

LOGY

**Best in Class Procurement
- A Tool for Enhancing Practices**

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“Best in Class Procurement” 1/2

- Around the year 2014 many of LOGY’s member companies were struggling on how to develop their procurement
 - The idea came out that a self assessment / benchmarking tool might support companies in their “struggle”
- > consequent tool development was started in 2014
- Best in Class (BiC) work group consisted (in addition to LOGY representant) of purchasing directors and consultants from LOGY’s selected member companies and of a professor from Lappeenranta university
 - Tool was launched in 2015 to LOGY’s members in Finland
 - Some finetuning in 2016 and in 2018

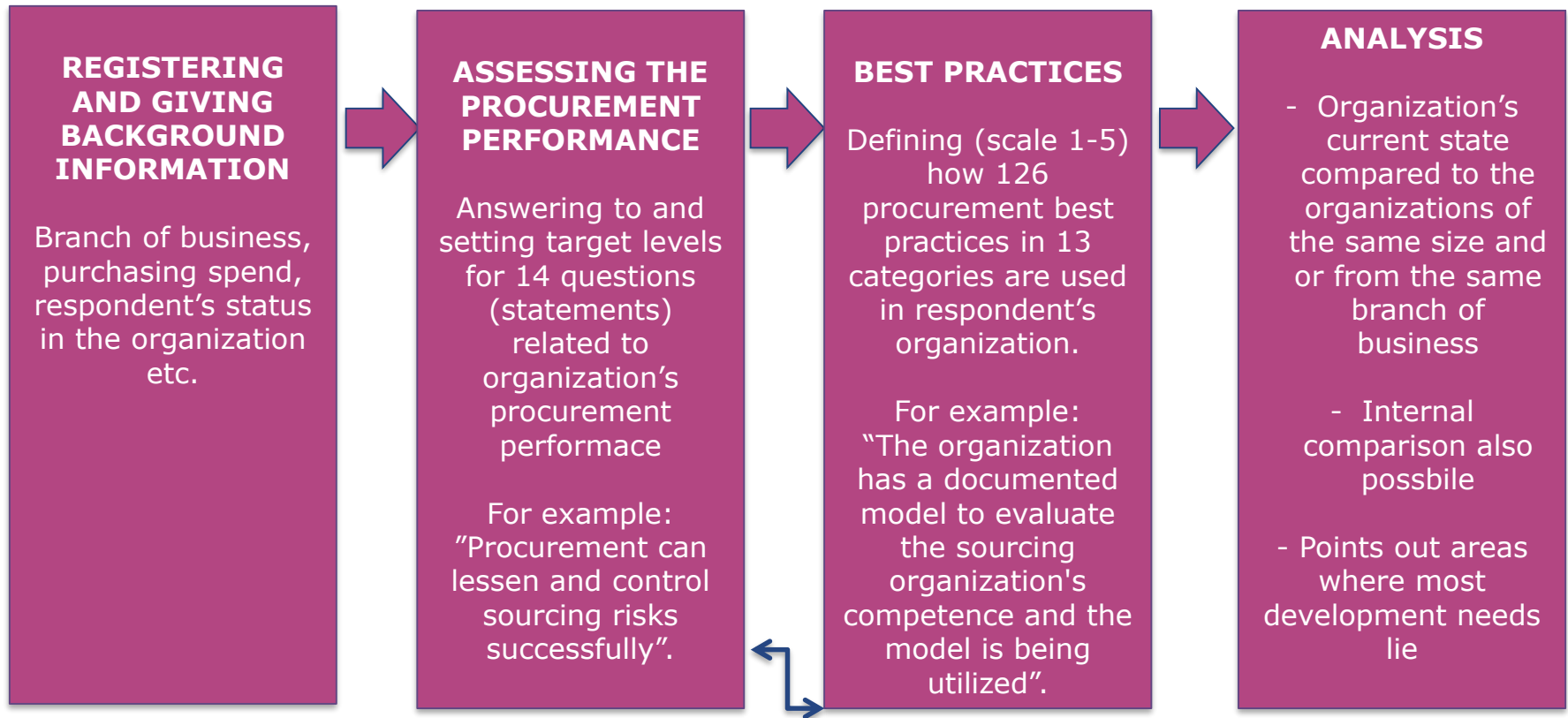
Best in Class Procurement(BiC) – tool 2/2

