



PRESIDENT'S NEWSLETTER REPORT

Upcoming IFPSM Events

27 November 2015
Asia Pacific Regional
Meeting – Taipei, Taiwan

9 March 2016
Board meeting,
Vancouver, Canada

10 March 2016
Board Strategy meeting,
Vancouver, Canada

21 March 2016
European Regional
meeting, Dortmund,
Germany

Autumn 2016
Board meeting, Kenya –
date to be confirmed

21 September 2017
Council Meeting, Taipei,
Taiwan

22-23 September 2017
World Summit, Taipei,
Taiwan.

The IFPSM Strategy for 2015 was to invest to grow.

We have delivered many new initiatives during the year and this communication is an excellent vehicle for me to review the success and challenges that have been encountered and to look forward.

The IFPSM Global Standard has gained significant momentum during 2015 and we have received more applications from organisations across the world than ever before.

We have received enquiries from all the global regions that we operate in and successfully assessed many organisations from across the world including Europe, India, China and Africa.

A significant development that has been delivered is a partnership with VTC in Hong Kong and the Guangdong region of China which will deliver new financial benefits to the Federation and advance our mission to develop the profession.

The Global Standard is now accepted as the benchmark for all education degree equivalent programmes globally and we expect to see the role of honour of successful organisations grow again in 2016.

We have delivered an excellent World Summit in Barcelona where the Federation's community benefited from two days of inspirational key note presentations, a full and varied workshop programme and splendid networking opportunities.

Please follow the link below to access the World Summit video.

<https://www.youtube.com/watch?v=ZuYiy7NoeJI>

The World Summit would not have been such a success without the strong partnership with AERCE and specifically Arturo and Ferran.

We have now confirmed that the next World Summit and Council Meeting will take place in Taipei on September the 21st, 22nd and 23rd September 2017. I would like to take this opportunity to recognise the tremendous commitment of SMIT for offering to host this prestigious event, particularly Steve Lai and his colleagues in their determination to support IFPSM.

We have welcomed our first affiliate member into the community; VTC, and recently our first affiliate member from Africa, PSPTB Tanzania.

Our new website and the refreshed logo have been well received and reflects our current aspirations and member benefits.

We have delivered more engagement opportunities for you, our members, and also your practitioner members than before through strengthening the regions capacity and capabilities.

We continue to regularly update you, our members, through regular newsletters and email alerts.

Please do contribute articles for inclusion in the IFPSM communication initiatives - your association can benefit from a raised profile through these contributions and it is part of the DNA of the Federation to share best practice.

We have created a new standard that will replace the Certificate of Competence which will be launched over the next few weeks and which provides a new opportunity for member associations to submit those programmes that do not meet the Global Standard criteria to be assessed and if successful, to receive a recognition of their quality .

We have also agreed to offer those organisations that have achieved the Global Standard and from 2016 those organisations which are assessed against the new standard a “Certificate of Recognition“ for the employees and students who successfully pass the programmes that IFPSM have assessed.

This initiative will add value to those individuals and also provide an added benefit to the organisations as well.

Please contact the secretariat to learn more about this new development and be among the first to take up the excellent opportunity.

IFPSM has successfully re-connected with IPSESA during 2015 and also the World Bank and these partnerships are well placed to bear fruit in 2016 and beyond.

IPSESA will support the 2016 IFPSM Summer School and the World Bank is now considering how best to support the Global Standard as part of their project evaluation.

IFPSM regions are very active and provide a superb network “locally“ for members to engage and learn from each other.

I strongly encourage you all to personally commit and become fully involved with your regions and work with the Regional Vice Presidents to fully deliver the potential of this vital member benefit.

We engaged with major associations in the Americas region at a summit in Chicago during August and reopened a dialogue with some past members. This initiative is the start of a journey to encourage new members from large associations within that region and others by listening to their needs and aspirations.

A serious learning point from this engagement is that IFPSM must continue to develop a more varied and targeted value proposition that is relevant to associations of differing sizes and missions to continue to grow our membership base.

While we have met with many successes in 2015 we have also encountered challenges which as a community we must learn from.

As a Federation we failed to capture a major sponsorship contract that has contributed to a significant financial shortfall and my call to action for future years is to ask all members to proactively support their Federation when asked to commit to opportunities such as these.

