

# Inside the mind of a buyer

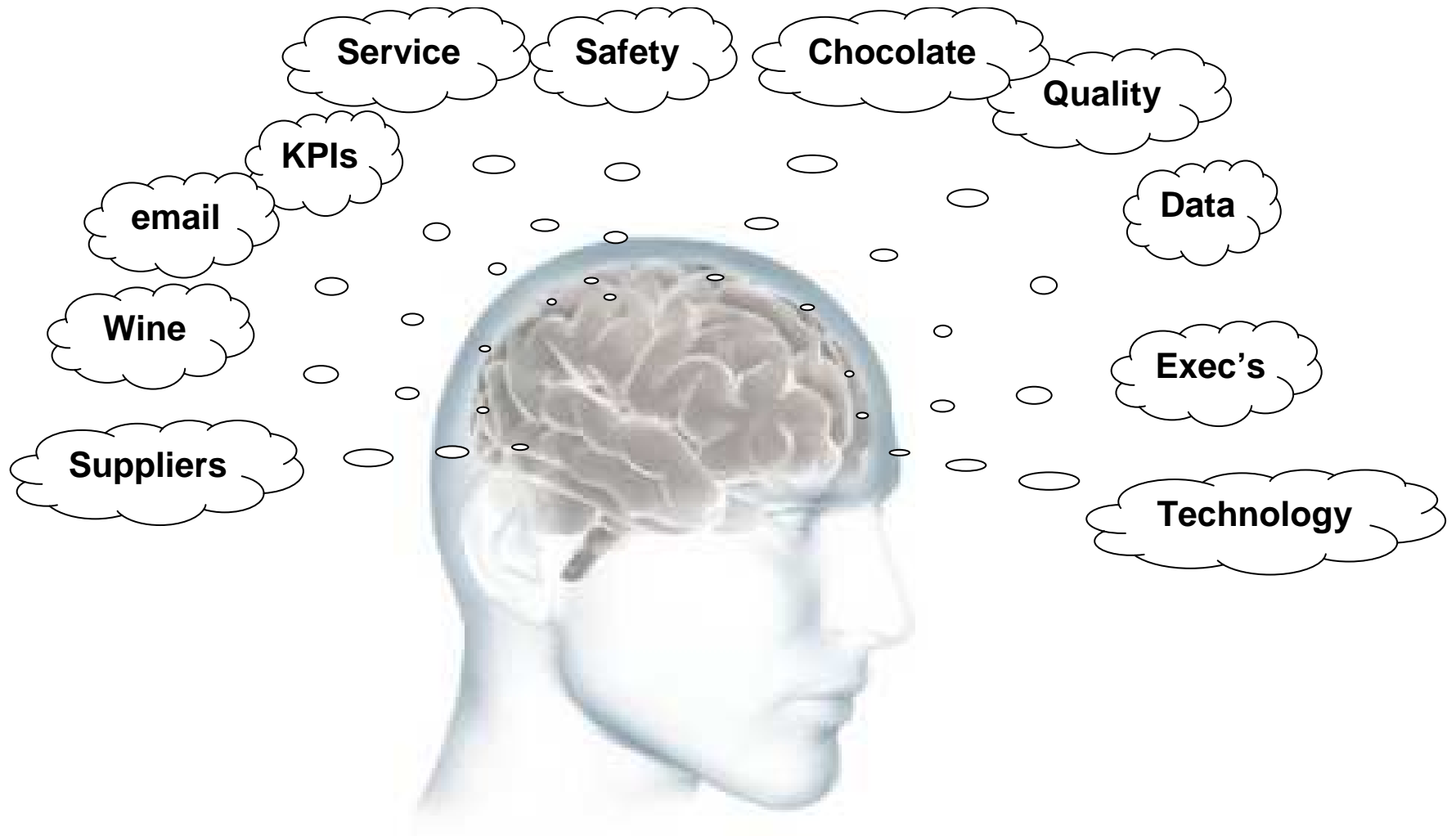
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**e v o l u t i o n**  
**itmconference2008**  
DUBLIN

Lynne Lawrence  
Marsh & McLennan Companies



# Get that client –keep that client

- How not to manage the initial sales call
- How to manage the call
- Do your homework
- Data data data
- Playing golf helps !!!!!

Celia Allbut  
Head of European Travel Procurement  
WPP Group



# Post Contract Negotiations

## What happens next?

Your nightmare scenario.....

# On the supplier side

- The contract has now been awarded
- The very clever Sales Team have done their job and are happily enjoying their bonuses in Barbados
- BUT...

