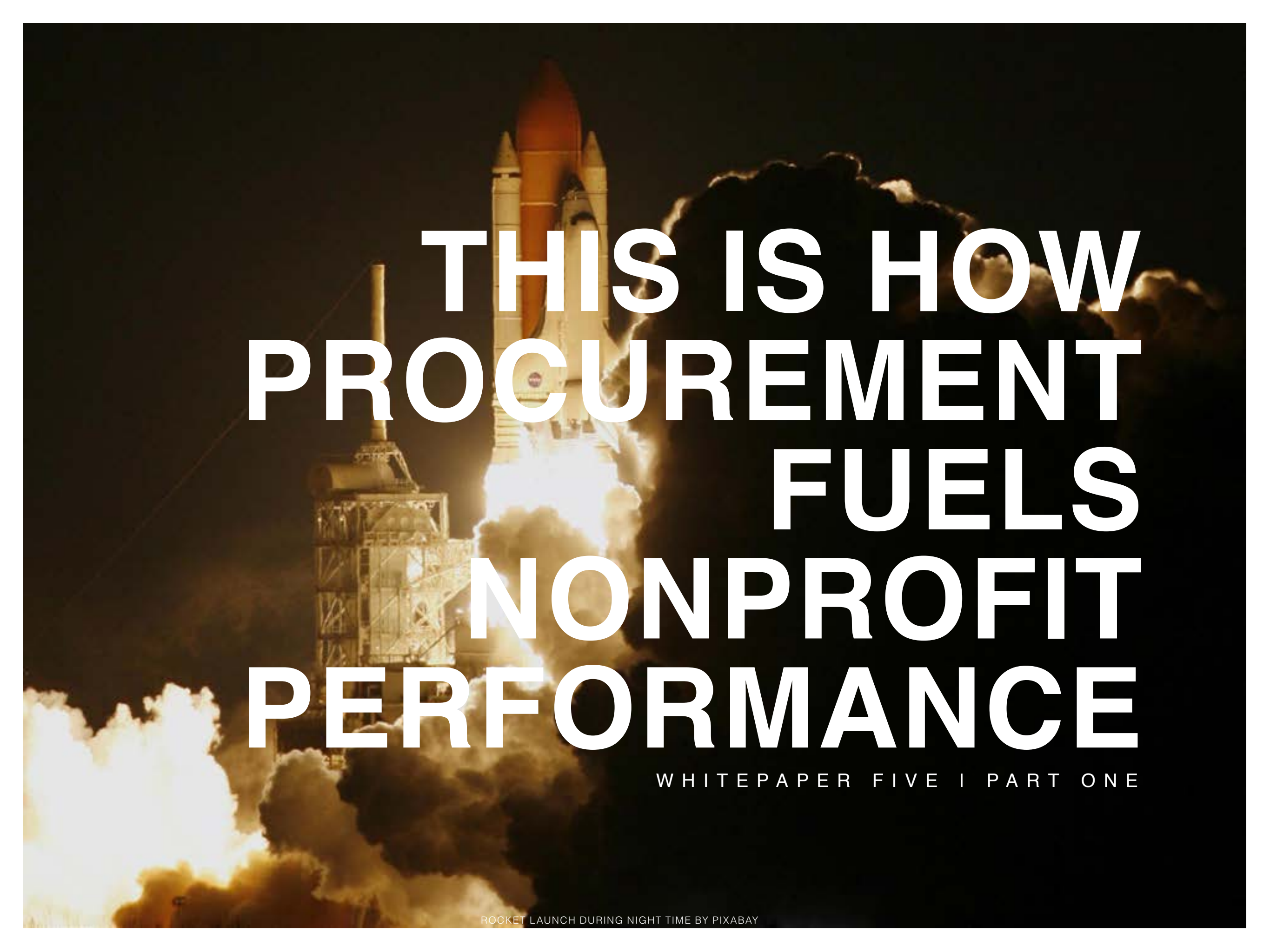


A dramatic photograph of a rocket launch at night. The rocket is positioned vertically, with a large, bright orange and white plume of fire and smoke trailing behind it as it ascends. The launch pad structure is visible on the left side of the frame. The background is dark, emphasizing the intense light from the rocket's engines.

THIS IS HOW PROCUREMENT FUELS NONPROFIT PERFORMANCE

WHITEPAPER FIVE | PART ONE



minimizing price is not the same as **maximizing value**

Typically, when people hear “procurement” they imagine hard-bargain negotiators who pressure sellers into discounting their goods and services.

And although Procurement Pros are ultimately concerned with reducing cost, their work involves much more than negotiating price.

