



# Project Spring

Revolutionising the perception and contribution of global marketing procurement

A WFA's Global Sourcing Board initiative



# Introduction to Project Spring

It's time for a revolution in marketing procurement. A transformation from savings to value.

**Project Spring** is the name of this movement – a global sourcing initiative launched in 2018 and designed to transform the value proposition of marketing procurement. It is ambitious, bold and very necessary.

The leadership comes from the **WFA Sourcing Board**, a group of highly experienced and forward-thinking executives who can create concrete actions and share world-class marketing procurement practices. The vision for Project Spring and the Sourcing Board is that procurement should become the **trusted partner of brand investment strategy and play its part in driving the business forward.**

The roots of this movement lie in the WFA's Sourcing Forum, which brings together more than 1300 global and regional marketing procurement experts in multiple meetings each year

across three continents. Members want to rid the profession of bad practice and reduce the number of opportunities for negative articles about the discipline.

Evolving perceptions, however, also requires **changes in the way procurement works with its stakeholders inside and outside each company.** Evolution to procurement processes, improving people's understanding of procurement, building new performance KPIs beyond just savings and involving external partners to ensure a true perspective.

This report is designed to **help everyone on that journey.** Based on a two-year work, it has identified elements that can impact the perception of marketing procurement, as well the progress that has been made since WFA started to formally raise the topic within its network. It identifies **multiple initiatives being independently developed by WFA members** to evolve their function and ensure the it does not become obsolete, irrelevant or a barrier to business growth. It is **designed to inspire and end the 'race to the bottom' that some marketing procurement practitioners are contributing towards; blindly cutting costs and reducing fees.**

It is not a route-map to perfect practice but the start of a journey. As with any transformation, the drive to create a 'value in' instead of 'cost out' should never end.



“The role of marketing procurement, as all other supportive functions, is to enable business outcomes – which to me often means how can they help me find the best agency talent to ultimately drive growth. I believe that a successful marketing procurement team actively works on more sophisticated means to track and measure agency performance and delivery above and beyond a cost discussion. There will be many metrics to look at and probably not a single one, but ultimately procurement metrics should be focused on growth and the ROI, both long and short term, of marketing investment.”

**Beatrice Lindvall,**  
Global Media & Digital Director,  
Jacobs Douwe Egberts



“Marketing sourcing should be seen as a world-class GPS for all our partners: our role is to help internal as well as external stakeholders better navigate within our organisation and strengthen partnerships between all parties involved.”

**Myriam Bénichou,**  
Global Marketing Sourcing Director, L'Oréal



“Commercial procurement is increasingly a vital connector between the fast-evolving points of the marketing ecosystem. We have come a long way and are ready to offer expertise, knowledge, and innovative solutions to our stakeholders. We also see our role as creating trusted partnerships and keeping the relationships between our partners internally and externally balanced and prosperous.”

**Ekaterina Agafonova,**  
Global Strategic Sourcing Director  
Commerce, Heineken



“Marketing Procurement has evolved over time, or perhaps it's more accurate to say that Marketing has evolved in its approach to Procurement over time. With the benefit of hindsight, we can say that greater accountability was needed, and Procurement was able to provide it. We can also say that Marketing is now better understood by Procurement, and with that enhanced specialist knowledge, there is a constructive partnership underpinned by a healthy dialogue.”

**Gerry D'Angelo,**  
Vice President, Global Media,  
Procter & Gamble



“What we do in marketing procurement is to buy capabilities for stakeholders in multiple ways. We help identify what capabilities our business needs – today and in the future, and how we are going to bring these capabilities in.”

**Christopher Kredon,**  
VP Commercial – Global Demand, Mars Inc.



“Unlocking growth that is responsible, profitable, consistent, and competitive, must become the number one metric going forward to drive the right behaviors across our marketing ecosystem and have all aligned behind a common goal. It's imperative we focus jointly on the purpose of what marketing is meant to drive, and jointly unlock value and growth. This should not just be the goal but also the mission and purpose of marketing procurement teams of the future.”

**Luis Di Como,**  
EVP Global Media, Unilever



## The CMO view

Project Spring was in the spotlight at the WFA global conference in Lisbon in 2019 before we found ourselves under the stresses and strains of COVID-19. I have been reviewing what I said at the time and pondering what current circumstances have changed.

Procurement has often been blamed for driving costs down and this when dealing with agencies has been a one-way traffic system where the pain is taken by agencies, but the gain entirely goes to the client. The role of marketing procurement is to ensure that value is delivered for the client company and for the agency partner.

Marketing procurement is, therefore, in the added value business. The metrics to track this value can be complex but it's best to keep all metrics focused on the desired outcomes for the business, set clear targets as part of a contract, track and measure them and ensure that the outcomes are delivered.

At its best marketing procurement ensures that the rigour and discipline of contracting with agencies results in business growth and a fulfilling relationship for both partners, now more than ever we need great marketing procurement to deliver.

**David Wheldon,**  
CMO, RBS



“It is hard to know who is from procurement and who isn’t.

This is how it feels at GSK, where procurement is embedded in teams from top to bottom as a trusted business partner helping drive our growth agenda.

Our productive relationship has been built over years, with a relentless focus from delivering brilliant basics on category management to leading strategic efforts e.g. how to better resource our marketing organisation with partners, an extension of our team, in the pursuit of building meaningful and distinctive brands.

Procurement plays a key role to bring the outside in and orchestrate truly strategic relationships.

I am inspired by GSK Procurement’s vision to “Fuel GSK’s Growth Engine”, and therefore it is fitting that our shared metric is Growth.

The spiky capability of being challengers to complacency and a catalyst for change would be the superpower I encourage beyond all others.”

**Tamara Rogers**  
CH Global Chief Marketing  
Officer, GSK

## About this document

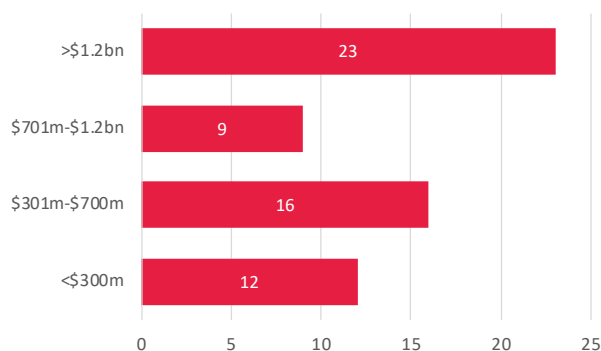
This document contains insights gained from research conducted in Q3 2018, which explored the facts and perception surrounding the **contribution of global marketing procurement**, as well as a number of bespoke working sessions instigated by the WFA Sourcing Forum.

All respondents to the survey were senior marketing procurement VPs or directors, 83% of them having a global strategic role. **65 companies contributed to the initial study**, representing over 16 different industry sectors.

All had differing marketing and media spend sizes.

**Fig. 1 - Number of respondents split by spend on marketing and media in last financial year (2017)**

What was your organisation's spend on marketing and media in the last full financial year?



The survey asked the respondents a mixture of factual questions related to the respondent's business characteristics and of opinion-based questions related to how marketing and marketing procurement are perceived in their organisations.

**The cross comparison of this data has enabled us to highlight the key characteristics of marketing procurement teams that are perceived positively.**

This document also contains insight and contribution from other initiatives being independently developed by WFA members' marketing procurement teams to evolve their function.

**Please bear in mind that this document is not a definitive guide. Rather, it provides general, high-level information to assist WFA members when redefining their value proposition and pushing boundaries.** The actions outlined in this report will be discussed and further developed at WFA member events [www.wfanet.org/events](http://www.wfanet.org/events).

## Content

Introduction to Project Spring	2
The CMO View	3
About this document	4
PART I: Marketing Procurement Foundations	5
PART II: Current Perceptions	15
PART III: The Way Forward	21
Process	23
People	28
Performance	31
Partners	36
Conclusion	38
Appendix: WFA's Global Sourcing Board	39
About the World Federation of Advertisers	40



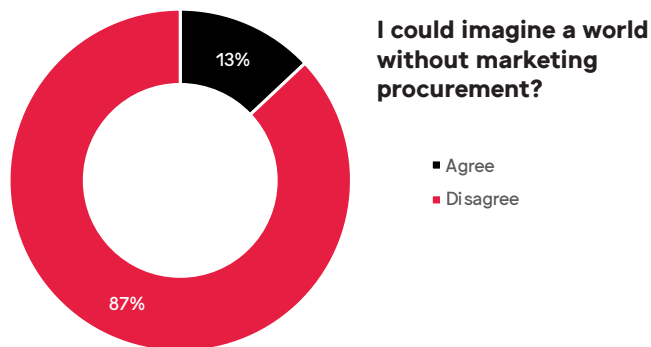
# Part I: Marketing Procurement Foundations

Marketing procurement as a discrete discipline started over 25 years ago. There has been suspicion that traditional procurement principles can be applied to marketing agencies where outputs are not repeatable, and the impacts are hard to quantify and thus value.

Although criticism of the function exists, whether imagined or real, it was reassuring to see that, for most respondents, the procurement role for marketing was still considered as important to their businesses (Fig. 2).

**87%** couldn't imagine a world without marketing procurement

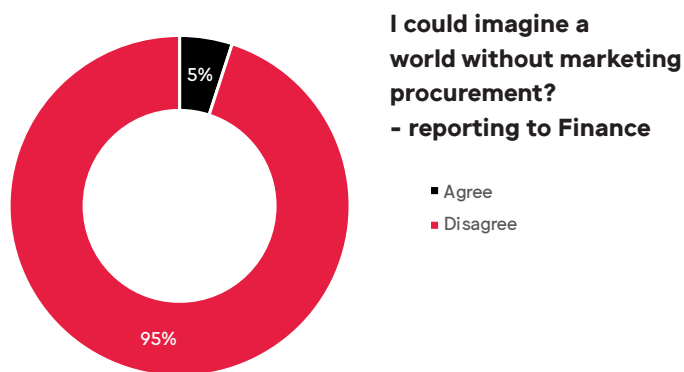
**Fig. 2 - Do you agree with the following statement?**  
 "I could imagine a world without marketing procurement"  
 – all respondents



Whilst small, there was a selection of respondents who agreed with the statement that they could see a world without marketing procurement. It was assumed that these responses reflected businesses that were distinct to those that could not believe in a world without marketing procurement. In fact, for businesses that had given a clear company mandate to use marketing procurement, had high levels of spend visibility or saw that marketing procurement team added value beyond cost saving, respondents were equally likely to answer in either manner.

One noticeable contradiction to this were the responses from those that reported into Finance. Fig. 3 shows a marked increase in the belief that marketing procurement was here to stay for those respondents.

**Fig. 3 - Do you agree with the following statement?**  
 "I could imagine a world without marketing procurement"  
 – reporting into finance



**“** If marketing procurement does not clearly appear as a different service from traditional commodity procurement, it will disappear. It will be a world of procurement, not marketing procurement. If we do not provide valuable and strategic support to our marketing counterparts, our function will be absorbed by marketing operations **”**

**WFA Sourcing Forum member,**  
 Project Spring survey, August 2018

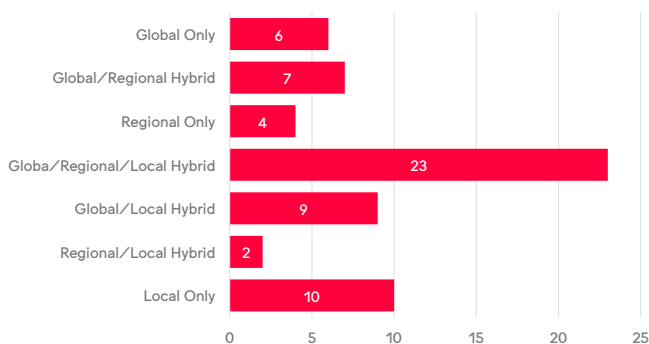


The key role of marketing procurement is to be the trusted commercial partner to help maximise brand investment strategies. A base requirement to be that trusted commercial partner is to understand where their organisations' marketing budgets are located and to adapt procurement strategies to maximise the return on those budgets. However, that is not a simple task. The survey indicated no clear trend amongst multinational companies in how marketing budgets are administered.

**Fig. 4 - How is your marketing budget administered?**

You can select several options

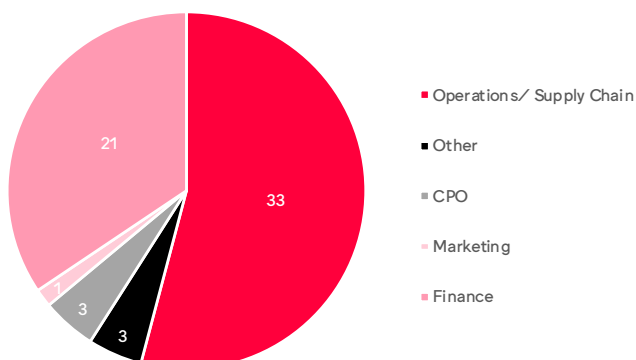
**How is your marketing budget structured**



Most respondents' procurement organisations report to supply chain / operations team or finance and very few procurement organisations stand alone and report directly to the CEO (Fig. 5).

**Fig. 5 - Into which directorate does marketing procurement report**

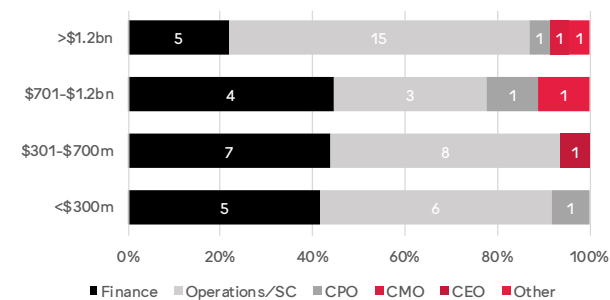
**Into which directorate does marketing procurement report?**



Where you would think there would be some obvious trends on reporting structure there appear to be none. With the possible exception of the swing towards operations and supply chain for the very largest spenders, there is no obvious trend related to the overall spend on marketing (Fig. 6).

