

Global Marketing Procurement: 2020 and beyond

October 2020



Introduction



Marketing procurement as a discipline was born over 25 years ago following the success of direct procurement in the military and automotive industries. Not all organisations have a well-established marketing procurement function as it highly depends on the size and complexity of an organisation's marketing spend. Although some have already been operating for over 20 years, we still see very young marketing procurement teams emerging day after day.

Marketing as a procurement category is complex and very broad with 20+ sub categories and its scope can significantly vary from one organisation to another, depending on the products and services that they provide, and also the markets that they are operating in.

Marketing as a procurement category is evolving at a fast pace, following rapid changes in consumer behaviours and advertising landscape. With the constant development of technologies and increase of digital and online services, new categories keep emerging, such as 'digital commerce', 'digital shopper experience', 'virtual events' and 'live streaming' recently and would likely end up in the hands of the marketing procurement teams. This combined with the pressure and increase of societal matters such as 'sustainability' and 'diversity & inclusion', marketing procurement leaders are constantly reviewing their organisation and available resources and skills, to ensure that they remain valuable partners to their marketing stakeholders.

Being a rather young function that is not always present in all businesses, has a direct impact on the career path of marketing procurement. As opposed to other job roles in which practitioners study and train towards their specific discipline, with a clear career path in mind, many 'fall' into marketing procurement, as a number of respondents in this research indicated that they joined "very randomly, an open position within the group, an opportunity", "I was originally looking after another category, and was offered the chance to switch category when the manager at that time left the company given that I have a sales and marketing background", or "through a variety of procurement roles, a vacancy came up within the business".

This initiative came about from a joint observation that no specific study that was backed up with concrete data focussing just on marketing procurement structures and the evolution of the function had ever been conducted. Combining the strength of the WFA network bringing together over 1,300 marketing procurement practitioners across the globe with Tina Fegent's expertise in building marketing procurement functions and capabilities over the past 25 years, this new report follows the recent publication of **WFA's Project Spring** and shows the current state of marketing procurement, identifies trends in structures and ways of working, investigates the career path of the function and provides some food for thought of how the discipline could evolve beyond 2020.

Content

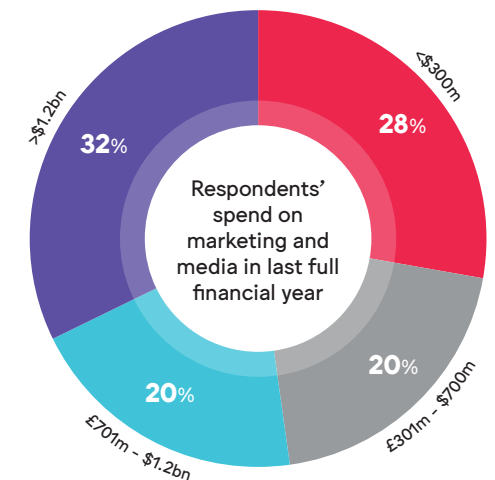
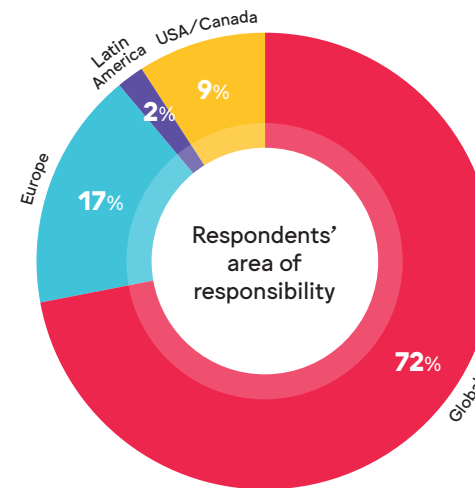
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About this document

Contains the results of an online survey conducted in June 2020.

All respondents were senior marketing procurement experts, 72% of them have a global strategic role.

50 different advertisers (companies) took part into this study, representing over 14 different sectors.



Respondents' industry sectors:

Food	22%
Beverages	18%
Household	12%
Automotive	6%
Banking	6%
Beauty	6%
Pharma	6%

Energy	4%
Retail	4%
Technology	4%
Telecom	4%
Travel	4%
Insurance	2%
Toys	2%

Executive summary

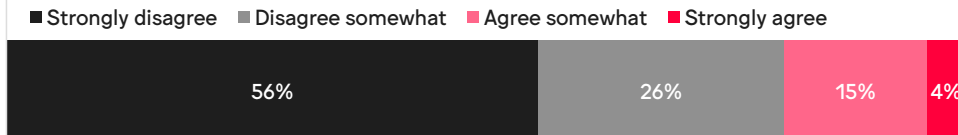
While most do not doubt the need for marketing procurement, our respondent sample feels that their role should be redefined	1	2 in 3 would rate their organisation as centralised and global to varying degrees	10	Importance is not always given to diverse shortlists of candidates	19	Training: a mix of practices being taught; but still very general procurement heavy though	28
9 in 10 feel that a differentiation should be made between marketing procurement, and the rest of procurement	2	Collaboration between global v regional v local usually described as collaborative	11	Marketing procurement seem to have young teams – median age around 30/40s	20	Some training programs are being shared with marketers	29
The majority are proud to be working in a marketing procurement role	3	Not one global structure fits all organisations. Leading to various ways to get the right balance between global and local as well as support the marketing needs	12	Leadership opportunities are being given to talent under 35 years old	21	Training programs are not always relevant and useful to deal with marketing procurement priorities	30
Over a third lack resources , and just under a quarter feel that they focus too much on operational issues	4	For most – the size of their organisation is expected to remain the same ; notable increase of global roles for 1 in 3	13	Many skills are being sought after. Are organisations in search of the unicorn?	22	Marketing procurement has a limited career path for those who would like to stay in this function	31
There is not a unique way to describe the function and scope of marketing procurement	5	Marketing and marketing procurement structures are often different	14	Talent often sought externally	23	A promising 'after marketing procurement life', according marketing procurement practitioners	32
A multitude of visions and missions for marketing procurement	6	Priority would traditionally be given to physical closeness with marketing counterparts as much as possible but C19 may have proved differently!	15	Are we faced with both a limited talent pool or/and a limited budget for recruitment?	24	MarTech, Digital & Innovation – where marketing sourcing leaders see themselves playing a more active role	33
Each organisation has a unique way to categorise the marketing spend	7	Majority have experienced cross-functional team work in various ways	16	Conscious that some categories can be more attractive than others, some are partnering with universities to find talent	25	With the increase in marketing in-housing strategies , procurement can play a central role in its implementation	34
The majority have developed their teams without the support of an external consultant	8	The case of digital marketing : still no one clear 'best' practice on roles & responsibilities	17	60% felt that their teams have the right level of skills to address all stakeholders' challenges	26	54% said that the Covid-19 epidemic will increase the automation of marketing procurement	35
Over 50% had separate rosters in place for each category – all respondents	9	Experience-based marketing and omnichannel marketing: coming closer together	18	Training plans that are specific to marketing procurement talent not always provided	27		

