The Procurement Brand

2015 Innovators Forum Report

Key Insights from the NAEP Innovators Forum and Recommended Strategies for Procurement Leaders

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In 1917, Marquis Converse produced the first shoe made just for basketball, called Converse All-Stars. In 1923, an Indiana high school basketball all-star, Charles ‘Chuck’ Taylor, who never played without his All Stars on his feet endorsed the shoes, and in 1932 they became known as “Chuck Taylor” All-Stars. These are the oldest, most popular and best-selling basketball shoes of all time.

2015 NAEP Innovators Forum

This paper provides an overview of the 2015 Innovators Forum with a distillation of the key discussion points and recommendations regarding brand management. The group engaged in robust dialog about improving the brand of procurement, but also focused on pragmatic ideas and practices that can be acted on today. The paper outlines a brand management framework and recommendations for critical practices procurement leaders should follow.
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University procurement departments are pursuing increasingly complex and challenging goals. They are advancing on their mission to become “essential” strategic partners to the financial well-being of the institution. They play vital roles in providing services to the teaching, research and patient care missions of the University while also providing a significant return on investment.

To deliver on this increased set of responsibilities requires investment in technology, process improvement and talent management. The need for investment comes at a time of challenging budget circumstances and downward pressure on the vast majority of university revenue sources. In a battle for scarce resources it is essential for the brand of the procurement department to be robust. At its core, a brand is a promise to deliver a product or service with a certain level of quality and expected results. To the extent procurement departments can deliver on their promises, the better chance they will have to secure the resources necessary to continuously improve and provide greater service levels and results to the University.

The 2015 Innovators Forum attendees came together in Washington, DC to discuss the critical topic of brand management with this strategic context in mind. The group consisted of a strong cross section of higher education professionals including several chief procurement officers, brand experts, association executives, chief business officers and a training consultant. The objectives of the discussion included:

- Understand the connection between a “re-branded” procurement vision and delivering on strategic procurement objectives;
- Understand key principles of “brand” and “vision” in strategic procurement; and
- Understand and help develop a revised procurement brand and a “roadmap” of action steps to communicate and deliver on it.

Through group discussion the key lesson learned from the Innovators Forum group was that brand starts at “home”. It is essential to think clearly about your vision, the services you will offer and how you will deliver results with quality. If you and your team do not have a clear understanding of your own brand and its promise, then it will be impossible for others to know it. This paper presents a summary and distillation of the key recommendations from the Forum group related to these key objectives.

“In one sense, perhaps the most important sense, a brand is a promise... You know what you are going to get with a well-branded product or service.”

“If you are going to develop your own brand, the last thing you want to do is follow the beaten path. You want to head down your own road. Your brand has to plant itself in the hearts and minds (especially hearts) of prospects and customers.”\(^1\)
The National Association of Educational Procurement (NAEP) convened the 4\textsuperscript{th} annual Innovators Forum in Washington, DC on March 15, 2015. College and university leaders gathered to discuss future trends in higher education and their impact on procurement. The purpose of the Innovators Forum is to engage in an analysis of the major issues impacting higher education institutions and procurement professionals and to better inform institutional stakeholders on alternative ways to approach these challenging issues.

The previous NAEP Innovators Forums resulted in distribution of white papers titled “Key Insights from the NAEP Innovators Forum and Recommended Strategies for Procurement Leaders”, “Procurement and the Impact of Technology and Expectations” and “Talent Management”. Feedback from those attending this year and in previous years suggests these white papers are powerful tools for senior leaders and procurement professionals to learn about the challenges confronting higher education procurement and to educate administration about those challenges.

Building upon the momentum of previous Forums, which explored a broad range of issues affecting higher education and procurement, this year’s group was asked to consider the strategic topic of brand management.