IFPSM has huge potential to deliver against its mission but this will not be achieved without your own individual commitment and taking action when it is requested.

The new membership subscription model which was created at the request of the membership and is totally transparent has coincided with some members reporting a shortfall in their own membership recruitment numbers which has contributed to an income shortfall for the Federation.

In 2015 IFPSM has grown and developed its value proposition and delivered against its strategic objectives while striving to manage some serious financial challenges.

As always is the case your Board has provided leadership and expertise throughout 2015 and our success would not be delivered without their commitment to our shared mission and values. I would like to take this opportunity to welcome Christoph Feldmann from BME to the Board, he will strengthen the team by offering his extensive experience and expertise.

As this is my last report as your President, I would like to formally and publicly acknowledge the commitment of the Board and offer those individuals both current and past my personal thanks and appreciation.

As we leave 2015 behind us it is important to reflect and learn from our experiences during the year and look forward to 2016.

My term as your President ends on the 31st December when I hand over the responsibility and the fun of leading the Federation to Cheryl Paradowski.

Cheryl will lead IFPSM into the future over the next three years and I am superbly confident that she will maintain and indeed accelerate the development of the Federation. Cheryl has already outlined during the World Summit the key areas that she wishes to focus on and during the next Board meeting in March there will be a full day meeting to agree the next three year strategy for IFPSM.

Please ensure that your voice is heard by engaging with your RVP who will attend this Board meeting.

While I will no longer be your President, I can assure you all that I will continue to be a major advocate of IFPSM and will continue to be a strong voice within the Federation and the Europe region.

My term as President has been amazing, exciting, frustrating and tremendously enjoyable. I have been so fortunate to have met and worked with many incredible and inspiring individuals from across the world.

I have always appreciated your support and wise advice.

Being President of our Federation was a huge honour for me while also being an onerous responsibility, I have tried at all times to make a positive difference.

My quiet, sensitive and of course discreet style of communication has allowed me to ensure that I have been always been a calming force at all times!!

Søren Vammen
November 2015

NEW MEMBERS

We would like to extend a warm welcome to our second Affiliate member of IFPSM:

PROCUREMENT AND SUPPLIES PROFESSIONALS AND TECHNICIANS BOARD (PSPTB) TANZANIA



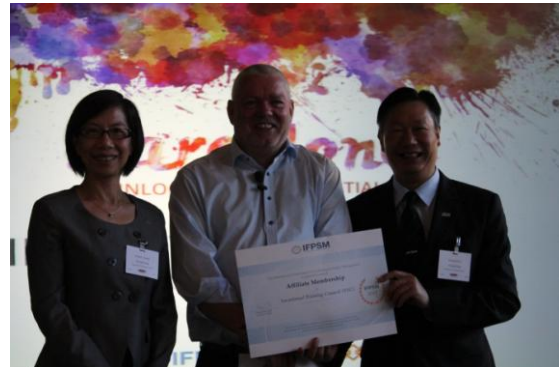
IFPSM asked them why they wished to become an Affiliate member, their response was:

“We understand that Supply Chain Management (SCM) is a global profession where all practitioners can gain experience from each other. PSPTB wishes to join IFPSM to unleash the potential and the power of global synergies and equally expand our advocacy in further services and support professionalism worldwide.

PSPTB has joined IFPSM to gain international recognition not only in Africa but globally. This move will enable PSPTB to benchmark its performance with the global best practices in SCM, thus improve its performance and become a centre of excellence in SCM in Africa. PSPTB will develop in the international context and be able to network worldwide through a common platform which will also improve the performance of its members to reach international standards.”

PSPTB will be presented with their membership certificate when Malcolm Youngson, CEO of IFPSM, visits them in December.

Søren Vammen presented IVE with the first ever Affiliate Membership Certificate at the World Summit in Barcelona in September.



New White Paper: Quick Wins for New Procurement Leaders

BravoSolution works with supply management to address each business' unique processes, stakeholders and goals to deliver tailored solutions across the entire supply management cycle.



With over 60,000 procurement professionals in 60 different countries using BravoSolution's technology and services, the leader in supply management offers software, practice innovation and expertise to ensure strategic objectives drive business growth.