**Fig. 6 - Shifts in reporting lines related to spend on marketing**

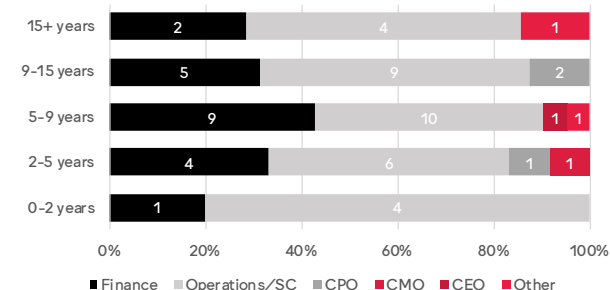
**Reporting lines as marketing spend differs**



Equally, linking reporting structure to the number of years that marketing procurement has existed shows no discernible trend (Fig. 7).

**Fig. 7 - Shifts in report lines related to the number of years that marketing procurement has existed**

**Reporting lines as marketing procurement matures**

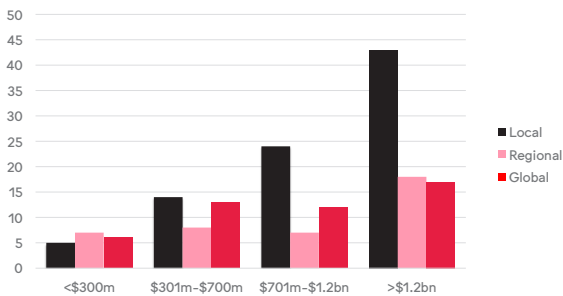


If we look at how resources are deployed between local, regional, and global structures then a pattern emerges as the spend level increases.

Fig. 8 shows how organisations differ in the way that they deploy their resource as their spend grows. It is probably not a surprise that as spend increases, so do average team sizes at local, regional, and global levels. What is of note is that the most marked increase in team size is at a local level. **Global teams on average grow by three times from <\$300m spend to >£1.2bn whereas local teams grow by over eight times for the same spend increase.**

**Fig. 8 - Average team size split by how they are deployed related to overall marketing spend**

Average team size per organisational structure by spend

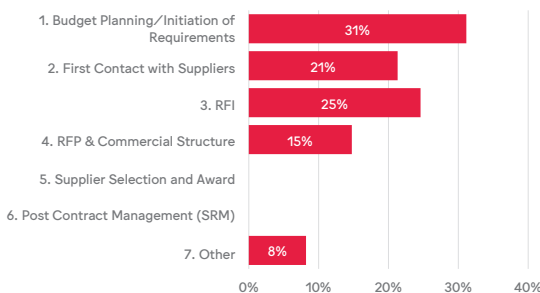


It is also clear the marketing procurement teams are not always involved at the earliest stage in the commercial process, **with only 31% participating to budget planning** (Fig. 9).

This reinforces the point that marketing teams see procurement’s involvement more in respect of RFX rather than at the make v buy stage.

**Fig. 9 - At what point in the sourcing process does the marketing procurement team normally get involved?**

At what stage in the sourcing process are you likely to be first involved?



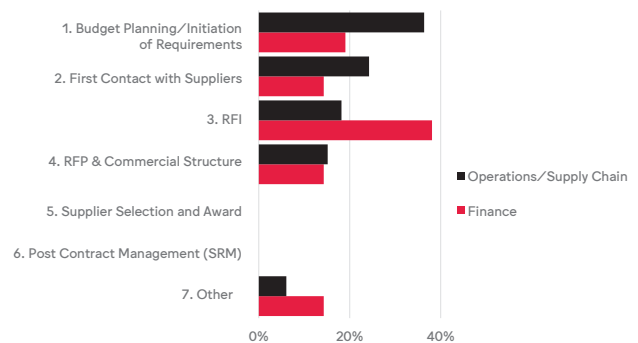
A further look at the same data split by reporting line (Fig. 10) shows a distinct difference in likelihood of being involved early in the process depending on whether the respondent reports into finance or operations/supply chain.

**Those reporting into finance see a sharp spike in likelihood of being involved at RFI stage whereas their compatriots who report into operations will be involved at budget setting stage.**

This potentially reinforces the view that finance may see marketing procurement as more traditional sourcing practitioners rather than to be involved in more strategic business discussions.

**Fig. 10 - At what point in the sourcing process does the marketing procurement team normally get involved? - finance and operations/supply chain only**

At what stage in the sourcing process are you likely to be first involved? - Finance & SC only



# Marketing procurement: What should we aim for? What should we own?

Marketing procurement is support function with touchpoints across the business. Like any functional area, we have our own unique expertise that we apply to advance business objectives.

Please note that the words ‘business objectives’ are intentional. Gone are the days when procurement should have its own set of goals, distinct from the core business operation. Many teams have already moved from procurement-only to stakeholder-aligned objectives.

In times when the business is seeking growth, a constant tug to cut costs would be an annoyance to the business, a distraction from true priorities. In that case, Procurement’s role is to maximize growth versus minimize spending. Any business partner function – finance, HR, legal – are tasked to support & enable the business objectives. Why would it be any different with procurement?

Good procurement means good business partners, and the best partnerships have well-defined roles. We begin with the objective: growth, ROI, simplification for brand teams, creative effectiveness, high-quality & cost-efficient content, and on and on. The specific objective is not as important as the alignment with the business. With that, we can define our partnership. To achieve this objective, what will each of us do to deliver it? How do we support each other? Because your success is also my success. This is not a RACI; it is a contract.

Of course, these principles must live in the real world. Procurement may have different defined roles depending on the firm. Some procurement teams focus on operations & compliance, while others on sourcing and contracting activity. There may be shared responsibility with marketing operations teams. The idea is to recognize the importance of all the work and ensure ownership of it, wherever it sits in the org.

## Generally, marketing procurement can organize that work in 3 pillars:

**Operations:** there must be an understanding of how the company gets things done – the budgeting cycle, annual brand planning & briefing, approvals, payments, compliance – how work is executed within the ecosystem. This knowledge is key for quick turnarounds and ad-hoc requests (which tend to arise in marketing).

**Commercial:** This is the toolkit. The role of procurement includes transformation work to bridge existing capability gaps or plot a course to a future state. Procurement applies concrete steps on the journey forward with a commercial fluency and a flexible approach. We should provide clear options on how to structure an effective pitch for a decision in 6 months or 6 weeks. To suit the need, we know how to structure a contract; the benefit of work in-house, on-site or off-site; buy or license, and the right remuneration structure.

**Marketplace:** This is the driver for innovation. We must keep on top of start-ups and new capabilities and look across our own business segments, and share. Procurement is a connector within the business and externally (“bringing the outside in”). Be an ambassador from the future, as our CEO likes to say, and then chart the course to get there.

From my perspective, I have always found joy in this dynamic space. Procurement works with all sorts of people – many functions throughout the business and many disciplines across partners. We learn every day, and the role evolves constantly. With alignment in our objectives we are also closely connected to the core business, and then our purpose is clear.

### Tracy Allery,

Associate Director, Global Procurement, Agencies & Marketing Excellence, Mondelez International

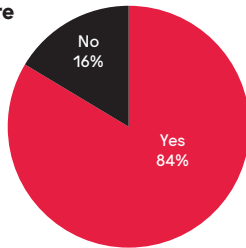




More than **4 in 5** have a company mandate in place asking marketers to involve procurement in their projects (Fig. 11).

**Fig. 11 - Does your company have a mandate/policy to work with marketing procurement?**

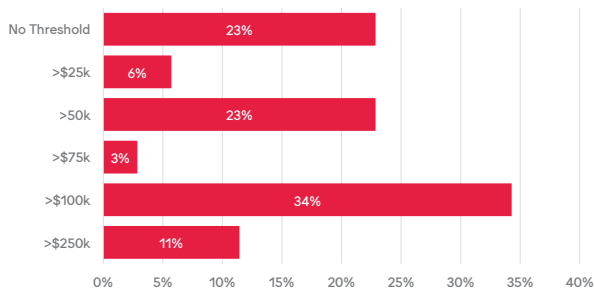
Average team size per organisational structure by spend



However there appears to be a wide variety of thresholds in operation before marketers are obliged to involve marketing procurement (Fig. 12).

**Fig. 12 - If there is a mandate that procurement must be used then over what threshold does it operate**

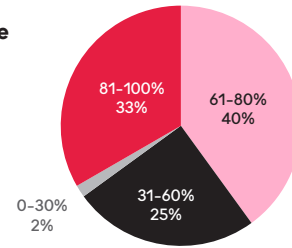
If you do operate a mandate, at what level of spend?



Less than half have full visibility on their total marketing spend, and only **33%** address 80-100% of it (Fig. 13).

**Fig. 13 - Levels of addressable spend across respondents**

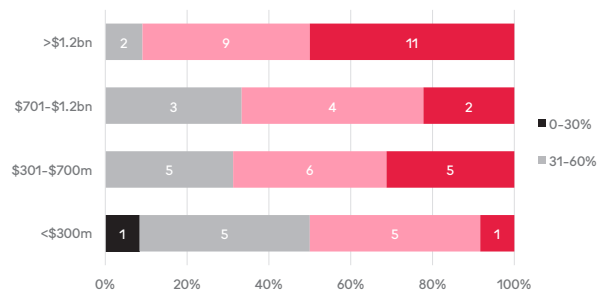
How much of the total marketing spend is addressable by procurement?



However, the data showed that the greater the overall marketing spend, the higher the levels of addressable spend (Fig. 14).

**Fig. 14 - How addressable spend is related to overall spend levels**

How overall spend affects the level if spend is addressable.



**Further comments from WFA members included:**

1. “Depends on geography – starts with 0”;
2. “Bidding thresholds are set at local level”;
3. “\$250K, however, there are no penalties if you don’t engage”;
4. “No specific spend threshold as market budget scale varies”;
5. “Over \$50k, and marketing procurement must approve any new supplier”;
6. “Policy states spend >\$50k USD requires procurement, but we are involved with all levels of marketing spend due to our alignment with the business”;
7. “50K+ Euro mandatory triple bidding; 100K Euro mandatory early procurement involvement”;
8. “Depends on the category within marketing, and/or if it is local or global engagements. can range from a minimum of \$0 - \$500k”;
9. “In the US: if the annual spend is >\$1m, procurement needs to be involved. Outside the US: if the spend is > \$250k”;
10. “Policy varies according to the entities and the specific spend. The threshold is defined to reach a coverage of 80% of the spend”.



## Shifting to procurement with purpose

We believe that procurement and therefore marketing procurement, cannot be fully successful without a clear and meaningful purpose. It is this clarity around purpose that should form the foundations for the function, and it starts from revisiting and evolving how we consider the value we can deliver.

The objectives and metrics of best-in-class marketing procurement departments of the future should not be purely about savings but also more focused around enabling the growth of the company and bringing responsible and sustainable sourcing to the top of the agenda. It is the evolution to 'procurement with purpose' and about an aspiration of more holistically supporting marketing, the company, our consumers, and the community. With this lens, procurement is ideally placed by bringing sustainability and responsible sourcing to the top of the agenda of supplier meetings, driving the right incentives that go beyond just cost reductions and making great sustainable innovations scalable.

Pivoting the conversation more broadly around what good looks like, introduces a much broader thinking both internally and externally, around the value levers and forms of value. It broadens the focus of the relationships and you start to explore a wider variety of high impact ideas, from unlocking growth opportunities in new channels to all the way of ensuring use of sustainable materials in point of sale. Therefore, the successful marketing procurements of the future need to rethink the role they can play and redefine their purpose, objectives and metrics around the broader contribution it can deliver based on this strategic mindset.

### Tuomas Anttila,

Director, Global Marketing Procurement, Unilever



## From sourcing to resourcing marketing

What is our role as procurement leaders? Big question, lots of answers I am sure. As the procurement function evolves and takes a more protagonist role as an enterprise thought leader, we must continuously challenge ourselves with this question.

The word 'sourcing' is directly associated with buying or procuring a solution, and in an industry where Talent and Growth are everyday key words, I would like us to challenge ourselves and explore moving the conversation from 'sourcing' marketing services to 'resourcing' an end to end ecosystem of Talent for our account, incentivised to drive the Growth of our business.

To make this pivotal mindset change, from sourcing to resourcing, we must up our game as a function to really understand the categories we are managing, the industry we are dealing with (and how it works), and get to know the agency people we are interacting with. Our agencies are an extended part of our internal marketing organisation, and I feel that we sometimes forget about this.

### As a function, we are amazingly well placed in procurement to play this resourcing advisor role for our marketing peers. Here a few reasons why:

1. We are very externally focused and can bring innovative ideas on how to 'resource' different campaigns or business challenges;
2. We know how 'spend' translates into 'resources' and how to best design solutions to maximise output;
3. We understand how to best incentivise our agencies to produce great work; and
4. We have a view on both internal and external worlds and can advise how to best resource the end to end marketing ecosystem of talent.

Our role as growth contributor has never been so evident, however, to unlock the power of the marketing industry to deliver our company's ambitions, we must truly understand all the resources across the end to end ecosystem. Performance based remuneration is a key milestone in driving business performance with our agency partners, however we, in marketing procurement, need to go much deeper to make the shift from sourcing to resourcing marketing with every talent, tools, resources that our business needs to drive Growth.

### Jose Gonzalo Bisquerra Mora,

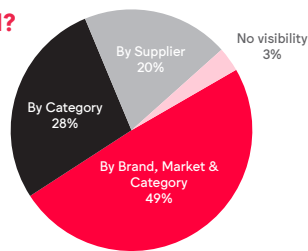
VP Marketing & Sales, Global Procurement, GSK



As expected by the marketing procurement teams of the largest global spenders, visibility of spend data is generally good. In Fig. 15 we can see that nearly 50% of respondents have a strong suite of spend reports. However, there are still a number who have no visibility at all.

**Fig. 15 - What level of visibility is there on the marketing and media spend?**

What break down in spend data do you have?

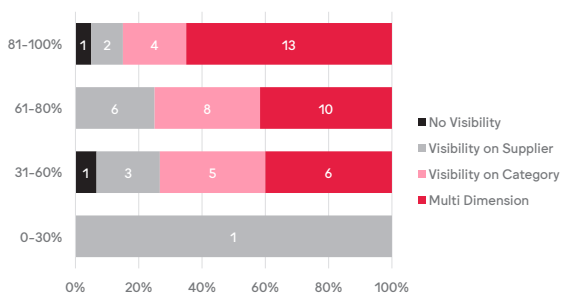


When one combines the data from Fig. 13 and Fig. 15 then a clear picture appears. In Fig. 16 it shows that there is a strong link between those organisations that have high levels of spend visibility and those that have high levels of addressable spend.