Virtually every organization must buy things but, in one way or another, is limited in terms of what, when and from who they can buy.

A Procurement Pro maximizes the Value-for-Money an organization gains from the things it DOES buy.

This two-part white paper aims to, first, clarify what professional procurement looks like and how valuable it can be to any organization and, second, to demonstrate how procurement “fuels” a non-profit’s performance specifically.

By the time you’ve read both parts you will know exactly how procurement maximizes value and be better equipped to identify how procurement could “fuel” your non-profit’s performance.

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PROCUREMENT PROFESSIONALS...

EXPERTLY EVALUATE WHAT A PRODUCT OR SERVICE IS WORTH FROM THE BUYER'S PERSPECTIVE

RWith “off the shelf” products, often there’s little room to negotiate price. However, there are many other value-creation opportunities that a Procurement Pro could reveal. For example, when a software program is priced similarly between vendors, decision makers could consider what additional services could be needed by the organization in the near future. If a given vendor were to become a strategic partner to the buying organization, efficiencies could be created for both parties over time. This is therefore something a Procurement Pro would carefully consider and assign value to during supplier selection. In contrast, greater variability in capabilities and delivery models exists for service categories - which means more opportunity for Procurement Pros to negotiate terms.

For cleaning services, for example, professionals might look at whether the vendor is able to provide less-frequently-needed services directly or whether they would outsource that work to a third party, which adds risk and complexity to the partnership. Pros might ask whether the vendor uses green solutions or a reporting system that ensures requirements are being met - depending on client needs. A Procurement Pro balances what is needed and what is valued with how it will be delivered, what alternatives exists and what it costs to determine how different service options “stack up” from the client’s perspective. Procurement Pros ensure that what the buying organization signs a contract for is exactly what it needs *and* exactly what it receives.



PROCUREMENT PROFESSIONALS...

KNOWLEDGEABLY WORK WITH SUPPLIERS TO ENGINEER MUTUALLY BENEFICIAL OPPORTUNITIES

RBy facilitating productive discussions between departments, Procurement Pros can help an organization determine what it truly needs to buy. Sometimes however, what is needed is not necessarily offered by an existing or prospective supplier partner...yet.

Procurement Pros have the knowledge and skills required to negotiate the development of a new or customization of an existing solution that better meets the needs of the buyer. It's not uncommon for a supplier to already have something "in the works" that just hasn't made it to market yet. A Procurement Pro can craft a plan that results in both the buying organization and the supplier partner benefiting from crafting the new offer together.

For example, an ordering portal may not be offered by the prospective supplier at the time they are engaged by the buying organization. Procurement Pros can present a case where developing such a portal - and including it in the deal - would benefit the supplier by reducing mistakes and increasing supply chain efficiency - positively impacting their bottomline. It may even be something the buying organization would be willing to pay extra for.

The ability to facilitate the purchase of tailor-made products and services is unique to Procurement Pros. They know how to determine what is needed by the buying organization and figure out how it might also create value for the selling organization.



RVendors and suppliers from different industries can differ greatly in terms of seasonality, the degree or amount of “overhead” expense required to operate and how many “players” compete within a given market. These businesses may also measure performance differently and therefore value different aspects of a purchase agreement differently. Procurement Pros have the advantage of seeing many times the number of transactions than a single organization would ever need to. This allows them to develop a deep understanding of the differences between industries and between players in the same industry. This arms Procurement Pros with information that strengthens their ability to negotiate efficiently.

For example, having insight into energy sector dynamics allows procurement pros to identify opportunities to negotiate on natural gas rates. Even when the price might already seem competitive to the buying organization compared to historical numbers, a Procurement Pro can quickly recognize when more value can be gained by the buying organization.

The reality is that procurement professionals’ experience the nuance and complexities that are inherent to B2B transacting on a far greater scale than a “generalist” would ever have reason or opportunity to. This accumulation of experience allows Procurement Pros to guide a buying organization with greater efficiency and, often, greater outcomes.

About Us

We go beyond traditional practices to get great results.

Most procurement professionals are very good at the core purchasing skills, but our experience has led us to broaden our approach to achieve maximum benefits for our clients.

We save organizations time, money and headache.

Professional procurement is about understanding what is needed and how best to get it. By focusing on procurement, Round Table can offer nonprofit organizations the expertise needed to increase benefits and reduce risk associated with spending money.

We offer practical solutions for nonprofits of all sizes.

Round Table achieves cost savings, quality improvement and operational efficiencies by offering a spectrum of practical procurement solutions.



PAUL STANFORD
SENIOR ASSOCIATE

[learn more](#)

