



**The listen,
shape, deliver
framework:
how to succeed
in the first 100
days as a chief
procurement
officer**

Recently appointed chief procurement officers (CPOs) can quickly make a mark in their new role by listening, shaping, and delivering.

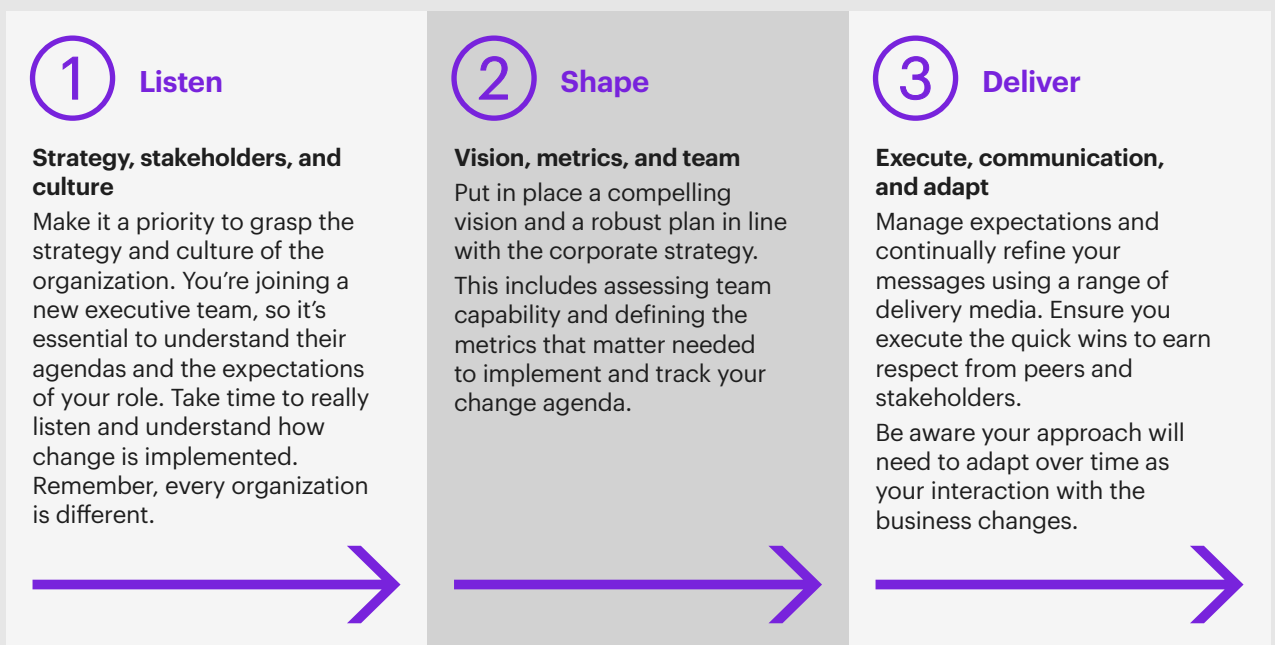
Kearney has designed a useful tool to guide and support CPOs as they tackle the most challenging time of their new role—the first 100 days.

In today’s increasingly volatile and uncertain economic climate, in which so much more is delivered through suppliers, procurement has become a core business function. The job has grown from back-office purchasing to strategic sourcing to encompass executive-level strategy formulation, innovation, and sustainability across all spend. This development has further thrust the role of the CPO into the spotlight, with companies now seeking to attract and develop the best talent to deliver this.

Like all executive roles, CPOs have a very small window of opportunity in which to make their mark at a company and are thus under immense pressure right from the start to fulfill business goals and further their organization’s growth agenda. In our experience, the average tenure of the CPO is less than four years. So, for any new incumbent, the first 100 days in the role are particularly vital when it comes to enabling future success.