General perceptions

Insight #1

While most do not doubt the need for marketing procurement, our respondent sample feels that their role should be redefined

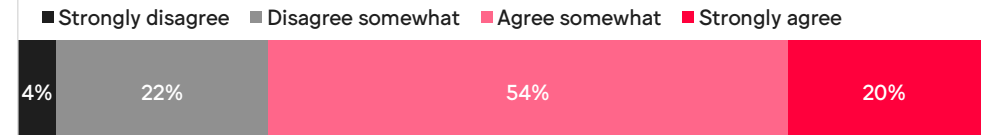
Q. “I could imagine a world without marketing procurement”



82% cannot imagine a world without marketing procurement

It was reassuring to see that most of the respondents in this survey couldn't imagine a world without marketing procurement but with the constant changes in the marketing landscape, perhaps procurement does need to keep evolving to stay relevant to both the marketplace and for its internal as well as external stakeholders. Many procurement organisations have a structure that is perhaps unchanged from when it was designed and this may not be the optimal set-up anymore vs what their business needs.

Q. “Marketing procurement needs to be redefined not to become obsolete”



74% think that marketing procurement should be redefined

Covid-19 has led to a marketing procurement mindset change – being quicker, more disciplined, and efficient, and reminded us that there are some fundamentals aspects that we should always pay attention to, in order to keep our business running. These operational activities that were not always seen as priority by strategic procurement or did not always have a clear and harmonised process in place across the company (e.g. payment types, electronic signatures available in all markets...), have proved to be essential during the crisis to maintain business and good relationships.

“

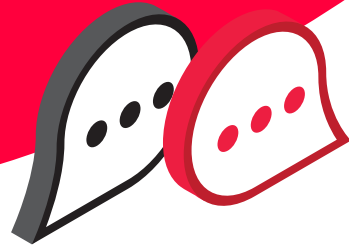
Moving forward, I would like to see us play a more active role in aligning the procurement and marketing targets as the image of procurement saving cost at the expense of quality persists

”

Tom Stear

EMEA Marketing Procurement
Leader, Kimberly-Clark





Michael Pues-Tillkamp

Head of Marketing Procurement,
IKEA



“

Moving forward, operational procurement will be more and more automated and outsourced or offshored. Therefore, becoming more upstream and strategic while understanding the marketing industry is vital to the future success of our discipline. ‘Cost management’ is less of a focus while ‘sustainability’, ‘demand management’, ‘asset management’, and ‘supplier management’ including innovation become critical.

”

Niki Finnie

Head of Customer Experience
Supply Chain, NatWest



“

Our role will increasingly focus on the less traditional marketing categories and will become much more about the end to end customer engagement and customer experience to ensure customers enjoy a consistent experience in every interaction they have with our organisation whether we’re trying to tell them about our brand, show them a product, send them a statement about their account or answer their question on use of a product.

”

Liliya Rechitsky

Director, Marketing Sourcing,
McDonald’s Corporation



“

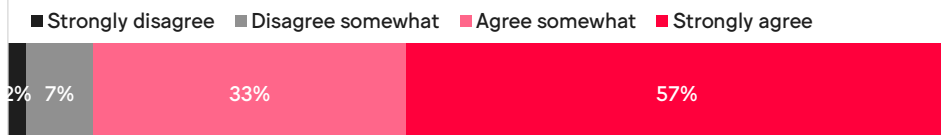
I see marketing sourcing play a bigger role in managing holding company level relationships and negotiating at that level (i.e. each individual market/brand, etc. is dealing with specific agency, and doesn’t have a view into the holding company impact). I also see a role for marketing sourcing in helping set up tools and processes for the rest of the organization to execute against in order for all to drive towards maximized overall value.

”

Insight #2

9 in 10 feel that a differentiation should be made between marketing procurement, and the rest of procurement

Q. “Marketing procurement is different from the rest of procurement categories”



90% think that marketing procurement is different from the rest of procurement

Marketing procurement does require a different set of skills and mindset from many other areas of procurement. Higher levels of market knowledge and stronger stakeholder engagement for example. Most marketing services cannot be compared or bought in the same way as commodity type purchases where you buy against an agreed specification and repeat this year on year. In marketing procurement, we are buying people and ideas where creativity and innovation will potentially deliver huge results for the organisation.

“

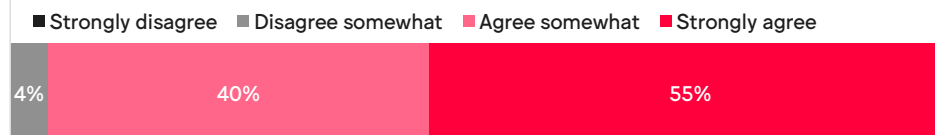
Marketing is an investment not a cost, it means investing in people and talent to grow brands. Procurement needs an alternative approach to marketing if it will truly deliver for the business. CMO's don't want savings, nor should they, as with all investors they want to know how they get more for their investment. The CMO is not interested in a 10% agency fee reduction, knowing and understanding this will simply result in a reduction in seniority and talent on his/her account. What the CMO is interested in is how to turn waste into growth, how to implement better tools to drive effectiveness, how to make 1 million feel like 2 million, how to create the right agency model, how to drive brand consistency, brand governance, bring the outside world in to ensure a highly capable marketing workforce, how to ensure every asset created is sweated to its max, how to ensure best possible agency partnership...

