

## ARTICLE

# Resetting the role of the chief procurement officer

As procurement's overall strategic importance has increased significantly in recent years, it is essential for companies to fundamentally rethink the role of the chief procurement officer in terms of critical competencies, leadership traits, and succession planning.



The role of the chief procurement officer (CPO) across most sectors has been more fundamentally transformed over the past couple of years than many other leadership roles. And yet the transformation is far from complete.

The upsurge of new, data-powered technologies, the ensuing accelerated digitization of work, and the evolution of supply chains into highly networked ecosystems where sustainability and risk management have become critical topics have significantly elevated a role that not long ago was primarily focused on process efficiencies, cost control, and compliance. Now, by the very virtue of their position at a nexus between their company and the external environment, today's CPOs find themselves more and more at the center of many of the most important strategic initiatives of their companies. The COVID-19 pandemic perfectly illustrated how extreme disruptions in the supply chain have forced procurement organizations to confront the limitations of their traditional operating models and driven them to adapt.

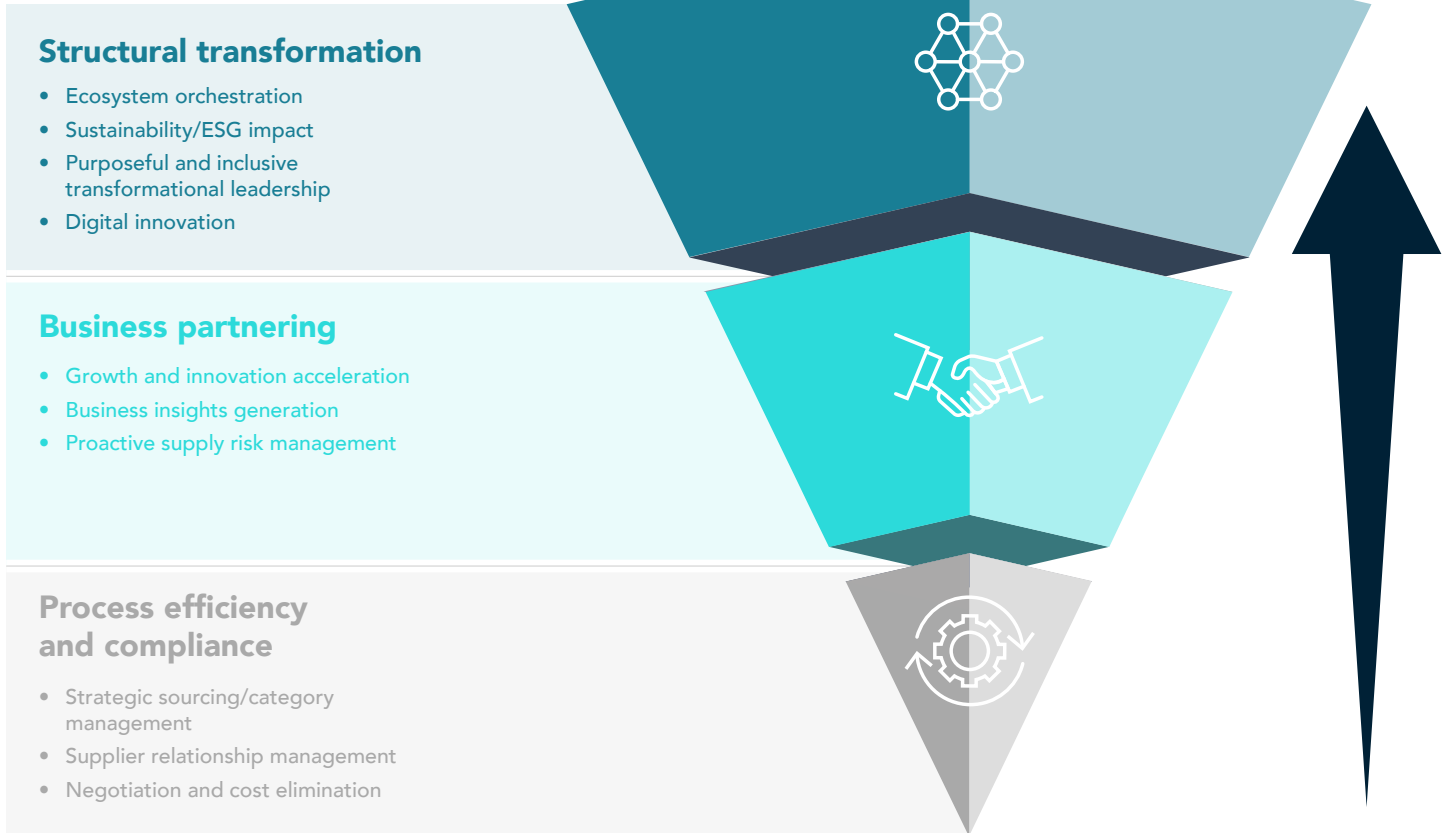
In order to improve our understanding of how these changes are redefining the role of the CPO, we interviewed 11 highly respected procurement leaders across various industries in Europe and Asia.