Drawing on our extensive experience working closely with CPOs across various industries, we’ve compiled a comprehensive framework to set new senior leaders on a course for that success. In this white paper, we summarize that framework and provide three steps for CPOs to follow: **listen** so you can understand the environment you’re entering, **shape** a vision and plan, and **deliver** against expectations (see figure 1).

Figure 1
Kearney suggests a three-step framework for the new CPO to follow



Source: Kearney analysis

The five CPO success factors

Month 1: gather knowledge, become data-rich, and establish measures for success.

1. Invest time in understanding and aligning with stakeholders

Make time to meet with executives and to understand their specific business strategies and needs; start the process of building relationships. Understand the executive agenda early and determine the appetite for change.

2. Plan for success and own your strategy

You only have one shot to get it right, so come prepared with an initial plan. Don't delegate your vision—instead, set the agenda and strategy and execute well. Seek executive endorsement and support for your plan.

3. Build your brand—deliver quick wins

Identify and deliver quick-win initiatives, and ensure you're fact-based in order to help build credibility and your support base. Balance effort, value delivery, and risk in all decisions.

4. Rebuild your capabilities

Your job will be to implement change, so make sure you have the right capabilities to execute well. Explicitly test your team on ability, engagement, and aspiration. Make the tough calls on poor-performing resources and legacy systems early—don't wait.

5. Communicate, influence, and manage expectations

Define your role and metrics that matter. Communicate these clearly and often to key stakeholders. Replace broadcast communications with one-on-one targeted sessions to increase your influence. Manage expectations and what's realistically achievable.



While the steps are simple in concept, failing to follow them could well impede you and your business's ability to make an impact on the organization's top and bottom line.

We're aiming this paper primarily at CPOs who are moving into a new organization; however, a similar set of challenges will face those who are arriving in their role via an internal promotion. The First 100 Days Framework is just that—a framework—and should be tailored to your specific situation.

Indeed, whether in centralized or decentralized, local or global procurement functions, we would encourage all readers to adopt this approach, and consider how specific elements would need to be adapted to ensure success for them, their new team, and their business.

For any new CPO, the first 100 days in the role are particularly vital when it comes to enabling future success.

Step one: listen—understand your environment

As a recently appointed CPO, before you start making changes and implementing any new procurement functions, it's vital that you **invest time in understanding the environment you're walking into**. That means gaining a detailed picture of the culture of the new organization and the CPO's role within that, along with a clear understanding of any stakeholders and suppliers who'll be crucial to your success. Of course, a CPO also requires a detailed plan for change, but this needs to be "kept in a back pocket" until you're confident that you know how to correctly position it within the business.

Understand the strategy

Understand the executive agenda early and determine the **appetite for change**. A company in rapid growth versus aggressive cost reduction will have very different requirements of procurement. What is the relative importance of supply chain risk, sustainability, compliance, innovation, and cost savings? Meet with executives to get a grasp of the **company-wide strategy** and then with business unit leaders to discover how each is implementing it. From here you can start to identify how procurement can enable the strategy.

Remember this: listen, listen, listen. Obtaining sign-off of your procurement plan will be a lot easier if initiatives can be linked to the company or business unit strategies.

Understand the role

Gaining a detailed understanding of the **CPO's responsibilities** is also important. Key factors to consider here are the current structure of the procurement function, its place within the overall organizational hierarchy, and the perceived value of procurement. It's also vital to understand the expectations of superiors and other senior staff members whose objectives your role may support. Given the breadth of internal teams that procurement affects, your success as a new CPO will also depend on understanding the key internal stakeholders and suppliers with whom you need to establish an effective working relationship.

Remember this: as a CPO you should be clear on what you will and won't address. You should focus on exceeding expectations on a clear remit, rather than taking on all stakeholder objectives.

Understand the culture

Start by piecing together a picture of **organizational norms** (values and attitudes) so you can better adapt your behavior and style. It's also important to recognize what drives the people and the various organizational units—such as operations, marketing, and sales—within the business. Then there are the formal and informal hierarchies within the organization, which any new CPO should take time to appreciate. Who sets the pace? How are problems escalated and solved? How is change implemented and maintained?

