

Art of Procurement Podcast Transcript

Episode 176

Why Mindset is Crucial to be Successful in the New Age of Procurement w/ Jack Miles

Philip: [00:00:30] Hi there everybody, and welcome to this week's Art of Procurement podcast powered by Sig. And so, my originally planned interview -- actually this week they came down with some sickness the day before we were about to record. So, what I thought I would do instead is to dig into the archive for today's show.

[00:00:46] Actually, it's not The Art of Procurement archive but it's from the Procurement Revolution. For the benefits of new listeners, the Procurement Revolution was a five-day online procurement event that was created and hosted by Kelly Barner and I back in September of 2016. It's actually crazy to me but it was so long ago now. It seems just yesterday.

[00:01:07] What we did is we opened the mic for 40 revolutionaries to share their thoughts on the future of procurement in kind of a TED style environment. All those interviews are actually freely available today either by going to the procurementrevolution.com or searching for the Procurement Revolution podcast in your favorite podcast app.

[00:01:28] Enjoying each day, Kelly and I hosted a Q&A webinar in support of that day's theme. It's one of those Q&A webinars that I actually wanted to share with you today. The theme of the day was mindsets and being prepared for the future of procurement. Kelly and I's guest on this webinar was Jack Miles.

[00:01:48] I crossed a number of roles from a really storied career. Jack is a pharma CPO of CIBC, of AIG, of Computer Associates. He was the secretary of state for Florida, for the Florida Department of Management Services. Jack is a longtime friend of the show. He's a member of our board of advisors. We've really got to know Jack well over the last couple of years or so. And so, I was delighted that he's really able to participate in the Procurement Revolution.

[00:02:20] And so, for my first question. Let's go straight into the Q&A. I asked Jack if he could give a quick assessment on what he believes to be the current state of procurement.

Jack: [00:02:31] Well, procurement as a profession has sort of gone through a whole series of changes over the years yet what I've seen is that while a lot changed, a lot stayed the same. Comments you hear from people in the space is basically "We still like to get invited to the table.", "We need to have a mandate.", "We can add so much value, but people don't understand it."

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[00:02:58] What's amazing to me is I spent almost 30 years kind of in the procurement space or associate procurement space and the stories haven't changed. I think they haven't changed because people haven't really stepped up to the plate and understood what in fact a particular company was looking for and how in fact they could add value. Short answer: A lot's changed. A lot's the same. I still think that there's a lot of work to do.

Philip: **[00:03:27]** Do you think we're ready to change? Ready to change our mindset.

Jack: **[00:03:32]** I'm not really sure, Phil. I think people want to change. The challenge is that I'm not sure that they realize that sometimes they actually have the keys to change.

Philip: **[00:03:43]** Yeah.

Jack: **[00:03:43]** They can drive the process and kind of move the needle a little bit. I mean one of the biggest challenges that I see is that many of the procurement people that I talk to still focus on and talk about, in too much detail frankly, about their value in saving money. I don't know a C-Suite executive who wakes up in the morning and says "Boy, I really want to save a lot of money today." No. That's not their focus. That's not where they are. They expect a lot of those things in the operational side of the business to happen, to happen well, be done well, etcetera.

[00:04:24] If you look at that, it's not surprising that procurement may not be invited to the table or might not have a seat at the table or might not even be respected the way they should because of that focus.

Philip: **[00:04:37]** We asked the question, I think it was on Tuesday in our conversation with Greg Tennyson of BSP. I'm interested in your perspective. It's that you talked about the fact that we're focusing on savings all the time but ultimately that's how we're measured. So, are we ever really going to be able to change our behaviors and so we're able to change the way that we are measured?

Jack: **[00:05:00]** Well, is procurement measured that way or is that the way procurement wants to be measured? Is that what they advanced? Is that what they positioned? Oh, I've had many--. I've reported to the CFO, the COO. I've reported to the sort of the C-Suite. Each one of them actually has a little bit of a different perspective as to the value that they're looking for procurement to deliver. I've never been one to walk into--.

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[00:05:27] I mean I talked to an individual who just joined a firm in the last two weeks or so as the chief revenue officer and one of the things that he said that sort of solidified my value proposition with him and kind of his positioning is that he said "Jack, I never look at two companies the same way. I have to look at each one of them and kind of understand and see how we fit in and see what we do. So, there's not a cookie cutter way to approach it."

[00:05:55] I think that's part of the challenge that procurement professionals face in the business if that's what they think. And you know you got to ask. I mean value to everyone means something else. I think you have to ask those questions and you have to position yourself in the organization to meet the expectations and the value proposition that somebody is looking for.

Philip: **[00:06:19]** In your experience when you've gone into a new company as a CPO, what's kind of the first things you do to try and understand what the company-- Well, I guess what they expect of procurement because what they expect in procurement may be very different from what you could actually provide to them. And then two, what you need to do to change to try and align yourself better with what it is the business needs.