For more information regarding BravoSolution please follow this link -

<https://www2.bravosolution.com/cms/uk>

BravoSolution is again supporting IFPSM by offering a new white paper for us to circulate throughout our community as a free download.

Why it is important for new procurement leaders, in whatever leadership role they hold, to focus on demonstrating some “quick wins” in their relatively early days in the job. Those quick wins must be aligned with longer-term strategic goals and places, but showing benefits quickly is important for credibility and confidence. That means both the leader’s own confidence, and the confidence that the organisation and stakeholders have in the individual.

Click on this link to access the white paper-

<http://more.bravosolution.com/uk/quick-wins-for-new-procurement-leaders>

GLOBAL STANDARD

Congratulations are extended to:

procure.ch, Switzerland



IIMM, India – 2 programmes



IVE, Hong Kong



who have recently all been awarded the Global Standard. Søren Vammen presented them with their certificates at the World Summit in Barcelona

The benefits of the Global Standard assessment process to the applicant organisation

There are several benefits to the applicant organisation that can be derived from the Global Standard assessment process.

The assessment process can be viewed as an in-depth audit of the governance and processes of the organisation and the content of its programme(s).

As such it requires the applicant organisation to examine the appropriateness and efficacy of the elements of its governance highlighting areas where there are deficiencies or where improvements are required.

Likewise, in terms of its programme(s) under assessment, the review of their content brings into focus where coverage of topics needs to be improved or indeed introduced to the programme. Thus the assessment process ensures that the programme content is commensurate with the requirements and expectations for the equivalent of a professional degree level programme.

In addition, the consideration of the processes whether pertaining to the pedagogical modalities employed or the systems in place that govern the operation of the programme can be the basis for the introduction of new pedagogical modalities, the extension of existing modalities or the putting in place of more effective systems that relate to the programme's operation.

Thus the assessment process can be seen as the spark for reflection, the driver for improvement and innovation and outcomes that benefit the learners and add value for the organisation. The fact that the applicant organisation has available to it for consultation and support during the complete assessment period, the Assessor gives it access to a highly qualified and experienced expert. This can be an incredible valuable benefit to the organisation. In my experience of acting as an Assessor, I have always found that applicant organisations regard the assessment process as a useful learning and improvement process for them.

Of course it may be that an organisation in terms of its governance, processes and content of its programmes may find that these are already at a level that matches the requirements of the Global Standard. In such a case the organisation has the reassurance that it is on the right track and performing at a world class level.

Louis Brennan
Global Standard Assessor

Three organisations explain the benefits of achieving the Global Standard Certification



Swiss Association for Purchasing
and Supply Management

For more than 40 years **procure.ch**, the Swiss Association for Purchasing and Supply Management, has been the leading association in Switzerland with regard to continuing education in purchasing and supply management.

procure.ch offers their members, companies and individuals, seminars as well as two qualification programs with federal certification. The State Secretary for Education, Research and Innovation gave **procure.ch** many years ago the responsibility to be in charge of these examinations.

procure.ch continually updates and improves their education programs. In 2011 the concept of the training leading to the federal diploma with the official English translation « Purchasing Manager with Advanced Federal Diploma of Professional Education and Training ».

This federal diploma with its rather clumsy English title can now benefit from the certification GLOBAL STANDARD.

The certification GLOBAL STANDARD

- guarantees *high quality* on an *international level*;
- guarantees that the program is *up to date*;
- allows *easy comparison* with the level of other international programs;
- is of high value for employees with this diploma, looking for a job *abroad*;
- is an excellent *marketing tool* for our association;
- allows the numerous international companies and CEOs in Switzerland, not familiar with the special Swiss education system, to have an *international assurance regarding the quality* of this education program, thus supporting their employees to get this diploma;
- is an international *recommendation* for companies and employees;
- is an *international independent official approval* of the Swiss education program with federal exams « Purchasing Manager ... » offered by **procure.ch**, the Swiss Association for Purchasing and Supply Management.

Rolf Jaus
CEO, **procure.ch**

Procurement Academy, Belgium



For Procurement Academy, certification is not an end in itself. It is merely a side benefit. We work for corporations who expect a change of behaviour after training. The quality of the training is their highest concern (can their staff implement what they have learned, quickly and effectively?). So why did we embark on the long and difficult journey to get accredited?

