

# MILLENNIALS

## IN PROCUREMENT



HIRING FOR POTENTIAL,  
TRAINING FOR RESULTS

A resource provided by the



# INTRODUCTION

An interesting new group of humans is joining the workforce – the millennials. Millennials were generally regarded as people reaching adulthood on or after the year 2000. So, by this definition, millennials include everyone born after 1981.

But, more commonly in the business world, the word “millennial” is associated with people who have graduated college and began entering the workforce in the mid-2010’s. So, by this definition, millennials are people born in the 1990’s. We’ll run with that definition in this whitepaper.

And, in the past year or so, there has been an undeniable buzz in the business world about how to handle millennials in the workforce. Millennials clearly have different skills, interests, and perspectives than previous generations.

In this whitepaper, we will explore how a procurement leader can bring millennials onto his or her team and get great results.



## WHAT MILLENNIALS BRING TO THE TABLE

By the very fact that their demographic group has a name, millennials are perceived as different than the other demographic groups in the workplace. As such, they bring a host of great benefits with them when they join the workplace. Here are the positive characteristics of millennials:

- **Technological Savvy:** Millennials are people who cannot remember living in a home without a computer. And, by the time they reached their teens, they were comfortable using technology to communicate in an unprecedented number of ways: texting, social media, email, and, yes, old-school phone conversations and in-person interactions! As such, you rarely find a millennial in front of a computer or device stumped as to how to get something done. They have a seemingly innate way of figuring out solutions to anything computing-related. They learn fast and get things done faster.
- **Belief That Nothing Can't Be Changed:** Millennials are people who watched some long-standing practices change. They have seen music go all-digital, without the need to rely on media like records, cassettes, or CD's. They've seen Pluto, which was discovered in 1930, to be stripped of its classification as a planet. And even with something as fundamental as food, they've seen restaurant chains commit to new animal welfare practices despite operating a certain way from their inception. Millennials are a group that doesn't buy into doing things the way they've always been done. And you can expect them to shake up the world like it's never been shook up before as a result.

- **In Touch With What's Going On In The World:** Millennials are the first generation to grow up not having to wonder about the answer to a question. They simply googled their questions and gotten instant access to answers. Previous generations had to purchase materials, go to a library, ask others, or simply allow their questions to go unanswered. As such, millennials know how to keep abreast of what's going on in the world. Additionally, with social media being such a big part of their lives, scrolling through their feeds in the morning has provided millennials with more – and more current – updates than any previous generation had access to. All of these factors have made millennials a group that is keenly in touch with many aspects of the world in which we live.



## ARE MILLENNIALS PREPARED FOR PROCUREMENT?

With the aforementioned benefits of millennials, they would seem to be a natural fit for today's procurement roles.

Procurement is continuing to get more technology-driven. So, millennials' tech- savviness will serve them well, both in using the technology and helping to deploy it enterprise- wide.

Delivering results through procurement has become as much about change management as anything: influences changes to what people buy, from whom they buy it, and how much they pay. Internal customer resistance has left many a procurement professional retreating in a futile belief that things will stay the way they've been. But when millennials see a mountain, they refuse to accept that it can't be moved, somehow, some way. They have the fortitude to see change through, a characteristic more necessary than ever in procurement.

As mainstream procurement has become a global function in the past decade or so, many more external factors can impact the level of success of a procurement department. Geopolitical and transportation risks, overseas natural disasters, and commodity price fluctuations are just a few of these types of external factors. Today's procurement professionals need to know what's going on in the world. They not only have to be aware of events as they happen, they need to be able to predict those events before they happen.

Millennials' worldview positions them well for this type of role.

But, despite all of these attributes that would lend themselves to procurement, this author contends that millennials are poorly prepared for procurement!

Why?

Well, millennials' exposure to procurement prior to actually working in a procurement department is

extremely limited if not non-existent. The procurement world – long wallowing in a feeling of not being respected as a function – celebrated when colleges and universities began offering degrees in supply chain management. But ya know what?

Most, if not all, university supply chain management programs suck when it comes to procurement.

In the eyes of colleges, universities, and actually much of the business world, “supply chain management” and “procurement” are not the same thing. Of a 120-credit bachelor’s degree, it is typical for only three of those credits to come from coursework in purchasing/ procurement/ sourcing/supply management. That is one course

out of 40. A fraction of a three-month semester in a four-year education.

Instead of being exposed to much about procurement, supply chain management majors learn about production control, logistics,

inventory forecasting, exporting, marketing, and other non-procurement-specific topics.

It is not that those topics aren’t valuable. It is just that a supply chain grad does not necessarily translate into someone who has knowledge of - or passion about - procurement. Don’t be fooled – most millennials are not well-prepared for procurement careers!



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## NURTURING MILLENNIALS INTO PROCUREMENT ROCK STARS

So, almost any millennial you hire will not know much about procurement. And that might be OK.

In the last couple of years, there has been a trend to “hire for potential and train them in the specifics.” The thinking in procurement is that most aspects of procurement are not rocket science. If you hire an intelligent person, they can be trained on the technical aspects of procurement.

That is true, but only if you have a plan.

And if you want millennials to deliver the same or better results than an experienced procurement candidate, your plan better be a good one. You simply cannot leave the procurement professional development of a millennial to chance.