Jack: **[00:06:43]** It's an engagement with the leadership of the organization. That's business leadership. That's overhead leadership. That's every facet of the organization. Hopefully, I would have met many if not most of those people through the interview process because if you kind of go back to the very beginning that's what's critical. You've got to make sure that you're going into an organization that your value is understood, and that either the procurement function is an important one or a valid one.

[00:07:13] Frankly, if it's not then why would somebody even go there? That's point number one. But when you get into an organization, I think it's a matter of reestablishing or readdressing some of those conversations with the senior leadership of the organization. Find out what's important to them. Ask for their goals and objectives. Ask how you can participate in their goals and objectives. I doubt very much that many of them are going to say solely "Well, we just want to save money." They're going to talk about speed the market. They're going to talk about perhaps products that they're looking to bring to market. They're going to talk about engagement with some of their key people.

[00:07:49] Usually, one of the big green lights in a process like that is that you get invited to either team meetings or their leadership team meetings or you have

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periodic meetings with the leadership team. But the bottom line in all of this is you've got to facilitate a connection with the businesses and find out what's important to them and then utilize that information to position yourself with their team and with their people to deliver value and then report back on what in fact you did that was aligned with what they were looking for you to do.

Kelly: [00:08:25] Jack, so one of the things that I always find interesting and I think as a profession we have a tendency to talk about the way other people perceive us, right. Whether it happens to be the C-Suite or whether it's external holders or internal stakeholders, any organization that we interact with. But when you think about this topic of mindset, I actually think one of our biggest barriers maybe in how we see ourselves. In terms of [unclear] some of my favorite phrases about this is people will say "Oh, procurement is [unclear] or "Procurement is the place where you send someone when you never want to see him again." I even heard about surveys where people were asked "Okay. How many of you here that are in procurement were chosen instead of being given the option?" And it tells you it's not even half of the people raise their hands. So when we talk about how we're seen by others, but also how we feel about ourselves and what our own attitude is about our role in [unclear] the organization, what kind of a role do you think that's based in terms of what we're able to go out and assess in communications or to your project.

Jack: [00:09:38] I think you're absolutely right on with what you're saying. I mean it plays a huge role because if you don't feel right about yourself and if you're not directionally aligned with kind of where you're going and what you're representing externally, what you feel personally or where you're going, you're never going to accomplish it. You're not going to project the right mindset to people. But if I may, and I say this often and I should actually research it. But at one time there was a McKenzie study done. I don't think it was solely around procurement, but procurement was part of it. They asked CEOs what their perception of procurement was.

[00:10:20] In general terms it was "Yeah. It's made up of the accounts that can help the managers that can't manage." And sort of the list went on. That for the longest time probably did happen. Why did it happen? Because people just didn't think it was any value. We have this function that's there. Just put people there. It was an easy way to kind of move people on without really moving them on. But I think if you don't feel good about yourself and you don't project a positive attitude and it's not a can do and we can help you, if you've got--. Not necessarily a negative but if it's kind of a passive sort of approach and all you're thinking about is something that the business isn't necessarily thinking about then that's going to come across. So, I think how people view themselves is critical in how other people view them.

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Kelly: [00:11:12] Is it possible to change this? If you have sort of like a bad [unclear] procurement team. Would you have to [unclear] CEO have to change out and have some preexisting [unclear] of procurement. Can you [unclear]. How possible is this from what you've seen and how do [unclear] change both the self-identity of procurement as well as [unclear] organization data.

Jack: [00:11:43] Well, it's really critical. I do believe it can happen. I believe it has happened. I think I was fairly successful in my career for a bunch of reasons. One of which is I have some great mentors and some great people that I learned from and kind of helped me move along earlier in my career but also later on in my career.

[00:12:03] One of them actually said to me one time, he said, "Jack, you don't change culture, you change people." He didn't mean that in a way of just drilling down and changing people. He basically meant if you don't have the right people, you've got to move them out. You've got to get the right people. That may sound harsh. It might sound tough but at the end of the day you also have to ask the question of who failed who?

[00:12:27] A lot of times the culture of the organization is not something that just happened overnight. It grew over a period of time. It might have been bad leadership. It might have been no leadership. It might have been just a group of people that were you know woe is me type of folks. I think there is an opportunity to give them some kind of light at the end of the tunnel and tell them that you want to change, you're going to support them, but there's expectations that you have of them and there's expectations that they have of you. And then try to advance the process.

[00:12:58] I will tell you that there are some people that adjust really quickly. There will be some people that won't. The people that won't frankly you have to go find another role either in the organization or outside but they're not going to be your friends and they're not going to help you. It happened a bunch of times in my career. It's just what you have to do.

[00:13:21] It's not one work. It's work frankly that I always took extremely seriously because you're dealing with people's lives and families and everything else. But at the end of the day the best thing you can do is move a person out of a role that they're not qualified or they're not right for or they can't adjust to than keep them in a role that's not right for them long term.

