracking of spending, causes issues. This is where the use of e-procurement platforms and spend analytics tools is essential in order to identify cost savings in real-time and result in greater efficiency.



3

Lack of communication

Poor communication in procurement leads to misaligned expectations across the function and suppliers. This could mean confusion over requirements, timelines and responsibilities as well as a lack of buy-in from internal stakeholders who are not involved in the procurement process. Instead, procurement leaders should engage all stakeholders early and use clear communication channels to provide updates to keep all relevant people informed.

4

Poor supplier selection

Choosing the right suppliers is arguably one of the most critical aspects of the procurement process to get correct. It is a problem because a short-term cost focus leads to low-bid vendors who are unable to deliver, while a lack of due diligence exposes the risk of financial instability, legal risk and supply chain disruption. Instead, procurement leaders should define clear selection criteria, take part in a thorough due diligence process and use a structured sourcing strategy.

5

Lack of budget control

A lack of budget control in procurement can lead to cost overruns, strained stakeholder relationships and missed financial targets. Untracked or unauthorised spending bypasses approvals and preferred suppliers, while overspending against departmental budgets can cause frustration within the organisation and could result in cost-cutting. Instead, good budget control in procurement requires a pre-approval process to be implemented alongside real-time budget tracking tools and categorising spend effectively. It is also important to stay on top of spend and conduct regular budget reviews.



TOP PROCUREMENT EVENTS COMING UP

Hear from industry experts and keep up-to-date with the latest innovation in procurement by adding these upcoming events to your calendar





BERLIN, GERMANY

11-13 NOVEMBER

TFEST 25

TFEST25 connects elite practitioners from the extended value chain. VP and CXO attendees from procurement, supply chain, manufacturing, digital and logistics use TFEST25 to benchmark, network and do business.

Join senior IT and procurement leaders

reimagining sourcing strategies, unlocking innovation through smarter supplier partnerships, and turning procurement into a profit engine.

[FIND OUT MORE](#)

BERLIN, GERMANY

12-13 NOVEMBER

BME 60th Symposium Procurement and Logistics

This year, BME Symposium Procurement and Logistics turns 60 years old.

Given the complex nature of the procurement and supply chain landscape today, finding out how to navigate the likes of digitalisation, geopolitical risks and sustainability mandates has never been so

important. This year's BME Symposium is a unique programme designed to inspire, connect and equip attendees with practical solutions needed to overcome specific challenges.

[FIND OUT MORE](#)

HERTFORDSHIRE, ENGLAND

2-3 DECEMBER

ProcureCon Marketing Connect

Targeted at senior-level budget holders from top advertisers, attendees can gain practical insight via private, closed-door sessions with market leaders. Speakers include names such as Marco Dogliani, Global Head of Marketing Procurement at Beiersdorf, Hannah Whittall, Global

Sourcing Director Marketing Services at L'Oreal, and Arnaud Thoni, Global Head of Procurement, Sales and Marketing at Heineken, among many others.

FIND OUT MORE



NEW YORK CITY, UNITED STATES

4-5 DECEMBER

ICIS World Chemical Purchasing Conference

The ICIS World Chemical Purchasing Conference is the only event built for procurement, sourcing and category leaders in chemicals.

The conference will focus on showcasing new procurement solutions from the likes of AI-powered systems to ESG-integrated approaches offering buyers the opportunity to reduce costs, increase transparency

and drive smarter decision making. There will also be roundtables and interactive panels designed to spark conversation, share best practices and deliver practical insights that actually work.

FIND OUT MORE

IN THE DIARY

NOVEMBER

Asia Pacific Procurement Congress 2025

3rd-5th November — Park Royal Collection, Marina Bay Singapore

[BOOK TICKETS](#)

KonnectHouse: Tech Sourcing 2025

4th-5th November — The Navy Pier, Chicago, IL, USA

[BOOK TICKETS](#)

Reuters Events: Sourcing & Procurement USA

4th-5th November — Houston, Tx

[BOOK TICKETS](#)

100 CPO Summit Dubai

13th November — JW Marriott Hotel Marina, Dubai, UAE

[BOOK TICKETS](#)

Exiger Executive Forum - False Security

18th November —
Great Scotland Yard
Hotel, London, UK

[BOOK TICKETS](#)

CPO Engage (H2)

20th November — The Minster Building, London UK

[BOOK TICKETS](#)

Global Procurement Summit 2025

20th-21st November — Amsterdam, NL

[BOOK TICKETS](#)

DECEMBER

Procurement & Strategic Sourcing Forum

10th-12th December — The Biltmore Miami, Coral Gable, FL, USA

[BOOK TICKETS](#)

FEBRUARY 2026

Manifest Vegas 2026

9th-11th February — The Venetian, Las Vegas

[BOOK TICKETS](#)

MARCH 2026

Procurement Strategies & Innovation (PSI)

3rd March — De Vere Grand Connaught Rooms London, UK

[BOOK TICKETS](#)

Procurecon Indirect West 2026

9th-11th March — JW Marriott, Las Vegas Resort & Spa USA

[BOOK TICKETS](#)

Ivalua NOW EMEA

11th-12th March — Carrousel du Louvre Paris, France

[BOOK TICKETS](#)

ProcureCon Total Talent 2026

18th-19th March — Melia, Berlin Germany

[BOOK TICKETS](#)

Americas Procurement Congress 2026

23rd-25th March — JW Marriott Miami Turnberry Resort Miami, USA

[BOOK TICKETS](#)

APRIL 2026

ProcureCon Contingent Staffing 2026

13th-16th April — JW Marriott, Las Vegas Resort & Spa, USA

[BOOK TICKETS](#)

Procurement & Strategic Sourcing Forum

26th-28th April — Four Seasons Hotel, Westlake Village, CA, USA

[BOOK TICKETS](#)

MAY 2026

Coupa Inspire

11th-14th May — ARIA Resort, Las Vegas, USA

[BOOK TICKETS](#)

ProcureCon Australia 2026

19th-20th May— Hilton Sydney, Sydney, Australia

[BOOK TICKETS](#)

World Procurement Congress 2026

20th-21st May— Intercontinental London, The O2, London, UK

[BOOK TICKETS](#)



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