They all agree: the traditional pyramid of value-creation drivers in the procurement function is reshaping fast—if not inverting. As we see it, in order to future-proof their role, CPOs will need to think and act much more strategically than ever before as their position is elevated among other C-level executives. They need to excel at orchestrating and embedding sustainability in complex ecosystems, catalyzing digital innovation across the broader company, and capturing value from innovation at speed and scale.

The traditional pyramid of value creation drivers in the procurement function is reshaping fast—if not inverting. Senior corporate leaders have a unique opportunity to reset the role of the CPO and rethink its succession planning.

### Value-creation pyramid

Drivers for value creation have dramatically evolved over time, and the change will only accelerate in the aftermath of the pandemic



New skill sets and leadership approaches are required to best navigate the challenges and opportunities emerging as a result of the pandemic. A new breed of CPO is needed, as the scales continue to tip in favor of greater emphasis on inclusive, purposeful leadership, board-level impact, acceleration of sustainable innovation, and the ability to work collaboratively and efficiently with an increasing number of diverse stakeholders in highly networked, digitally enabled ecosystems.<sup>1</sup>

In light of this, senior corporate leaders have a unique opportunity to reset the role of the CPO and rethink its succession planning.

## Future-proofing the role of the chief procurement officer for a transformed function

The fundamental changes identified in the procurement function center around the emergence and acceleration of newer, more sophisticated drivers of value creation:

1. **The expansion of the procurement ecosystem.** The value chain has shifted from a rather linear process into a complex, networked environment that is continuously evolving into a more dynamic marketplace impacted by new forces (such as digital, sustainability, emerging technologies, and geopolitical events) and players (NGOs, start-ups, and grassroots organizations).
2. **The increasing importance of sustainability as a strategic initiative.** Companies have come to the realization that supply chains are major contributors to their environmental footprint and social impact, as measured against ESG frameworks.
3. **The acceleration of digitization and emergence of new technologies.** A sustained focus on digitization and the increased adoption of new technologies such as AI, machine learning, robotic process automation, and data analytics have allowed procurement to automate many routine tasks, in turn freeing up time for more complex and value-added strategic activities.
4. **The supply chain rising to the board agenda.** Extreme disruptions to global supply chains—such as those seen during COVID-19—have made board members keenly aware of how fundamental supply chains are to business continuity and risk management. They need to have access to timely business insights that affect their decision-making process.

These new strategic drivers are rendering the traditional ones (cost reduction, process efficiency, and compliance) less differentiating going forward, but not less essential for the organization; these historical drivers have been evolving to keep up with both technology and the broader business context. “I have seen a lot of transformation happening recently, with the procurement functions shifting from an insular, contract- and process-heavy organization to a wider, more insightful function that is connected to what is happening in the broader market, and this will only accelerate,” said David Ingram, CPO at Unilever.

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**David Ingram**  
CPO, Unilever

<sup>1</sup> Many of these leadership capabilities are consistent with those identified in a global study of chief supply chain officers. See Scott Adams, “The changing leadership styles of supply chain executives,” Heidrick & Struggles, on [heidrick.com](https://heidrick.com).