A conclusion can be drawn that a key enabler to unlock the opportunity to work across all of the marketing spend is to have high quality, multi-dimensional spend data.

**Fig. 16 - How addressable spend improves as spend visibility increases**

How overall addressable spend alters depending on spend visibility



If one looks deeper whether organisations are more likely to have high levels of spend visibility depending on their characteristics, then one can see that:

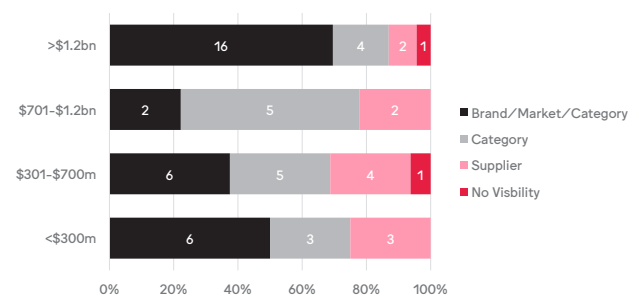
- A. There is loose relationship between spend size and the likelihood of having better spend visibility (Fig. 17).
- B. The more mature (e.g. years it has been operating) that a marketing procurement team is the more likely it will be to have greater spend visibility (Fig. 18). However, best practice can be achieved in the medium term: a decent level of spend visibility can be secured within a few years.
- C. If there is a mandate to use marketing procurement, then the business is more likely to have higher spend visibility (Fig. 19).

Interestingly, there are a number of factors that appear to have no linkage with high levels of spend visibility. Namely;

- 4. Reporting lines do not make a difference: the fact that the procurement team reports into Finance does not automatically result in higher levels of spend visibility. The same success can be achieved by teams reporting into supply chain for instance.
- 5. Having marketing spend administered globally will not lead to higher levels of spend visibility.
- 6. Size of budget does not make a difference: even the smallest advertisers do not necessarily have visibility for their advertising spend. Without the right systems in place, all companies will struggle to identify what is delivering best value.
- 7. Size of team does not matter; there is no automatic benefit from having a large number of full-time employees on your team to increase spend data. We have found no correlation between large teams and a greater level of data.

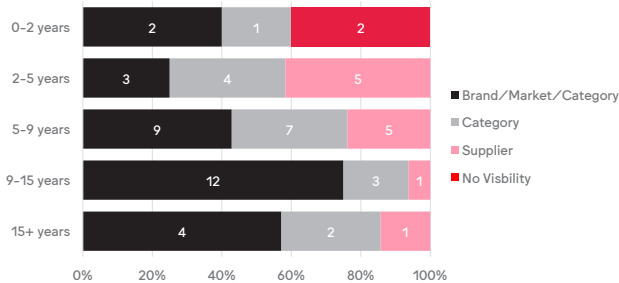
**Fig. 17 - How the levels of spend visibility relate to overall spend on marketing**

How spend visibility might be different across different sized businesses



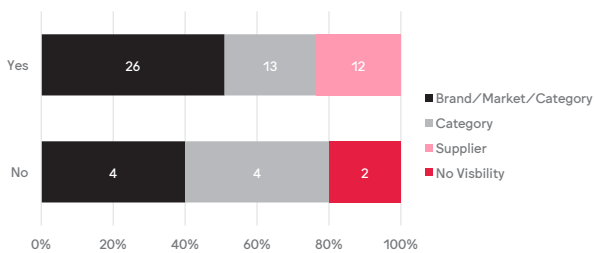
**Fig. 18 - How does the level of spend visibility relate to the length of time that the procurement team has existed**

**How spend visibility might be different as the procurement team matures**



**Fig. 19 - What level of spend visibility does the organisation have depending on whether there is a mandate to use procurement**

**How spend visibility might be different if your business operates a mandate**

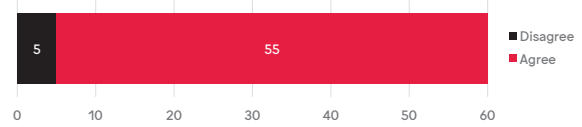


Most procurement functions at the time of the survey would differentiate hard v soft metrics to demonstrate the performance of their function. 92% agreed (Fig. 20) with the following definitions:

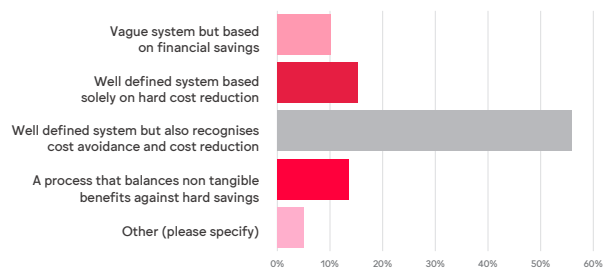
- A. **Hard metrics** are those that are quantifiable and possess an accepted causal link to the P&L. E.g. savings versus budget, CPM, Inflationary price rise avoidance.
- B. **Soft metrics** are those that are hard to quantify in a repeatable manner or which have a weak causal link to business or brand performance. E.g. access to innovative new tools, more effective agency relationships, risk reduction.

**Fig. 20 - Do you agree with the definition of hard & soft targets**

**Do you agree with the definition of hard v soft metrics?**



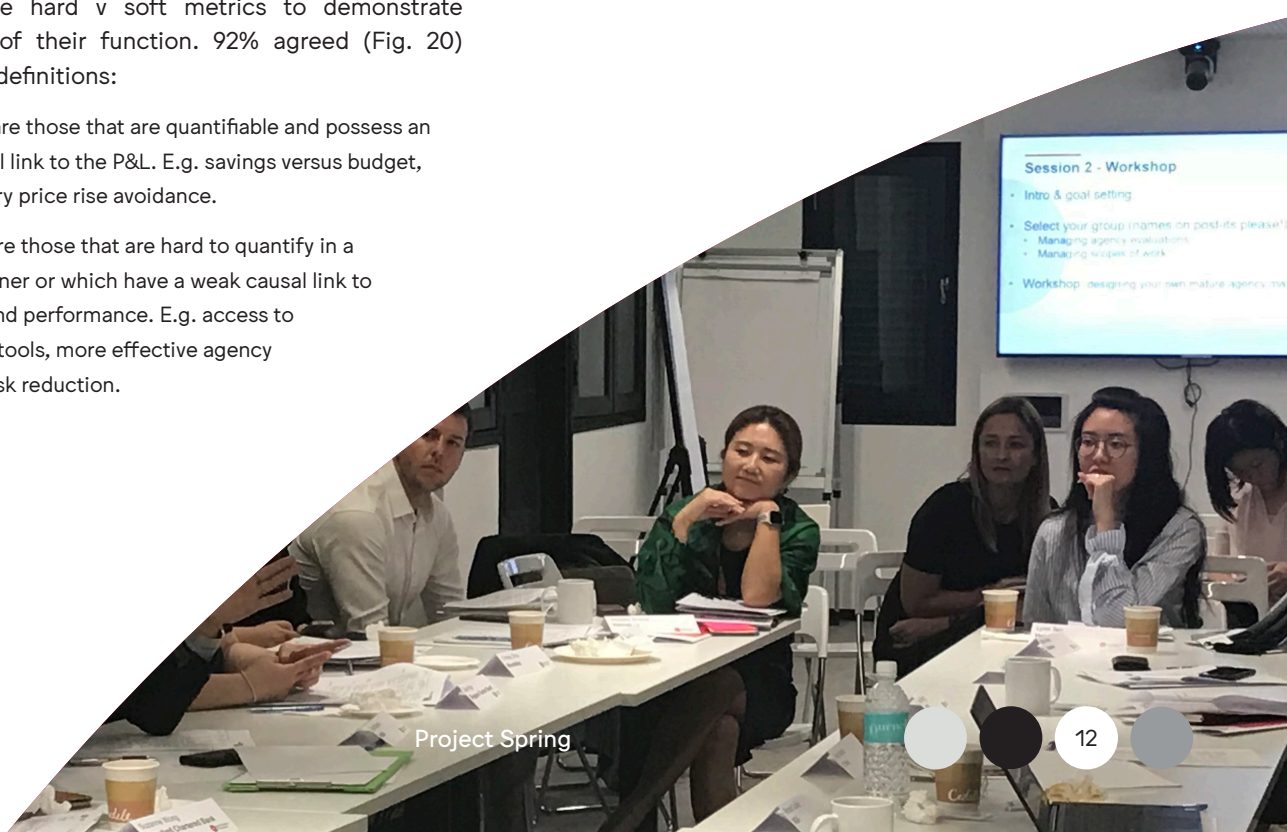
**How does your line management generally (i.e not just marketing procurement) quantify the value of procurement?**



There is a wide range of metrics that are used across the group that were surveyed.

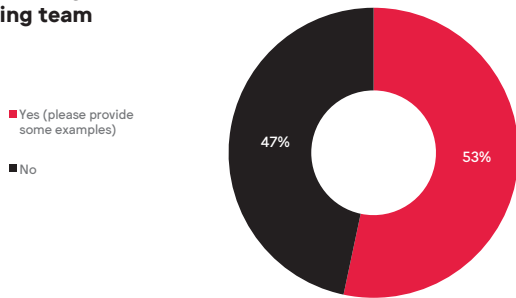
The data in Fig. 21 & Fig. 22 illustrate the difference between teams that share metrics with their marketing counterparts and those that do not.

As expected, both groups rely **heavily on hard cost metrics**. However, the group that share some metrics with their marketing counterparts are more likely to use softer metrics such as risk management, higher quality work or innovation.



**Fig. 21 - Metrics used by procurement teams that share targets with marketing teams**

**Metrics used for procurement teams that share targets with marketing team**



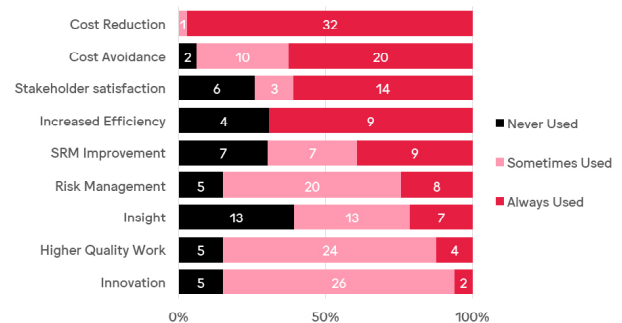
**Most metrics used by WFA members and shared with other functions still very procurement centric:**

1. “Annual sourcing plan performance & value delivered v plan”
2. “Cost reduction v budget”
3. “Cost reduction v best offer after 1st revision loop”
4. “Additional services / warranties on agreed cost”
5. “P&L savings”
6. “For media we have a global cost improvement template that is always shared with our media marketing community for their alignment before we report savings”
7. “Savings, contracts under management, payment terms”
8. “SLAs and KPI’s are often agreed in contract, however, stakeholders hardly (of course some do) monitors that o their daily routines”
9. “Shared savings target and roll-out category strategy”
10. “Key project milestones (marketing/sales), cash-flow generation (finance), savings achievement (pitch results), agency roster definition (marketing)”
11. “Working v non working investment”
12. “Cost out targets and value in”
13. “Business case savings”
14. “Involvement in projects – savings – risk assessment overview”

**Limited amount of metrics used by WFA members towards a true shared business goal, such as:**

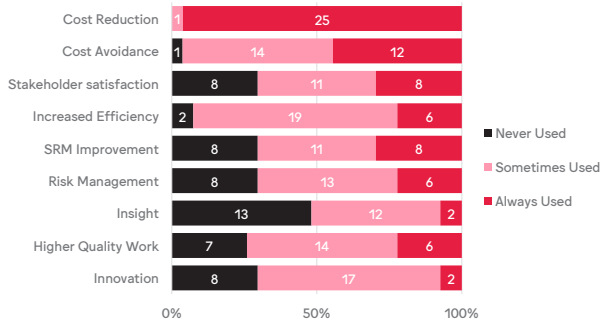
1. “Brand value generation”
2. “Agency performance KPIs”
3. “Agencies have cross-functional scorecards. Finance and Marketing receive monthly reporting on value provided”
4. “Stakeholder satisfaction”
5. “No. of markets using central creative work /re-usage (transcreation)of creative assets”
6. “Viewability of digital media”
7. “Process Improvement (time to close and complete projects)”

**Metrics used for procurement teams that share targets with marketing team**



**Fig. 22 - Metrics used by procurement teams that DO NOT share targets with marketing teams**

**Metrics used for procurement teams that DO NOT share targets with marketing team**



The final set of data in this section shows the way that other areas of the respondent's business view marketing procurement (Fig. 23).

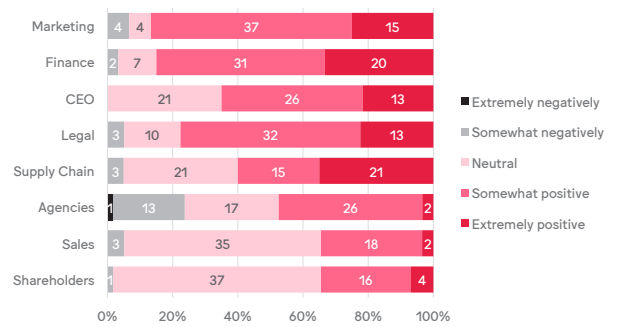
The different areas are ranked in order of those that have the greatest influence on the perception of marketing procurement.

It is encouraging that there is close correlation between those areas that have the greatest influence and how they currently perceive marketing procurement.

It shows that, collectively, marketing procurement must be doing something right and are focusing their attentions on the right stakeholders.

**Fig. 23 - How do other areas of the business perceive marketing procurement?**

**How do other business areas view marketing procurement?**



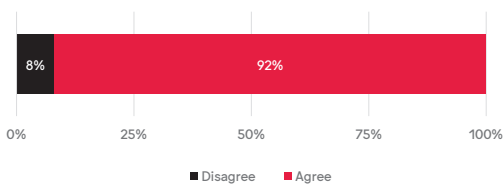
## Part II: Current Perceptions

**92%** felt that the way of marketing procurement is perceived by their organisation could be improved (Fig 24).

Even though the respondents emphatically believed that marketing procurement clearly demonstrated value (76% agree) and drove improvement (85% agree), a greater proportion of the group felt that more could be done to improve the perception of marketing procurement.