”

Insight #3

The majority are proud to be working in a marketing procurement role

Q. “I’m proud of working in marketing procurement, I feel it’s a good career step”



95% are proud to be working in marketing procurement

As most of our respondents weren't really planning to be working in a marketing procurement, it is great to have 95% say that they are proud to do the job that they are doing. Is marketing procurement the secret job role that we all love to be part of but we don't know about it until we fall into it?



Barry Byrne

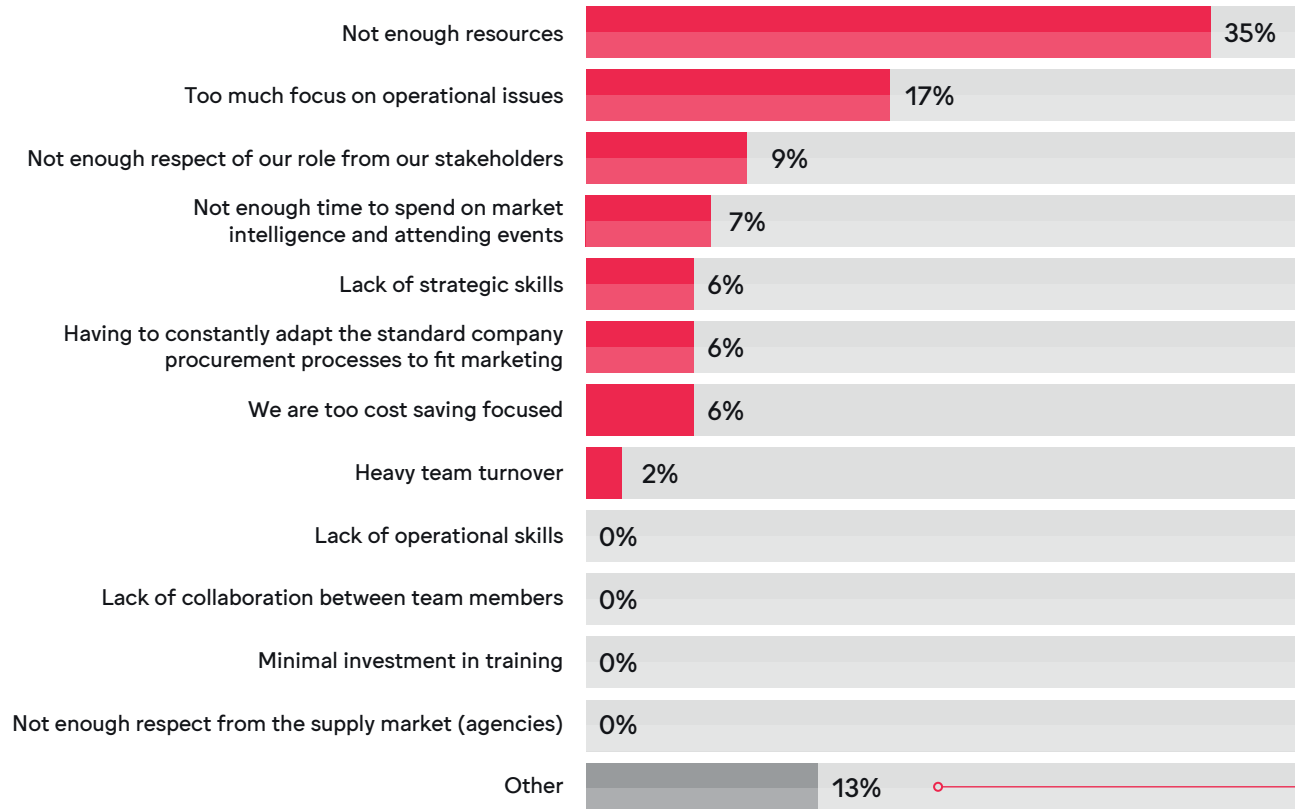
Global Senior Director,
Marketing
Procurement, adidas

Insight #4

Over a third lack resources, and just under a quarter feel that they focus too much on operational issues



Q. What is the main pain point in relation to your current internal marketing procurement set-up?



“Business silos; all are trying to collaborate but it is adding complexity and split responsibility and importantly split priorities which leaves ineffective gaps at times”

“Industry disruption driven by data and technology. Still some subjectivity in decision making which needs to be addressed through robust investment rationalization methodologies (ROI)”

“How to implement our global strategies and processes in a decentralized model.”

“Lack of alignment between global & local stakeholder needs & global procurement focuses too much on global stakeholders. Consumers and sales are all local.”

“Most of the above points are relevant, was hard to choose! no investment is marketing procurement specific training, and not enough time or investment in market intelligence and attending events also big issues.”

Comments in ‘other’ (13%) show the breadth of the challenges that marketing procurement are faced with. It is a complex category that provides its own set of challenges that procurement needs to manage.