## Four new strategic drivers for CPOs

“The CPO is evolving into a ‘chief value officer,’ a partner and co-leader to the CEO who is able to generate value through business partnering, digital and technology, and sustainability, which are new sources of profitable growth in a shift toward a future-proof business model.”

**Hervé Le Faou**  
CPO, Heineken

What do these changes mean for the CPO and the procurement function, and how do they rebalance the traditional procurement value-creation model?

Unilever’s Ingram said, “Following the evolution of the procurement function, CPOs will have to be strategists first and functional leaders second.” This means that CPOs will be less focused on the day-to-day traditional procurement activities and that they will spend significantly more time on making the function a seamless bridge between their companies and the ecosystem within which they operate. The role will also be instrumental in how companies as a whole respond to changes in the ecosystem, in terms of agility and resilience.

By virtue of being closely connected with so many players in the external environment, CPOs can acquire and filter the insights necessary to define a winning growth strategy. “Fundamentally, the CPO is evolving into a ‘chief value officer,’ a partner and co-leader to the CEO who is able to generate value through business partnering, digital and technology, and sustainability, which are new sources of profitable growth in a shift toward a future-proof business model,” said Hervé Le Faou, CPO of Heineken. “As a result, we see a new breed of procurement executive that is externally focused, able to bring the outside in and advise the CEO on how to win better.”

Our conversations with leading chief procurement officers helped us consolidate our thinking around four major themes: orchestrating the ecosystem, embedding sustainability, becoming a catalyst for digital innovation at the corporate level, and providing strategic business insights.



### Orchestrating the ecosystem

It’s difficult to overstate the complexity of most large companies’ ecosystems. They encompass everything from internal employees, technologies, and functions to external partners and suppliers. In any given sector or geography, the configuration will look different and will be changing continuously as various companies enter and exit markets, come up with breakthrough innovations, or are affected by geopolitical events. A recent study revealed that 91% of businesses cannot stay ahead of their supply chain complexities.<sup>2</sup> Therefore, to succeed in the future, CPOs will have to up their game and immerse themselves in the ever-growing maze of relationship building with suppliers, partners, customers, employees, investors, and other stakeholders. “The CPO is becoming more of a connector; the role is not about competition anymore but integration and collaboration,” explained Kai Nowosel, CPO at Accenture. “The role is more and more anchored in connecting networks and ecosystems rather than in running processes and competitive tenders.”

“People and relationship considerations will be most important, given the massive transformation that is happening.”

**Klaus Staubitzer**  
CPO and head of supply chain, Siemens

Geopolitical events and tensions act like wild cards on ecosystems. “Take, for example, the decoupling of China and the United States. This will stress the supply chain immensely,” said Klaus Staubitzer, CPO and head of supply chain at Siemens. “This will be managed only through collaboration in the ecosystem. People and relationship considerations will therefore be most important, given the massive transformation that is happening.”

Sebastien Bals, CPO at UCB, noted that “procurement will have to manage the ecosystems and play a larger role in M&A and partnership discussions and, where it is relevant to their organization, build and play an active role in broad coalitions that can lobby governmental and non-governmental institutions. We already see that the new ecosystem is changing the balance of power between the different actors and that profit pools are being distributed differently.”

<sup>2</sup> State of Supply Chain Complexity 2020 Report, Körber, 2021, koerber-supplychain.com.



**“When it comes to ESG implementation, it is often down to procurement to make it happen with suppliers, which involves significant effort and resources.”**

**Cyril Pourrat**  
CPO, BT

**“CPOs need to hold high ethics and moral standards, have a strong sense of corporate responsibility, and make sustainable decisions regarding their suppliers. Any unethical or unlawful shortcut will lead to long-term damages of a company’s reputation and market position.”**

**Angela Qu**  
CPO, Lufthansa Group

## Embedding sustainability

Recent research found that two-thirds of the average company’s ESG footprint comes from its suppliers.<sup>3</sup> CPOs are therefore responsible for the largest proportion of their companies’ ESG performance. But this is nothing new for CPOs who have been on the front line of implementing sustainability measures, as Cyril Pourrat, CPO at BT, clearly explained: “When it comes to ESG implementation, it is often down to procurement to make it happen with suppliers, which involves significant effort and resources.”