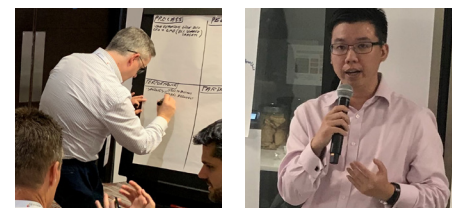
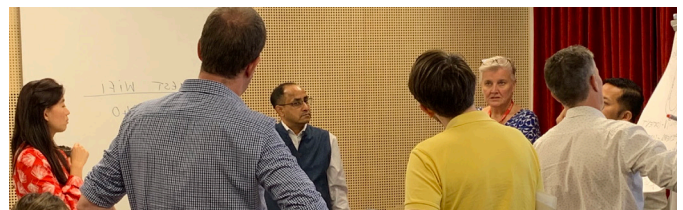
**Fig. 24 - Can the perception of marketing procurement be improved?**

I feel that the way of marketing procurement is perceived by my organisation could be improved?



This insight has been echoed during a live poll at ProcureCon Marketing London 2019 where only five per cent of the audience said that current perceptions of marketing procurement were “extremely positive”. While 38% of attendees said they were “somewhat positive”, such a statistic underlines the need for a fundamental reshaping of the function.

**5%** felt that current perceptions of marketing procurement are extremely positive



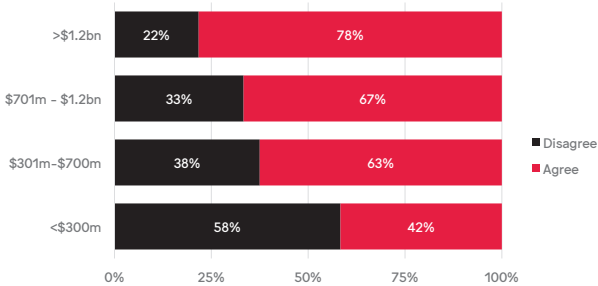
**Being recognised for delivering a wider set of benefits than just cost saving depends on different factors. A critical factor in improving perception of marketing procurement is illustrating that a broader set of benefits can be delivered.**

The survey responses indicated a ‘66% Agree: 33% Disagree’ split on whether the broader benefits were being recognised. Cross referencing this data with other factors illustrates some interesting linkages.

Fig. 25 shows that the **larger the annual marketing spend the more likely the respective organisation will recognise the broader benefits that marketing procurement offers.**

**Fig. 25 - Perceptions of the value of marketing procurement split by spend**

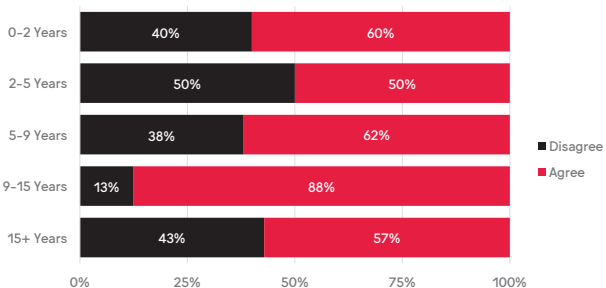
**The value of marketing procurement is seen as broader than price reduction by the business - split by annual spend?**



Surprisingly, there is **no link between the maturity or age of a marketing procurement organisation (as measured by the length of time the discipline has existed) and the recognition of the broader benefits offered (Fig. 26).**

**Fig. 26 - Perceptions of the value of marketing procurement split by maturity**

**The value of marketing procurement is seen as broader than price reduction by the business - split by maturity?**



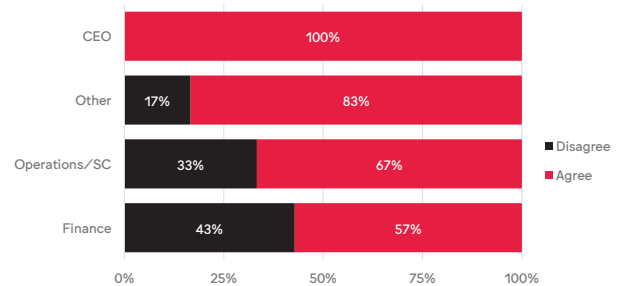
Perhaps the most interesting linkage between an organisation perceiving **marketing procurement as delivering broader benefits is the management line through which the team reports (Fig. 27).**

**There is a strong indication that it is harder to be recognised for delivering more than cost savings if marketing procurement report into a finance structure.**

Note: the number of respondents that reported into the CEO was not statistically significant.

**Fig.27 - Perceptions of the value of marketing procurement split by reporting line**

**The value of marketing procurement is seen as broader than price reduction by the business - split by reporting line?**



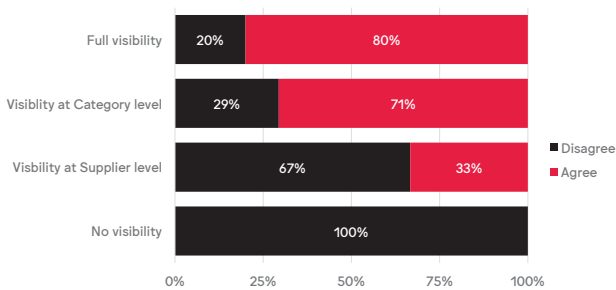


**When procurement teams have access to high levels of data visibility there is a greater likelihood of their organisation seeing the wider benefits that marketing procurement can bring (Fig. 28).**

A key building block of marketing procurement teams that have successfully demonstrated a broader value to their business is access to high levels of spend visibility.

**Fig. 28 - Perceptions of the value of marketing procurement split by spend visibility**

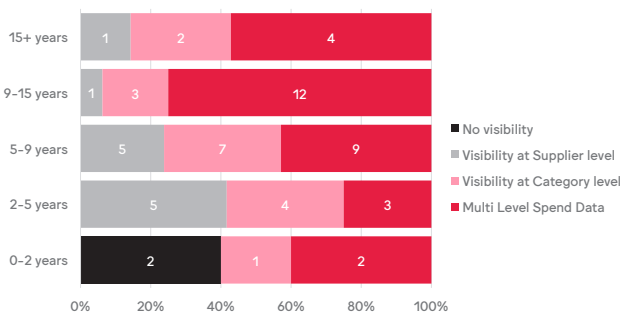
The value of marketing procurement is seen as broader than price reduction by the business - split by the level of spend visibility



**Fig. 29 shows that high levels of spend visibility tend to exist in teams that have existed for a number of years.** This is likely to reflect that creating detailed spend data is not something that can be delivered quickly.

**Fig. 29 - Perceptions of the value of marketing procurement split by maturity**

The value of marketing procurement is seen as broader than price reduction by the business - split by maturity?

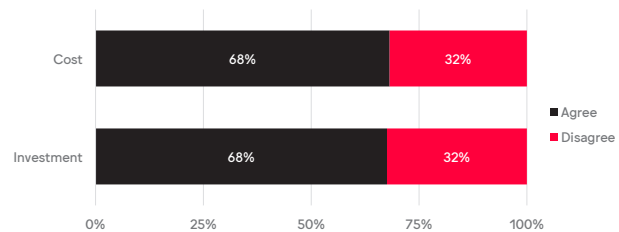


The responses from the survey show exactly the same level of responses to the question of whether the wider business considers the marketing procurement team as adding value regardless of whether the underlying business saw marketing as a cost or an investment.

**Fig. 30 shows that it does not matter whether the wider business considers marketing spend as an ‘investment’ rather than a ‘cost’ for the business to see wider value in marketing procurement.**

**Fig.30 - Perceptions of the value of marketing procurement split by the view of marketing spend**

The value of marketing procurement is seen as broader than price reduction by the business - split by how the business sees marketing spend



Transforming the way your organisation sees marketing, as an investment as opposed to a cost may help marketing procurement practitioners adopt the right behaviours. If your organisation sees marketing as a cost, they will likely engage with procurement to reduce that cost. This can encourage the wrong behaviours, and a focus on savings, instead of value. If your organisation sees marketing as an investment, it will be easier to persuade colleagues that this investment needs to be maximised. Nobody wants to cut investment in growth.

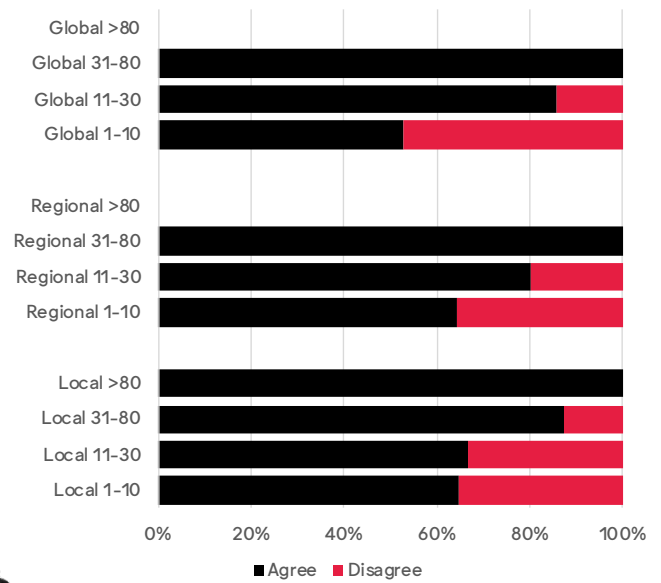


The perception of marketing does grow as team size grows regardless of where that team is located.

Fig. 31, it is quite clear regardless of whether the teams are globally, regionally, or locally located, the perception of marketing procurement as a partner that adds more value than pure cost saving goes up along with team size. It does not necessarily follow that the bigger the team the more value they add, but it does illustrate that there is a greater chance of adding broader value is there is sufficient resource to perform the work.

Fig. 31 - Whether marketing procurement are seen as adding more value related to team size

Does the business see the marketing procurement team as adding value beyond cost saving spl't by size and location of team

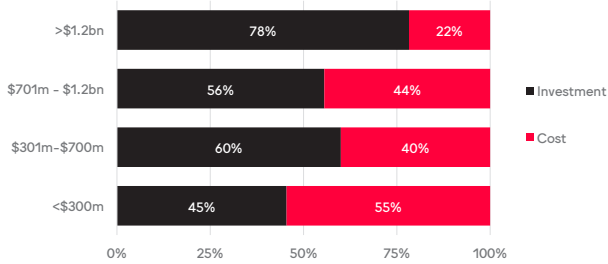


Perhaps unsurprisingly, the larger the marketing spend the more likely it is that the business sees marketing as an investment rather than a cost.

Fig. 32 shows that there is distinct shift from more than half the responses seeing marketing as a cost at the lower levels of spend to just over one fifth at the upper end of the spend range.

**Fig. 32 - Organisation's view of marketing spend**

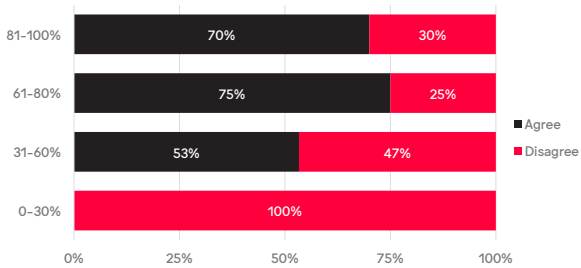
**Does your organisation see marketing as a cost or an investment - split by annual marketing spend**



Those procurement teams who work with a high level of addressable spend are more likely to be seen as adding more value (Fig. 33).

**Fig. 33 - Perceptions of the value of marketing procurement split by addressable spend**

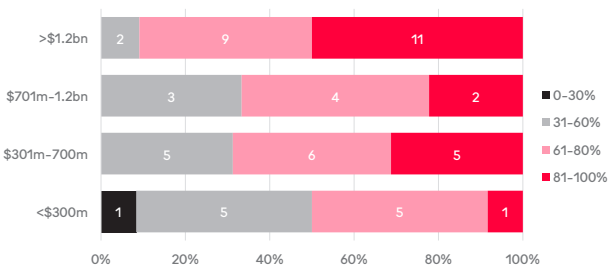
**The value of marketing procurement is seen as broader than price reduction by the business - split by addressable spend**



High levels of addressable spend are also linked to the absolute of marketing spend (Fig. 34).

**Fig. 34 - Levels of addressable spend split by absolute spend**

**Levels of addressable spend - split by levels of absolute spend**



As we have already drawn a link between levels of absolute spend and whether the organisation sees marketing procurement as adding broader value than spend reduction, the link between addressable spend and absolute spend may not be that surprising. However, this link suggests that a key enabler for marketing procurement is to ensure that it looks to address as much spend as possible.

**There is correlation between the point at which the marketing procurement team are involved and whether the business sees the team as adding broader value than price reduction.**

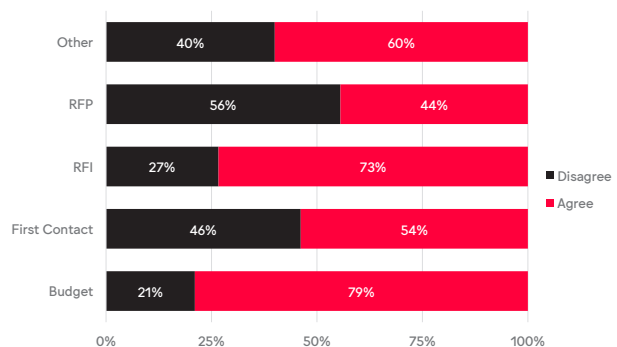
Conventional wisdom would suggest that if the marketing procurement team is involved early in the sourcing process then it becomes easier to generate a broader type of value for the business.

The data from this survey does support this view as those teams who business' see them as adding broader value tend to be involved at budget and RFI stage (Fig. 35).

Interestingly Fig. 35 illustrates that there is not the same link for those involved in the first contact with suppliers and hints at this involvement point not being as important.