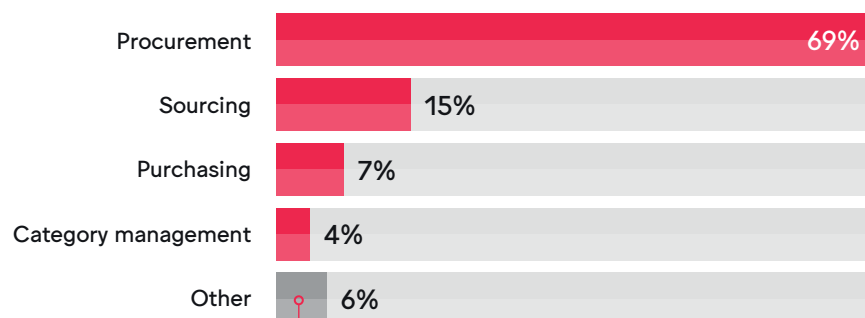
01 Current scope & categorisation

Naming & scope

Insight #5

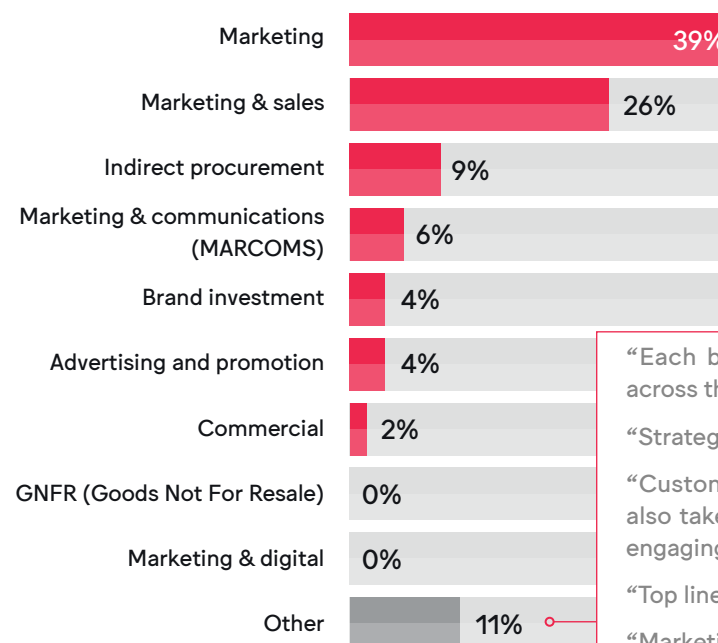
There is not a unique way to describe the function and scope of marketing procurement

Q. How is your function most commonly called in your organisation?



“NPS”
“Global sourcing / indirect sourcing”
“Supply chain management”

Q. How is the scope of your marketing procurement function most commonly called in your organisation?



“Each business unit has own terms across this list”
“Strategic sourcing services”
“Customer experience (the category also takes in other digital methods of engaging our customers)”
“Top line sourcing”
“Marketing, sales services and insights & analytics”

Whilst just under 40% of respondents are known as ‘marketing procurement’ practitioners, it is interesting to see the wide range of other titles that the teams have; although all presenting variations on a procurement theme. There have been suggestions in the past that changing the scope to ‘marketing investment management’ would better reflect the role of the marketing procurement team. Perhaps if we link in with **Insight #1** where 74% think that ‘marketing procurement needs to be redefined not to become obsolete’, it is time for a rebrand!

Vision & Mission

Insight #6

A multitude of visions and missions for marketing procurement

Annual advertising spend: <\$300m	\$301m - \$700m	\$701m - \$1.2bn	>\$1.2bn
"Procurement support the marketing mission which is to put our purpose at the heart of everything we do"	"Support the business in creating value, through the right solutions and the right partners"	"To enable better ROI & a sustainable future through innovative, professional procurement business partners"	"Drive business value with marketing suppliers to fuel our growth"
"We are your trusted partner in bridging and delivering upon corporate and business objectives through best-in-class expertise to drive value"	"Drive differential value & performance in the pursuit of growth through out commercial acumen and integration in the business"	"Our mission is to be strategic and trusted business partners who enable change and deliver results to drive profitable and sustainable competitive advantage"	"Be a trusted business partner through delivering sustainable value proposition and fostering innovation"
"To create a sustainable and successful marketing procurement category that enables a positive employee experience which drives business benefits and adequate compliance to policy"	"Collaborate with marketing & sales to drive impact by: 1/ gaining alignment on initiatives; 2/ selecting/managing optimal agencies & external partners; 3/ ensuring needs are robustly scoped and briefed; 4/ negotiating for maximum value; 5/ managing risk to the "right" level"	"Group vision: we are an industry-leading procurement organization driving sustained value through innovative, agile and strategic management of goods and service providers. Group purpose: to be a trusted partner, and to apply strategic thinking and operational excellence to deliver fiscally sound procurement solutions"	"Marketing sourcing embrace the marketing & business changes. We are staying ahead of a changing world in technology, ecology and society. Our connections bring stronger value to the company and we are partner for the success of the company."
"Being the trusted partner of the business to source and manage an innovative, future ready customer experience and engagement supply base"	"Enabling the organisation to deliver the full potential value of our supply-chain and external partnerships to our customers"	"To achieve full IP global category management by: 1/ increasing our strategic focus; 2/ aligning with business objectives; 3/ enhancing people's skills and capabilities; 4/ reaching new levels of vendor collaboration"	"Apply marketing sourcing expertise to enable our company to leverage our size and scale to get the best overall value on our marketing investment"
"Create impact on revenue"	"Help procure marketing services in smarter ways and in an efficient manner"	"We want to become the strategic partner for our global marketing demand owners. And we do this by combining our long-time marketing experience with procurement (skills) to add value to our worldwide business partners"	"To be the undisputed best at purchases-powered brand building"
"In transition currently due to organisation redesign and refocus"	"Obtain best value from all partnerships"	"Driving value for the marketing team by creating operational and cost efficiencies"	"Maximise marketing investment to fuel growth"
"Don't have one"	"We facilitate internal and open external connections, empowering marketing and sales to create new opportunities to drive top line growth"	"Become a reliable and well acknowledged business partner supporting business to achieve their ambitious targets. The valuable contribution and acknowledgement needs to reach up to C-level"	"Connect sales and marketing to the people, processes, and solutions to execute to their strategies"
"We don't have one specific to marketing procurement"	"Together we deliver sustainable business value"	"Work in partnership with stakeholders to drive value and share best practice globally"	"To fuel our company's growth engine via being connected experts, effectively utilising insights / analytics & becoming an effective, trusted business partner"
"There is no specific vision/mission for marketing procurement. The general one applies"	"Don't have such statements on category levels"	"World class procurement of the future delivering on the financials (what) and metrics (how). Striving to be the best procurement group in the industry (cost, quality, service) with 100% engagement from our global team"	"To fuel our company's growth engine via being connected experts, effectively utilising insights / analytics & becoming an effective, trusted business partner"

'Driving value' and 'working in partnership/ being a partner' were commonly mentioned by the respondents. These are key to success in this category as the move away from driving costs continues within the developed marketing procurement teams. There was minimal reference to being focused on cost savings across all the different sized organisations that replied to the survey.

"Being a trusted business partner" and "together we deliver sustainable business value" were the themes that we saw coming out multiple times as the mission of the marketing procurement team. These are key pillars of activity that allow a forward-thinking organisation to deliver the best results for the marketing investment.