A logical next step in the evolution of the role could arguably be a move into the driver’s seat when it comes to embedding sustainability into the broader company strategy. Bertrand Conquéret, CPO at Henkel, said, “CPOs also need to be sustainability leaders. Both roles require superior influencing and networking skills.” Indeed, companies such as Diageo and Givaudan went as far as rolling supply chain, procurement, and sustainability into one executive role.

The roles CPOs are playing in sustainability can be very different across sectors—for instance, fast-moving consumer goods companies have more complex ecosystems than professional services firms. Many organizations have thousands of suppliers in their networks, which makes scrutinizing them a challenging but necessary task. Today, customers and investors alike demand transparency when it comes to ESG performance, and therefore a company’s reputation can be severely affected by any transgressions, regardless of whether or not the company is aware of any wrongdoings. Ninian Wilson, CPO at Vodafone, said that “the accelerated focus on ESG, and the decarbonization of the supply chain in particular, is changing who procurement is working with as a function, both internally and externally.” And, indeed, the reputation of many companies today rests to a large extent on how they walk the talk on sustainability and how transparent they are about choosing and treating their suppliers and partners.

Angela Qu, CPO at Lufthansa Group, brought the point home: “CPOs need to hold high ethics and moral standards, have a strong sense of corporate responsibility, and make sustainable decisions regarding their suppliers. Any unethical or unlawful shortcut will lead to long-term damages of a company’s reputation and market position.” Added Henkel’s Conquéret: “Regulators and consumers are asking for transparency along the value chain, which can have a huge impact on the function.” The challenge can be considerable, and leaders may not always have a lot of latitude to move, for example, if they are contractually linked with partners that don’t align with desired sustainability goals. This strengthens the imperative for CPOs to understand in detail the long-term components of their suppliers’ engagements toward sustainability. It’s likely that pressure on CPOs will only further increase after the European Commission releases its human rights and environmental due diligence policy, which is expected in 2022. This legislation would force companies to identify, prevent, mitigate, and account for how they address human rights and environmental impacts along their global supply chains.

<sup>3</sup> Celine Cherel-Bonnemaison, Gustav Erlandsson, Ben Ibach, and Peter Spiller, “Buying into a more sustainable value chain,” McKinsey & Company, September 22, 2021, mckinsey.com.



“The CPO can become a key partner to many parts of the organization by bringing digital innovation to the business—for example, in the form of platform buying and advanced data analytics.”

**Jane Liang**  
CPO, British American Tobacco

“Predictive procurement can help build a much stronger negotiation position by using all available information and data.”

**Cyril Pourrat**  
CPO, BT

## Becoming a catalyst for digital innovation at the corporate level

Digital innovation is yet another area where CPOs have a unique opportunity to evolve from being ad hoc contributors to taking on leadership roles. Cyril Pourrat sets the stage by referring to “real digitization”—not implementing e-sourcing tools, for example, but instead moving the function toward new ways of working, and from managing processes to connecting more deeply with the business—for example, through disseminating procurement-originated tools in the company for broader use. Digital platforms are easy to connect and can create new value for the organization.

As orchestrators of the business ecosystem and relationship builders with suppliers, CPOs can—and must—acquire a comprehensive understanding of emerging technology trends and be able to provide informed views on which companies offer the best solutions. By building that kind of acumen, they can become obvious advisors for strategic decisions involving digital innovation, as Jane Liang, CPO of British American Tobacco, said: “The CPO can become a key partner to many parts of the organization by bringing digital innovation to the business—for example, in the form of platform buying and advanced data analytics.” Because many organizations still don’t have designated chief digital officers, digital has become part of some leaders’ remit, and CPOs now have the opportunity to share some of those responsibilities.<sup>4</sup>

CPOs must also be able to help their organizations understand the opportunities and risks that need to be managed when scaling digital innovations and be able to advise on how to pilot and experiment with new technology. Siemens’ Staubitzer described how the “diginetwork” he created at Siemens—a new team of digital natives within his organization—operated: “It was a bottom-up approach, starting with a small group of people evangelizing about digital across our organization; at the moment, our ‘diginetwork’ is more than 500 people. It is self-organized and self-motivated and generates ideas that are evaluated by the procurement team. This approach created collaboration and trust, and accelerated our digital transformation.”