The outcome of this year’s discussion continues the Forum’s goal of developing roadmaps that procurement professionals can use to better understand complex procurement topics, communicate those topics effectively to senior leaders and to improve results in support of critical university strategic goals.
Attendees

New attendees bring fresh ideas and insight. This year’s Innovators Forum was assembled by NAEP with the intent of deepening brand management discussions. Attendees included administrative and C-level executives along with procurement leadership, business officers, marketing and brand expertise as well as key representatives from professional organizations. The team was committed to fulfilling the mission of the Innovators Forum by capturing and sharing insights with each other – and with their colleagues in higher education and procurement via this white paper – so that other institutions and industry professionals may benefit from their exchange of ideas.

SHANE BOYLE  
Manager of Marketing / Membership  
National Association of Educational Procurement

BRUCE CHERLIN  
Chief Procurement Officer  
University of New Mexico

RON COLEY  
Vice Chancellor of Business Administrative Services  
University of California, Riverside

MARK CONLEY  
Executive Director of Procurement  
University of Washington

WILLIAM COOPER  
Associate Vice President and Chief Procurement Officer  
University of California, Office of the President

BILL DILLON  
Executive Vice President  
National Association of College & University Business Officers

CORY HARMES  
Director of Purchasing  
Iowa State University

ANDREW GASTWIRTH  
Partner  
Pathstone Partners

SANDY HICKS  
Assistant Vice President & Chief Procurement Officer  
University of Colorado

HELEN JOHNSON  
Vice President, Higher Education Sales  
SciQuest

TED JOHNSON  
Chief Procurement Officer  
University of California, San Diego

JOHN JOSHUA  
Director  
University of Texas System, Supply Chain Alliance

JIM KNIGHT  
Managing Partner  
Pathstone Partners

NICHOL LUOMA  
Chief Procurement Officer  
Arizona State University

ROSEY MURTON  
Director of Procurement Services  
Wake Forest University

DOREEN MURNER  
Chief Executive Officer  
National Association of Educational Procurement

MICHAEL NEBESKY  
Procurement Director  
Clemson University

LADONNA PURCELL  
Director of Procurement Services  
Morehead State University

NANCY SUTTONFIELD  
Chief Financial Officer, Retired  
Northern Illinois University, Wake Forest University, University of North Carolina, Chapel Hill

FRANK SUTTON  
Founder & Owner  
Sutton Associates and PLEXUS Branding & Research

CHRISTIE WARD  
Principal  
The Impact Institute

ERIC ZOETMULDER  
Vice President, Product Management  
SciQuest
When the procurement officers in the Forum group were asked why they come to work in the morning there was a clearly expressed passion that they want to make a difference for their universities and the mission these universities support.

A casual review of university strategic plans and news sources reveals that most universities pursue challenging global, national, state and local goals. This requires tremendous change and new ways of thinking to meet those compelling goals. Most universities are faced with a significant demand for resources to meet the challenges of maintaining student affordability and access, competing for the best and brightest students and athletes, refreshing aging infrastructure, fostering greater inter-disciplinary collaboration, pursuing research that positively impacts the world and many other significant objectives.

The demand for resources comes at a time when the majority of revenue streams that universities rely on are constrained in some fashion. The highly integrated and professional spend management services combined with efficient and well-designed business processes that procurement and supply chain professionals provide is in great demand today. The business case for greater resources and involvement in the University mission seems obvious to those of us in the higher education procurement profession.

The potential for higher education procurement and supply chain professionals to contribute and deliver outstanding results is needed now more than ever. However, like anything else each team must compete for the resources, investment and talent necessary to deliver those results. It is important to have a well-constructed business case to advocate for those results. This requires work and thoughtful consideration.

Developing a procurement brand is a strategic exercise involving a series of structured and facilitated dialog. The ability to achieve greater results and contributions to our institutions rests on a foundation of brand. Today, there is a significant gap between the vision that procurement leaders have for themselves and the perception of what key administrative and academic leaders believe procurement leaders can deliver.

Before trying to change the perceptions of others it is critical to define your own brand. Changing internal departmental perceptions of what our role at the institution is or should be is the first order of business. The procurement brand on your campus is controlled by others and directly relates to your ability to meet the service and delivery “promises” you make.