So, here is what the Next Level Purchasing Association (NLPA) suggests as a plan.

The NLPA looks at the competencies that procurement professionals will need through their entire careers, from the time they enter the procurement workforce through the time they have an executive role. For all of those competencies, the NLPA has developed a collection of educational materials and documented best practices in what is called the Strategic Procurement & Supply Management Body of Knowledge®, or CPO(SPSPM)-BOK® for short.

The NLPA has grouped those competencies into four levels. Those levels and their competencies are illustrated in the following CPO(SPSPM)-BOK® Mastery Model.

Level 4 is the executive level. That is not where your newly-hired millennial will start.

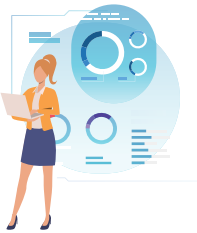
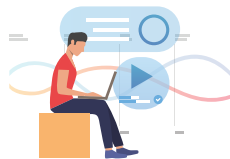
The NLPA recommends that the first-year plan for a newly-hired millennial procurement professional be to receive professional development for the six Performance Domains(Areas) of Level 1 – Essential Procurement Skills.



Those Performance Domains (Areas) are:

- Tactical Procurement
- Data Analytics & Spreadsheets
- Contract Law
- Negotiation
- Procurement Best Practices
- Sourcing

# SPSM-Body of Knowledge (BOK®) Mastery Model



## CPOE-BOK® Level 4

Certified Procurement Operations Executive

### Executive Procurement Leadership Skills

**Required Performance Domains**  
 Exemplary Supply Chain Social Responsibility  
 Strategic Supplier Diversity Best Practices  
 Supply Risk and Sustainability Management  
 Supply Management Executive Leadership

**Procurement Function Management Skills**  
 Finance for Strategic Procurement, Part II (Advanced)  
 Finance for Strategic Procurement, Part I (Fundamentals)  
 Improving Quality in the Supply Chain  
 Expert Procurement Operations Management

**Advanced Procurement Skills**  
 Executing a Global Sourcing Strategy  
 Basics of Smart International Procurement  
 Professional Procurement Project Management  
 Profitable Inventory Management and Control

**Essential Procurement Skills**  
 Supply Management Contract Writing  
 Powerful Negotiation for Successful Buying  
 Mastery of Procurement Tactics  
 Savings Strategy Development  
 Data Analytics for Procurement Professionals  
 Procurement Best Practices

## CPOM-BOK® Level 3

Certified Procurement Operations Manager

### Procurement Function Management Skills

**Required Performance Domains**  
 Finance for Strategic Procurement, Part II (Advanced)  
 Finance for Strategic Procurement, Part I (Fundamentals)  
 Improving Quality in the Supply Chain  
 Expert Procurement Operations Management

**Advanced Procurement Skills**  
 Executing a Global Sourcing Strategy  
 Basics of Smart International Procurement  
 Professional Procurement Project Management  
 Profitable Inventory Management and Control

**Essential Procurement Skills**  
 Supply Management Contract Writing  
 Powerful Negotiation for Successful Buying  
 Mastery of Procurement Tactics  
 Savings Strategy Development  
 Data Analytics for Procurement Professionals  
 Procurement Best Practices

## CPOP-BOK® Level 2

Certified Procurement Operations Professional

### Advanced Procurement Skills

**Required Performance Domains**  
 Executing a Global Sourcing Strategy  
 Basics of Smart International Procurement  
 Professional Procurement Project Management  
 Profitable Inventory Management and Control

**Essential Procurement Skills**  
 Supply Management Contract Writing  
 Powerful Negotiation for Successful Buying  
 Mastery of Procurement Tactics  
 Savings Strategy Development  
 Data Analytics for Procurement Professionals  
 Procurement Best Practices

## CPOS-BOK® Level 1

Certified Procurement Operations Specialist

### Essential Procurement Skills

**Required Performance Domains**  
 Supply Management Contract Writing  
 Powerful Negotiation for Successful Buying  
 Mastery of Procurement Tactics  
 Savings Strategy Development  
 Data Analytics for Procurement Professionals  
 Procurement Best Practices



## CONCLUSION

It is an exciting time. A whole new breed of employee – the millennials – are entering the workplace.

If you wish to put together a multi-year plan for your newly-hired millennial procurement professionals, Levels 2 through 4 serve as an excellent, structured sequence. But, at a minimum, developing the six Performance Domains(Areas) of Level 1 should be on your short-term radar.

Professional development in these competencies will provide a strong foundation for success for your newly-hired millennial – or, frankly, any – procurement employee. And these are not topics that colleges and universities teach well in their supply chain management programs. Millennials bring many valuable business attributes to their employers. Knowledge of and passion for procurement usually aren't among them.

But the good news is that a new trend seems to be working. That trend is to hire employees for potential and train them for results.

As such, it is up to you as a procurement leader to nurture your millennial procurement employees to success. You simply need a good plan.

The NLPA recommends that your plan be based on the CPO(SPSM)-BOK®. A simple and effective plan for training your newly- hired millennial procurement employees is to provide training in the six competencies of CPO(SPSM)-BOK® Level 1 within the first year of their employment.

This plan is designed to help you get effective performance out of your procurement team courtesy of a great balance of inherent millennial traits and perfectly-targeted professional development. Good luck!