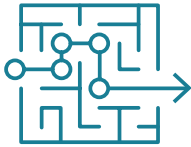
Some of the new technologies that are notoriously difficult to master for organizations across sectors are data and predictive analytics. Indeed, according to a recent Deloitte survey of chief procurement officers, only 6% of organizations have fully deployed predictive analytics systems, 15% are scaling them, and a further 36% are piloting such tools.<sup>5</sup> Getting an edge on data use throughout an organization can prove a critical competitive advantage, and the procurement function sits in the right place to facilitate that learning. BT’s Pourrat said that “predictive procurement can help build a much stronger negotiation position by using all available information and data.” However, a recent Heidrick & Struggles survey found that only 9% of data and analytics officers said that supply chain was one of the two functions they spent the most time working with, which is pretty low compared to other priorities such as marketing and customer engagement (54%), operations (28%), and sales/go to market (25%).<sup>6</sup>

<sup>4</sup> Katie Graham Shannon, “Why successful digital officers don’t always have ‘digital’ in their title,” Heidrick & Struggles, on [heidrick.com](https://heidrick.com).

<sup>5</sup> Jim Kilpatrick, Jennifer Brown, Ryan Flynn, Aaron Addicoat, and Pierre Mitchell, *Global 2021 Chief Procurement Officer Survey*, Deloitte, April 23, 2021, [deloitte.com](https://deloitte.com).

<sup>6</sup> Ryan Bulkoski and Kristin van der Sande, *2021 Europe and US Data, Analytics, and Artificial Intelligence Executive Organization and Compensation Survey*, Heidrick & Struggles, forthcoming on [heidrick.com](https://heidrick.com).

The ability to bring digital innovation to the function and the broader organization will depend on how well the CPO is connected with start-up technology companies. Accenture's Nowosel said, "The CPO of the future should work with start-ups, sit on select boards, scout new talent, and influence the technology development road map." Heineken's Le Faou added: "While the chief technology officer (CTO) would also participate in introducing new technologies, the CPO supports him or her in the sourcing process, helping validate solutions."



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**Klaus Staubitzer**

CPO, head of supply chain, Siemens

### Providing strategic business insights

As the topic of supply chain risk management moves up on the executive leadership and board agendas, CPOs need to be able to help inform any relevant strategic decisions. In fact, the leaders we talked to predict that the future CPO will become increasingly embedded in the business and viewed as a peer to the C-suite executives in terms of responsibilities and influence. "CPOs should bring market intelligence information to business leaders, helping them to make informed decisions with foresight," said Lufthansa's Qu. "In our case, that includes knowledge of the supplier network in terms of sustainable aviation fuel and environmentally friendly technologies, products, and services, as well as global trends on supplier market consolidation, among others."

Siemens' Staubitzer said he has seen a move in the right direction, prompted in part by the pandemic: "The COVID-19 crisis brought an enormous push for the function. For example, the ability to procure masks had a huge impact, and procurement has earned a bigger license to act. Now, board members and business CEOs ask procurement for their view on the supply situation ahead of talking to investors."

UCB's Bals added, "Procurement has a fully transversal view of the rest of the organization and is geared to provide the best insights and services to all stakeholders, without any selfish ambition or agenda." The CPO and the function can also directly improve performance, as Heineken's Le Faou pointed out: "The CPO needs to shape his or her team into an enabling function, one naturally integrated in the business, that acts as a performance accelerator of every other function and a 360-degree, end-to-end value chain federator from suppliers to customers." Lynn De Proft, Solvay's CPO, added: "Commercial acumen needs to be there, as well as the fundamental understanding of the P&L."

Henkel's Conquéret summarized the complexity of the underlying evolution of the CPO role well: "While traditional skills will become less important for the CPO, they will still remain important for the procurement organization as a whole."