**Fig. 35 - How do other areas of the business perceive marketing procurement?**

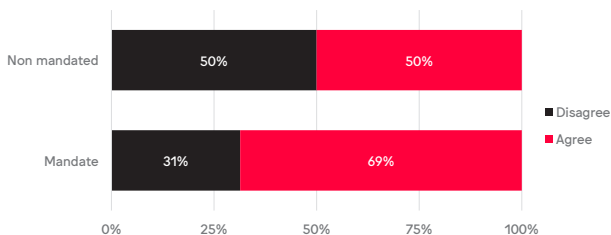
**The value of marketing procurement is seen as broader than price reduction by the business - split by initial involvement point**



**Mandated use of procurement does lead to improved perceptions but only if the threshold for involvement is low.** Fig. 36 suggests that there is an increased likelihood in the business seeing marketing procurement as adding more value if there is an official mandate to use the team.

**Fig. 36 - Perceptions of the value of marketing procurement split by official mandate**

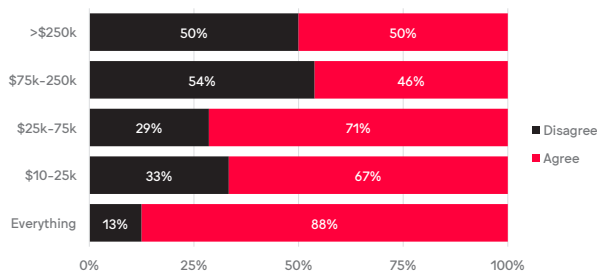
**The value of marketing procurement is seen as broader than price reduction by the business - split by whether there is an official mandate**



For those that do have an official mandate, Fig. 37 shows that **the lower the threshold above which the business is obliged to involve marketing procurement the stronger the link to the business seeing marketing procurement as adding wider value.**

**Fig. 37 - Perceptions of the value of marketing procurement split by involvement threshold**

**The value of marketing procurement is seen as broader than price reduction by the business - split by initial involvement threshold**

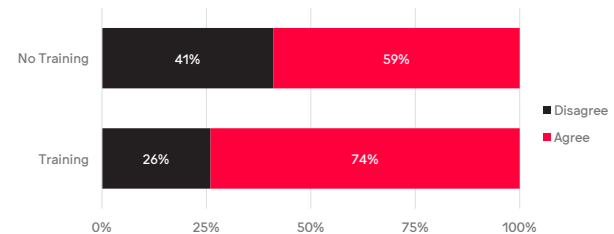


**Those businesses that perform procurement training programs within their marketing counterparts' teams tend to be better perceived by them, as delivering wider value (Fig. 38).**

There is a marked difference between those companies who perform some sort of training for their stakeholders and those that do not when it comes to appreciation by those stakeholders.

**Fig. 38 - Perceptions of the value of marketing procurement split by whether training of stakeholders takes place**

**The value of marketing procurement is seen as broader than price reduction by the business - split by whether training takes place**



The insights from this survey has proved to be a fascinating view from marketing procurement practitioners across a wide range of industries.



**Certain preconceptions have been reinforced by the data:**

- A. If you spend a large amount in general on marketing then your organisation is more likely to see marketing as an investment and, in turn, will have a more positive view of the wider contribution marketing procurement makes;
- B. More mature marketing procurement teams are more likely to have better spend data but that doesn't mean you need to wait decades for success. Three to four years may be sufficient to create robust 'muscle memory' processes and to ensure the right tools are in place;
- C. There is a correlation between marketing procurement investing in training for their stakeholders and how those stakeholders perceive your marketing procurement function;
- D. The bigger the overall marketing budget the higher percentage of addressable spend we under the influence of marketing procurement;
- E. Perceptions of value beyond savings were slightly higher for those marketing procurement teams that had a mandate to use them and increased noticeably the lower the threshold for involvement;
- F. Sharing metrics with stakeholders is closely linked with being seen as adding more value to an organisation.

**Certain preconceptions have been reinforced by the data. Namely;**

- A. The better access to high quality, granular and accurate spend data, the more likely marketing procurement will be seen to add value;
- B. Credibility of the function does not correlate to the age of the marketing procurement team;
- C. Those reporting to finance had the least positive perceptions from stakeholders. As marketing spend increased so the likelihood of reporting to finance decreased.

# Part III: The Way Forward

Over the past two years, a number of workshops have been run by WFA with groups of senior marketing procurement professionals where the core survey data was interrogated to develop themes and tactics that would help improve the perception of marketing procurement.

Outputs of these sessions grouped into four key areas of challenges that need addressing, in order to evolve perceptions of marketing procurement:



**Process:** incl. senior management mandate to use procurement, thresholds for procurement involvement and levels of addressable spend,



**People:** incl. company reporting structure, team size and structure, the company's commercial maturity and understand of marketing procurement's role by marketing, finance, supply chain, CPO,



**Performance:** incl. metrics beyond savings and shared KPIs measuring the performance of the business and,



**Partners:** incl. agencies, consultancies, supporting their clients' business growth.

More than a third of the audience at the **ProcureCon Marketing London 2019** felt that these 4 buckets of challenges were all equally critical to address, whereas 22% gave top priority to Performance, 16% to Process, 14% to People and 13% to Partners.

“ It is important to focus on how to achieve the business goal through procurement; marketing, marketing procurement, finance all together delivering the outcome. First step: all must agree on the outcome and definitions of it – speak same language. To do so, it is key to have a business discussion, and not a function to function discussion. ”

**WFA Sourcing Forum member,**  
Singapore, April 2018

“ It's all about moving from what we're buying to what we expect what we buy to do. ”

**WFA Sourcing Forum member,**  
Singapore, April 2018

“ Marketing procurement is going through an identity crisis. And we do not spend enough time on reinventing ourselves. It's critical that we take a step back, identify our organisation's short-term need v long-term one, and find ways to contribute to both. ”

**WFA Sourcing Forum member,**  
NYC, December 2018



# The core values of marketing procurement, from WFA's Global Sourcing Board:

1

**Trusted**

2

**Productive**

A value creation mindset

3

**Curious**

Key to innovation and bring the outside in

4

**Accountable**

Increasing transparency & tangible measurement

5

**Collaborative**

With the business and our partners

6

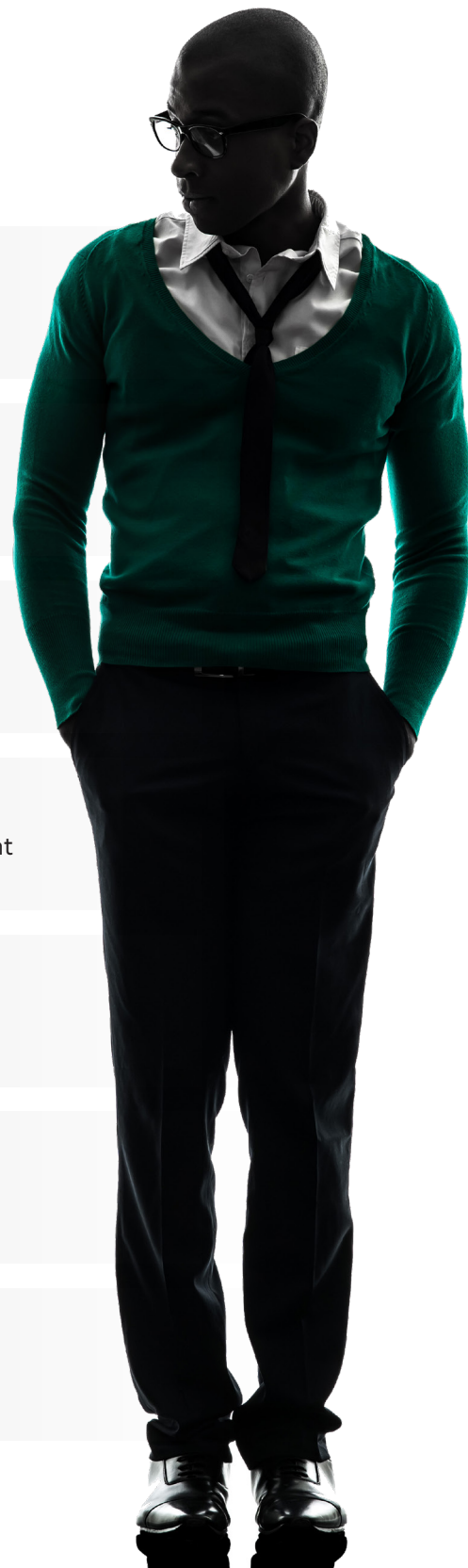
**Skilled**

Commercial and leadership expertise

7

**Responsible**

Driving meaningful and longer-term changes



# Process

From the core survey data, there were a number of clear markers, when it comes to the procurement process, for organisations that held a positive view of benefits that marketing procurement can bring. They were:

1. Early involvement in the commercial process (Fig. 9);
2. A formal mandate from senior management to involve procurement in the commercial process (Fig. 37);
3. High levels of spend visibility (Fig. 28);
4. High levels of addressable spend (Fig. 33);
5. A low spend threshold before the business involves marketing procurement (Fig. 37).

What is not immediately apparent from the data is whether these markers are enablers to marketing procurement being seen as credible or come as a result of marketing procurement being taken seriously.



**This 'cause and effect' topic was part of the discussions from WFA workshops and, whilst all organisations are different, a consistent set of tactics presented itself:**

1. Obtain as accurate and complete spend visibility as possible;
2. Seek or assess the need of an official senior mandate for the use of marketing procurement;
3. Reduce the threshold over which marketing procurement must be involved as low as the team workload will allow;
4. Broaden the addressable spend as wide as possible;
5. Seek to be involved as early in the commercial process as possible.



## Spend visibility

Achieving greater spend visibility (and ultimately greater level of addressable or impactable spend) is essential for procurement to view their company's marketing investments as a whole and enlarge the range of possible value they can bring. Great data will allow the function to act at an organisational level rather than just a brand or geographic level and strengthen their strategic contribution to their business.

## Official mandate

An official mandate to involve procurement in commercial relationships can come in many different guises from an absolute policy statement that obliges all stakeholders to involve procurement to a lighter touch guideline that encourages procurement's involvement. The survey data does not indicate what level of mandate will lead to an increase in perception of procurement however it is clear that those organisations where marketing procurement are seen as offering a broad range of benefit receive some levels of senior management endorsement.

In the eyes of many stakeholders, this endorsement bestows on the marketing procurement team some inherent credibility that can be immediately leveraged.

One 'watch out' is that **the team has to be ready to deliver on these commitments.**

Rarely does an organisation give the procurement team a second opportunity to get involved in a relationship and so **if the team does not have the skills or bandwidth to deliver on the senior management mandate then expectations should be managed when the mandate is set.**



## Broadening the marketing procurement addressable spend for a better recognition

The journey to help improve the perception of marketing procurement starts with knowing at least as much, if not more, about the marketing third party spend. Whenever I have taken over a category or a new team, the most valuable first insights have come from good spend visibility.

Obtaining a great set of spend data from every market for the previous twelve months provides sufficient information to generate insight for productive business meetings. This does not need any expensive software or reporting tools, a simple spreadsheet and a pivot table can be enough. I am looking for the data to show unexpected areas or shapes of spend that can generate questions for the business. A straightforward pareto analysis of the spend of the top ten suppliers for each of your marketing counterpart, followed by an analysis of how those spends have changed over time or fluctuate through the year are always worth considering.

The greater the detail that can be gained in the initial spend extract and the further in history it can go back the more insight it will give you. Coupled with expertise about the marketplace – procurement can provide real innovations and solutions to the business.

The most useful addition to the data is category information. It is unusual for finance systems to capture this information and extra fields must be added so that spend with a supplier can be split down further, such as creative fees, production costs, rights fees, media costs etc.

### Adam Durston-Hillyer,

Head of Category Procurement,  
Specsavers, Active contributor  
to Project Spring





# Hiring for success in marketing procurement

The secrets to success for marketing procurement teams have evolved over time, just as the marketing function itself has. Traditional media have given rise to a massive array of marketing categories and channels, fragmenting audiences, and requiring the marketing procurement team to expand their capabilities accordingly. At the same time, marketing teams often face budget belt tightening.

The good news is that now more than ever, marketing procurement can act as a trusted advisor to both CMOs and CFOs by driving value beyond price—and take center stage in conversations around demand management, process improvement and specification.

To do this, the marketing procurement teams need to have new capabilities in their toolbox beyond negotiation, contract management and savings capture. The stars of tomorrow are teams that not only have strong procurement skills, but deep category knowledge and a track record of leading transformational change.

Needless to say, marketing procurement teams will always need to be strong in negotiating, building strong agency partnerships and driving value to their stakeholders. The difference is that now, the team must also customize these activities to match the nuances of the marketing categories to which they are applied. Having detailed knowledge in categories including media, content generation, instore, insights and technology will allow marketing procurement teams to understand the demands and challenges facing their business. This, in turn, enables them to help their business drive the most effective behaviours and increase performance of both marketing and agency teams.

But procurement skills and category knowledge are not enough to make for a successful marketing procurement team. Today, many businesses feel a need to make bold decisions and transform how marketing and agencies work. But leaders are not always certain about what or how to make changes they feel are needed. This is also where marketing procurement can be a trusted advisor, by tapping external industry knowledge through formal or informal connections and mapping current ways of working—both internally and with our agencies. This allows teams to analyse “make” versus “buy” for new capabilities and brings confidence that the necessary new agency ecosystems can be successfully sourced and embedded into businesses.

With this in mind, my recent hiring decisions have really revolved around finding people with strong category knowledge, procurement skills and transformational leadership. I have found great talent inside our existing procurement organization and have also brought in leaders without traditional procurement backgrounds, including those from sales teams, market research companies and consultancies. I have found this type of team has instant credibility with stakeholders because they understand relevant business challenges and brings sound advice, which ultimately earns the trust of the business to co-lead change.

**So, when hiring senior leaders in your categories, I encourage you to ask yourself whether your candidate:**

1. Knows the category as well as or better than your stakeholder?
2. Has a strong vision of where the business can grow and what role procurement can play in achieving that vision?
3. Has a style that achieves mutual benefit for both stakeholders and agencies?
4. Can bring instant credibility to your organization?

If you can say yes to all four, then you have the ingredients for a team that will be cherished by the business. One that challenges old notions of what marketing procurement is all about and drives value well beyond savings.