Philip: [00:13:43] Does that become obvious very quickly when you come into a new role? Or is that a process that takes its time to play out? The people who will be impacted

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or potentially impacted have the time to demonstrate a desire to change. Are you coming in and recognizing fairly quickly that you need to make some changes, you need to make them quickly?

Jack: [00:14:05] Yeah, I'm not a slash and burn kind of guy so I'm not one that comes in and says out with everybody and in with these. I try to work and assess. However, that has to be done quickly. We all have strengths. We all have weaknesses. One of the strengths that I think I have which is also a top of the line weakness is that I make my mind up very quickly about people. The balance on that is that yes, I've been wrong, but I've been right a lot more times than I've been wrong. Many times, when a CPO or anybody comes into an organization as a new player they're coming in for a reason.

[00:14:45] Some of the roles that I went into -- I was kind of seen as a bit of the turnaround guy in procurement. It wasn't going well, or the business had challenges and quite frankly some time in one particular case I can think of, the real issue was the fact that the business had to dramatically change, and they were looking at expense reduction as a way to buy the leadership team some time. So, save some money. Give us some runway to get some of these other things done. Cost savings was absolutely critical. So, it's something we drill down into. Other times that's not the case but I do think you have to assess the team, you've got to make some decisions, you've got to treat people appropriately and do the right thing. At the end of the day you've got to move on because the value of the team and how your organization perceives your team is dependent upon what you do probably in the first 90 to 120 days.

Philip: [00:15:38] So, it's about those first impressions.

Jack: [00:15:41] Absolutely. Absolutely.

Philip: [00:15:43] What do you say or recommend to professionals or can be leaders but they have a new CPO that's been brought in. Like you say, often CPOs are brought in because something was failing or there's a burning platform. So, they have a need to prove themselves. What do you look for in those people that makes you be able to make your mind up relatively quickly as if it's something that you want to invest in or somebody that perhaps go for where you want to take the organization?

Jack: [00:16:08] Yeah. I have some people that have really been good. A lot of times it's--. There was a CEO years ago in one of the companies I was in and they designated the middle management part of the organization as the middle management mush.

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He didn't get much, you know many out of voice for saying something like that and I kind of get it but it was descriptive and everybody got it. Many times, what I find is that you got that middle management piece that's not willing to make a call, not willing to sort of say it like it is. They are more followers than they are leaders but when you have a low... that many times and I hate to be hierarchical about it but it's the reality so they're kind of reporting it to these people. They do know what needs to be done but they're stopped by that middle management group.

[00:16:55] What I always enjoy are those folks that either knock on the door or whatever and sit down and introduce themselves. They won't tell you what they want to do. Say that "We got your support. We heard some good things about what you've done in the past. Then, I really want to be part of the team moving forward." And those are the people that I think become sort of the advocates or the evangelists or whatever to start to change the organization and get it to go to another level.

[00:17:29] It's a matter of stepping out sometimes. There's nothing wrong with doing it. I know there's been trepidations sometimes with people coming in to see me for that first introduction that they want to introduce themselves to me, but I give them a heck of a lot of credit for going out and doing that. I usually want to get out and meet people and sometimes that's in smaller groups. I used to have what I call skip level meetings where I would go down a couple levels and just meet with 10 or 12 people on an informal basis and find out what's going on, what they're thinking of, and their ideas and their thoughts. That's very critical when I would move into an organization because what it started to tell me is which ones of my direct reports were communicating to people with people passing on the word as to what's going on because if I meet with 10 people and five of them don't even know what the heck is going on, then I've got a problem with my leadership team. That's probably an area that I have to address but you know step out. I mean there's nothing wrong with stepping out. There's nothing wrong with introducing yourself. If you have some thoughts and ideas, get them out there.

Philip: **[00:18:42]** How important is courage?

Jack: **[00:18:45]** Oh, it's just critical. No guts, no wear medals. I mean if you can't--. What's the worst thing that's going to happen? A colleague of mine Jeffrey Hayzlett gave in his keynote presentation says "Heck, in our business, what's the worst thing? Somebody is going to get a paper cut?" I mean nobody's going to die so it's not a big deal. Take some risk. Go out there. Step out. Have some courage to do something. And courage is lacking in corporate America in a huge way.

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[00:19:12] Just look at the situation with Wells Fargo. What's going on? What the CEO is going through? What the organization went through? I mean you need to tell me that a leadership team in an organization didn't have a clue that 5200 people were doing something that they shouldn't have been doing as a leadership team put together a compensation plan that incentive them to drive numbers that were probably difficult for them to drive and the only way they could do it was sort of falsify stuff? Shouldn't have done it. I get it. But why do you put people--?

[00:19:40] I mean you want to keep honest people honest. You don't want to put people in situations that in order to keep their job they have to do something screwy. Somebody there should've stepped up and probably should have said something but what will be very interesting is if somebody actually did. My guess is there weren't that people in that organization that made those statements, but nobody was listening. So, courage is critical. Courage is important. If you're in an organization that doesn't want to listen to people, where there's not an avenue to be able to get the ideas across then you've got to question if it's the right organization for you.