Allocation of the marketing spend

Insight #7

Each organisation has a unique way to categorise the marketing spend

Unsurprisingly, as the overall marketing spend increases in an organisation, the procurement categories get more defined. Smaller organisations will likely have a marketing category manager that will cover all their marketing spend with the larger ones have dedicated category specialists. These may also be global roles with the local in country managers providing tactical buying for the non-global categories. Media, 'advertising', and 'ideation / production' were the most mentioned categories which reflect the areas where the highest spend is usually within a marketing budget. Newer categories such as 'digital marketing (infrastructure and CX)' and 'e-commerce' are starting to be categories that marketing procurement manage together often alongside their IT procurement colleagues as the categories are intricately linked to support the digital side of marketing investment.

There are around 20+ different subcategories within the marketing category and in bigger organisations, they will have category managers assigned by subcategory as the spend and complexity will be quite different from an organisation with a smaller spend. The categorisation can either use a traditional category split that was historically based on 'above and below the line' spend categories and operate across a global, regional, or local level. Or it can reflect the way that the internal stakeholders teams are structured e.g. "three global marketing categories of media/data/tech; advertising/content/production/partnerships and customer (POS, experiential, shopper) and like former responses on the need to redefine the role of marketing procurement, the structures do also need to flex and adapt to the way that the marketing mix is evolving and reflecting both changes in technology e.g. bigger investments in digitally lead activity as well as in some cases, the impact on budgets and strategies that COVID-19 may have had.



David Crayon

Strategy & Delivery Director -
Marketing & Sales Procurement, GSK



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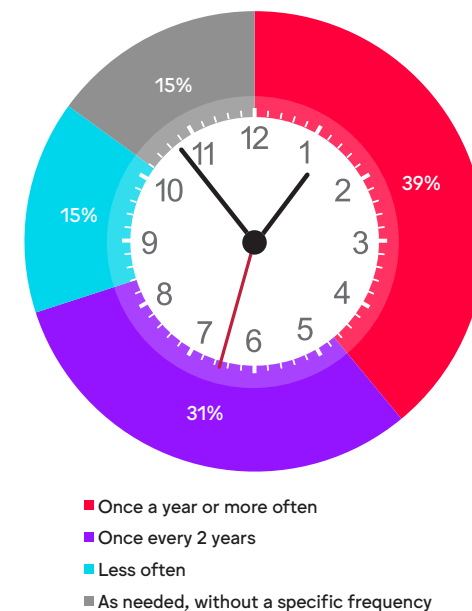
We should not restrict ourselves by defining some category boundaries that don't align with the way the industry is evolving. We must be able to adapt and drive the change we think would enact the maximum value.

”







\$ Annual advertising spend: <\$300m

Typical category tree e.g. the way your organisation splits the marketing procurement spend	Allocation to the team e.g. how these categories/sub-categories are assigned to the respective team members/category managers
“Global categories (lead creative agencies, media, market research) have a global category lead and regional category managers. Other categories are broadly split into design & product, retail activation and non retail activation”	“Each team member owns a category strategy for their region, more senior team members have 2. They also have a business partner role to act as single point of contact with marketing stakeholders based on their geographic location. There are no “local” procurement teams involved in marketing”
“Media & creative, marketing services, print, loyalty, events, merchandise, sponsorship”	“Global strategy leader by sub-category, execution across regional located team members (execute multiple sub-categories) global central lead creative & media agency management!”
“A&P, agency fees, marketing research, adaptation, promotions”	“I overlook all of these”
“Marketing – media, print, creative, lower risk / events, insights”	“Each category has a category manager assigned to support. Then this roles up into the category lead for marketing. Often the smaller categories are combined”
“Media, content production, marketing insights communication, digital, retail in store e.g. POS”	“We have 2 team members who are handling all marketing sub categories”
“Media; advertising; sponsorship; customer insight; digital engagement; marketing creative and fulfilment (email, print, DM); business comms; public relations; martech”	“My team are procurement professionals not marketing specialists so I work a regular (24 month or so) rotation to ensure they get experience and awareness of all subcategories. My team forms part of the wider procurement function which works on a common role framework and does not value anyone becoming too specialised in any one category as they can be moved to a completely different category at any time”
“I have one category marketing and then subcategories e.g. advertising, media buying, digital etc.”	“I manage the whole category”
“Media spend, creative and advertising agencies (includes design and PR and sponsorship), promotional materials, sales, market research, events, trade services”	“Each team member responsible for one of the categories across Europe, but each team member also supports local activity in all sub categories. There is 1 person based in each country”
“Marketing communications – ATL, BTL, market research, media, sponsorship... marketing materials and MM services and maintenance, POSM, shop equipment and fittings”	“3 regional managers manage most strategic categories, remaining ones are either hybrid model or locally managed by local marketing procurement teams”

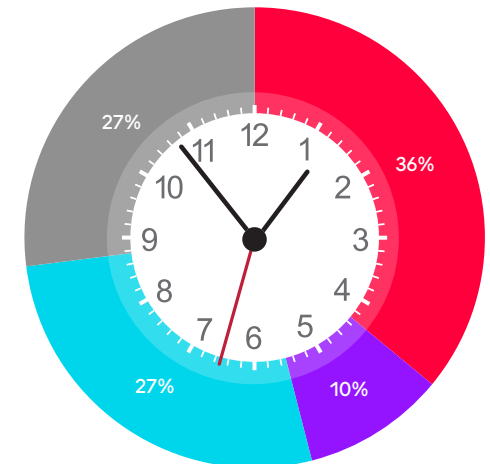
Q. How often are these categories/subcategories reviewed?