“What brands should outlive us – customers are the most valuable assets we have”

– Frank Sutton, Plexus Branding (Innovators Forum Participant)
Brand Management is a complex topic that is most often associated with commercial companies and products. Apple, Coca-Cola, Johnson & Johnson and Ford all have strong brand attributes. When the word “brand” is mentioned we often think of tactical things like names, logos, color schemes, websites, newsletters and other similar items. However, in the context of a procurement brand discussion the Innovators Forum group was exclusively focused on the strategic elements of brand management.

Sifting through the volume of material on this topic, a few key themes emerged and allowed the group to discuss brand management with the following general understanding and agreement:

1. Brand is the central unifying idea that aligns behavior, action and communication across services;
2. Why is internal marketing so important? First because it is the best way to help employees to make a powerful emotional connection to the products and services you sell;
3. Defining your brand is like a journey of business self-discovery. It can be difficult, time-consuming and uncomfortable;
4. The power of a brand lies in what customers have learned, felt, seen and heard about the brand over time;
5. Your brand resides in the hearts and minds of clients, customers and prospects. It is the sum total of their experiences and perceptions, some of which you can influence, and some you cannot; and
6. A brand for services is quite different than a product brand – the customer for services is in the “factory” observing the “production” of the service – the service itself and the production process for the service cannot be separated.

The Innovators Forum participants are hopeful this white paper will help members of the profession make progress toward defining a more compelling brand for their department and services and spur action toward improvement. The 2015 Innovators Forum group discussed key elements of brand in a pragmatic fashion by following key elements of the brand management framework illustrated below.
Brand begins with a vision from leadership. It is difficult to develop the brand we desire if we do not first have a clear idea of who we are? We need a vision that will attract talent to our organizations, excite our employees and resonate with our customers and stakeholders. We have the opportunity to influence the perception of others by first establishing for ourselves a vision of the role we should play on our campuses.

Procurement is no longer the back office that most stakeholders think it is. Many constituents view us as policemen and auditors, but our capabilities have evolved substantially in the past several years. Realizing the need to align with the university’s vision and be connected to internal customers as a “go to” source for problem resolution, the forum group discussed the following concepts within the discussion on procurement vision:

- Becoming a **trusted advisor**, someone who is seen as integral part of the process to provide solutions;
- We must have a **culture of service** that **models excellence**, as this is the foundation for how customers interact with us and perceive our brand. If we cannot deliver on basic service characteristics then we will never have the opportunity to practice advanced areas of spend management; and
- We want to be seen as **essential to the financial health** of the institution and as a group that **connects resources to outcomes** for the benefit of our stakeholders.

**EXAMPLE** – Arizona State University (Vision and Mission Statements)

**Vision**
Provide the right procurement solutions and the best value to Arizona State University.

*Arizona State University (ASU) Procurement applies our institutional knowledge, dedicated staff members’ procurement expertise, technology innovations, and industry best practices to provide the right solutions and best possible purchasing value to the ASU community.*

**Mission**
Arizona State University (ASU) Procurement is a strategic partner for the ASU community. We help our customers define their purchasing needs and assist them in finding and acquiring the best, most cost-effective solutions that meet their needs.

*Arizona State University (ASU) Procurement uses best in class procurement strategies to streamline and automate procurement activities and provide a comprehensive mix of outstanding procurement services to our customers. The department works with the ASU community to leverage economies of scale to get high-quality products and services for the lowest possible price. We strive to not only help our customers be good financial stewards but promote purchasing behaviors that are ethical, diverse and sustainable.*
Brand Strategy

Forum attendees next turned their attention to three elements of brand strategy: 1) implied in the brand is a “promise” regarding our service(s), 2) the service must “connect” with our customers in a meaningful way and 3) there should be a “Big Idea” or message that resonates with customers and links the promise and service together.

“Big Idea”

The group discussion began by developing key attributes of the “Big Idea”. This is a short phrase to capture the essence of our brand, our services, customer wants and our team’s capabilities. Suggested phrases for the “Big Idea” included the following:

- The answer people;
- The solutions people, or your solutions start here;
- Sourcing for success, or your source for success;
- Delivering value through collaboration;
- Yes, we can do that; and
- Making better value easier for you.