Remember this: new CPOs often rush to make changes as a means of stamping their authority on the business. However, this is often perceived as a threat to the organization and may come across as arrogant.

Understand the stakeholders

Building credibility depends on establishing good relationships with stakeholders; this includes your immediate procurement team along with senior management more broadly. As a new CPO you need to understand the agenda of each stakeholder group. Given how important these groups are to your success, you should focus on their needs individually.

- **The immediate procurement team.** Identify the key players and build their support. Seek to understand the blend of expertise at play and how individuals complement each other. Start identifying the "stars" and develop a picture of individual capabilities and motivations. You also need to clearly communicate to each team member the specific role you expect them to play.
- **Senior management.** You need to ensure that your vision for the CPO function is aligned with overall business strategy. You must be clear on what the role will and will not address, the degree of change expected, and the time frame you have in which to deliver results. While this is an iterative process, it'll serve you well if you seek guidance from day one. You'll need to use a structured framework (such as the one outlined in this paper) to engage with senior management and raise the problems you seek to address.

- **The business.** Collaboration with stakeholders throughout the organization is crucial. Our research shows that a proactive approach is the most effective strategy. A formal stakeholder management plan for engaging any major players may help you overcome any challenges you encounter.
- **Suppliers.** As you build your plan, it'll be important to identify any strategic suppliers and categories and engage with the companies that'll be crucial to success. Your ability to deliver ongoing value to the business will be greatly improved if you can show your most strategic partners how they can fit into—and influence—your vision.

Remember this: resist the temptation to try and please everyone. Rather, identify any true believers and capitalize on their support to help build a case for change. At the same time, you should spend time with anyone who's neutral or even negative, to understand their approach and work out how to rectify these challenges. This may seem an obvious point to make, but if you're unable to manage the simplest aspects of the role, it may be hard for the wider business to believe that you can bring about significant change.

Your first month: gather knowledge, become data-rich, and establish measures for success

Get to know people. Walk the floors, conduct meet-and-greets, and establish relationships with your team and C-suite peers. Meet those people who may not be formally part of the procurement function, but whose roles affect how it operates.

There are four key groups to engage:

- 1. Your procurement team.** What do they do, who are the stars, and who needs support? What's your team's reputation and what has it tried in the past? Get your head around the numbers and establish credibility by getting into the details.
- 2. Executives.** What's important to them, and how will procurement support their agenda? What sort of change are they expecting, and over what time frame? What issues "have a home" within procurement? Manage expectations—you're going to be asked to solve a lot of problems.

3. The business. Meet users and get their view on what works well and what doesn't. Does procurement add value? If not, why not? Identify any quick wins you can act on right away. In short, build your brand and start getting things done.

4. Your suppliers. Which suppliers are truly strategic? Remember that getting to know your external partners as well as you know your internal stakeholders is crucial to success.

It's good to start with a plan, but don't be too eager to apply it just yet. Be humble. Figure out what others know, and what they expect you to deliver.

Focus on data. It's crucial to set a baseline (beyond pure cost) as this will be the platform for your plan and the key to stakeholder engagement. Be ruthless in your data gathering.

Understand what good looks like. Once you know who's who and what's expected, you can develop a draft strategy that builds on your experience and is tailored to stakeholder needs. Identify any quick-win opportunities that you can start on next month.

Step two: shape—develop a vision, plan, and metrics

As you build your understanding of the business, you need to draw on your experience **to develop your agenda, ways to measure performance, and a resourcing plan** for your team. You need to obtain the green light to proceed with your plan and be ready to implement it. That'll ensure you can quickly move forward with the full support of a performing team. You should also be in a strong position to unambiguously communicate success.