Philip: **[00:20:17]** Yes. It's not necessarily that you always fail to get what you want from stepping up and from being courageous because the environment may not just be there for you to do that but then recognize that and make a plan B rather than just trying to sit there and kind of let the world around you affect you and ultimately you'll be impacted by the decisions made by those around you.

Jack: **[00:20:36]** Absolutely. Absolutely.

Philip: **[00:20:39]** You talked earlier about the help that you had from mentors particularly earlier in your career. My personal experience is that having mentors has been so critical in helping navigates a whole bunch of stuff by giving me guidance and just being there to kind of call on and ask questions off but it's not necessarily easy to find a mentor particularly one that's from - not in your own company. Somebody who has an independent view, if you will.

[00:21:06] I was interested if you could just share how you were able to get the mentors earlier in your career but then flip it on either side. You obviously helped a lot of people as well from a mentee perspective. What is it that you look for when you're thinking who you can help? You know who's out there that could really benefit from your perspective.

Jack: **[00:21:30]** Well, I think it usually starts. It's really a great question but I think it usually starts with your ability to kind of help somebody else out or a project that

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comes along that you work on or whatever. To me it goes back to what I said earlier about making my mind up about people really really quickly. Maybe the best way to explain this is an actual example.

[00:21:55] I was apprentice all of the time. I was in the purchasing department. I was invited to go to procurement by the vice president of procurement who frankly had a lousy reputation in the organization. I have worked in the methods and standards department. I had done a lot of work flow analysis and work for him. One day he called up and said, "Do you want to come to procurement?" I said "Sure." In I went. It was a paper and [unclear] so I mean we were dramatically different in our knowledge and experience.

[00:22:18] But one day he brought me to a meeting with the president of one of the business divisions. The fellow's name was Bob Martin. Bob was bringing a new product to market. He was explaining to Gene and me because Gene brought me along how he was going to do this and the process and everything else. I was listening. It was a bit of technology and of course it sounds silly today because this was, you know that's a long time ago. I listened to him and he looked at Gene and he said "So, what do you think?" Gene looked at me and said, "Jack what do you think?" I said, "I actually think there's a couple of things that you could look at that's a little bit differently that would probably end up giving you a different result."

[00:23:03] Body language would talk. Everybody kind of sat back in their chair and sort of looked at me. Bob said "So, what's your idea?" I said, "Not quite sure but if you give me a couple of days I'll formulate some concepts and I'll come back to you." And it was fine. Walked out of the meeting Gene Harley, my manager looked at me says "What's your idea?" I said "I don't have any, but I do think there's some better ways to do what he wants to do. I just have to scalp them all out." We did that. We went back. I think it's some flower folder some place I still have the note from Bob that said, "You helped me bring a product to market faster, better, and save me some money along the way and it wouldn't have happened without your engagement."

[00:23:49] Bob became one of my mentors. We had a connection when we did that. I was young. I can tell you a bunch of stories of what happened to that company and frankly they're all courage focused but I mean I did some things there and Bob utilized me when he was making acquisitions, going and take a look at those acquisitions, and come back with some ideas and suggestions. He taught me a very valuable lesson because one day he handed me back my report. He said, "Now go back and implement it."

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[00:24:18] But all of that stuff was such that I knew I could learn something from him. I also felt that I could deliver good value to him. So, it was a mutually positive relationship. It's been a little bit of a while since we talked but we're still in contact and it goes back many many years. You've got to find somebody that you can help out, somebody that they can help you out, and frankly somebody that really really going to challenge you and ask you some of the tough questions.

Philip: **[00:24:55]** Do you find that those relationships become formalized or it's always more just a--. Either you're kind of a--. Not necessarily agreeing but some of these things are natural. You are kind of playing off each, you're going off each other. It's not that you think of having a formal mentor/mentee relationship. It's just being there for each other.

Jack: **[00:25:13]** Well, it's being there for each other but it's also career advice. I mean one of the piece of advice Bob gave me that I still give to people is that you know he said to me that I should be going on an external interview every six month. I was like "what?" He said "Yeah. The perfect job is going to come along at some point and if you're not in the marketplace and you don't know and you don't practice and you're not good at it, what's going to happen? You're going to blow it potentially." But of course, he followed it up by saying "By the way, if you get an offer from somebody, you think it's heading that direction, come back and talk to me first." I mean what he was trying to do was balance the organizational need and the belief that he had in me along with my personal position in life and work environment and everything else. It was a great relationship.

Philip: **[00:26:07]** I want to bring this back a little bit to you know there's things that maybe we could be doing differently to really start driving the change that we want to see and just start thinking differently within procurement. And so, in your mind, are we focusing our time on the right things in our day to day jobs or flip that, what should we be focusing on for the majority of our time?

