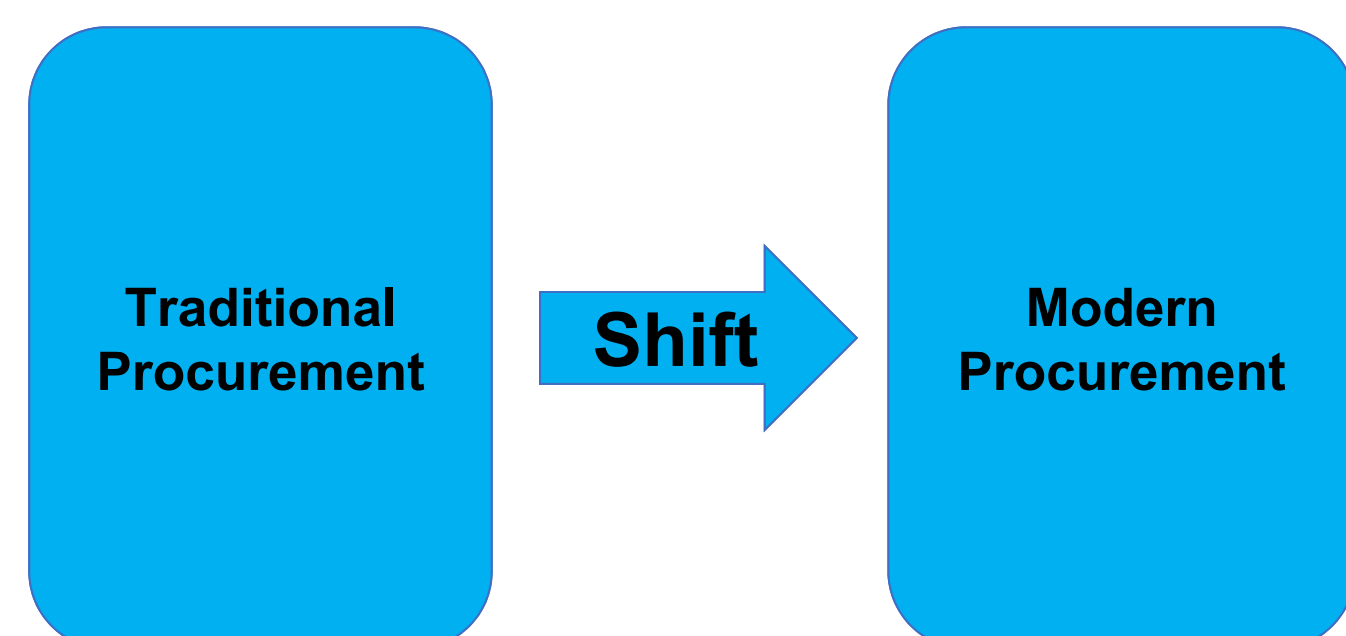


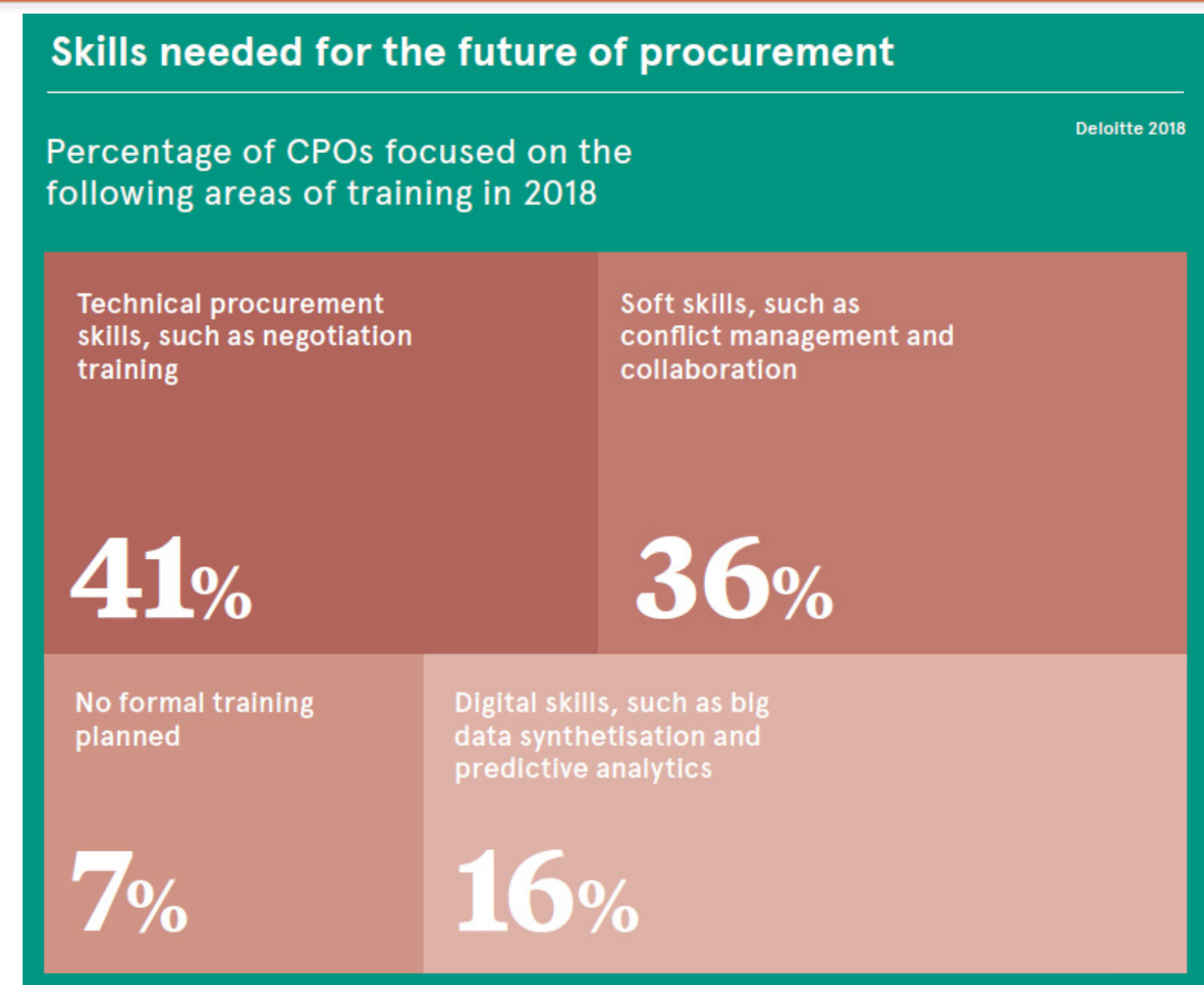
Lenovo Procurement Modernization Trends

Project Objective

Our project is directed toward identifying and understanding modernization trends in procurement and providing this insight to DCG in support of the transformation efforts. The overarching goal is to address pain points in the procurement process and increase communication, transparency, and access to data across the system.