Develop your agenda

As we've stated above, one of the first goals of any new CPO should be to **establish credibility with key stakeholders and understand their needs**, so you can define a procurement vision that's aligned with the corporate strategy. This requires meeting with senior stakeholders to understand their real issues and priorities and work out the best way to effect change. Initially, you'll need to play a hands-on role to build perspective and credibility.

We often hear businesses complaining that procurement is an overhead, it costs too much, and it should be looking to save money. Before addressing any such frustrations, you'll need to drill deeper into the problems using a fact-based approach. Identify the actual company spend on procurement before holding a wide range of stakeholder meetings—including listening to any skeptics, as this will help to highlight any problematic issues. These methods will provide an understanding of the "why" (that is, why procurement needs to deliver significant value), the "how" (how to develop a two-year plan), and the "what" (building capability and executing the first stage of the plan) of the company's strategy. Our experience has shown that a lack of clear long-term planning and cohesion between business and procurement is the reason why procurement has struggled to make past efforts stick. For a new CPO, this dimension is even more crucial for success.

Remember this: while you should draw on any specific previous experiences, avoid using phrases such as "At my last company, we did it this way," as it can undermine motivation and make people feel disenfranchised.

Develop your metrics that matter

Your **success or failure as CPO depends on your ability to communicate your performance**. As a first step, you'll need to work with your senior management team to define a series of SMART objectives (that is, objectives that are specific, measurable, achievable, agreed-upon, realistic, and time-based), indicating how procurement will contribute to the overall profitability and development of the organization. You'll need to review these regularly.

Your organization should define separate measurement criteria for the procurement team and the CPO role to ensure that the targets are achievable. If an organization doesn't set objectives or targets (very rare, in our experience), you should suggest a series of goals to work toward and discuss them with your boss. The agreed metrics should be focused, realistic, well-defined, and once they've been achieved you should recognize the effort put in by all parties involved.

Remember this: it can be all too easy for new CPOs to try and measure everything and, in doing so, set themselves up for failure. We recommend selecting three to five key metrics that are simple and straightforward to understand and measure.

There are increasing expectations on procurement teams. Gone are the days of just reporting on compliance and savings. Now procurement must track and manage key performance indicators (KPIs) across supply chain risk, environment (for example, scope 3 emissions), social (for example, reconciliation, modern slavery), and governance.

Refine your capability needs

Even before you walk into an organization as the new CPO, you need to use prior experience to identify your own gaps in areas such as soft skills or technical experience. This may highlight a need for training in technical skills (industry-specific training, for example) or leadership and management. Whatever the case, it's imperative not to overlook your own training needs.

At the same time, you also need to determine the training needs of the immediate team by conducting interviews and capability assessments. Historically, procurement teams were primarily focused on following process and running extended tenders. Expectations on procurement have changed and so have the required skill sets. Teams today need to be able to manage volatility, uncertainty, complexity, and ambiguity. Expertise in category management, supplier relationship management, innovation management, and supplier resilience are required across the team.

Once these have been identified and documented in individual development plans, you can structure an overall training plan that understands the team's strengths and weaknesses and outlines a strategy to ensure future success. We recommend using the 70/20/10 approach, where 70 percent of what's required is learned on the job, 20 percent is gained through training, and 10 percent via self-development.

Only when the team and the CPO are adequately trained will an organization have an effective procurement team.

Remember this: while knowledge of the business is valuable for success, it's even more important to have people on your team who believe in the changes you want to make, can help you conduct the difficult discussions, and are able to make the change stick.

Your second month: chalk up wins, gain approval for your vision, and mobilize

It's important you get C-level sign-off on your vision and two-year plan and ensure that both have been widely communicated and agreed upon. Use multiple media—email, video conferences, roadshows, and newsletters. You need to sell your message.

You're about to become a big target—what you do will affect a range of people and create work for them. So, the business needs to understand why you're taking such steps and what's in it for them. Your messaging throughout the process needs to be clear—reinforce your vision and show progress. This is also the time to be very clear on expectations and timing. Who does what and by when?

