

A dramatic sunset scene featuring a large, glowing, golden-yellow cloud formation in the sky. The sun is positioned behind the clouds, creating a bright, radiant glow. The sky transitions from a deep teal at the top to a warm orange near the horizon. Below the sky, a paved road with a white center line curves through a flat, open landscape. The horizon is visible with some distant structures and utility poles. The overall atmosphere is one of hope and forward-looking vision.

PROCUREMENT – THE NEXT FRONTIER

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THE FINISH LINE – IT'S ALL ABOUT MANAGING RISK

2021

2022

2023

2024

Assess *everything* in scope

- ✓ Cost pressures – quick wins vs long term value
- ✓ All Laws, Regulations, Codes identified + gaps
- ✓ All risks identified
- ✓ Ongoing monitoring established
- ✓ Sufficient personnel
- ✓ Capability building – specialists?
- ✓ Training
- ✓ Digital roadmap
- ✓ All contracts identified/stored centrally
- ✓ All spend channels identified
- ✓ All spend identified
- ✓ Data analytics
- ✓ Have priorities/needs changed?
- ✓ Up to date desktop procedures
- ✓ Projects

New, mature or starting over?

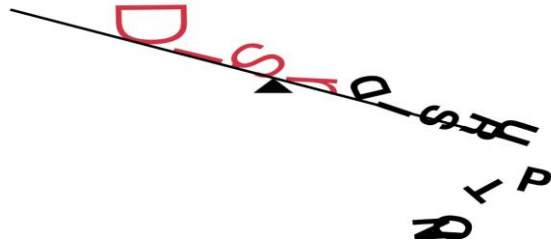
What must be done immediately?

What can be actioned in a phased approach?

What must be done annually?



GEOPOLITICAL RISKS/DISRUPTIVE EVENTS



Recent events have taught companies that a functioning Business Continuity Plan is vital.

Unforeseen circumstances are no longer fiction.

How is your Business Continuity Plan looking?

- ✓ Identify raw materials for items specifically associated with your brand.
- ✓ How are the components transported?
- ✓ Drill down through your supply chain – where do the components come from?

❖ This takes time, effort and patience.....

Changes to management methods include:

- Accessing raw materials – disrupted supply chain
- ‘Just in time shift’ → stockpiling
- Working in an office → working remotely
- Supply chain businesses falling into bankruptcy
- High reliance upon select suppliers in your supply chain?
- Shipping → Seafarers → Modern slavery
- Increased reliance on analytics