Business Benefits

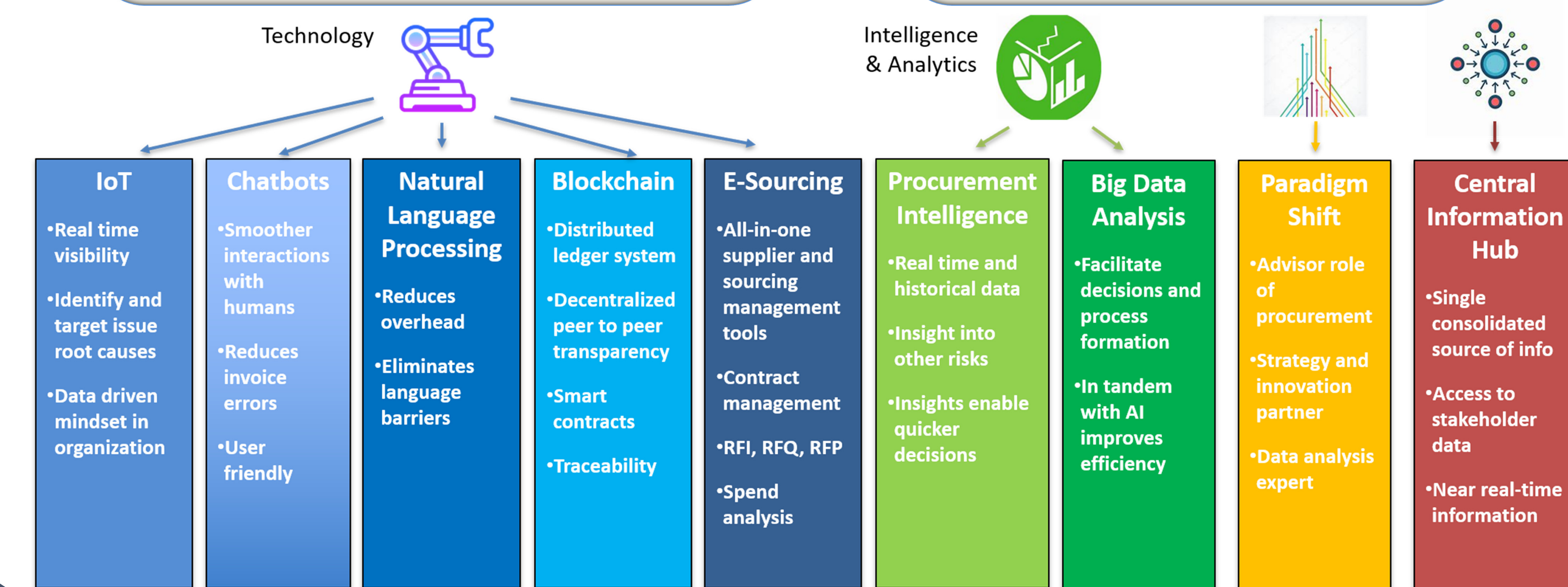
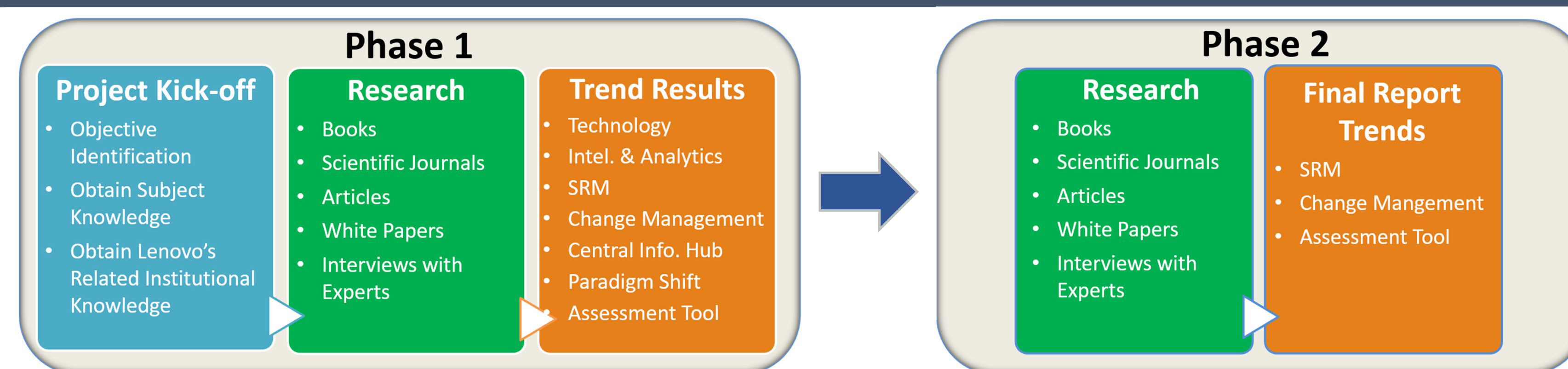


30%

Percentage of employees confident in recognizing and understanding analytics they are using₂

90% faster access to sales, order information, and analysis, plus ability to reduce late orders by 75% with Central Information Hub for IBM₃