**Christopher Kredo,**

VP Commercial – Global Demand, Mars Inc.



# Broaden addressable spend

A common limitation to the impact that marketing procurement can make on an organisation surrounds the proportion of spend that is considered addressable. Fig. 33 clearly shows that higher levels of addressable spend are a strong indicator of a marketing procurement team that adds broader value.

And whilst the need to spend with third parties may not be something that can be avoided, the amount that is spent on these goods or services should be influenced by marketing procurement.

To be able to credibly add value across the fast-moving world of marketing tools, **the marketing procurement team must be commercially flexible and be able to adapt their core skills to a new and varied set of categories.**

**Background research prior to engaging with a provider is essential to understand the category dynamics, the costs structure, and the business' requirements.**

From this information and insight, marketing procurement professionals can engage with the marketplace in a more proactive manner that will build credibility in the eyes of marketing counterparts.

## Reduction in the threshold for involvement of marketing procurement

It is quite clear that there is a huge amount of variability in what threshold is being used and the reasons for this (Fig. 37). There may be a large number of other factors at play that influence this, such as corporate culture, commercial maturity of the marketing team, the level of self-service tools as well as the perception of the procurement team services. However, the lower the threshold for involvement of marketing procurement, the more frequent will be the interaction between stakeholder and procurement teams. This can lead to a closer and more collaborative working relationship where each party will be more appreciative of the value that the other brings to the relationship.

There is a related 'watch out' to that identified in implementing an official mandate to use marketing procurement. If the threshold to involve marketing procurement is set low and there is insufficient bandwidth to meet the increase in demand, then there will be an **immediate drop in credibility that will be very difficult to regain once lost.**

## Strive to be involved early in the commercial process

In Fig. 9 it was clear that early involvement in the commercial process was strongly linked to whether marketing procurement was seen as adding broader value to the business. What could not be inferred from the data was whether the positive perception was due to the early involvement or whether the early involvement was critical to improving credibility.

Upon further questioning of marketing procurement professionals, it was emphatic that **value could be delivered to the business at all stages of the commercial process and to early involvement was key to demonstrate this wider value.**

As an enabler to early involvement in the commercial process, **official senior management mandate is critical.** The data shows that of the organisations who have this mandate a large proportion leverage the mandate to gain early access to the commercial process.



## The workshop discussions were very clear that effective marketing procurement functions should have:

- A. Stakeholder training programmes to explain the wider benefits of strategic procurement;
- B. Ensure your metrics look beyond price and be clear on wider, often less-tangible benefits;
- C. Better data is needed to get more clarity on wider opportunities;
- D. Increase your addressable spend – seek to expand your influence;
- E. Get involved earlier in the process;
- F. Touch everything from low value to high.

# The importance of being credible

This report has highlighted the importance of having a company mandate in place to evolve the perception of marketing procurement. At L'Oréal we have a soft mandate in marketing sourcing – which I would like to call the 'pull method'.

I had conversations with peers in other organisations who relied on stronger mandates and what I would call a 'push method', to analyse the various types of company mandates. My analysis of the pros and cons of these two approaches, reveals the value of each.

The main challenge for the pull method where you have to 'build desire' is to constantly show the procurement value in order to be invited to take part into business initiatives.

At L'Oréal, stakeholder engagement based on recognised expertise is what helps us get involved at an early stage and before final negotiations. We advise on appropriate operating models, possible supplier landscape and bring insights from external benchmarks.

The main challenge for the push method, where there is a strong company mandate in place to 'impose the love' of our function, is to transform the perception of sourcing from being mandatory towards being a real partner. We want to deserve our seat at the table.

The choice of approach is strongly linked to the DNA and culture of the company. Both have the same overall challenge: the need to build credibility around marketing procurement by demonstrating our added value.

---

## My tips to our community for developing the marketing procurement credibility would be:

1. Ensure your team has the right level of marketing expertise to engage with marketing counterparts;
2. Identify the key stakeholders who are important for you and who your team should spend (more) time with. A successful stakeholder engagement contributes highly to differentiating strategic from operational sourcing;
3. Understand what is of value to stakeholders and the business, to identify mutual benefits;
4. Build desire and share examples of recent success with other business initiatives, in a language that marketers understand e.g. efficiencies such as time saved or higher performance; ideally, these examples would be shared by our marketing counterparts to their peers.

5. Focus on answering and taking part of business challenges rather than procurement objectives; and
6. Create a procurement metric that supports an overall business challenge, shows, and communicate your value beyond savings.

---

L'Oréal Sourcing contributes to the CSR and Diversity L'Oréal program called Sharing Beauty with All. Our dedicated program called Solidarity Sourcing Program aims to include underprivileged people through L'Oréal Business relationships with partners. We promote access to employment and social inclusion to women, people with disability, socio-economically disadvantaged communities....

As there is no value recognition without a metric, we defined very simple metric, measurable and auditable. This metric is # Beneficiaries: **number of underprivileged people** accessing sustainable decent work through L'Oréal orders with suppliers involved in social inclusion projects.

With Photon, our website factory partner, we developed a Solidarity Sourcing Program to foster employment in a **Social Economic zone** in India while also empowering **women** and offering **equal chances** to people from Scheduled Tribes & Castes.

Results are 194 beneficiaries in 2018 and 200 in 2019. This Marketing Sourcing partnership was quoted in the Financial L'Oréal Report.

Being active in our company's programs such as Sharing Beauty With All gives Marketing Sourcing more credibility, visibility and highlights the value of our actions.

### Myriam Benichou,

Global Marketing Sourcing Director, L'Oréal



# People

## Reporting lines

We saw in Fig. 27 that those marketing procurement teams who report into finance are less likely to be seen as adding broad value to the business.

This may be due to the potential that the marketing procurement team be focused on cost-related contributions rather than value adding.

However, the data collected in the survey contained contradictions that were worthy of further investigation. For example, those respondents that did not report into finance felt that, on average, the finance community were more important than other areas in influencing whether marketing procurement delivered broader value for the business.

“ We all know that there are a lot of soft savings and/or value that exist, the main challenge for us is how to tangibly assess these and sell them to our Finance team. ”

WFA Sourcing Forum member,  
Luxembourg, November 2017



## Towards greater Finance-Procurement relationship – highlights from WFA workshop in Lisbon – April 2019:



- A. Finance has to first recognise the added value of procurement and that ‘broader benefits’ exist beyond savings. Procurement could start by gauging if finance is ready to take on KPIs from other functions, such as sales targets;
- B. Procurement should involve finance earlier in the process as a member of a project team and discuss short v long-term business goals;
- C. Procurement and finance teams should align on language and marketing taxonomy;
- D. Promote the tripartite; ensure finance and marketing regularly engage together, and avoid a ‘finance-procurement’ only relationship;
- E. Finance and Procurement must agree on their approach to budget holder responsibility;
- F. Align processes to evaluate what to do with the savings achieved (do they go towards profits or do they get reinvested in marketing);
- G. Facilitate greater understanding of procurement within finance – including education on different marketing categories – but also education within procurement about the needs of finance; and
- H. Secure a finance sponsor or business partner.

Contemporary management philosophy would suggest that the importance of reporting lines is becoming blurred as organisations adopt a more flexible matrix management approach.

This shift rewards, above all, a collaborative style of working where **influencing is key rather than direct authority**.

**Evolving traditional category structures towards cross-functional teams per project or campaign could help address the challenge of reporting lines**, by including marketing, finance and marketing procurement teams, as well as, where possible, agencies, to ensure the successful delivery of the overall business objectives.





## Training

Finally, Fig. 38 was clear that those businesses that engaged in training of marketing counterparts are more likely to be seen as adding more value to the organisation over basic cost saving. The style and subject matter that goes to make up that training is critical in creating a broader understanding of the role that marketing procurement plays.

“ Every year, we run a stakeholder satisfaction survey to measure our value delivery perception amongst our business. ”

**WFA Sourcing Forum member,**  
Dusseldorf, February 2018

“ We cannot expect this perceptual change to happen organically. Marketing counterparts will need some degree of education as to the new procurement approach by communicating the value of the changes. As part of this, it is crucial to catalogue and share the procurement success stories. Ideally, you would get local CMOs to share on how the process had help them. ”

**WFA Sourcing Forum member,**  
NYC, March 2018

“ The marketing-procurement relationship is all about how we can help each other, how do we protect and grow the business together? ”

**WFA Sourcing Forum member,**  
Singapore, November 2019



## From mandated to recommended: 5 tips to evolving your relationships with your marketing counterparts – highlights from WFA workshop in Singapore - November 2019

1. **Speak a common language.** Procurement must have enough understanding of the marketing categories to have a productive peer-to-peer conversation with their marketing counterparts and agency partners;
2. **Be action-orientated and write synergy targets together.** Procurement and marketing must have common targets – move from savings to efficiency/business impact;
3. **Always show as a united front.** Procurement and marketing represent the client as whole;
4. **Human relationships are everything.** Go beyond the traditional stakeholder-procurement relationship. Ensure that you have a weekly fixed time to spend with your key marketing counterparts but also regular agency meetings where both procurement and the business attend;
5. **Eagerness to teach, eagerness to learn. And it goes both ways.** Procurement can educate their marketing counterparts about procurement, but marketers can also spend time and educate procurement. Leverage each other teams' expertise & network.

# Going beyond traditional reporting lines: the creation of cross-functional teams

I find it quite interesting that in the reports I read or forums I attend there continues to be an emphasis on reporting lines and the challenges these create for marketing procurement team.

Whilst not doubting the real challenges faced by colleagues in the industry, I think the key to overcoming these is for marketing procurement to ensure that we are fully aligned to the business objectives rather than any specific particular functional measures.

At Diageo, marketing procurement reports into the Chief Procurement Officer who reports into a President of Supply, as well as being accountable to marketing and finance. In short it is possible to succeed in complex matrix organisations with complicated reporting lines by elevating the perspective you bring to be one in service of the business as a whole.

**Procurement teams need to stop using words like ‘stakeholder’ when referring to internal colleagues and instead talk in joint performance language around shared goals.**

One way to do this is by creating real cross-functional teams (or communities, councils or squads!) around business imperatives, which at a simple level turn the “stakeholder” simply into a team member – not a procurement initiative but one we which we embrace with abandonment.

Any individual may also be on a number of cross-functional teams and play different roles in each, leading in some, delivering a specific role in others.

Whilst I personally still enjoy the benefits of working in face-to-face teams, geography also becomes less important providing everyone is clear on the goal.

Diageo successfully operated in this manner during our recent media review with people from multiple functions, with varied geographical responsibilities, from different locations and seniority all congregating around a business objective to make the shift from being a media client to media leader.

There was great importance placed on setting up the ways of working internally around a media council. The media council was made up of global and local marketing directors, digital and data experts, media and brand leads as well as procurement, finance, corporate relations and legal. It was

key at the outset to ensure we all understood the category, the spend and the role it played in the growth of the brands and what we wanted to achieve, all before we decided that we were going to market on a review.

Again, before we launched the external review, we spent significant time discussing the decision-making process and the flow of information. It was critical to empower all members of the council to be able to talk to all elements of the review and all be clear on the measures of success that we were striving for. Some of these measures without doubt leant more towards some individual team members than others but the effort put in up front around these objectives is paying back. For example, we have been able to make strides in marketing effectiveness through the process.

Yes, we had disagreements, but not once did we have to ask “who the stakeholder was” or “what the business wanted” as we were all equal members of the council and we all represented the business. We knew this way of working was successful when during preparations for a Diageo Global Board Meeting an exec member said “I am not even going to worry about who delivers which part of the asks, as you are clearly all connected around the same delivery.”

Did it work? Well we showed internally that we can work quickly and effectively as a cross-functional team, even with the added complexity of C19 when we all view the challenges at a total business level.

Time will tell, of course, as to whether the outcomes are achieved, but we are at the start line feeling confident about our future media journey.

**James Taylor,**

Global Procurement Director,  
Media, Digital and Consumer  
Planning, Diageo



# Performance

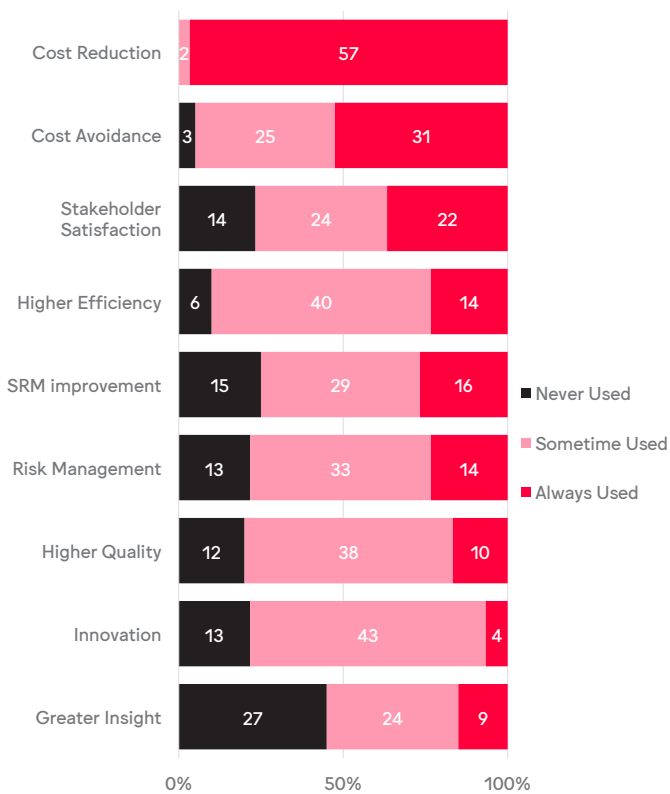
When it comes to measuring the impact of marketing procurement there are as many different metrics as there are marketing procurement professionals. And whilst there may not be a simple single group of metrics that will unlock a shift in perception in the value that marketing procurement bring, there are some obvious trends that can be exploited.

Firstly, there remains a **significant reliance on cost reduction and cost avoidance as core metrics.**

The vast proportion of survey respondents use more subjective metrics on an occasional basis.