## The leadership profile of the future CPO



“CPOs must live up to the values of care, respect, and humanity.”

**Bertrand Conquéret**  
CPO, Henkel

On top of new functional skills needed to handle these new strategic value drivers, future CPOs will also have to demonstrate a more complex set of leadership competencies to succeed. From our extensive client work and conversations with the 11 CPOs we interviewed for this article, we have distilled four leadership characteristics critical to success:

**1. Inclusive and purposeful:** As the CPO role becomes more elevated and potentially more removed from the function’s day-to-day activities, it will be important for future incumbents to remain connected to their increasingly complex teams. According to Heineken’s Le Faou, “In the past, CPOs were hired for managing compliance and processes. But now, it’s important that they can build diverse, empowered teams and trust their people to run the show, including people from other sectors and step-up talent, so that they can focus on more strategic issues.”

That requires being inclusive—able to talk authentically about the purpose of their organization and why diversity and inclusion matter for the procurement function, and being able to bring their teams along on the journey. Heidrick & Struggles research shows that inclusive leaders do three things: seek out and value individuality, create a sense of belonging for all team members, and build deep alignment on a clear purpose.<sup>7</sup>

Increasingly, the ability to lead in today’s diverse, multigenerational workforces requires a purpose-driven culture; as Unilever’s Ingram succinctly put it, “Values and purpose have to come before cost.” A previous Heidrick & Struggles study highlights that authentic leadership is essential to activating purpose in a company.<sup>8</sup> Leaders’ behaviors need to consistently mirror their company’s purpose and values to keep their team engaged and energized. Henkel’s Conquéret insisted that “CPOs must live up to the values of care, respect, and humanity.”



“CPOs will need to be able to cut through complexities to identify opportunities for improvement and help other leaders find innovative solutions to challenging problems.”

**Angela Qu**  
CPO, Lufthansa Group

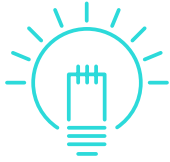
**2. Foresight:** Having a broad business view and a resolute orientation toward the future are more and more important for CPOs, because these capabilities are becoming main differentiators in providing a competitive edge to companies. Lufthansa’s Qu explained that future CPOs will need to be able to anticipate and react to trends that have the potential to impact their organization: “They will need to be able to cut through complexities to identify opportunities for improvement and help other leaders find innovative solutions to challenging problems,” she said.

The recent fuel panic crisis in the United Kingdom highlighted the importance of foresight in managing risk in supply chains. The scarcity of truck drivers was the type of linchpin event that could have been foreseen, and which rattled an entire economy to the point that supermarkets could not cater to their customers, emergency workers could not get to work, and schools were forced to close because teachers and children could not get to their classrooms.

<sup>7</sup> Karen Rosa West and Megan Herbst, “What inclusive leaders do—and don’t do,” Heidrick & Struggles, on [heidrick.com](https://heidrick.com).

<sup>8</sup> Alice Breeden, Rose Gailey, and Duncan Wardley, “Activating organizational purpose,” Heidrick & Struggles, on [heidrick.com](https://heidrick.com).





“Companies will need to rebalance the talent pool with more ‘explorer’ types.”

**Lynn De Proft**  
CPO, Solvay

**3. Willingness and the ability to experiment and innovate:** As a business partner, the future CPO must help drive change, by experimenting, learning, and adapting to new ways of working. “Companies will need to rebalance the talent pool with more ‘explorer’ types,” said Solvay’s De Proft. “The CPO can be a strategic weapon that challenges the business and company strategies—a constant disruptor of the status quo.”

“The CPO has to be a partner in bringing innovation to the business,” added British American Tobacco’s Liang. “Unlocking innovation should be at the top of what they do. A CPO’s deep knowledge of his or her organization’s customer base can help the business develop differentiated offerings and improve its competitiveness.”

The CPO should rely on many sources of ideas. He or she may work with and support start-ups to stay on the leading edge of innovation and build partnerships with academics and universities to invest in both early research relevant to the procurement function and young talent within student bodies. “CPOs are uniquely positioned to help the business maintain the right balance between resilience and supply chain risk on the one side and innovation bets on the other,” said Vodafone’s Wilson.