Approach & Phase 1 Trends



Phase 2 Focused Trends

Supplier Relationship Management (SRM)



- Conduct joint improvement activities.**
 - Exchange best practices with suppliers.
 - Initiate kaizen projects at suppliers' facilities.
 - Set up supplier study groups.
- Share information intensively but selectively.**
 - Set specific times, places, and agendas for meetings.
 - Use rigid formats for sharing information.
 - Insist on accurate data collection.
 - Share information in a structured fashion.
- Develop suppliers' technical capabilities.**
 - Build suppliers' problem-solving skills.
 - Develop a common lexicon.
 - Hone core suppliers' innovation capabilities.
- Supervise your suppliers.**
 - Send monthly report cards to core suppliers.
 - Provide immediate and constant feedback.
 - Get senior managers involved in solving problems.
- Turn supplier rivalry into opportunity.**
 - Source each component from two or three vendors.
 - Create compatible production philosophies and systems.
 - Set up joint ventures with existing suppliers to transfer knowledge and maintain control.
- Understand how your suppliers work.**
 - Learn about suppliers' businesses.
 - Go see how suppliers work.
 - Respect suppliers' capabilities.
 - Commit to coprosperity.

The Supplier-Partnering Hierarchy

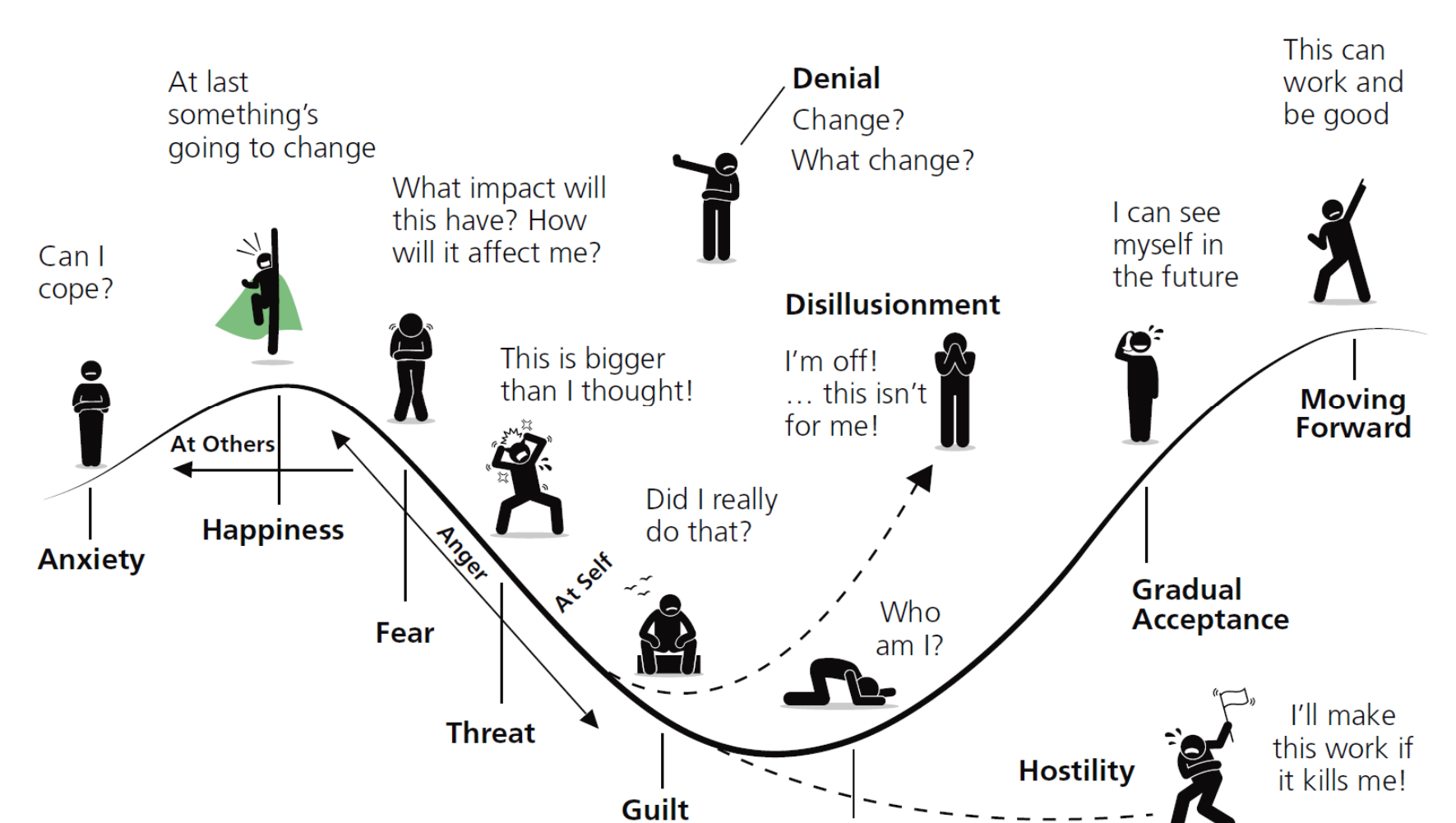
Process

Change Management



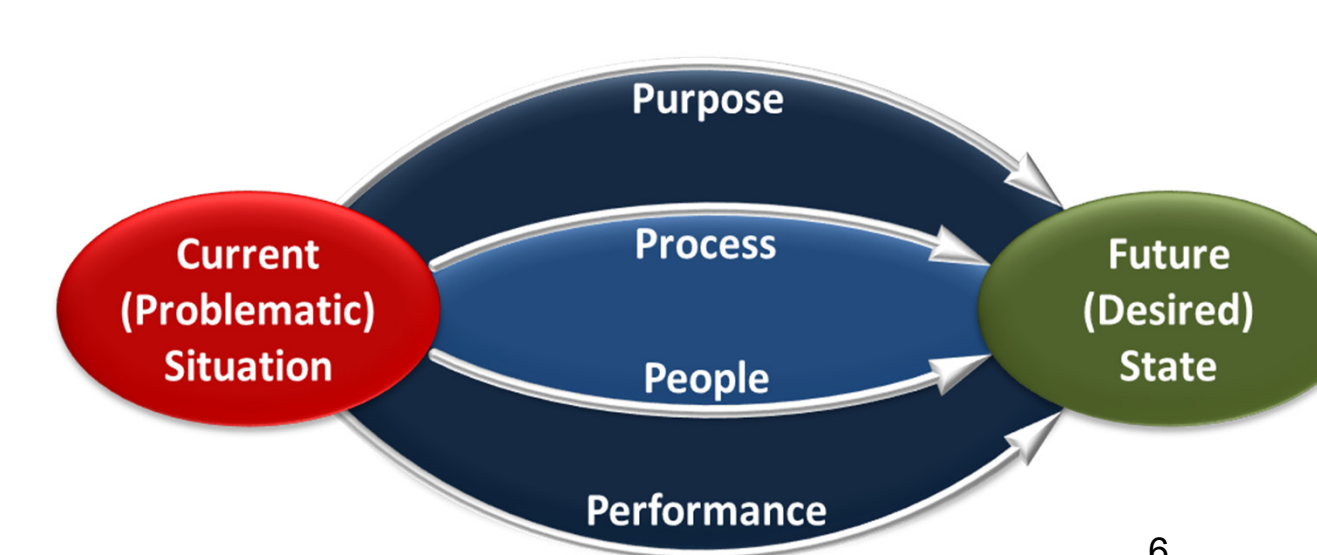
- Understand the impacts of implemented changes
- Address employee insecurity through communication of organizational change and future plans
- Educate employees on new tools to gain greatest benefit from investment and productivity improvements
- Seek employee feedback and listen with intent to moderate if there are pain points
- Audit compliance with the new process and roles
- Focus on employee project outcomes and end results