Considered the most innovative provider in the niche market of corporate procurement training, Procurement Academy soon recognized the importance of having an independent accreditation by a organisation like the IFPSM. The IFPSM has established rigorous criteria

reputable

and a sound audit process to assess organisations and their educational programs (of bachelor level). There is simply no other accreditation in the entire industry that offers the same international recognition.

In May 2015, after a year of hard work and going through an in-depth audit by academic assessors of the IFPSM, Procurement Academy (www.procurement-academy.com) became the first commercial training provider in the world to receive IFPSM Global Standard accreditation for its

- Certified International Procurement Professional (CIPP), and
- Certified International Advanced Procurement Professional (CIAPP) programmes
-

This international, independent and serious audit has confirmed that our courses, our processes and learning programmes, are of world-class level. We “deliver” graduates who meet a rigorous world standard for procurement professionals. While the assessors were impressed by our approach, we received valuable recommendations to further improve our processes, programs and assessment methods, which we gladly implemented.

For Procurement Academy’s corporate customers, this means that they can be assured that their staff will achieve the competence level required for their role, and that it has been effectively taught and assessed. They have the confirmation that the training is of high quality and covers the key knowledge required of procurement professionals.

Learners know that the program will teach them what the procurement or supply chain industry knows they need, that they will be taught and assessed properly, and that their qualification will give them an elevated status around the world.

Yves Bemelmans

IVE (Kwai Chung) of Vocational Training Council



Member of VTC Group
VTC 機構成員

Established in 1982, the Vocational Training Council (VTC) is the largest vocational education, training and professional development group in Hong Kong. As a member of the VTC Group, the Hong Kong Institute of Vocational Education (IVE) is the leading vocational education provider in Hong Kong, committed to nurturing professionals valued by industries. IVE has been evolving in tandem with the economic development of Hong Kong, building a competent and innovative workforce needed in a knowledge economy.

The Academic Director of Business Administration Discipline drives the team to run more than 20 Higher Diploma programmes specialising in the training of business talents. The goal is to nurture confident business professionals with solid business knowledge and skill-sets to excel in dynamic business environments. Experiential learning programmes are also offered to encourage students to learn from real-life practices.

“Higher Diploma in Global Purchasing and Supply Management” under the Business Administration Discipline aims at providing students with academic, technical and management skills that will enable them to pursue a professional career in [global purchasing and supply management] and to understand [ethics] as the core value in the purchasing and supply field. Over the past years we have been glad to receive voluntary support from the industry and professional bodies to the programme. In order to further strengthen the professional status and prove a quality standard of the programme, gaining more worldwide recognitions is one of our core strategic targets which will definitely benefit our graduates to enhance their employability in a global market place.

In July 2015, we were delighted that our programme **“Higher Diploma in Global Purchasing and Supply Management”** successfully went through a very detailed accreditation process conducted by the Professional Standards Board of IFPSM. The programme is now recognized as meeting the standard of the **“Global Standard in Purchasing and Supply Management”**.

The recognition of Global Standard will definitely enable us to enlighten more youngsters about the development of their career in the profession of purchasing and supply. As the leading programme provider in Hong Kong, by having the recognition of the Global Standard, it will help us to promote the



professionalism of purchasing and supply to employers who can enrich their knowledge of the recognized global standards for measuring the competency of their purchasing teams. It is a great achievement to have gained the Global Standard and to prove that our programme has achieved a world standard.

Grace Tsang

Senior Lecturer

Programme Leader of Higher Diploma in Global Purchasing and Supply Management

IVE (Kwai Chung) of Vocational Training Council

Why your programs should be accredited under the Purchasing and Supply Global Standard

Programs meeting the Purchasing and Supply Global Standard have objectively demonstrated their ability to produce graduates who meet a rigorous world standard for procurement professionals.

Recognition means that a program of learning – degree, certification, credential or qualification – has met the comprehensive criteria identified in the Standard. Recognition marks the program as one that equips students and candidates with the knowledge, skills, attributes and characteristics of a purchasing and supply management professional.