\$ Annual advertising spend: \$301m-\$700m

Typical category tree e.g. the way your organisation splits the marketing procurement spend	Allocation to the team e.g. how these categories/sub-categories are assigned to the respective team members/category managers
"Advertising placement, advertising production, consumer promotion, marketing management"	"No team yet" 
"Media / creative & production / in-store (brand design, pre-press, sales brokers, consumer insights, market research, promotions)"	"1 global category manager per sub category (3 in total) and then regional teams supporting in market" 
"Media and digital, creative and production, data, insights and analytics, sponsorship, events, communications (PR and PA)"	
"Creative vs media spend"	"There is only one manager overlooking the marketing category (me) and I have other categories in my remit. One of my assistant managers helps with marketing category." 
"Media (digital vs. traditional), agency fees, ad production, POS, market research & data"	"Agency fees are a bigger team across division. The rest categories only have one person from the team" 
"Advertising/production/talent ; shopper marketing and execution; marketing research ; category management ; design / photography; corporate communications / earned media (PR) ; media / eCommerce / digicomm; experiential / sponsorships ; innovation ; promotions"	"Sr manager (dept head) - adv / prod / talent ; manager #1 (USA) - media / eCommerce / digicomm ; manager #2 (USA) - shopper, category management, promotions, experiential, sponsorship and sales ; sourcing sr specialist (USA) - design, marketing research, corp comm / earned media ; contract specialist ; sourcing sr specialist (Canada) - covers all areas" 
"Media, advertising, PR/ shopper, sales, S&I/ graphic chains, licensing"	
"4 high level and 12 areas on low level. Advertising, services, experiential and print"	"Spread on 5 buyers and 1 strategic buyer" 
"Sub-categories under marketing are creative ATL, creative BTL, media, digital, POS, coolers, research & insights, pack design, production"	"Group 1 - media, digital & creative ATL, group 2 - POS, coolers, creative BTL, group 3 - pack design, research" 

Q. How often are these categories/subcategories reviewed?

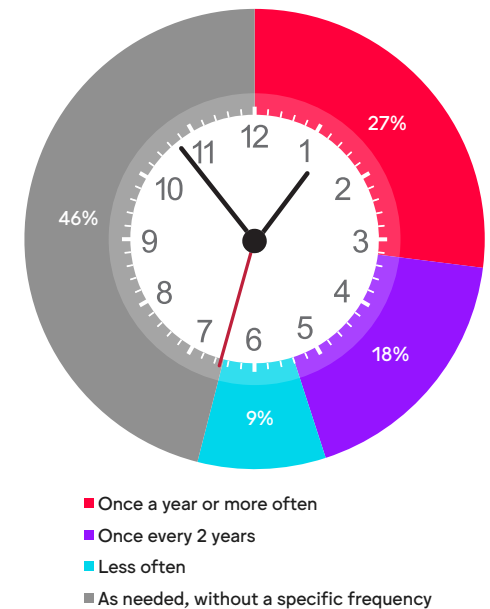


- Once a year or more often
- Once every 2 years
- Less often
- As needed, without a specific frequency

\$ Annual advertising spend: \$701m - \$1.2bn

Typical category tree e.g. the way your organisation splits the marketing procurement spend	Allocation to the team e.g. how these categories/sub-categories are assigned to the respective team members/category managers
"Media, agencies, production sponsorships/events, market research/insights, POS materials, sales capex"	"Each have their own global category manager POS materials and sales capex have a team, regional cross category teams, local teams"
"Split into sub categories e.g. media/CI/BTL/ATL fees/production"	"Generally one buyer per sub category led by a category leader"
"Displays, printed materials, market research, premiums, media"	"Each division/region has their own marketing procurement, depending on the size of the spend, either one person carries the total spend, or divided into 2-3 team members"
"Customer research (continuous, ad hoc, syndicated) experiential (events, shows and drive experience) sponsorships (ambassadors & sponsors) communications (advertising, media and print) digital marketing (infrastructure & UX)"	"We have 4 pillars and currently pillars are shared between team members due to recruitment freeze 1. Experiential 2. Communications 3. Sponsorships 4. Research"
"(1) Advertising is split in: agency fees, media, digital, production. All these categories are further split into sub-categories. Then we have (2) marketing services, split by print, consumer call centre, licensing, global design, promotions, sales and merchandising, e-commerce, translations"	"2 FTEs for advertising, 3.5 FTEs for marketing"
"Advertising-promotions-market research-communications"	"Category leaders across spend areas. Agencies split between above the line and below the line"
"1. Media 2. Ideation & production 3. Consumer 4. Marketing products"	
"Top line categories: affiliates & meta, creative/content, CRM, media, media auditing, point of sale, public relations/communications, research & analytics SEM, sponsorship. Each are split into sub-categories"	"Work is assigned by region rather than category"
"Split into cost categories: marketing & sales, below are purchasing baskets, e.g. media agencies, media buying, design agencies, brand events..."	"No fixed allocation to teams, depends on resources and projects"

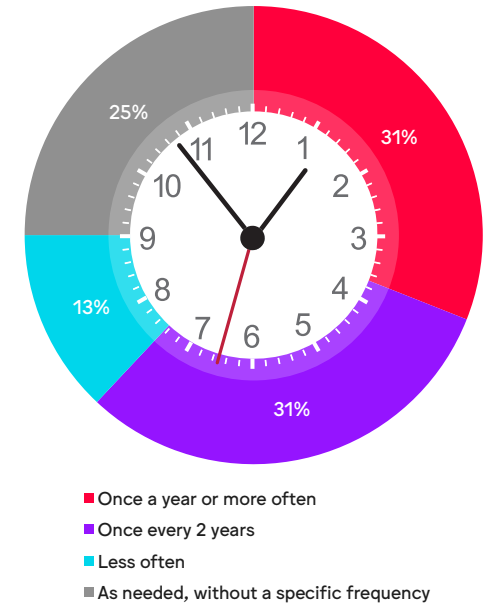
Q. How often are these categories/subcategories reviewed?