“We see internally that boards are requesting sessions directly with the CPO on supply risk and are more concerned and involved in topics relating to the supply chain.”

**Ninian Wilson**  
CPO, Vodafone

**4. Ability to influence at the board level:** As they are set to spend a lot more time in the boardroom, successful CPOs need to be energizing, inspiring, and good storytellers, and have the gravitas and credibility to influence decisions at that level. Furthermore, as UCB’s Bals explained, “To be successful, CPOs need to build a very strong network and learn how to become more influential through others, not just directly.”

Illustrating the point, Vodafone’s Wilson said, “As part of our COVID-19 response, I have attended Vodafone’s group audit and risk committee, a subcommittee of the board, a number of times in the past year to discuss geopolitical and supply chain risk in light of the disruption to supply chains. The array of stakeholders I am communicating with, as well as the scope of that dialogue, is changing. We see internally that boards are requesting sessions directly with the CPO on supply risk and are more concerned and involved in topics relating to the supply chain. And, externally, we interact with a lot of new external stakeholders, such as NGOs, governments, regulators, and even prime ministers.”

With boards meeting a handful of times a year and having busy, precisely timed agendas, it’s important that CPOs are prepared to present succinctly and respond to rapid-fire questioning from board members with varying degrees of knowledge of the company’s function or sector. Therefore, CPOs must have an extensive repertoire of influencing and persuasion skills such as building trust, networking, negotiation, and mediation so that they can get their voice heard and gain traction for their agenda when operating alongside their C-suite peers.

## Securing the CPO pipeline

“There is a war for procurement talent today,” said Heineken’s Le Faou. BT’s Pourrat added that “the most challenging combination to find in terms of skills is the right balance between category expertise and the ability to see the big picture.” Additionally, some of the CPOs suggested that future procurement organizations may end up being split into two sub teams, as UCB’s Bals explained. “There will be one part of the team managing the tech-enabled routine tasks and another that will be dedicated to the value-added ones, such as innovation, collaboration, and managing the corporate ecosystem and networks,” he said. “The two teams will require totally different competencies.”

So, how can companies attract, develop, and retain best-in-class CPOs of the future? The CPOs we interviewed suggested the following approaches.

“In truth, I can’t think of a better place to form a future CEO than procurement. If you have just graduated, procurement is the best place to start. It will provide you with a comprehensive view of the whole organization and also allow you to grow your external network.”

**Sebastien Bals**  
CPO, UCB

### Rethinking and rebranding the role of the CPO

According to BT’s Pourrat, procurement executives do not promote themselves well: “They frequently come across as very technical and struggle to come out of their comfort zones.” Clearly, the function needs a rebrand. “In truth, I can’t think of a better place to form a future CEO than procurement,” said UCB’s Bals. “If you have just graduated, procurement is the best place to start. It will provide you with a comprehensive view of the whole organization and also allow you to grow your external network.” Indeed, companies have a huge opportunity to make procurement leadership roles more attractive by framing them in a more appealing way for ambitious, talented, up-and-coming executives. By the same token, procurement professionals and the organizations representing them need to step out of their comfort zones and project a renewed image of the function that focuses on its growing, more strategic impact on value creation.

### Casting a wider net

The future CPO’s profile emphasizes strong business acumen and leadership competencies rather than technical skills or depth of procurement experience. As such, the candidate pool does not need to be from within procurement itself. Instead, it can broaden both internally and externally to a wider set of profiles and functional backgrounds.

“Businesses need to look for young talent with expertise where they are, which can be in unconventional spaces like start-ups.”

**Hervé Le Faou**  
CPO, Heineken

UCB’s Bals is one of the executives who believes that the next generation of procurement talent will have nontraditional backgrounds. “It would be fine if, internally, someone with high potential is able to grow into procurement from another function,” he said. “Procurement is not taught in schools,” added Heineken’s Le Faou. “So businesses need to look for young talent with expertise where they are, which can be in unconventional spaces like start-ups.”