Procurement Brand

Developing a short phrase that describes the procurement brand and resonates with a customer takes significant time and thought. The ideas above are intended as thought starters. Realizing that brand strategy involves more than creating a cute phrase, the Forum group also discussed the key elements they believe captures the essence of the procurement brand. The ideas with the highest degree of consensus included the following:

- Having credibility;
- Being thought of as a reliable and strategic business partner;
- Demonstrating flexibility and nimbleness;
- Being collaborative in customer interactions;
- Being innovative in solution delivery; and
- Remembering that it is still about people.

Other key concepts of the procurement brand discussed were accountability, service professionals, approachable, responsive and forward thinking. The Forum group’s underlying message and recommendation to their colleagues might best be captured in the word “delivery”. It is vitally important to deliver results with quality for any established service we offer as procurement professionals. Our ability to make significant impact at our institution through involvement in complex areas of spend must rest on a solid foundation of service delivery for the basic elements of procure to pay service.

EXAMPLE - The University of Texas System Supply Chain Alliance

Creating Value Through Collaboration
Brand Enhancement

Our customers experience the procurement brand through the services we offer, the quality by which they are delivered and the results they receive. It is important to deliver on a core group of services before getting too far into advanced areas. The Forum group recognized that university procurement departments are in different stages of procurement transformation. There was a strong recommendation from the group that “job #1” is to deliver a high degree of customer service from basic procure-to-pay functions. The group discussed the necessity of delivering on the following services with a high degree of professionalism:

Excel at what you do today

- **Buy processes** are efficient and customer friendly;
- **Pay processes** are efficient and customer friendly;
- The lifecycle of spend for **traditional categories** is managed well with a strong ROI;
- Contracts are managed well with support from a **contract management** system; and
- **Customer collaboration** and **outreach** to solve problems is robust.

When a solid foundation of service delivery on basic procure to pay functions has been established to keep the brand moving forward, the Forum group suggests consideration of the following services:

How to Keep Moving Forward

- Provide spend management support for **non-traditional** categories of spend (construction, facilities, all areas of technology, athletics, auxiliary services, other);
- Become a **one stop shop** for all interactions;
- Provide **business consulting** services (help customers solve problems);
- Provide **business intelligence** to support customers;
- Develop a **supplier relationship management (SRM)** program;
- Leverage your skills on all **value opportunities**;
- Provide **program management** services;
- Develop **advanced training** services; and
- **Collaborate** more with students.

EXAMPLE – The University of California, San Diego

Integrated Procure-to-Pay Solutions

Integrated procure-to-pay solutions and customer care in support of world-class education and research

“The constituency we serve crosses many categories and is diverse. Our customers must have ownership in our solutions and be accepting of our role”

--Ron Coley
University of California, Riverside
(Innovators Forum Participant)
Brand Enhancement

EXAMPLE - The University of Colorado (Departmental Scorecards)
Procurement’s brand is central to the ability to deliver on all of our capabilities and make the substantial impact on our campuses that we desire. It is important to know whether our brand is advancing, declining or maintaining a steady state. The Forum group discussed ways we might measure the impact of our brand on campus and suggest the following items for consideration:

**How Do We Manage Perception?**

- Develop *customer surveys* to provide continuous feedback;
- Conduct *interviews* and *focus groups* to develop a deeper understanding of customer issues;
- Develop a *benefit measurement methodology* supported by leadership and use it to *showcase your ROI value*;
- Develop a *seat at the table* when major areas of spend are being discussed. Consider whether you are on the *front end* of these discussions;
- Develop a *balanced scorecard* of goals and objectives;
- Proactively *share spend metrics* with your customers;
- Communicate your *goals* and key elements of your *strategic plan*; and
- Proactively use *focus groups* and *town halls*.

**“You can’t manage what you don’t measure.”**

-- Peter Drucker

Procurement professionals might benefit from considering the following suggestions:

**Items that Brand Managers Measure**

- Perceived *brand delivery* against the most important *customer benefits*;
- What *customers think* makes your brand *unique*;
- Brand *quality* and *value perceptions*;
- Brand *accessibility* perceptions; and
- Brand *values alignment* with its *customers*.