\$ Annual advertising spend: >\$1.2bn

Typical category tree e.g. the way your organisation splits the marketing procurement spend	Allocation to the team e.g. how these categories/sub-categories are assigned to the respective team members/category managers
"Creative, digital and media, marketing materials, field force, events and activations, product development"	"Each category has a lead and top 20 markets have a lead" 
"Three global marketing categories – media/data/tech, advertising/content/production/partnerships and customer (POS, experiential, shopper....)"	"Global strategic categories and then footprint into markets to implement strategies" 
"Media, promotions, CSO (sales), market research and analytics, production & creative"	"By category & geography. We have global leads for all top line categories, and geographic leads that focus on delivery of media, production & creative for Americas, EMEA & APAC" 
"Consumer engagement, media, data, advertising"	
"Media, creative, production, PR, comms, activations, merchandising, family, US local, business consumer insights"	"Manager overseeing media globally; manager overseeing creative globally; manager overseeing a combination of US Local, consumer business insights, family, and merchandising; supervisor overseeing PR, comms, activations; and supervisor overseeing production" 
"Media – content – activation"	
"3 main areas – events & sales, media & print/promo/POS, agencies & insights"	"3 main teams, category managers have global responsibilities." 
"Media, sales (trade & design), market research & agencies"	"We have these 4 branches of a global team, everyone on the team is part of one spend area (except in Latin America, where we are testing combining agency & media with one person. Stakeholders seem to like the local focus" 
"Media, agencies, market research, sales & distributor services & marketing operations"	"Separate teams for each category" 

Q. How often are these categories/subcategories reviewed?



Insight #8

The majority have developed their teams without the support of an external consultant

Recommended partners mentioned by respondents included:

“The Business Model co”

“Oliver Wyman”

“Flock helped us through our team’s org. design”

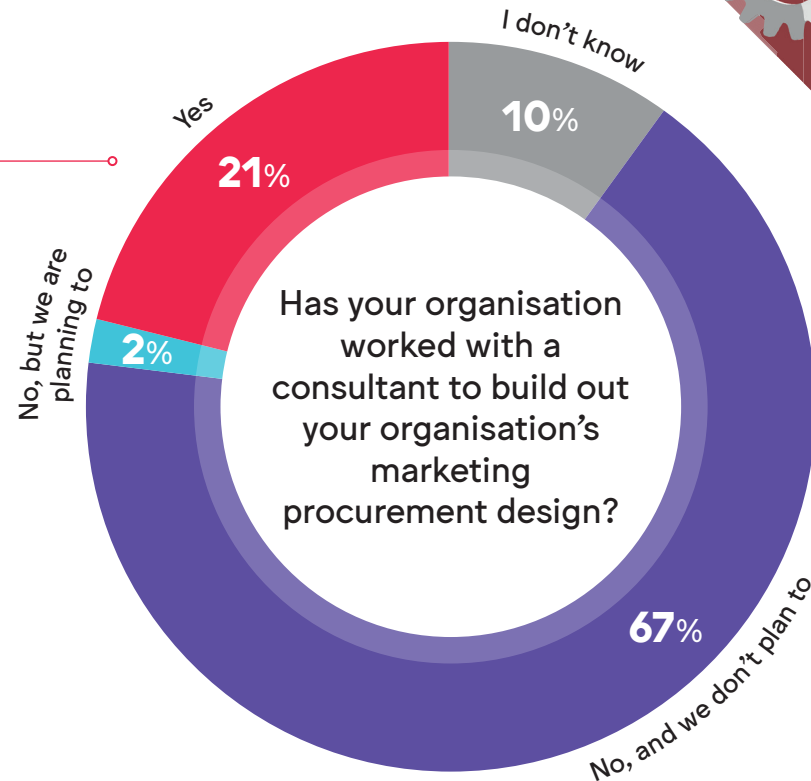
“Hackett”

“AT Kearney”

“We worked with **Efficio** but not just for marketing but all our indirect categories”

“For a defined piece of work : **AAR** - very good”

“**Bain & Company**”



With 23% either using or looking to use a consultant to design their organisational structure, often this could be a company wide initiative with the consultant's scope covering a wider remit e.g. the structure of the whole procurement team using their experience with their other clients and not just marketing. External consultants can also be used to help in the agency selection process at long list stage to work alongside procurement teams and help them in terms of their market knowledge or new entrants into the marketplace.



02

Ways of working & governance

Shared rosters

Marketers are finding themselves requiring a more diverse range of marcomm experts, which leads to a tendency for clients and their procurement teams to implement a variety of core agency roster models across their operations, depending on specific parameters such as geography, discipline or project. There are no longer any best practice roster models though and this perhaps underlines the complexities of developing roster architectures that cover all the needs of one company on a global scale.

Rosters are a great way to work with a collective of preferred agencies or marketing suppliers with mutually agreed commercial terms and ensure higher levels of consistency across brands, contract terms and KPIs, manage the global marketing long tail and achieve company objectives. Rosters offer marketing counterparts multiple options for their respective needs but must be regularly updated and managed properly, ensuring that there is no overlap in terms of their offerings. These are usually aligned by category of spend.

David Crayon

Strategy & Delivery Director -
Marketing & Sales Procurement, GSK



“

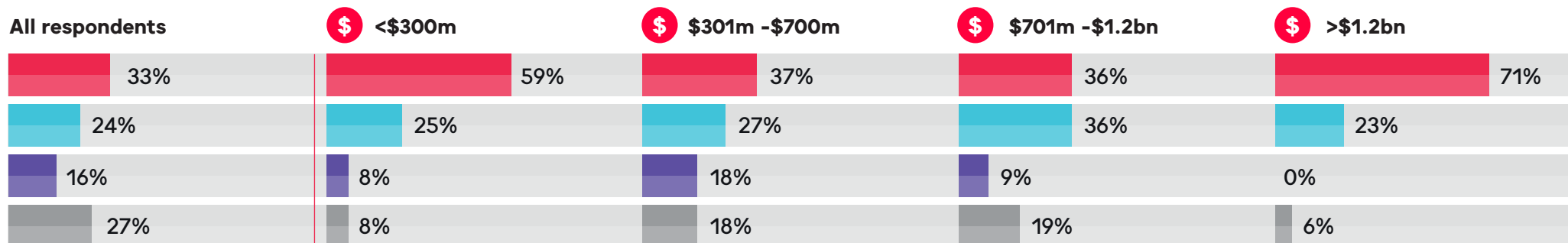
We have a strong stakeholder governance model with regards to how we effectively partner with our agencies, and where we have outsourced models, try to leverage global scope where possible. Where having a global supplier, or global strategy is a ‘square peg in a round hole’ we work with the local / regional procurement team and marketing organisation to build the right buying channel with appropriate pricing and KPIs to be competitive. We also have a structured SRM programme for our top 4-5 suppliers to invest in areas such as regional expansion, or lower cost country provision of their services.