“If not directly to the CEO, the CPO could very well report to a chief transformation officer, providing a new orientation to the role, one outside of the traditional links to either supply chain or finance officers.”

**Lynn De Proft**  
CPO, Solvay

“[Good internal succession] will happen if the existing CPO is already embodying the ideal new profile and has invested in developing internal talent.”

**Kai Nowosel**  
CPO, Accenture

### Adding a seat at the table

As the role of the CPO expands, some experts believe its natural evolution could lead it to become a member of the C-suite, reporting directly to the CEO. The appropriate reporting structures would vary by industry and be based on relative levels of maturity toward value creation (some sectors will still rely heavily on procurement organizations that focus on the bottom line), but a move closer to the CEO would likely make it easier to attract and retain top leaders. “If not directly to the CEO, the CPO could very well report to a chief transformation officer, providing a new orientation to the role, one outside of the traditional links to either supply chain or finance officers,” suggested Solvay’s De Proft.

### Designing early succession planning

Leaders with the profile matching the requirements of the CPO of the future are currently very scarce and in high demand. As a viable alternative to competing for existing talent at other firms, companies should also focus on designing effective succession planning processes that are complemented by tailored development opportunities. Accenture’s Nowosel believes that good internal succession “will happen if the existing CPO is already embodying the ideal new profile and has invested in developing internal talent.” Should this not be the case, companies do not have a moment to lose in revamping the scope and skill set of the whole procurement office.



Among the many organizational challenges stemming from the extraordinary events of the past couple of years, considering the future of the procurement function is one that should definitely move higher up on the corporate agenda. While the COVID-19 crisis provided a clear picture of how supply chain disruptions can affect everyday life, corporate leaders should recognize that the changes that have been underpinning the transformation of the procurement function are more fundamental in nature. They have a unique opportunity, if not an obligation, to reset and rethink both the role of the CPO and its succession planning.

“CPOs, by virtue of their close connections with key stakeholders of the business, are custodians of the company’s brand. Their strategies for the procurement function must reflect and support the positioning of the brand in the market.”

**Kai Nowosel**  
CPO, Accenture

As such, CEOs and boards need to ensure that they take the full measure of the value that a future-proofed procurement team can bring to their companies and challenge themselves to look at their CPOs through a much more strategic lens. As Accenture’s Nowosel put it, “CPOs, by virtue of their close connections with key stakeholders of the business, are custodians of the company’s brand. Their strategies for the procurement function must reflect and support the positioning of the brand in the market.”

Never in the past has the CPO role been so well positioned for attracting the best and most diverse talent. While this is good news for organizations, they will also quickly face the challenge posed by the scarcity of suitable talent. Filling their talent needs will therefore require leaders to not only completely rethink the competencies and associated talent development strategies for the role but also pave a future career path for CPOs who will have reached the top of their game. Certainly, today’s challenge is to think about the CPO of the future—but tomorrow’s will likely center around the future of the CPO.

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# Supply Chain & Operations Officers Practice

Heidrick & Struggles' global Supply Chain & Operations Officers Practice has a well-established track record for recruiting top strategic leaders as well as serving a demanding client base. Because our team of experts has operations backgrounds, they provide superior leadership counsel and bring a comprehensive understanding of the challenges faced by clients as well as the competencies needed to excel in today's fast-paced and demanding world.

Complex, global, time-sensitive supply chains and their increasing strategic importance have raised the bar for supply chain executives everywhere. Because our practice proactively builds its own talent networks, we know who they are and where they are. Thus, we can quickly present targeted candidates to our clients.

Our experts are strategically located in the world's principal cities and specialize in the following areas:

- Supply and demand planning
- Strategic sourcing and procurement
- Manufacturing operations
- Distribution
- Warehouse and inventory management
- Transportation and logistics

We have extensive experience recruiting senior leaders, including: chief supply chain officers, chief procurement officers, and senior vice presidents and vice presidents of supply chain planning, procurement, manufacturing, inventory management, logistics, distribution, transportation, customer service, quality, and engineering.

## Leaders of the Supply Chain & Operations Officers Practice

### Global

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### Europe

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