At the same time, decide how you're going to measure success and communicate progress. Enlist the support of others and seek regular feedback from stakeholders. Schedule catch-ups to get a sense of the impact you're making and the areas to be improved.

Your team needs to be clear about its roles. If there's a restructure to be made, then plan for it now. Resolve any resource constraints—can you “borrow” from the business, or ramp up your team? Training should also be addressed, but be careful about the picture you paint. Select training is okay, but a wholesale change program may raise questions about your team or your ability as a leader.

Understand what good looks like. You've gained approval to proceed with your procurement agenda and identified training needs. You have the resources you require, and the business of communicating your vision to the wider business has begun. Stop planning—it's time to execute.

Step three: deliver

Communications and expectations are two pivotal elements that you need to manage within your first 100 days as CPO. Initially, you'll need to ensure that key stakeholders understand and are thoroughly familiar with your vision. When the time comes for implementing that vision, you need to communicate the plan widely to ensure maximum impact.

If you can manage expectations and seek feedback on your role, initiatives, and progress at every stage of the process, you'll have a better chance of successfully implementing change (see figure 2).

"Where a company has a poorly recognized procurement function, the new CPO needs to:

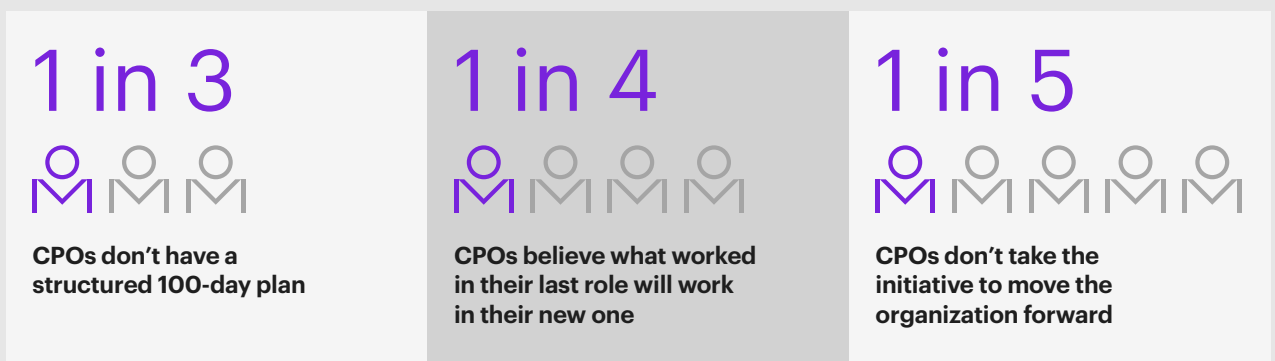
1. **Listen and learn.** Build the network and understand the requirements, power brokers, and different business lines, along with their priorities.
2. **Develop a plan.** Understand the spend profile and develop a prioritized plan of early wins, aligned with business needs. Get to know your most important stakeholders and build credibility by developing an understanding of the things that are important to them. Start small, though: don't try to eat the elephant in one meal.
3. **Identify quick wins.** Look for speedy results on some hot issues or problems and make them known.
4. **Establish a strong steering structure with key power brokers.** Educate them and engender early advocacy."

—CPO, global construction company

Figure 2

The first 100 days: what recognized procurement leaders say

In our experience ...



Source: Kearney analysis

“I advocate evolutionary transformation. That means the first 100 days should be a time for introducing, listening, and observing, rather than blowing up the team for dramatic effect.

- For the first 40 days, focus on people. Gain the trust of the procurement team and key stakeholders; inspire confidence and provide leadership.
- For the next 40 days, focus on process. Take stock of the organization’s procurement processes, data inputs, and reporting capabilities, with a view to making early improvements and long-term enhancements.
- For the remaining 20 days, focus on systems. Does the team have the right infrastructure and systems to make good decisions?