Achieving Purchasing and Supply Global Standard recognition means you will be able to refer to this in any marketing and promotional materials. A formal certificate of recognition will be issued, and details of the recognised program will appear on this website. Programs meeting the standard may refer to this in marketing or promotional activities and will need to abide by the style and usage guidelines determined by the Board.

Graduates of your program will have:

- gained an underpinning knowledge and understanding of the tools, techniques, models and methodologies of purchasing and supply management
- a clear and comprehensive knowledge, understanding and acumen up, down and across the fields of strategic supply chain management
- extensive knowledge at a strategic level in purchasing and supply management
- applied this knowledge and understanding within a work context – so are well placed to add value to their organisation
- All of the above achieved to an intellectual equivalence of a first degree level program.

Who can apply?

Your Organisation – you might be a university, college, professional association, company training organisation, or a partnership of some or all of these kinds of organisation providing programs at an intellectual equivalence of a first degree. Outcome based, the Standard is flexible to cope with all kinds of organisation and delivery structures. What is non-negotiable is that your program meets the required standard of breadth and depth at an intellectual equivalence of a first degree (this means a program from which a graduate has achieved an outcome with an intellectual equivalence of one from a formal first degree program, either through the depth of the program itself, the entry requirement to the programme or similar).

What type of purchasing and supply program can be accredited?

The aim of the process is to recognise as wide a variety of learning programs, designations and awards as possible. Full time, part-time and distance learning programs can all be considered. The Board will also consider programs that are delivered in partnership and at multi-site locations. In addition to formally recognised and certified programs which take individuals through specific prescribed content, the Board can also consider awards which are achieved through experiential learning or through a combination of accredited and experiential learning.

Criteria and Content for Supply Chain Programs

Programs of learning submitted for accreditation should be at an intellectual equivalence of a first degree with sufficient breadth and depth to demonstrate a degree level standard. Typically, programs are likely to be of three or four year's duration, though this is not mandatory, and will depend to an extent to the delivery mechanism used and intellectual entry requirements of the program.

IFPSM History

Charles Holden, the previous IFPSM Director General, has researched the history of IFPSM and presented this at the IFPSM World Summit in Barcelona in September 2015. This can now be found on the IFPSM website by following the link: <http://www.ifpsm.org/wp-content/uploads/2015/09/Charles-Holden-History-of-IFPSM-Barcelona-20151.pdf>

Book Offer from Kogan Page

Applying Lessons Learned at Ikea

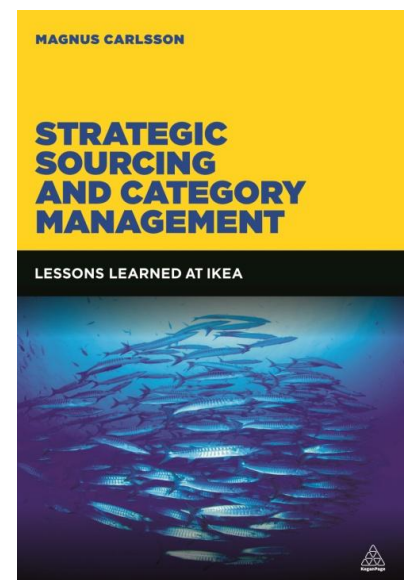
Drawing upon his extensive experience at IKEA, Magnus Carlsson discusses the lessons that can be learned and applied to other companies.

Why is a hot dog cheaper at Ikea than in the supermarket?

How is it possible to sell a kitchen at 30 per cent below the market price? How can the 'Lack table' be half the price it was when it was launched 35 years ago, and how can Ikea source products at such low prices? Albert Bonnier's well observed comment about the Ikea founder Ingvar Kamprad hints at an answer: "You see, Kamprad's great talent is not selling; his great talent is buying". Kamprad's interest in purchasing permeates Ikea's way of working, and my book starts with a description of Ikea's purchasing development and the lessons that can be learned from it.

What results has Ikea produced?

Comparing stationary categories with those that were developed to the first level of category sourcing, consolidated volumes, indicates savings of 5–10 per cent, which occurs when the volumes are large enough to strengthen the company's influence with the suppliers. But to develop from a product sourcing to category sourcing is not a tactical exercise providing only one result. It creates a platform for a new way of working with a more extensive toolkit that can be used multiple times and the long-term savings are



greater than the initial ones – perhaps a further 5 per cent reduction in total costs, which would imply an overall cost reduction potential of 10–15 per cent. A similar result can be achieved when categories are moving to the two higher levels of category sourcing, product development and technical innovation.

