

PERFECT

I02 Focus group feature

Introduction

Service purchasing is emerging research field, and for instance setting a service specification could be daunting task for purchasing manager. How about controlling service purchasing process, or maintaininf development projects with service suppliers? The main point is that manager need a lot of special competencies in order to succeed in service purchasing. With focus groups and associated expert interviews it was possible focus on selected areas in the competence analysis. Expert interviews included 7 executive professionals, which most of them had experience about service purchasing. In the first focus group the invited participants were experts in the service purchasing. Second focus group was organized in identifying the competences needed to solve the future purchasing challenges in the organizations.

Future competencies cannot be fully known beforehand, that is something we all would agree. However, one can guess. The most agreeable guessess are conserning IT skills, e-procurement developments, and especially data management and digitalization. These changes will change the job profiles of current workplaces, not only exterminate but create new job profiles. In these new job profiles, there are no routine tasks –or are there? We cannot surely know, but one thing is sure. Resource efficiency is and will be important from now to the future. It is also a sign of meaningfulness of sustainability, since resource efficiency and maintaining it is very sustainable thing to do. Maybe the increasing ability to analyse data will be moved towards implications to reduce waste and losts.

Cases of PSM competencies

With focus groups and associated expert interviews it was possible focus on selected areas in the competence analysis. In the first focus group the invited participants were experts in the service purchasing. Service purchasing can be charactirize different and sometimes more complicated than purchaing only physical products (Smeltzer, 2002). Second focus group was organized in identifying the competences needed to solve the future purchasing challenges in the organizations. Finally, the summary of the findings from the expert interviews on purchasing competencies is presented.

First focus group was organized with the infrastructure service organizer expert group. Altogether 9 experts were involved in facilitated Interactive session with computer aided group decision support system (GDSS) service platform. The focus group on the direct services purchasing categories. We selected a case organization for the study which purchases for the infrastructure management. In the first part of the study we use the structured focus group method where the group of professionals from the case organization were asked to identify and map the competencies needed in the different stages of the procurement process to effectively fulfill the tasks in the process stages. Process stages are in Figure 1.

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Figure 1. Purchasing process phases used in the competence identification

Table 1. summarizes the selected competencies identified during the focus groups session. It identified during the session that purchasing professional were comfortable of focusing on different process phases during the competence mapping. However, it should also noticed that some of more generic skills and competencies do not necessarily affiliate just with any particular phase.

Table 1. PSM competencies identified in the study

<p>Planning and needs recognition</p> <ul style="list-style-type: none"> Communication Knowledge of customer needs Ability to analyze customer needs Understanding of value adding principles Substance Knowledge of supply markets Collecting supplier's experiences Networking Utilizing experts Understand how purchasing can enable innovations Understand business environment 	<p>Requirements and specification creation</p> <ul style="list-style-type: none"> Substance Facilitate expert meetings Spesification Spesification analysis Detailed identification of needs New modes of action Courage to use new purchasing procedures Usage of quality and scoring procedures Contract law Identify various purchasing procedures Spesification of minimum requirements Utilization of supporting functions 	<p>Supplier selection</p> <ul style="list-style-type: none"> Comparison of bids Supply market analysis Evaluation and order of quality factors Utilization of comparison criteria Procurement law Usage of quality and scoring procedures Interview facilitation Checking of minimum requirements Evaluation and reasoning Facilitation of work task demonstration Facilitation of call of tenders event
<p>Order - delivery</p> <ul style="list-style-type: none"> Buyer-supplier interaction Contract management and monitoring Deviation management Time management Document managenent Authoritative administration Early step in if needed Monitoring of delivery schedules Courage to adress errors and charge sanctions Timely communication and decision making Anticipation of changes and early warning Informing of stakeholders Rapid reaction to changes Stakeholder communication 	<p>Control and follow up</p> <ul style="list-style-type: none"> Document filing Project leadership Purchasing knowledge transfer Reporting of quality Facilitating event for purchasing feedback Checking utilization of delivery Highlighting development targets Monitoring of financial ratios Feedback to stakeholders Customer feedback monitoring Communication 	<p>Supplier relationship development</p> <ul style="list-style-type: none"> Process and service development Involvement in early stages of purchasing Collaboration with suppliers Stakeholder collaboration and involvement Internal customer management Listening of final customer

In order to replenish process view, interviews were done which more concentrated on supplier integration and long term orientation between buyer and supplier. The main enabling variable for supplier integration is integral integration inside the firm. That is why the next section discuss first internal integration and then supplier integration.