If a new CPO follows this approach, he or she will have the confidence of the organization and a full pipeline of work to make a success of the new role.”

—CPO, global insurer

“The goals for your first 100 days as a CPO are probably not too different from those for any other senior management role: that is, understand business goals, get to know your team, network, have some early wins, and finalize your department’s strategy. On top of that, you need to maintain business-as-usual operations and deliverables. Maintaining the expected standards will be essential so you can focus on shaping the department.”

—CPO, global bank

“Understand why the function is where it is; this assists in understanding the environment you are working in and provides an assessment of some of the barriers you’ll experience. Communicate often with your team so they understand your observations and ideas. Get them on board; remember you’re working with them. Demonstrate authentic leadership and respect what has gone before you—there’s usually a reason, even if it’s different than what you would do. Calibrate observations regularly to ensure opportunities are ‘real,’ not the voice of a few or ‘the message you expect to hear.’ Plan your succession—how big is the gap between you and your leadership team? And a vital question: can your leadership team fill your shoes in 12 to 24 months?”

—CPO, global chemicals manufacturer

“The first 100 days are critical to the task ahead. My initial activities are always to understand where procurement fits into the organization culturally, collecting a fact base and building stakeholder relationships—remaining passive and mainly listening at the start. Then I plan the next 18 to 24 months, showing quick wins and long-term strategic moves to transform and optimize the procurement area. I also ensure I’m ready to present to the CEO to gain that all-important executive support.”

—Procurement lead, global mining company

“Procurement teams need to be comfortable operating in a constant state of transformation, adapting to the changing requirements of stakeholders, customers, and the markets within which they operate. The scope of procurement’s value delivery must be broader than cost savings. CPOs need to ensure that the total value they deliver is captured, including revenue generation. They also need to increase procurement’s visibility and the importance of its role within their organization. Partnering with the supply base takes on a new significance in this changing environment, with a need for regular communication. CPOs must build an ecosystem in which suppliers can collaborate with internal stakeholders and other supply partners to generate innovation that contributes to improved shareholder value. Attracting, supporting, and retaining strong talent to ensure a high-performing team is also incredibly important. Facilitating an environment in which the team members collaborate with each other to learn and build capability not only improves performance but also increases engagement levels, a proven indicator of enhanced business performance and results.”

—CPO, Australian FMCG

“Help make that first impression count by taking time to research your stakeholders—it makes them feel good and makes you look informed. Take the time to plan the agenda and what you want to get from those introductory meetings, then follow up afterward. Where possible, also aim for ‘walk and talk’-type meetings—you’ll get great bang for your buck in terms of observing and learning about the operations, and at the same time build relationships with key stakeholders. Great ideas will be stimulated during what can be a hectic few months with headspace at a premium. In terms of the team, interact and collect 360-degree data points from whoever you can, internally and externally—but do trust your gut and act quickly and definitively when change is required, as it invariably is. Rip off the Band-Aid. Your team will expect change, and while taking them on the journey is critical, they won’t thank you for extended periods of uncertainty. And don’t miss the chance to capture your baseline metrics—it’ll be essential for you and the team to demonstrate and recognize progress to maintain momentum.”

—Head of procurement, entertainment group

Manage communications

A sound communication plan forms the foundation on which CPO results are shared. All the dimensions mentioned in this paper are only effective if you have a clear and concise way to reach your audience. Before drafting a communication plan, you’ll need to determine the stakeholder groups (both primary and secondary) and the key messages you wish to communicate. At the same time, it’s important to consider the right medium for the message and the timing of the delivery. While sending a group email might be the easiest way to reach a mass audience, it may not always be the best option.

Of course, the communication plan should be drawn up in consultation with the communications department and the executive team. Informal communication mechanisms such as behavior, dress code, and quality of documentation can have a significant impact on the message being delivered.