Jack: **[00:26:28]** I think if you want to be strategically positioned in an organization, you've got to deal with the strategically appropriate and important things that are going on in the business. If your value to the organization is getting the best price on office supplies, you're going to get relegated to the supply room someplace and that's going to be the end of the game.

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[00:26:51] If the business is looking to bring new product to market or they're looking to change things or IT is looking to deal with a PPO environment or take a look at reassessing all of the things that they're doing, you've got to be involved in that stuff.

Involved in the stuff isn't a matter of just doing the contract or just having it. Just be part of the project team and find out where you can add some value and make sure that--. As a CPO, I always made sure that I was putting my best and brightest on those roles.

[00:27:25] Frankly, even if it was somebody that didn't necessarily have the product knowledge that they needed to have, I would try to team up somebody that was good at negotiation or good at deal making along with somebody that have product knowledge so that they could play off of each other and learn and advance the process a bit. You've got to be involved in that level of stuff. Frankly, sometimes you have to push your way in. That's where you're positioning in the organization, the CPO is positioning, and then whoever the CPO reports to is absolutely critical to make some of these things happen.

Philip: **[00:28:05]** When you talk about changing skill sets to be able to execute some of the things that we want to be able to do and whether we have the existing capabilities or not to do that, as a CPO, whose responsibility do you always look at that? Is it the responsibility of the individual to invest in their own self development and to be aware of what some of the gaps were and try and fill them or is it the responsibility of the CPO to understand where the gaps were in terms of what they needed and put in place an infrastructure that allows people to close those gaps themselves.

Jack: **[00:28:36]** Well, number one, nobody is going to look after your career and your positioning and your development any better than you are. For the people that are out there who are saying why are you training, and you know they need to do better things, you're just making an excuse and you're pushing that up to somebody else. You've got to figure out what you need. You've got to assess your gaps. You've got to assess the areas that are real strengths for you and the areas that are developmental areas. Seek some help to go out and address some of those. Is it the responsibility of your manager or your manager's manager to look at some of this? Absolutely.

[00:29:16] A lot of folks in the development space or the training space have disagreed with me on this, but my belief is that when you are hired for a role you are expected to have competency within that role. It's not the organization's responsibility to teach you how to do something in that role. You should have the competency when you move in. If you don't have all the competency you need you should reach

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out and you should seek ways to do that. It might be inside the organization through training and development. It may be outside of the organization but that's your responsibility to do. Should the company try and support that? Absolutely. But you're

not going to take somebody that can't negotiate their way out of a wet paper bag and put them in a procurement organization and turn them into a top tier negotiator. Ain't going to happen.

Philip: [00:30:07] How about--.

Jack: [00:30:07] Maybe it has but I don't know. There's not enough time.

Philip: [00:30:15] How fast the role evolved? So maybe the focus of the organization changes so somebody has the fundamentals but need some help to make sure they remain relevant as the need of the role itself changes.

Jack: [00:30:29] I think the best side there is that identify what it is you need and then talk to somebody about what you need. Obviously, as part of that, work through the validation to make sure that they're seeing the same need or they're not seeing different needs. So, you want to have alignment around where you need some of that training and development. Because back to what I said earlier, you've got to take charge of that. You've got to know what it is. You've got to self-assess. You've got to do it for yourself because nobody's going to do that for you nor should they.

Philip: [00:31:03] How important are traditional procurement skill sets today?

Jack: [00:31:07] I kind of throw that back and say, "What's a procurement skill set?"

Philip: [00:31:11] Right. I guess I think about the fundamentals, the being able to run a process, the being able to analyze some data. But essentially, it's about holding people's hand through a process is what I see with things like negotiation. The things that we think of as being the skill sets to help us save money. Those skill sets in my mind are very different than the skill sets to build relationships so you kind of... I don't know. Connect a supplier ecosystem with the needs of what your actual company is.

Jack: [00:31:44] Yeah. I think one of the most critical skills, competencies, and attribute of procurement person is the ability to be able to influence. Some would say [unclear] but it's really the influence. When you go in to a team of people and start on a project, you have to be able to influence them. So, think about what your role is and what you can do and what you can do well and then demonstrate how to do that.

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[00:32:25] I'll use an example. A team procurement is always interesting. I did a talk with some people about it and they said, "What do you think about team

procurement?" I said you know you want to keep the guns and bullets in separate drawers. It's just crazy because everybody walks in believing that their supplier is going to [unclear]. There is a point and no discussions. I call it-- It's group hug time. As much as I'm not into group hugs but it's the time that as a procurement leader you've got to hold everybody together and you've got to take them through the realization that their supplier may not be selected.

[00:33:00] If you don't do that, you're going to have people drop out and they're just going to ignore it. They won't participate. They won't support it and everything else. That's an example of how you influence people and kind of hold it together. It's not necessarily the what you do. It's about how you do it. It's how you take people and build consensus when it's consensus that's needed. Get people on side. Get them to realize the value proposition in different suppliers and where their strengths and opportunities are. It's all of that stuff wrapped together. I think a lot of that just influence you. You've got to be intuitive to know when you need to do it and you've got to be good at doing it and holding a group together.