First of all, in terms of information sharing, purchasing manager has to clearly communicate upcoming ideas, which base on analytical thinking. Clearly communication is not just about clear articulating but ability to find right person to communicate with. Process integration is enabled by team work skills inside the organization, for instance ability to compress own message to easily readable form. One powerpoint slide may be enough, and thus enable efficient communication. Purchasing manager needs

to show causal relations clearly, and be master of process mapping. R&D process is one example in which purchasing manager can add value by proactively selling ideas to which the firm could embrace. Internal IT systems may not work if internal processes are not clearly defined and described by purchasing or other involved departments.

To take look on supplier integration points, one main issue is information sharing with supplier. Purchasing manager is positioned between supplier and buyer organization. Information sharing is going more fluently if both firms are able to adaptations to fit together, which requires negotiation competencies from purchasing manager. Sometimes it is best way to teach all suppliers to act similarly in terms of information sharing –sell buyer’s way of doing. It require salesmanship skills from purchasing manager as well as preferable customer imago that cover the whole organization. Purchasing manager needs to ask from supplier, what is their idea to solve the problem and forget attitude that supplier is only server which do what is told. In other words, supplier must let be active participant.

Purchasing manager needs competencies to evaluate supplier in terms of how deep process integration is suitable. Analytical skills and forecasting of future of the relationship play crucial role in this evaluation. Organizational culture assessment, what kind of control and steering programs supplier would prefer to use, and willingness to develop new could be things that purchasing manager must be able to observe.

Purchasing manager need listening skills to show that supplier’s messages are received and understood. The ability to create conversation with deep insights between parties is seen as key to take out best of each relationship. Managers build information exchange channels that cross organizational boundaries. These channels match logistics personnel, engineers of both firms, and marketing, for instance. But responsibility to build these channels are set to purchasing manager, to be a facilitator and connector. In addition, different organizational levels can be brought together in order to boost conversations by purchasing manager.

Future competences and trends

In order to highlight the future purchasing skills the focus group of experts (n=18) was asked: What are the challenges for the acquisition of management will be solved in the future (2020/2025) and to think about the needed competences? Then the experts had a group discussion on the connected topics.

Networking and collaboration

It was highlighted by the participants that networking outwards of the company should be improved in order to obtain better use of suppliers' innovation potential in the future. The facilitation skills of the early innovation stage concept development and idealization was called for. It was addressed that purchasing personnel should be able to facilitate networks of partners. This also reflects to the better utilization of the supplier and also other stakeholder cooperation potential. The competences needed for the development and management of suppliers' innovation culture was recognized important cooperative skill. It was also addressed that purchasing staff should think and act under the mindset of service dominant logic. This implies that also intangible exchange factors should be considered in performing the tasks.

Data Management and digitalization

Essential management competence was related to the understanding the value and opportunities of the digital transformation from the purchasing and supply management perspective. It was recognized that in the future data management competencies include effective processing, refining and sharing of various data inside the companies and between their supply chain partners. The knowledge of the systems and tools for real-time information sharing and competencies related predictive analytics were mentioned. However, Also technologies such as IoT, Artificial Intelligence and Blockchain were mentioned to affect to the process development and management.

Resource effectiveness

One of the main themes in the focus group discussion was related to the developing skills or skill set that an organization can operate effectively with low resources. In general, it was debated that the large variety of good-enough competences is needed for success and that was also recognized as an ideal job profile for many purchasing positions in industrial companies.

Complex interorganizational structures and sustainable practices

From expert interviews one message was that in order to follow own supply channels, visibility is needed. Sometimes it is hard since supply chains can be long and complex including even “hidden” participants and stakeholders which some suppliers are willing to hide. Especially in cases of child labor or other unethical choices. One remedy to this could be auditing competencies and ability to demand reports and proofs from suppliers. Of course, supplier selection plays crucial role, but managing complexity have to be applied before and after contracts –and even skillful supplier may be revealed as bad choice after years of collaboration. One competence is to use second sources such as politically neutral associations and organizations to provide information about supply chains. Ability to manage and understand complex inter-organizational networks are IT and data management in order to provide information inside and outside of organizational boundaries. Otherwise small hints of supplier misbehaving practices are hidden from most of the parties, even if someone in the organization could see or doubt something.

Conclusions

One person cannot handle every single skill. None of us is able to everything alone, and purchasing is usually made in teams. Thus, one needs team support, but unfortunately people tend to form their own blocks with homogenous thoughts. It is like hiring process in which the recruiter chooses same minded persons instead of persons that are bringing contrast to the team. The team should be built with variation in mind. This means ability of networking, breaking the silos, and advanced social skills. In addition, in order to build variation, in this research we first provide set of competences, divided by process phases, which should be there when that phase is going on (Table 1.).

Secondly, as extract from focus groups and interviews, four trends were found: Networking and collaboration, data management and digitalization, resource effectiveness and complex inter-organizational structures and sustainable practices. An successful team should have these

competencies per process phase, and in general skills that are related to networking, data management and digitalization, resource effectiveness, as well as sustainable practices.

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