Remember this: to prevent confusion, keep your message clear and succinct. Our research indicates that it’s better not to rely on any single medium; rather, hold roadshows and working sessions to sell your agenda, and use a diverse range of electronic media such as podcasts and videos.

Manage expectations

If you can establish what stakeholders expect from the procurement function and get their buy-in for any planned changes, it’ll help your change initiatives succeed. In our experience, it’s only when top-level executives are aligned on expectations and mandate change that the impetus for change flows throughout the organization. To help get a plan signed off, remove all ambiguity about actions, timelines, and measures.

As a new CPO, you can adopt the following approaches to help manage expectations effectively:

- **Influence.** Share your own expectations to establish a baseline position from which to drive alignment.
- **Capture.** Define (with stakeholders) the key qualitative and quantitative measures that matter and demonstrate how procurement can add value to the business.
- **Set.** Work with stakeholders to agree on key rules of engagement and operating rhythms.
- **Monitor.** Establish credible and trusted mechanisms to track and play back performance (this is a two-way contract between procurement and the business).

Your third month: get involved, and gain confidence through delivery

Month three offers a chance to consolidate learnings and formalize the plan. It's also about being measured and purposeful—seeking buy-in as you go, starting with the C-suite, and then broadening out to trusted advisors within your team and the business. Be inclusive—reflect your learnings—but remember you only get one opportunity to make an opening offer, so be bold and demonstrate you can create a vision. CPOs should think of themselves as commercial leaders more so than process or technology leaders.

At the same time, month three is about building on any momentum you've gained and executing some tactical quick wins. Identify some great ideas from within your own team, find a couple of supportive stakeholders, and address some of their frustrations. It doesn't have to be a big initiative, but it does need to demonstrate that you've listened and that you and your team mean business. What's more, the initiative needs to be signed, sealed, and delivered by the end of your first 100 days. That way, you can send a strong signal that change is coming and that the business needs to decide if it's getting on the bus.

Month three is also about identifying the “blockers.” Who does not want you to succeed? Whose buy-in is crucial? Start thinking about your stakeholder map and planning your month three meetings. By day 100 you need to be ready to roll with wins on the board. Start now on building your support network.

Understand what good looks like. You need to have wrapped up your quick-win initiatives by now and have begun tracking the benefits to the bottom line. Numerous experienced CPOs have told us just how important it is to do this. For example, Haris Komarla from DB Schenker says he specifically “aimed for quick wins to build my brand—this is an easy way into the circle of trust from stakeholders and other management team members.”

Remember this: “I promise to...” Not so fast. It's easy for new CPOs to promise too much in trying to impress everyone. We recommend working alongside the business to assess the team's capability and understand all the pieces of the puzzle first, then producing a timeline that's reasonable and consistent with what the organization can withstand.

To help get a plan signed off, remove all ambiguity about actions, timelines, and measures.

What successful CPOs wish they had known before they started in a role

- There's a honeymoon period, but that doesn't mean business-as-usual activities can slip.
- It's vital to establish a strong steering group that includes pivotal power brokers.
- Managing the bottom line is essential. Today's CPO needs to be able to engage on business- and operating-model issues, otherwise you won't be awarded a seat at the big table.
- You need to demonstrate value by continuously contributing to the organization's sustainable competitive advantage.
- You want to keep ahead of the game in terms of regulatory, technological, ethical, social, and sustainability requirements.
- If you're standing still, you're going backward.

Three steps to CPO success

As the adage says, "You only get one chance to make a first impression." Never is this more relevant than when you move into a new, high-profile role. But really there are only three things a new CPO needs to remember: listen, shape, and deliver.

First, you need to **listen** to the business you've entered, and understand the scope and requirements of your new role. At the same time, you must understand the needs and wants of your key stakeholders.

Second, you need to **shape** a compelling plan and vision, along with ways to measure success. Developing your team so you can implement the change agenda is another pivotal element of a successful plan.

Finally, you need to **deliver** the expectations of the business, and continually refine any communications you send out in this regard.

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