Philip: **[00:33:46]** Something you mentioned earlier was, and this was more from a CPO perspective about the importance of first impressions. Talking about influence being so critical, obviously your ability to influence is often determined by how people think of you based on the first time they talk with you and the first impressions they have whether you know what you're talking about, whether you can bring value to them, or whether you're just here to facilitate a process. What do you recommend to your team when they have a first stakeholder meeting? They meet somebody for the first time. They're wanting to show "I'm somebody that can really help you." How should they go about doing that?

Jack: **[00:34:22]** You know a lot of it is very objective, and a lot of this is very subjective. Let me just give an example of the subject that's--. In one of the roles that I had probably one of the best roles that I ever had, we created a customer relationship manager role because we have so much work to do we needed to assign someone from procurement to the business or the functional area to be their single point of contact. Their goal and objective were to basically get share of wallet with them. We start to look at their spend. It was to increase the amount of money that was going through the programs and that we were able to work through and influence.

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[00:34:59] I had a fellow that was a great salesperson but also a procurement person in the investment banking area. He stepped out and he wanted to have responsibility for this customer relationship manager. But to go back to the question of first impressions, this was very very difficult and it had to be done very tactfully but

one of the things that he did was make sure that people were dressing properly. Make sure that they look professional. I mean I still hear him talking about people not having their shoe shine. And you know the reality is if you talk to any expert in this is that he goes through our entire society, the issues that we're having today with everything in society. I mean whether it's racial issues or whatever. We walk into a situation and without even thinking or being knowledgeable about it, we form an impression about the person that confronts us or that we're in front of. Those first impressions are critical.

[00:36:01] If you don't project the part, if you don't feel the part, if you don't act the part, and you just don't present yourself right, sometimes you don't even get an opportunity to be heard. So, you know I'm not saying that the whole thing revolves around how to dress for success, but you know when you look at what you're going to do, prepare yourself. Think about what you're going to say. Whether it's the handshake or it's the grin or looking straight in their eyes. I mean for those of us on the procurement business that meet a lot of people, I mean we know how bad some people are on their first impression. And one of the things that we have the responsibility to do and I can tell you personally that I've struggled with this over the years is that how do you move from a lousy first impression to you know that's actually the supplier that's best for our organization.

Philip: **[00:36:51]** Yeah. It takes time.

Jack: **[00:36:53]** It takes time. And you know sometimes it's a phone call and I've had a few of these in my career where you've got to make a phone call, or you know up the food chain within the suppliers' organization to say "Look. You've got a great product. You've got a great organization, but you've got a salesperson that you sent to us that just won't work. You've got to change him. You've got to change him." And by the way, in the procurement function we have to keep that in mind when we take folks in our organization and have them go out and work with people within the firm. Sometimes it's just not a fit and it's just not a match and that's okay. Change it. Change it because that's the only way you're going to be successful.

Philip: **[00:37:37]** So, I wanted to touch on the notion of personal brand. I think that plays into the influence of first impressions and kind of how you build up your reputation within a company. What are some of things that you focused on throughout your

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career and in building your personal brand so that you don't have to go and shout from the rooftops to tell them how wonderful you are. People actually recognize that if you are associated with something there's a level of quality, a level of intelligence

and all the things that come with the notion of a brand. How do you get the message across?

Jack: [00:38:11] There's a couple of fundamentals. I think all together kind of help people move in the right direction. Number one, I always believe that credit is something that you should give, and you should never take. The best thing that can happen for you in an organization is other people talk about the job that you did versus you talking about the job you did. And if you have to do all the talking about the quality of the job, maybe it's not as good as you think it is.

[00:38:38] I also think that you really got to--. When you give credit to others you've got to really sit back and think about what you're doing. Procurement claims that they save money. Many many times they don't. They might buy a widget for 10% less but what did they save if that money is just deployed elsewhere? So, what's the value proposition and how do you sort of look at some of that? Are you simply enabling more spend? Are you allowing other projects to be done sooner than others? That's one of the reasons I think--. Solely or not solely but having savings be one of the top three things that you talk about is sometimes challenging because in the C-Suite they don't necessarily see any difference in the PNL.

[00:39:27] So, you've got to be credible. You've got to say what you're going to do. You've got to do what you said you're going to do. Credibility is key. I also think that you've got to sort of do some things frankly to sort of stand out, not just kind of blend into the woodwork. Sometimes that's where the courage kicks in a little bit.

Kelly: [00:39:50] Jack, a couple of the things that you've mentioned in the last few minutes are kind of coming together for me around this idea of how you communicate things and how you approach things. [unclear] actually said influence building that you talked about before. If you're willing to share or you can use someone else as example, if you would rather. Can you talk to me a little bit about how you prepare for a particularly important phone conversation needed, rather it's one phone call where you have to call off and say "Love the products; hate the sales guy. Can we fix it?" Well, whether you're trying to sit down and win over somebody in the organization who had a bad experience with procurement in the past, what's your routine? What are maybe some of the direction? And then tell us [unclear] thing that you might do to

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sort of create the circumstances that you need to get done what you set out for yourself.