# On the supplier side

- The Sales team have oversold the product / service to the customer without telling anyone
- The contract SLA includes items that:
  - have never been done before
  - have impossible timelines
- There is no senior sponsor of the customer relationship
- An account manager, who joined the company last week, has been assigned the new customer and been told to “Deliver”

# On the customer side

- The Contract was negotiated by the Global Category Head of Procurement
- There are no clear set of business requirements outlined anywhere
- Local issues relating to requirements and implementation have never been discussed internally
- An email has been sent out about the new supplier asking everyone to “Use it”.

What is inside the mind of a Buyer,  
post Contract Negotiations?

What does the buyer need?

# The Buyer needs...

## A supplier / account manager

- Who has been well briefed by their Sales Team
- Who has done their homework in finding out about the customer
- Who understands the client's objectives in appointing the supplier
- Who has read the contract
- Who understands the SLA and will get the relevant KPIs set up to track performance
- Who understands data and how to provide meaningful data
- Who knows where to go within their business and what strings to pull to get things done
- Who can fight for the customer's point of view when reasonable and necessary
- Who can make sure that what was agreed gets delivered
- Who is responsive to customer questions
- Who actively reports back to the internal sponsor for that customer

But...

# The Buyer also has responsibilities...

- To be clear about business requirements
- To communicate effectively to the right internal stakeholders who will be using the supplier
  - Regarding implementation & timelines
  - Regarding expectations of service levels
- To provide constructive feedback to the supplier
- To market the supplier to the business where appropriate and as appropriate
- To communicate to the supplier any change in company strategy where necessary
- Most importantly, to deliver on expected volumes of business

Hannah Bodilly  
E.& J.Gallo Winery Europe

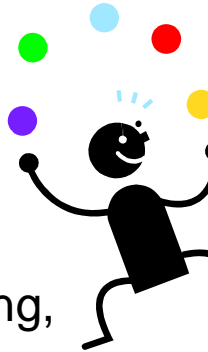
# Being an SME buyer.....

- **10+ years in Procurement** (Peugeot, Honda, Ford, Cable & Wireless, PwC)
- **Purchased categories** from Stationery to Stereos, from Marketing to Mobiles
- Now at Gallo, heading up European Purchasing and managing TRAVEL
  
- Not the biggest fish => negotiation/leverage difficult
- Quite demanding, specific style/culture requests
- Keep up with **new initiatives** in market-place
- **Big brand** is not synonymous with multi-million travel budget!



# What does my job involve?

- Definitely **multi-tasking!**
- My responsibilities at Gallo are managing **European purchasing** dept. (direct and indirect) incl:
  - Bottling, warehousing & distribution
  - Office equipment, HR & Car fleet
  - IT hardware, software and Telephony
  - Marketing and TRAVEL
- I handle processes such as Initial Sourcing, Supplier Visits, Negotiations, Contract writing, Contingency/exit plans, Supplier Relationship management.....
- Additionally I am also the **Facilities** Manager, **Fleet** Manager, **Health & Safety** Manager
- **Critical areas** to the business such as Warehouse tender, Bottling issues, Advertising agency agreements
- **Disproportionate amount of time** taken up on categories such as travel:
  - Negotiations with TMC's, hotels, airlines, card suppliers
  - Attending events with Institutes, presentations, conferences, journalist interviews etc



# So why is travel important to Gallo?

- **Easily affected** when times are hard
- Pressure and focus on T&E – large number, the first **area to be CUT!**
- Very specialist and **time consuming** - procurement time negotiating & operations
- Emotional, **affects everyone** like few other categories
- **Discipline** needed to change behaviour and affect savings.....



# What can you do to help?

- Understand that I am **not dedicated to travel** – time is limited
- Make **process of working with you easy** for me
- Be the **gatekeeper of my policies** and procedures
- You need to **do the work for me**, reports, keep me to deadlines etc
- **Be flexible**, not always face-to-face meetings but come in when requested
- Initial contact via phone then e-mail details for file
- **Pro-active advice** on Travel policy, Special deals/rates, Business cases, New technology savings opportunities
- Useful **Management Information** reports (not too much!)
- **Consistency** of personnel, including Account managers, key contacts, agents



Caroline Strachan  
International Travel Manager  
Global Procurement & Sourcing  
Yahoo!



Important question to self ...  
In my organisation is travel...