REGULATIONS, CODES, LAWS

*NEW, CURRENT, CHANGES TO
EXISTING*

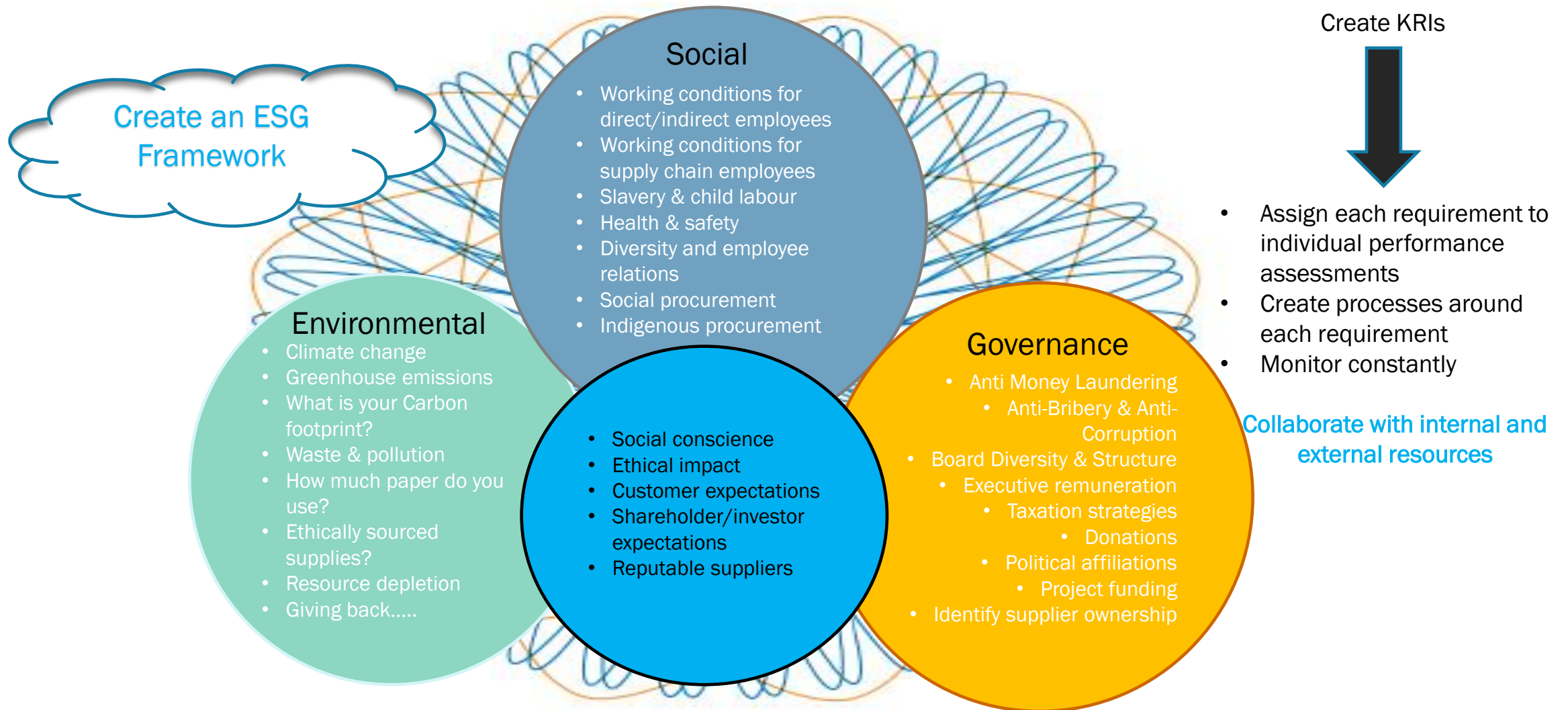
- Anti-Bribery & Anti-Corruption; Anti-Money Laundering and Counter-Terrorism Financing; Health & Safety; Outsourcing; General Data Protection Regulations; Data Governance; Privacy; APRA Standards; Banking Executive Accountability Regime (for Authorised Deposit Taking Institutes); <30 day payments to Small Businesses; Modern Slavery; Banking Standards 11 (NZ)
- Legal precedence - International vs Australia
- Align all obligations with supplier contract clauses
- Deadlines → Fines? Reputational Risk?
- Ease of reading supplier contracts

- Assess all of the regulations, codes and laws that are applicable to your company
- Secure access to reliable/constant information to keep you up to date with new and changing requirements



ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA

THE IMPORTANCE OF NON-FINANCIAL PERFORMANCE INDICATORS



SUPPLY CHAIN RISKS

- Internal Fraud – separation of duties
- Probity/Conflict of Interest
- External Fraud – Master File info
- Payments to right suppliers
- Payment on time
- Protection of data
- Misuse of data
- Transaction errors
- Supplier mis-performance
- Contravention of laws or regulations



SUPPLY CHAIN TRACKING



- Evaluate timing and frequency of monitoring
- Who needs to be made aware?

Must be proactive!



Companies are going out of business every day which has a direct link to your own Business Continuity

Ongoing monitoring is essential – **every day**

- Are your suppliers financially viable?
- Do they have any reputational risks?
- Do you have media monitoring in place for your supply chain?
- Who are the beneficial owners and parent companies of your suppliers?
- What percentage of a supplier's revenue comes from your company?
- Do you apply a tiered approach to monitoring? Eg: only monitor high risk or material or critical suppliers
- Monitoring will detect systemic issues for suppliers
- Effective, regular Audit program
- Are you required to report on supply chain tracking externally?
- What are the learnings from on-going monitoring?
- Change of supplier ownership – accounts payable impact
- Changes to supplier 4th or 5th or 6th parties – how do you find out about these? Can be controlled via contract clauses.



COLLABORATION

- You can't do all of this on your own
- Accountability and ownership must be shared throughout the organisation
- Suppliers can help provide you with vital information



Finish line
Just ahead