Jack: [00:40:52] It's a great question. What's really key is preparation. Being prepared and thinking it through and getting the facts and data. I'm very much of a fact and data

guy. Frankly, I never want to get burned on facts and data because if you get burned on facts and data, all of your credibility goes into question. I love it when somebody says "Well, we saved 18.6% on that deal." Really? I mean why did you just say 15? It's still a pretty damn good number because if somebody argues with you that they actually do the check and it comes in more, you'll even look better. But you never want to be in a position where someone can question your credibility and sort of crank it back.

[00:41:39] You always want to be in a position where you kind of know what's going on. It's the old lawyer side of things where you say you never want to ask a question that you don't already know the answer to. Be prepared and know the personality that you are working with, talking with, dealing with. Within that you can properly position things or avoid improperly positioning things. But I think the biggest thing is just general preparation. I mean I'm known--. I mean I have somebody that frankly contacted me on LinkedIn a few weeks ago and worked with AIG when I was there and worked at CIGNA when I was there, and I must've known him because I don't connect with people that I don't know.

[00:42:26] I won't get into all the details but I kind of sent a pretty direct note back and said, "I'm Jack Miles really direct and doesn't mince his words." Well, that's me. That's what I do. You've got to balance that in the organization, but your reputation is important. When you do that you've got to be right. You can't go about doing that and being wrong half the time. You've really got to have your facts together. When you have your facts together you can sort of stick to your guns and go up and drive the process on.

Kelly: [00:43:00] [unclear] I think of myself and I am looking back at this note that I wrote down that courage is critical and lacking in those corporate situations. I feel that so quickly [unclear] organizational politics. Someone says [unclear]. Someone says he's a pushover. [unclear] Can we navigate without setting [unclear] in executive level politics or do we have to prepare ourselves for the way that we are [unclear] to actually get in there and get involved because that's the only way to get things done.

Jack: [00:43:47] Well, it's back to the self-image thing, right. What you just went through and some of the phrases that you used were all the reasons not to do something.

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What I try to focus on are the reasons to do something. There's always going to be 110 reasons why not to. I just need one to do something. People make crap up. I mean all of their too new and all the other too senior. I mean no guts no glory. That's where the courage comes in. I mean sometimes--.

[00:44:17] I mean I was fortunate in progressing in my career to a point where you know fortunately as much as I hated it as much as I tried to undo it and I always did, there were gatekeepers out there. I would preach to the gatekeepers if somebody wants to come in and see me they should be able to come and see me. Don't keep people away. I think a lot of people in the C-Suite kind of generally feel that way. I mean you knock on the door and you go to walk in they might be in the middle of something, you might get a funny look but at the end of the day they want to hear what's going on. They want to talk to people. They want to deal with people. If you've got a good idea or a good suggestion or something that you want to advance or just something that you feel you want to deal with I don't have a problem with people going forth and doing that. If you can't do that maybe it's courage, maybe it's influence. I don't know what it is, but you know you're probably not going to achieve what you could achieve if you were able to overcome that.

Kelly: **[00:45:21]** Well, if we move away from the idea, not that we're not necessarily there but I think if you don't say it sometimes it sort of winds up being attuned and part of the picture. But everyone that's in procurement today should all be in procurement. I think whether it's an expectation within Gen-X, it's certainly not an expectation with millennials. And so, organizationally speaking it's something that's going to change. If you want to have a real high achiever within procurement and they were sitting down to put together their five-year plan and they would want us so that it extends outside procurement. What other sources, positions, or roles would you be pleased to see someone currently in procurement aspiring towards?

Jack: **[00:46:14]** Wow, that's a great one. Actually, it goes a couple of ways because you would hope that at some point people are thinking about individuals that are not in procurement that could eventually move into the organization. So, I have no problems in feeding some of my folks elsewhere in the organization, but I would really hope that other people are feeding my organization.

[00:46:35] I think what's really somewhat challenging in corporate America today and it's not just today it's been going on forever is that people don't understand skills, competences, and attributes, and the fact that skills are transferable to other functions, other jobs, and other roles. Human resources, people development, people -- all of those words, they all look at... Well, somebody is a lawyer, somebody

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is an accountant, somebody is a procurement person, whatever, and they pigeonhole.

[00:47:09] And the reality is what you have to look at are skills, competencies, and attributes and say what roles in the organization need these skills, competencies,

and attributes. I'm pretty passionate about this because frankly it happened to me once. I was having conversations with a fellow in finance who was a controller of one of our health care business when I was [unclear] and we used to talk about this transferability of skills.