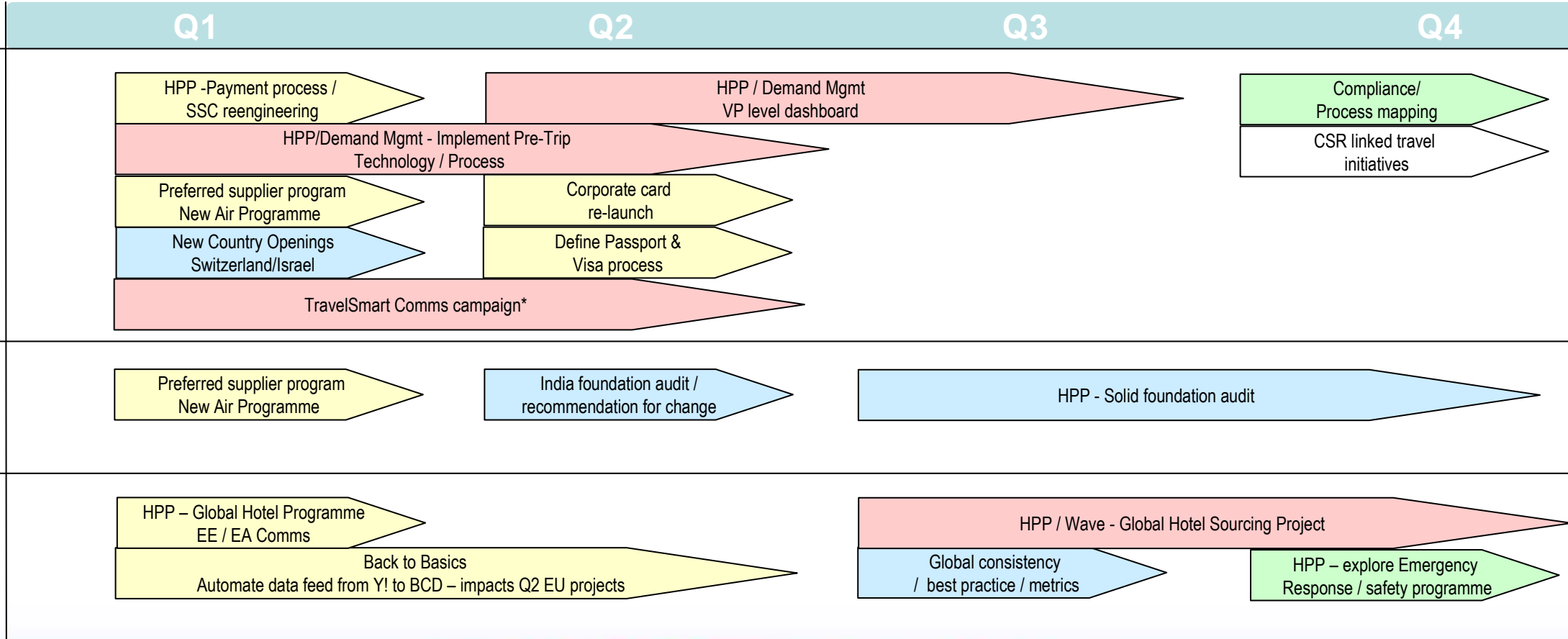
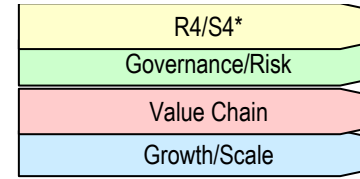
- A. Essential our business would grind to a halt without it
- B. An enabler?
- C. A budget line item?
- D. A pain, I wish we didn't travel

# Yahoo! Global CFO Objectives

- R4/S4
- Governance Risk
- Value Chain
- Growth/Scale
- Team

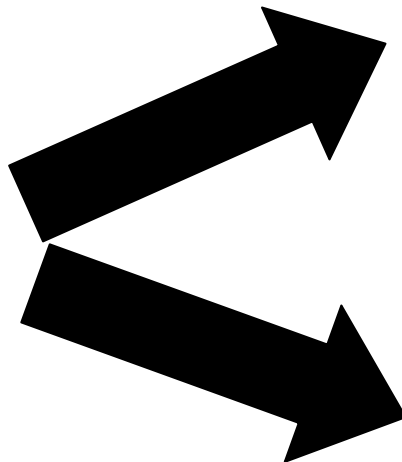
R4: Restructuring, Reengineering, Rightsourcing and Rationalization  
S4: Simplification, Standardization, Systematization and Scaling.

# International Roadmap



# How I'm measured

**Agreed objectives  
On Time Delivery  
360degree feedback  
One Yahoo!  
Contribution**



**Compensation+  
Promotion  
Awards/Recognition**

**Compensation-  
Dispensable  
Zero value**

Thank you!

Any questions?

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