**Fig. 39 - What metrics are routinely used to illustrate that value of marketing procurement – all respondents**

### What metrics are used - all respondents



“ Best in class’ may not exist – as most marketing procurement organisations grapple with this. ”

**WFA Sourcing Forum member,**  
Singapore, November 2017

“ We want to reduce unnecessary alignment and re-alignment process of metrics and free up time for marketing procurement professionals to focus on brand building and driving effectiveness/efficiency. ”

**WFA Sourcing Forum member,**  
Singapore, November 2017

“ Procurement performance metrics should focus on both: ‘how’ and ‘what’ procurement does for the business, as opposed to mainly ‘what’ (savings) in most cases. ”

**WFA Sourcing Forum member,**  
NYC, December 2018

“ Procurement is never going to own the overall company ROI calculations. It’s about how we can enable greater ROI and open doors for our business to reach the next level ”

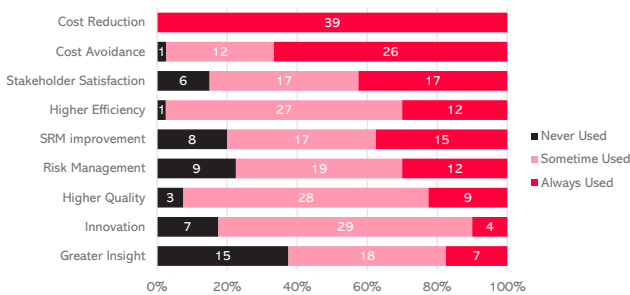
**WFA Sourcing Forum member,**  
Lisbon, April 2018



Filtering these responses for the respondents who feel that their businesses see marketing procurement as adding broader value than simple cost saving shows some subtle but meaningful shifts in response (see Fig. 40). **There is a greater likelihood in these businesses to use ‘higher efficiency’, ‘higher quality’ and ‘access to innovation’ as a metric of value that marketing procurement can bring to the organisation.**

**Fig. 40 - What metrics are routinely used to illustrate that value of marketing procurement – respondents whose business see marketing as adding broader value**

**What metrics are used - businesses who see marketing procurement delivering wider value**



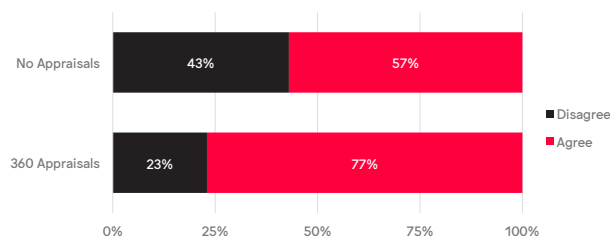
**This shift from hard or cost-related metrics to adopting softer metrics is a key step in illustrating the wider value that marketing procurement can bring.**

**And it was illustrated in Fig. 21 that it is hugely beneficial to share targets with the marketing team.**

**Fig. 41 shows that embracing 360-degree appraisals will also improve the perception of marketing procurement.**

**Fig. 41 - Performing 360-degree appraisals and whether marketing procurement is seen as adding value**

**The value of marketing procurement is seen as broader when 360 degree appraisals are performed**



**Fig. 42 - Alternate soft metrics to measure marketing**

**Ideal or Innovative KPIs mentioned by participants**

<b>Mentioned over 30 times</b>	<b>Cost-related metric:</b> P&L savings, hard cost reduction, cost avoidance, price reduction, increased cashflow
<b>Mentioned over 20 times</b>	<b>Growth/ROI:</b> procurement efforts having an impact on return of marketing investment, business delivery (brand/revenues), increased sales, overall improvement of commercial targets (EBIT, growth...), brand equity, NPS, sales uplift
	<b>Relationships:</b> recognising that marketing is a complex category filled with legacy vendors and strong personalities, agency or supplier performance evaluations, supplier performance improvement due to SRM, external perception of fairness, transparency and professionalism, strong client/agency satisfaction results
	<b>Efficiency:</b> increased business efficiency, smooth operational running of agency partnerships, process improvement, process simplification, doing more with less, efficiencies brought thanks to selected agency resourcing, time to market, speed of decision making
<b>Mentioned over 10 times</b>	<b>Innovation:</b> access to innovation, applied innovations brought to marketing by the supplier base, implemented innovation in marketing through suppliers
	<b>Quality:</b> quality of service end-to-end, quality output of suppliers, improved or higher quality, best value in market v peers, ability to get the best quality at the right price (not cheapest)
	<b>Internal stakeholder satisfaction:</b> improved stakeholder experience from the marketing service, internal stakeholder management
<b>Mentioned only a few times</b>	<b>Evolved cost-related metric:</b> enhanced scope with same cost, establishing the right supplier mix/both financially and creatively, contribution to topline with best cost structure, demand management
	Support brought to marketing based on supplier strategy
	Change management: what can we do now that we couldn't before? Why
	Agency input to internal client capability initiatives



## The importance to work towards shared goals

Marketing procurement is a specialized capability that is first and foremost rooted in shared objectives with our internal business partners.

We must clearly define what is needed to advance business deliverables – largely capability, cost, and speed – paired with the agility to flex each of those levers appropriately depending on the circumstances.

Where businesses share common agendas, we can leverage our ability to see across to develop common platforms or scaled solutions that meet the greater good, while not diluting the benefits at a brand or category level.

### Jennifer Mclachlan,

Director, Brand Building Purchases, P&G



### The language of growth

London – June 2019. In a workshop led by WFA, and to bridge the CMO/CPO language barriers, it was recommended that cross functional teams start speaking the universal “language of sales”. A common KPI could then be a measure on the “cost per sale” – “how much will it cost me to generate a dollar of sales” – and the procurement’s performance would be assessed based on the optimisation of this cost.

## “If you cannot measure it, you cannot improve it.”

This is a mantra I have continuously strived to elevate during the last decade leading indirect procurement organisations.

I would encourage indirect procurement leaders to establish and distinguish primary from secondary metrics.

The primary metrics are the ones that are externally critical for all companies across industries to report such as their financial performance (e.g. savings), cash (e.g. payable vs. receivable) and top line (e.g. sales growth, distribution expansion, increased reach). Every contribution that the indirect procurement organisation makes to any of those three vectors of value strengthens the credibility of the discipline as a key member of the team building the overall business.

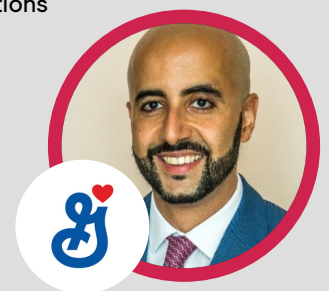
The secondary metrics are the ones that are important internally to govern the indirect budget/savings, which are otherwise volatile and discretionary. They fuel the primary or external metrics and the absence of secondary metrics can turn those budget savings into ‘funny money’.

Secondary metrics are limitless and best defined in partnership with the key cross-functional partners from marketing and include performance metrics for the services being bought (GRP, TRP, CPM, CPV, production costs, creative costs, agency fees, spend under management, agency relationship health... etc).

If there is one quote, I would like every indirect procurement leader to live by is: “if you cannot measure it, you cannot improve it.” I would also add: “if you cannot jointly measure it together with marketing, you cannot partner efficiently to improve it”. Make sure the measurements are adding value, aligned with budget owners, and helping cement the value and credibility procurement brings to your business partners from other functions and across the entire company.

### Magid Souhami,

Former Global Sourcing Director, General Mills



# Highlights from several WFA workshops:

- The role of marketing procurement can expand over time and so should the usage of performance metrics. Metrics being used are an indicator of marketing procurement maturity; and it is often that you become what you measure.
- Procurement should not use these measures to justify its existence. As with other business partners, they should not feel the need to split down business benefits to purely prove that procurement did something of value.
- Sharing targets that are linked to wider business goals increases the understanding of the value that procurement can add.
- Procurement deals with different stakeholders who in turn define value in different ways. Some have found it helpful to differentiate business KPIs from procurement metrics and bridge the gap between these two categories of metrics. Using primary or external metrics vocabulary and references when having discussions with marketers will help them understand the procurement value.
- Business benefits can be split down to top / middle / bottom of the P&L to reflect that procurement can influence sales performance, business effectiveness as well as the cost base.
- Metrics that aim to demonstrate the performance of marketing procurement should be owned by procurement, with additional accountability from budget holder or functional partner.
- The virtuous circle of focussing on effectiveness to drive efficiency: when you improve quality (effectiveness), you reduce defects and rework, and you end up improving efficiency. Time reduction, cost savings... (efficiencies) will become a symptom of effectiveness.
- Metrics can be category specific.
- Metrics are not just numbers. Being the 'customer of choice' may be hard to quantify, but we can have a look at the 'signs of being a customer of choice'.

## Seven examples of metrics beyond pure price reduction

1

**Contribution to top line growth and top line sales:** to demonstrate the **shared accountability with the business in taking the right decisions** that will bring a better ROI and better sales, for example:

1. Choices that procurement can help make on a creative that will be more effective;
2. Sourcing-led strategies to optimise and connect existing processes to an e-commerce landscape; and
3. Identifying capabilities that are needed by our business and sourcing effective agencies that will act as extended arms of internal marketing resources, leading to a better business ROI.



4

**Process simplification leading to operational efficiencies:** to show the marketing procurement role in **challenging the business to reduce complexity and overcome silos.**



5

**Risk management:** to capture the impact of **avoided risks**; the Covid-19 pandemic can present an opportunity to quantify the value of some of the risks that were avoided, or that will have to be avoided.

6

**Successful agency relationships at an enterprise level:** to illustrate the unique procurement role in **bringing two organisations (client & agency) together** and towards better relationships overall, when marketers are engaging with agencies at a brand or market level.



3

**Change management of the business environment for the better:** to show **the level of partnership and connectivity of marketing procurement** with their organisation, as **true business partners and solution providers e.g:**

1. Implementing a (new) DAM system;
2. Defining a remuneration or compensation model that will improve agency relationships; and
3. Sourcing data management tools for better performance analytics, and better return on data investments.



7

**A broader metric to drive meaningful changes within our industry:** e.g. a metric assessing the **compliance to human rights within the whole supply chain, supplier diversity spending** (e.g. African American, LGBTQ+, or women-owned business spending), a metric assessing **how procurement helps cascade company environmental commitments to suppliers**, the procurement contribution to the **reduction of unemployment** (e.g. thanks to what procurement buys and allows to bring people back to work).



# Marketing procurement metrics & brand business KPIs: bridging the gap

Marketing procurement has rapidly evolved and by now most organisations are enabled to measure and track the defined metrics such as cost savings, contracted savings, cost avoidance, managed spend, Purchase Order accuracy and procurement ROI. Setting these metrics is part of the procurement basics and should be well defined in all procurement organisations. But isn't it a bit reductive of what we do? How can we demonstrate our performance to our business partners?

What is the objective of marketing procurement that can be measured with metrics or KPIs? While KPIs might be similar or even the same from one company to another, the real and ultimate set of metrics or KPIs every manager is faced with is based on what their boss asks them to do on a regular basis, and how these are weighted in their total deliverables. Therefore, the reporting line can matter as metrics of a CMO, CPO and CFO may slightly differ. But the vision and mission of the company remains the same for everyone.

As a leader in marketing procurement, the opportunity lies now in linking the marketing and company objectives to create a balanced behaviour, where savings are truly just one of the metrics we are measured on. This is key, as only a set of our initiatives is driving direct savings and are not necessarily addressing the objective of your marketing counterparts.

**CPO and CFO must realise the opportunity we have in marketing procurement to help drive other marketing and business KPIs. What are the steps to go about this?**

1. Review the objectives and KPIs as well as their importance to each function in the company;
2. Ensure that marketing procurement objectives link to the marketing and company direction and KPIs;
3. Build marketing procurement metrics that feed into marketing and company KPIs;
4. Utilise a governance body with marketing to prioritise your initiatives that will drive the desired metrics.

Brand KPIs would consist of several metrics such as brand desire and penetration. In a recent interview with a senior marketer of my organisation, he made it clear that that is not where it should stop.

When asking him specifically where marketing procurement could play a big role, the answer was clear: "my wish for the procurement function is to help me on my objectives, a better return on marketing investment. Marketing procurement is seen as part of my team and that's why I invite you to our marketing team meetings."

The key to the success is to find the narrative in our objectives, starting with looking at "marketing budget as an investment" rather than as a cost. It is important for procurement to better understand what the direction of the company is and the role of the business partners.

All of us working in marketing procurement have an obligation to enhance our objectives and metrics and link them with the overall company objectives and KPIs.

An interesting area for marketing procurement to explore in the light of sustainability are media investments and related CO2 emissions. Media investments usually represent over 50% of the marketing budget. Therefore, in most organisations, very detailed KPI frameworks have been developed that include brand and business KPIs as well as buying commitments. More advanced frameworks include the increase of quality of media placements which is being recognised in the savings calculation. As the media industry represents a €500 billion business, there is an opportunity to bring the sustainability topic for these services to the next level.

Digital advertising has by now become the biggest investment, bypassing TV, and growing. This means high energy consuming data centers. More than half of the world's population is now online and contributing to more CO2 emissions than the aviation industry, producing 4 % of total CO2 emissions. Marketing procurement can help to determine the metrics, start reporting our digital advertising CO2 emissions and make it part of our sustainability framework.

For marketing products such as print, and packaging marketing procurement can apply practices around certified paper (FSC) and eliminate PVC usage. Another sustainability aspect is travel; how can we help to optimise our ad productions and reduce travel cost? The COVID crisis has already taught us that we can get agencies to pitch online and to optimise production shoots. Let us in marketing procurement find metrics to capture the reduction in CO2 emission and connect it to the sustainability framework.

**Michael Pues-Tillkamp,**

Head of Marketing Procurement,  
IKEA Retail (Ingka Group)



# Partners

Our initial survey back in 2018 mainly focussed on ‘Process’, ‘People’ and ‘Performance’ themes. ‘Partners’ is another dimension that has been added later on, after multiple discussions with WFA members across the world who felt that their perception was not only linked to their internal organisation and processes, but also heavily influenced by the way they work with external partners.

**Agencies acting as extended arms of internal marketing resources can have an important impact on the performance of a company’s business KPIs.**

**Marketing procurement as growth enablers of their business, should play an active role in ensuring the success of the work performed by agencies working on their account too.**

Marketing procurement as connectors that are fully integrated to the core company business, can facilitate top-level discussions between their organisation and external partners, and bring a global company view while marketers engage with agencies on a more brand specific or market level.