Sven-Olof Kulldorff, Ikea’s purchasing manager from 1995 to 2004, states that price reductions during that period exceeded 35 per cent and the former CEO Anders Dahlvig writes that purchasing prices were reduced by 20 per cent between 1999 and 2009. These time frames overlap, and not all the savings are the result only of category sourcing; however, it’s clear that Ikea’s efforts in categorizing strategic sourcing have been worthwhile.

Cost reductions are not the only reason to develop from one level to the next. The way of working influences – and is influenced by – how the company views its supplier relationships. This includes the development of products and technology, improvement activities with quality and distribution, and creating conditions for ecologically sustainable sourcing. To sum up, strategic development into category sourcing represents a major change in what you do, how you do it and who you do it with.

Can companies that are smaller than Ikea apply these principles?

Usually, but it depends on how fragmented the supplier market is. The more consolidated the market is, the larger are the volumes needed to create an impact. In light industry and for most consumer products, the effects of category sourcing will come with volumes considerably lower than those of Ikea. My book illustrates this with examples of sourcing from brand named products, components, raw materials and sourcing of indirect materials and services.

How can I successfully implement category sourcing?

In his book ‘Purchasing and Supply Chain Management’, Arjan van Weele writes that “Category sourcing is at the heart of all professional purchasing organizations these days.” Although this is clearly also relevant to Ikea, my book is more than merely a case study of Ikea’s approach to purchasing – it describes category sourcing in a way that is inspired by, and relevant to, many companies in a variety of industries. Its approach combines practical experience with theoretical principles in a review of the following questions:

- When is category sourcing a suitable approach, and why?
- How do category teams generate results while at the same time strengthening the company’s strategic position?
- How can a company design and implement a category-sourcing organization?
- What is the difference between success and failure?

With this in mind, I hope that my new book, *Strategic Sourcing and Category Management*, will give some ideas and inspiration for a better way of working. It’s not the only way to run category sourcing, but it works. Over and over again!

“Magnus Carlsson has written a book that is largely sensational. I have not seen any equal presentation of how an organization can operate efficient sourcing”. – Björn Axelsson, Professor Stockholm School of Business, IFPSM Global Standard Board Member.

CLAIM YOUR 20% DISCOUNT NOW

Strategic Sourcing and Category Management examines how to drive efficient sourcing within organizations, sharing the experience Magnus Carlsson gained from devising and executing IKEA’s winning purchasing strategies.

Buy this book before 31st December 2015 for **20% off**. Simply go to www.koganpage.com/SSCM and enter discount code **IFPSM2015** at the checkout.

President's Award 2015

Søren Vammen, President of the International Federation of Purchasing and Supply Management, announced at the IFPSM World Summit in Barcelona on Friday 18th September that he was awarding the 2015 IFPSM President's Award to Doctor Paul Davis the Head of the Management Group of Dublin City University.

This internationally prestigious award recognises Dr Davis' major and extensive contribution to the development of the profession over many years.

In 2014 Peter Kraljič received the President's Award.

Dr Davis has led the IFPSM initiative to develop the Global Standard accreditation process and standard for education programmes at degree or equivalent level.

Dr Davis has been the Chair of the IFPSM Global Standard Board for 5 years and during this time has ensured that the standard has been developed, maintained its rigour and independence while ensuring that it remains relevant.

Through Dr Davis' leadership the IFPSM Global Standard is now accepted internationally as the benchmark against programmes within the procurement and supply management profession can be benchmarked against.

Dr Davis has not only offered his expertise but also his time on a purely voluntary basis over many years to the Global Standard project but also to the purchasing and supply management community globally.

He has supported the association members of the Federation across the world particularly in Africa and Asia.

Mr Vammen when announcing the President's award commented that he was delighted that Dr Davis had been nominated to receive the award and he was thrilled to be in the position to recognise his professionalism and contribution to the profession.

Dr Davis commented "I was delighted to receive this award. It took me completely by surprise. It is of course a great honour to receive the prize but it has only happened due to the great work and support of both past and present members of the Global Standards Board."