- Today 219 registered users
- Targeted for LOGY's member companies of all sizes
- Gives a clear description of the status of the organization's procurement function
- Allows companies to benchmark their status compared to other companies within the same industry sector or of the same size
- Suitable for both private and public sector organizations

Useful analyses

- Best in Class tool **analyzes organization's procurement activities** and **points out areas where company could improve its procurement performance**
- It is possible to include many respondents from the same organization and it is also possible to differentiate departments from each other → internal comparison possible

The Best in Class Procurement – Process



Correlation

www.bestinclass.fi

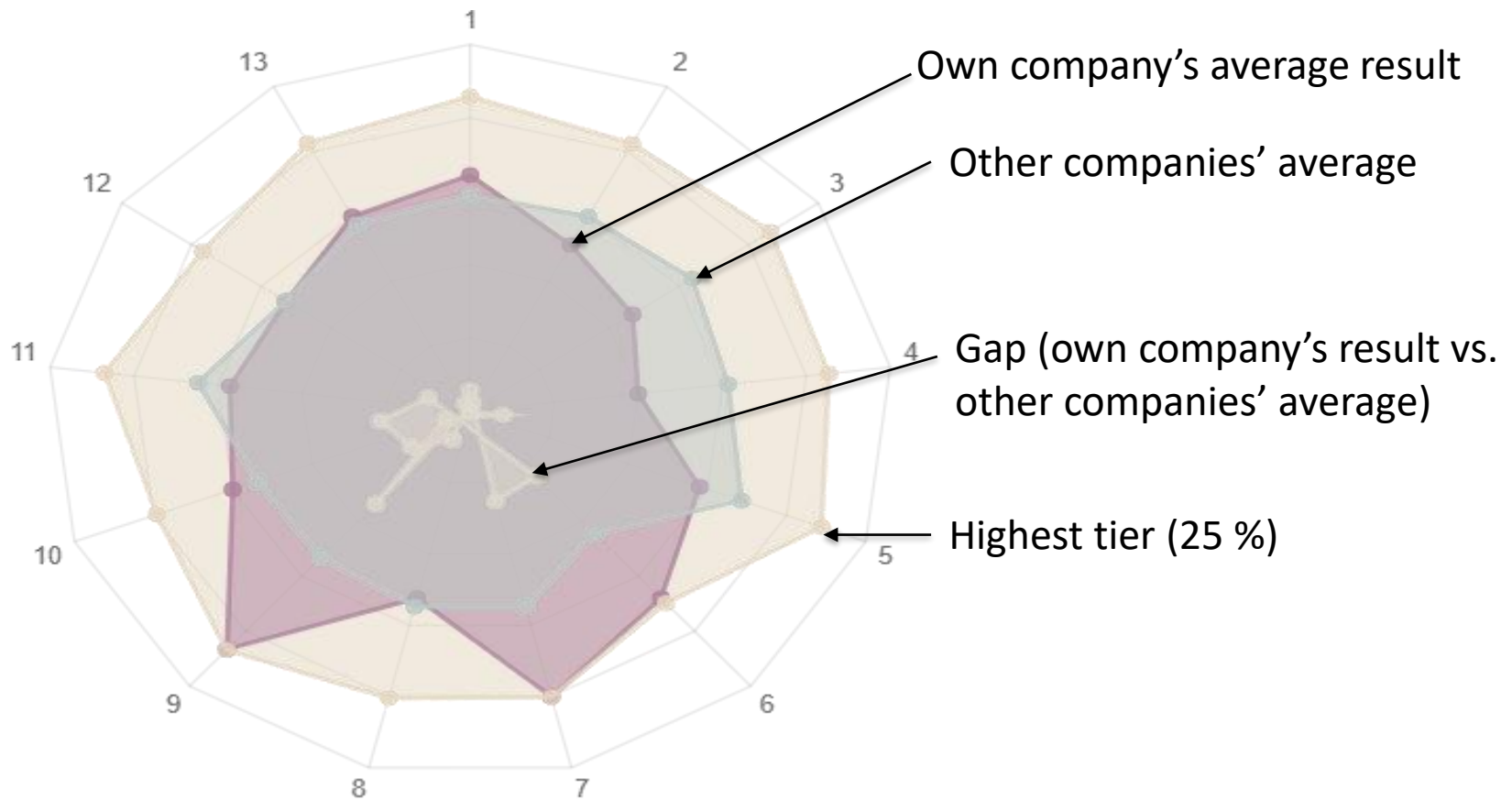
- Best in Class Procurement works as a cloud service
- The respondents' privacy is assured
 - The responses entered in the service are handled confidentially
 - The responses may however be used for research and educational purposes on LOGY's permission in which case the user's anonymity will be guaranteed at all times
- Finnish and English versions available
- Yearly updating of the answers is recommended