**EXAMPLE – Morehead State University (Mission Statement)**

The Office of Procurement Services is a service unit of the University which administers the procurement function for all departments to ensure the University and individual departments are compliant with the Kentucky Model Procurement Code and all other applicable statutes, regulations and state and university policies while maintaining sound and ethical business practices.

We seek to provide a full range of professional purchasing services to both academic and administrative departments to ensure they receive the best quality goods and services in a timely manner and for the best available price while treating all providers of goods and services equally and fairly. Our customers are all administrators, faculty, staff, and students of the University as well as the thousands of vendors with whom we do business each year.
In thinking about advancing the procurement brand on our campus it is important to consider the groups we need to engage to build brand loyalty and advocacy. One of the many challenges of higher education procurement is that we have so many constituents including internal customers, colleagues, students, suppliers, faculty members and others. After a thorough discussion on this topic the Forum group recommends that we begin by building brand awareness and loyalty with ourselves by creating an exciting vision that will engage our employees. We then need to make sure we have executive sponsorship for that vision. At that point the most critical group is the faculty. Develop a thoughtful plan for improving communication and dialog with key academic groups and individuals who can serve as advocates for the procurement brand with their peers.

Building Brand Relationships

Brand begins at home. One of the first steps to building an exciting vision is to consider why we do this work in the first place.

The Forum group went through a facilitated dialog on this topic and offers the conclusions below for consideration:

**Why do we do this work?**

- To *make a difference* on my campus;
- To be part of the change and *transformation* of higher education;
- There are *limitless opportunities* to do *cool things* – the scope of what we do can be broadened substantially;
- To feel a *connection* and *make an impact* on the important research, teaching and patient care occurring on our campus;
- To be *part of a community* that is *constantly learning*, developing and being exposed to diversity of thought and opinion; and
- For the opportunity to build *new relationships* and *collaborate* with colleagues.
The discussion on this topic was focused on the barriers and challenges within our universities that make it difficult to build the brand we prefer. Procurement leaders are competing for resources and talent against a challenging array of competing priorities. Some of the barriers and challenges we face include:

- A history of being paper pushers;
- A lack of understanding for what we do – was purchasing, but now is much broader and integrated;
- Lack of leadership support – that is, being out front with advocacy;
- Internal resistance to change;
- The perception that we eliminate choice and make people follow rules; and
- Perhaps an over reliance on financial metrics instead of things that matter to customers.

**ACTIONS WE CAN TAKE NOW**

While barriers and challenges exist for any important task we undertake, it is leadership and vision that helps overcome these obstacles. Developing a compelling brand requires a journey that will take time and may never be fully completed. With this in mind the Forum group tackled the practical discussion of what we can and should be doing now and offered the following ideas for consideration:

- Stop talking about what we do and focus instead on why we do it;
- Ask for customer feedback to better understand the why;
- Think in terms of purpose v. tasks. Focus your time on things that matter;
- Establish a strategic vision and path forward – what is the message to ourselves and what is the message to others;
- Focus on relationship building;
- Spend time internally to make sure employees understand the vision and brand – hire accordingly;
- Revisit everything that is being done and ask “should we be doing this?”
- Develop your story and tell it – seek advocates.

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“Branding is essential to everything we do and we have changes to make...it is equally important to convert our own people’s thoughts so they understand the underlying message”

--Bill Cooper, University of California (Innovators Forum Participant)
The 2015 Innovators Forum links directly to the 2014 discussion on talent management and strategic procurement themes developed in the prior two years. In order to attract the talent we need to make a greater impact on our universities we must develop and “sell” a positive procurement brand. People with talent have options and in general they are looking for an opportunity to drive impact, diversity of projects, personal growth, spend time in a great culture, have an opportunity to learn and earn a fair salary. Higher education procurement departments can deliver what talented people want. It is essential that we define a vision that is exciting and differs substantially from the historical perception. We must be clear on the services we offer today and make sure we are delivering solid performance. When the core services are performing at a robust level we should consider “enhancing” our brand with additional services that more directly meet the needs of our customers and make a greater impact on the university. We must be able to measure the impact of our brand and know whether it is increasing or declining. We need to articulate our story and value proposition and build strong relationships with key campus constituents in order to increase our level of advocacy and support.
Questions for Your Team