A well-managed agency is an obvious competitive advantage for clients, and for the above reasons, can be seen as the mirror of a successful marketing procurement function.

Effective Supplier Relationship Management (SRM) programs will be a way to unlock value and improve the credibility of marketing procurement.

The Sourcing Board has already started to evolve global agency management and created their proposed ‘**principled sourcing for global agency relationships**’.



## WFA’s Global Sourcing Board will aspire to:

1. Behave as strategic brand business partners;
2. Focus on both top and bottom lines and recognise that value is greater than just cost;
3. Identify gaps and invest in learning and development;
4. Adapt our processes to use right and fair selection criteria;
5. Choose agency collaboration over creating artificial market-place tension;
6. Champion diverse, responsible, and sustainable relationships;
7. Strive for commercial terms that enable a viable ecosystem for all parties involved, including agencies;
8. Be authentic and honest with our external partners;
9. Be transparent with confidentiality respect and treat our partners fairly; and
10. Focus on issue resolution before pitching as a solution.

## Relying on external partners to evolve internal perceptions

The success of marketing procurement is often measured by savings delivered or the perception of the CPO and/or the CMO of what great work looks like. There is often a traditional and outdated view of the procurement industry, one that needs to change. Organisations need to realise that the success of marketing procurement should also be measured by the performance of the marketing agencies working on their account.

All too often, the perception is that ‘procurement will take care of the commercials’ and ‘marketing takes care of creating and delivering content’. And that ‘together you have an end-to-end logic and magical approach to managing marketing’. This is a trap many organisations fall into.

Who is creating the environment for agency creativity to flourish? Who is responsible for creating an environment where marketing and agencies are set up to do their greatest work? To unleash their creativity on your brands. I believe the answer to all these questions is marketing procurement. From internal budget management to agency briefing processes, from creation of winning KPIs to 360-degree evaluation of these KPIs, marketing procurement is key.

We should always be taking the learnings and making the relationship stronger, ensuring the remuneration model is set up to drive winning outcomes, paying agencies more linked to great performance, driving consistency across global and markets, enabling agency partners to work together as one team and recognising great agency performance, particularly the people who work day in and day out on the account.

The reality is that selecting agencies and agreeing commercials is only the tip of the creativity iceberg, true value is created through the culture and environment you build. Unleashing the potential of your agencies should be priority because if the focus is not on supporting your agency partners to deliver great creative then what you pay, what you negotiate is irrelevant and all the value generated is lost.

### Barry Byrne,

Senior Global Procurement Director, Sales & Marketing, adidas



# Supporting your stakeholders in managing their agencies better & demonstrate your value add

In my opinion, SRM programs are designed to improve relationships to ultimately increase our company's competitive advantage. It may be a familiar topic for the procurement community but not many organisations can say they have a robust SRM program for managing agency relationships that is well understood, encouraged and used by equally procurement, marketing stakeholders and agencies themselves.

**SRM should be seen as an opportunity for marketing procurement professionals to re-create the image of our function.** When designed with end customer in mind i.e. agency talent and key decision maker on the marketing side, it will play a key role in it bringing us closer to our stakeholders.

My recommendation, before entering the SRM space, is that organisations must look at the 'big picture', set up an ambition for the category and regularly track the direction. SRM in order to not become a paper exercise within procurement, must speak the business language and unlock business value for marketing as a result.

SRM programs can apply to any type of supplier/partner and should at least include the following dimensions: segmentation, development, performance management (SPM), interaction and risk management. They are designed to:

1. Build a stronger agency base for the company in an ever-changing marketing landscape;
2. Speed to market – give clients access to the best agencies and talent for the right job;
3. Scale opportunities e.g. improve agency output, attract agency talent to the account;
4. Mark, record and follow up on mutual improvement between agency and client;
5. Encourage both parties to invest more into the relationship, monitoring its financial health and sustainability;
6. Boost synergies, share knowledge and explore readiness to innovate together;
7. Identify dependencies and work on them;
8. Unlock and allocate mutual resources; and
9. Enable key decisions in marketing and data strategy.

HEINEKEN has recently redesigned its global understanding of what a vital relationship with the agency is, what it means for all parties, what implications it brings and what demand it creates. Depending on the complexity of the agency base, SRM programs could be applied to all agencies or just to more strategic ones. However, practically speaking, as first step, we advise our local markets to put critical agencies under SRM: meaning the ones that really impact the business, bring an on-going value, have long-term (2-3 years) or mid-term (1 year) commitments, with critical budget thresholds and are generally "future proof".

When it is an ad-hoc agency, we feel that there are less benefits through SRM, unless the agency has a great potential to influence the business and there is an intention to grow the relationship. The link between an efficient agency base, SPM and spend productivity is where the finance team can play an important role as well, without diverting the discussion to 'savings' and 'bottom line effect'.

At HEINEKEN, our global procurement team has set up a framework offering some degree of flexibility for local teams to slightly change their approach; for example, they can add specific, local, and critical metrics for the evaluation. It is very key to follow one process across our organisation, one direction, speak one language, while also understanding critical deviations and local differences.

In SPM, most companies are advised to carry out a 360-evaluation based on the qualitative criteria such as: strategy and campaign architecture, production & creative execution, account management, innovation, digital & technology, etc. Fact-based areas have to also be evaluated; it could help to have discussions focused on tangible and quantitative criteria, for example sales, brand equity measures, market share.

By applying a 'no surprises' and full-alignment principles in SPM, we feel that agencies continue to be motivated and encouraged to allocate the best talent to our account. Continuous SRM enables to make the right decision based on facts and to work on improving the relationship with and status of current agencies before considering a pitch process, which can be costly, time consuming and inefficient for all parties.

The current pandemic situation has accelerated the need for SRM with agencies, especially for those companies that do not have a robust framework for it globally. Building relationships during unprecedented times tests the framework, network, builds the core of the relationship and creates greater speed in joint decision making.

**Ekaterina Agafonova,**

Global Strategic Sourcing Director Commerce, Heineken



# Conclusion

Procurement does not always get the credit it deserves. That's reflected in the publicity that bad marketing procurement practices, real or imagined, attract in the press.

The solution is to show the entire organisation the value that procurement can add. Done well, procurement can have the second largest impact to the bottom line aside from sales. There are typically two ways for a company to grow: by increasing turnover (greater sales) or increasing profit margin (reduce waste, simplify/standardise specifications, optimise marketing strategies, operational models and efficiencies across the value chain, encourage reuse, all of which fall into the role of procurement). Savings should be a positive symptom of value-based procurement strategies, driving efficiencies, reducing wastage... but not the end goal itself.

The role of marketing procurement has been a hot topic. **A growing number of sourcing experts see their future in adding value beyond savings. Not just as a business partner with shared objectives, but as a source for growth within their organisations. In this context, a shift from a savings outlook to a value creation approach is vital.**

There are at least 4 key themes to be addressed that will move the perception of marketing procurement forward: process, people, performance, and partners. All work should be towards shared goals. Marketing, finance, and procurement peers work for the same company and are supposed to be playing on the same squad, with the same ambition: the growth of their organisation. Agencies should help contribute to that common goal and share success with marketing, finance and procurement teams.

Project Spring aims to raise awareness around marketing procurement performance and value – but it is down to WFA members to see if they want to take it further, driving business growth.

This report aims to inspire and create debate internally as well as externally with partners and peers. We hope it will encourage you to find some answers to help evolve the perception of your function in your respective organisations. It is a journey with multiple steps and a lot remains to be done. From being brilliant at basics, stepping up to world-class and then looking to the future. Not everyone is at the same stage of the journey. But there are many common challenges and we all share in an exciting journey of transformation.



---

## 10 traits of a successful marketing procurement team – from the Global Sourcing Board:

1. **Procurement and marketing have shared business metrics for success;**
  2. **Marketers are keen to receive advice and naturally call their procurement counterparts;**
  3. **Agency senior leads engage with procurement to discuss top level client-agency priorities;**
  4. **Beyond the traditional stakeholder status: procurement and marketing feel that they are part of the same team;**
  5. **Procurement leaders have regular conversations with marketing & finance on how to jointly drive value for the business;**
  6. **Reporting of results is part of the over-arching business performance management and the internal and external reporting process;**
  7. **Procurement is seen as delivering business solutions and innovation by challenging and/or changing the business environment for the better;**
  8. **Marketing and procurement provide honest feedback to each other, on how they can improve their ways of working;**
  9. **Marketing and procurement jointly invest in training towards working together more effectively; and**
  10. **Marketers and agency partners see a role in the procurement function as a valuable step in their career.**
-

# Appendix:

## WFA's Global Sourcing Board

**Goal is to revolutionise the practice and perception of marketing procurement.**

WFA created a Global Sourcing Board in May 2019 to accelerate change in marketing procurement by improving practices across the industry. The board aims to help accelerate change, formalise what good marketing procurement looks like, collate standards, and help other procurement leaders progress from cost to value.

Collectively, the Global Sourcing Board represents companies spending in excess of \$50 billion on communications each year, giving them huge power to drive wider change across the profession.

A key element of the Board's work is to champion WFA's Project Spring. WFA's global sourcing community sees the new board as an opportunity to evolve the current perception of marketing sourcing and its value contribution and is ready to embrace the opportunity to improve the industry as a whole without impacting on the competitive commercial positions of individual member companies.

### OUR VISION

Be the trusted partner of brand investment strategy, from sourcing to resourcing marketing and drive the business forward

### OUR MISSION

To define world class marketing procurement and set the standards that members of our community should uphold

### Related news

Getting peak performance from evaluation

Value at the time of the virus

Redefining the marketing procurement value proposition

The WFA Global Sourcing Board, 6 months on



### Founding members of the WFA Sourcing Board:



**Barry Byrne**

Senior Global Procurement Director, Sales & Marketing, adidas



**James Taylor**

Global Procurement Director, Media, Digital and Consumer Planning, Diageo



**Magid Souhami**

former Global Sourcing Director, General Mills



**Jose Gonzalo Bisquerra Mora**

VP Marketing & Sales, Global Procurement, GSK



**Ekaterina Agafonova**

Global Strategic Sourcing Director Commerce, Heineken



**Michael Pues-Tillkamp**

Head of Marketing Procurement, IKEA Retail (Ingka Group)



**Myriam Bénichou**

Global Marketing Sourcing Director, L'Oréal



**Christopher Kredo**

VP Commercial – Global Demand, Mars Inc



**Tracy Allery**

Associate Director, Global Procurement, Agencies & Marketing Excellence, Mondelez International



**Alex Morse**

former Procurement Manager – Media, Nestlé



**Jennifer McLachlan**

Director, Brand Building Purchases, P&G



**Tuomas Anttila**

Director, Global Marketing Procurement, Unilever

# About the World Federation of Advertisers

The World Federation of Advertisers (WFA) is the voice of marketers worldwide, representing 90% of global marketing communications spend – roughly US\$900 billion per annum – through a unique, global network of the world’s biggest markets and biggest marketers. WFA champions responsible and effective marketing communications worldwide.

More information at [www.wfanet.org](http://www.wfanet.org)

For questions on the WFA Sourcing Forum or this report, please contact [Laura Forcetti](mailto:l.forcetti@wfanet.org)

at [l.forcetti@wfanet.org](mailto:l.forcetti@wfanet.org)

## Acknowledgements

This report has only been made possible thanks to the passionate input of highly experienced and forward-thinking marketing procurement leaders. WFA owes thanks to Ekaterina Agafonova, Jennifer Mclachlan, James Taylor, Jose Gonzalo Bisquerra Mora, Magid Souhami, Michael Puestillkamp, Christopher Kredo, Tuomas Anttila, Barry Byrne, Adam Durston-Hillyer, and Alastair Ray. Special thanks to Tracy Allery and Myriam Bénichou for reviewing the entire report and suggesting valuable edits; as well as to David Wheldon who supported our transformation initiative since the very beginning. True change comes when inspiring colleagues, like you, lead from the front.

## Additional Information

WFA is happy to pass on members’ experiences and/or recommendations. Please note that any such experiences and/or recommendations do not reflect WFA’s position and should not be considered as WFA’s experiences and/or recommendations. WFA does not undertake any investigations or make any judgments on the quality or the performance of any agency and does not take any responsibility for the accuracy of experiences and/or recommendations expressed by its members.

## Related insights

Interested in content strategy development? You can find all the benchmarks, meeting overviews and insights on this topic on our [Global Knowledge Base](#), for example:

[Click here](#) for our WFA **survey on Client-agency performance evaluations: the agency view** (2020).

[Click here](#) for our WFA **webinar on search of the unicorn marketer** (2020).

[Click here](#) for our WFA **guide on a marketer’s approach to diversity and inclusion** (2020).

[Click here](#) for our WFA **survey on global marketing operations** (2020).

[Click here](#) for our WFA **survey on effective agency management** (2019).

[Click here](#) for our WFA **survey on global agency relations management: roles & responsibilities** (2019).

Note: You will need to be logged in to download any files from our Global Knowledge Base. WFA members can click [here](#) to get their login details resent to them. Members who are new to WFA can request their login [here](#)



**Note:** All WFA benchmarks, survey results, agendas and minutes are reviewed by Hogan Lovells International LLP, our competition lawyers. WFA Competition law compliance policy:

The purpose of the WFA is to represent the interests of advertisers and to act as a forum for legitimate contacts between members of the advertising industry. It is obviously the policy of the WFA that it will not be used by any company to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition. The WFA carries out regular checks to make sure that this policy is being strictly adhered to. As a condition of membership, members of the WFA acknowledge that their membership of the WFA is subject to the competition law rules and they agree to comply fully with those laws. Members agree that they will not use the WFA, directly or indirectly, (a) to reach or attempt to reach agreements or understandings with one or more of their competitors, (b) to obtain or attempt to obtain, or exchange or attempt to exchange, confidential or proprietary information regarding any other company other than in the context of a bona fide business or (c) to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition.



# WFA members



**World Federation of Advertisers**  
 London, Brussels, Singapore

**wfanet.org**  
**info@wfanet.org**  
**+32 2 502 57 40**

twitter @wfamarketers  
 youtube.com/wfamarketers  
 linkedin.com/company/wfa