The tool assesses 13 categories

Category	Average figure of own company (1-5)	Average figure of other companies (1-5)	GAP (difference between own and others)	Top quarter average result (25 % of all companies)
Category Management	3.22	2.94	0.28	4.29
Strategic Management (in Procurement)	2.56	3.00	-0.44	4.12
The Role of Procurement within Organization	2.33	3.19	-0.85	4.31
Cooperation with Stakeholders	2.00	3.07	-1.07	4.27
Cost Control	2.90	3.43	-0.53	4.44
Innovations	3.40	2.22	1.18	3.49
Risk Management	4.00	2.74	1.26	4.01
Supplier Relations	2.62	2.74	-0.12	4.02
Measuring of Supplier Performance	4.33	2.66	1.68	4.34
Development of Procurement / Purchasing Competences	3.00	2.69	0.31	3.96
Source to Pay -Process	2.86	3.24	-0.39	4.35
IT and Tools	2.64	2.65	-0.01	3.84
Sustainability	3.00	2.88	0.12	4.13

Each category is looked at more in details in the report

Results Depicted in Graphics



Recommended by :

The logo for Outotec, featuring the word "Outotec" in a bold, orange, sans-serif font.

Jukka Ahvonen, Head of Supply

The logo for Leader's Beacon Group, with "Leader's" in blue, "Beacon" in white on a green rectangular background, and "Group" in blue.

Lauri Vihonen, Managing Director



Sari Hakkarainen,
Director, Procurement



Jukka Hallikas, Professor

The logo for HANSEL, with "HANSEL" in a blue, sans-serif font and a small blue square icon with a white cross-like pattern to its right.

Anssi Pihkala, CEO



Jorma Ruikka, Vice President,
Procurement

The logo for SKANSKA, featuring the word "SKANSKA" in a bold, blue, sans-serif font.

Antti Puustinen, Development
Manager

The logo for Paulig, featuring the word "Paulig" in a brown, cursive script.

“Best in Class SCM” service to be launched soon

- Companies need to **prioritize the supply chain development actions** even if no time or personnel available for the project
- LOGY’s service studies company’s processes and way of working in the total supply chain = from **suppliers to customers, including procurement**
- More than 600 propositions that the company needs to either accept or deny
- Furthermore gathering of company’s **key figures** (financial and operational)

Result:

an analysis report stating companies’ strengths and development points & a list of KPI’s based on the key figures

- ...with benchmark figures from other respondents

Analysis presented either on-line or face to face

So far only in Finnish!

For more details

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Markku Henttinen has extensive experience from various managerial positions in the retail industry and logistics service companies. Henttinen is also a CEO of International Federation of Purchasing and Supply Management (IFPSM)

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