[00:47:35] One day I got a phone call from him and he asked me if I would be willing to take a role over in one of the healthcare lines of business. I was ready for a move and I said yes. I was basically the procurement person at the time sort of corporate services procurement. I did. Afterwards I said "Sam, why did you even think about me?" He said "We've been having this conversation about skills, competencies, and attributes. You look at things rationally. You pick them apart. You look to put them back together. You're good at process mapping, and you're good at thinking about what something can be in the future versus what it is today and the path to get there."

[00:48:19] And we did that. I won over a ramp claim in IT in a fully insured book a business in the healthcare side of the business and it was challenging. But you know what? It was new. I got to learn new things, but I got to use my skills and competencies. What I would be looking at in people is that whether if somebody that's really good at negotiating or somebody that's really good at influencing where else in the organization can we use those skills and then try to connect them with some people in that business or functional area that they can work with to have those conversations about how they might be able to move on.

[00:48:57] One of the biggest things that I had--. One of best feel good things that I've ever had in my career was helping people develop skills and competencies and navigating organization to want to work elsewhere. That's what we should all be doing. I wouldn't have got to have the advancements in my career if somebody didn't give me those opportunities to be able to do that. That's what leadership is. That's what management is. It's preparing people for the next job and helping them get there.

Philip: **[00:49:34]** I don't feel that--. There's enough--. When we look at folks in the C-Suite, there's not enough people I think that have the experience in procurement that then go on to do the things outside of procurement. Is that because we self-limit ourselves

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or the skills that we have within procurement aren't necessarily recognize outside of our profession?

Jack: [00:49:59] Well, some of it is because there are CPOs in some organizations, or maybe there's not even a CPO, but there's no one that is out there educating and

sort of selling if you will the skills and the competencies and the value proposition of the procurement organization. A senior procurement person in a company should probably be spending 50 to 60 percent of their time actually selling. Communicating with people, letting them know what you're doing, getting feedback, adjusting the strategy, et cetera. In a lot of organizations, that simply doesn't happen. So, that's where the organization or function sort of fails the people that are in it or the people that are in the profession because they're sort of not advancing it and helping people understand the value proposition.

Kelly: [00:50:53] So, as we come near the end of our hour here I guess the first thing to say is I guess this is probably--. Phil, I don't know if you'll agree but wildest ranging conversation we had so far. Maybe it's because we started as such an open topic of mindset and dealing with change. But Jack thank you so much for coming with us on this ride and being an active part of the Procurement Revolution.

Jack: [00:51:20] Well, thank you very much. And Phil, do we have just another couple of minutes where I can just go walk with a little quote here that's something that I've kind of kept with me for years, but I think it sort of assesses where we need to be?

Philip: [00:51:33] Yeah, absolutely. I'd love you to share that.

Jack: [00:51:36] This is a quote from Dr. Michael Hammer in his book Beyond Re-engineering. I read this a long time ago. The fact that I've been able to pull this up on my computer in a short notice is sort of telling. But what he says is without changers in an organization, the doers will remain stuck in what they're doing today. But finding engineers today is like looking for computer programmers in the late 50's. There's no recognized cadre of such people, no established professional schools produce them, and no particular college degrees they're likely to claim. Just like the programmer several decades ago there is likely to have degrees in music and philosophy as an administration or finance.

[00:52:21] Rather than looking for credentials alone companies are likely to find change agents by seeking people with talents and characteristics that mark them as potential re-engineers. Chief among those is an almost organic dissatisfaction with the status quo of creative itch to improve things and ability to see processes and

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businesses holistically. Although they are not immune to power they're energized and animated by challenge. I'm sorry. Although they're not immune to power, money, or glory that's not what primarily makes them tick. Poured by routine they are energized and animated by challenge. They're always looking for a higher mountain to scale or

figure wave to ride. Of course, they must be able to work within the corporate context, but it is equally important that the corporate context be able to include them.

[00:53:22] So, that's a quote from Hammer. If you look at a lot of the stuff that we talked about and frankly a lot of the things that I believe in they're all in there. It's courage. It's stepping out. It's being able to fit into an organization even though you're trying to do things differently. It's looking at everything holistically.

Kelly: **[00:53:40]** Jack, that's actually something that you could share with us, we would love to [unclear] everybody that's participating in the revolution.

Jack: **[00:53:50]** Actually, just a word that--. Something that I took out and hold on to and every once in a while, I have the opportunity to send it on to somebody and I'll be happy to do that.

Philip: **[00:54:01]** Thank you.

Kelly: **[00:54:01]** I appreciate the fact that you shared it today. There is no question in my mind that the profession by no means stop here, so I would encourage everybody that wants to get involved to ask questions, share your thoughts on what you heard during the session. And if you do it on Twitter, please use the hashtag #procurerev because that way we can not only respond to your thoughts, but we could also sort push them on to other people that are virtually participating in the Procurement Revolution this week. We have one more day tomorrow. Please make sure that you also signed up for that live event a little bit earlier than today. We would love to have you join us. Beyond that be sure to check the procurement revolution website for all of today's on demand content and also a lot of which Jack shared during this hour. So, Jack and Phil, thank you both so much.

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