**Procurement Vision**
- Have you personally thought about why you do this work?
- Does your procurement vision map closely to your customers key goals and objectives?
- Are you aligned and integrated with the executive team’s expectations of your department’s role and contribution?
- Do you have a strategic plan with a clearly articulated vision? Is your vision compelling enough to attract the talent you need?
- Can your employees articulate the vision to others and are they excited about it?
- In the leadership position can you articulate the department’s vision in an “elevator” speech?

**Brand Strategy**
- What is the essential service you provide that makes a significant connection with your customers?
- Do you know what customers think of you?
- Do you have a clear idea of what your “brand promise” is and are you delivering on it?
- What are the essential “core services” you provide and do you have metrics to assess your performance?

**Brand Enhancement**
- Can you identify key customers and do you have a regular program to engage them in dialog and feedback?
- How do you assess your level of interaction with key faculty constituents?
- Have you thought about future services that would increase your impact on the university? What are the issues that must be overcome and do you have a plan to tackle those?

**Brand Engagement**
- Do you have strong executive sponsorship, i.e. strong upfront advocacy for your role on campus? If you don’t, then what needs to be done to get it?
- Do you have a strong program to communicate key messages regarding procurement performance and brand?
- When you engage with customers do you use language that is familiar to them or lingo that works for you?
Procurement Department Links

Clemson University: [http://www.clemson.edu/finance/procurement/](http://www.clemson.edu/finance/procurement/)

University of Colorado: [https://www.cu.edu/psc/vision-mission](https://www.cu.edu/psc/vision-mission)

Two videos from University of Colorado:
[https://www.cu.edu/psc/meet-psc](https://www.cu.edu/psc/meet-psc)
[https://www.youtube.com/watch?v=ZiIV8Jcthmw](https://www.youtube.com/watch?v=ZiIV8Jcthmw)

University of Texas System: [http://www.utsystem.edu/hea/supplychainalliance/](http://www.utsystem.edu/hea/supplychainalliance/)
About Us

NAEP is the association of choice for educational procurement professionals dedicated to their continued professional development and to reinforcing the strategic role of procurement in education. Since the 1920’s, NAEP has been the non-profit professional association primarily dedicated to serving higher education purchasing officers in the U.S. and Canada. In 1934, members of the Association founded E&I Cooperative Purchasing, Inc. as an important undertaking and benefit of NAEP membership. Currently, over 1,500 colleges and universities are members. NAEP is a member-focused association providing progressive knowledge management in strategic sourcing, supply chain, materials and logistics for procurement professionals. NAEP provides professional development and networking opportunities regionally and nationally. These meetings, workshops, and seminars provide knowledge transfer ranging from “beginning” to “advanced” and are conducted throughout the year and across the nation. Visit www.NAEPnet.org to learn more.

SciQuest (NASDAQ: SQI) is a leading provider of eProcurement solutions to higher education that enables colleges and universities to realize significant efficiencies and savings on their purchases of indirect goods and services. SciQuest’s unique expertise and innovative “source-to-settle” approach to eProcurement enables institutions to identify savings opportunities they may otherwise have missed, while improving contract management, compliance, and supplier management. Learn more about SciQuest’s commitment to higher education at www.sciquest.com/higher_education.

Pathstone Partners is a leading professional services firm that works to create solutions customized to fit client needs in the higher education and healthcare industries. By creating relationships that share perspectives we collaborate on strategy, then establish and execute the right implementation approach. Pathstone cultivates a Balanced Partnership to deliver flexible solutions that drive optimal value. Visit www.pathstonepartners.com to learn more.

END NOTES

4 “The Basics of Branding.” Entrepreneur, John Williams Development Dimensions
5 “Building Customer-Based Brand Equity.” Kevin Lane Keller, July 2001
6 “What is Branding and How Important Is it to Your Marketing Strategy?” About.com, Laura Lake