The Process of Transition

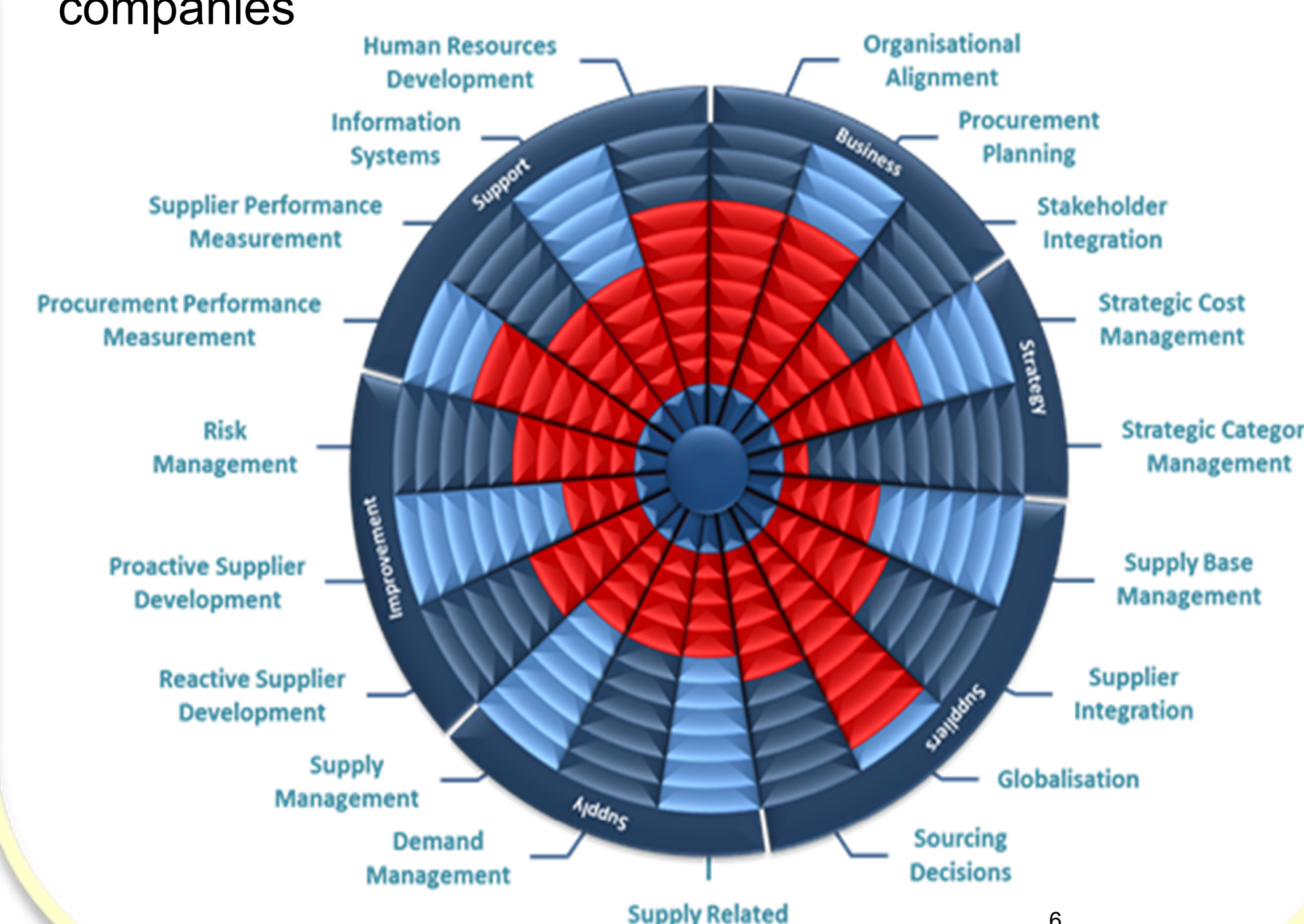


Process

Transformation Assessment



- Provides increased granularity and is more comprehensive than maturity assessment
- Aids in determining benefits from current procurement transformation efforts
- Affords ability to create roadmap and action plan for implementation
- Sets out performance measurements against other companies



Tool

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MBA 549 Supply Chain Practicum

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