”

Insight #9

Over 50% had separate rosters in place for each category

Q. Do you have separate rosters i.e. preferred supplier lists for the various marketing procurement categories?



For many reasons, it is with no surprise to see that over 50% of respondents had separate rosters in place for each category. However 27% of the respondents did not have a roster at all and this was not linked to the size of the spend but more likely that they have either not a wide range of requirements that need multiple suppliers in place or have a different sourcing strategy in place e.g. single source holding company MSA.

84% of the respondents with the smaller level of spend in our survey said that they do have a roster of preferred suppliers in place that they are either happy with or want to change.

“Actually there is a combination based on need, geographic spread and industry trading dynamics”

“There can be cross overs in the rosters - especially with creative agencies and fulfilment agencies”

“We have preferred suppliers per marketing category but certain categories such as media we do not use roster but the only supplier”

64% of the respondents spending \$301m - \$700m annually said that they do have a roster of preferred suppliers in place that they are either happy with or want to change.

“Some areas, we don’t have a roster, but a single supplier”

Whilst 72% of the respondents spending \$701m - \$1.2bn annually had rosters in place, half of those (36%) said that they want to change their ways of working.

“it varies by division/region”

“It is a mix. Some categories have rosters in place, other do not”

“We already have overlaps amongst the different categories”

“As a multi brand organisation, many of the marketing teams operate independently. As such, we do not have specific rosters across the categories but do have AOR for strategic agency partnerships”

In regards to respondents with the biggest marketing spend, we evidenced that 95% of them had rosters in place. This could be that they are more advanced in terms of their role or tenure in the organisation and have well established category strategies that are reflected by the structure of their rosters, or maybe that they want to get an advantageous commercial deal based against the volume of global committed spend.

“It varies by category. many cats are very local”

“Although the rosters may overlap and have an agency across multiple rosters”

“We’re constantly evaluating the appropriate category strategies, and therefore supplier strategies across all areas of spend”

“Next hot topic need to be addressed with relevant expertise : ex e commerce”

“We are constantly evaluating whether a roster in any given category should be adjusted based on what’s happening in a different category, but ultimately we don’t have a goal to have one set of agencies for all categories”

“Roster is in place only where it has strategic relevance”

- Yes, each marketing category has a different roster of preferred suppliers in place, and we’re happy with the current ways of working
- Yes, each marketing category has a different roster of preferred suppliers in place, but want a change
- No, we share one company roster covering all marketing categories
- No, we don’t have a roster in place

Global v regional v local dynamics

Despite a strong will to create synergies and consistency across brands, marketing procurement practitioners must consider cultural differences when they are navigating global markets, so that their sourcing strategies do not lose in-market relevancy – where the consumers of their company's products or services actually are.

Ensuring the right presence and level of engagement with key stakeholders, being realistic of what can be done centrally v in-market or giving 'freedom within a framework' have been recurrent topics for global marketing procurement leaders, and remain key for them to be seen as adding value, not just cutting costs.

Organisations are constantly evolving and can experience that 'pendulum effect' after an attempt of moving from local to global and reverting to some more regional or local strategies. But unfortunately there is no one size fits all and each organisation has to define what is best for them to achieve greater success. What may have been successful at one point in time may have to change moving forward.

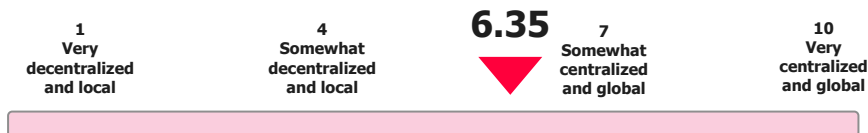


Insight #10

2 in 3 would rate their organisation as centralised and global to varying degrees – all respondents



Q. Do you have separate rosters i.e. preferred supplier lists for the various marketing procurement categories?

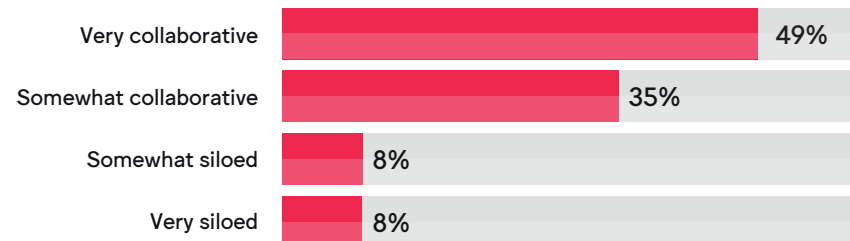


We think that this mainly reflects the respondents who were mostly part of global organisations and therefore there will be a benefit to be global and centralised in terms of some of their higher spending marketing categories such as media, advertising, print and production. This could be supported by regional and local buying teams who will implement the global sourcing strategies in their area.

Insight #11

Collaboration between global v regional v local usually described as collaborative

Q. How would you describe the collaboration between the global, regional and local marketing procurement teams?



84% worked either very collaboratively or collaboratively with their stakeholders which was great to see and that geographical layers weren't a barrier. Working closely together is one of the keys to success in this category – alignment with the stakeholders to ensure that both parties are working with each other towards the agreed objectives and goals that have been set by the organisation. Shared performance metrics between procurement and their marketing counterparts can also help deliver against this as well.

Insight #12

Not one global structure fits all organisations

It can be difficult to get the balance between buying at a global level (and therefore benefit from scale and volume as well as brand adherence) versus buying at a local level (better value for the budget and possibly understand the market better). This research shows that this balance is quite specific to each organisation, but the most common ways to get the right balance is either by a category split e.g. “media and research” or by a task split e.g. “global contracts and sourcing strategy”. It is good to consider all the options and again as we have seen earlier review the structure on a regular basis to make sure the right model is in place.



Q. How does your marketing procurement organisation define the right balance between global and local marketing procurement to ensure what marketing needs?

Mentioned
over
8 times

Mostly category specific: “frequent evaluation of categories and their business impact and need local/regional/global”; “depending on the global category strategies we define whether a category should be globally regionally or locally sourced and set up processes, tool kits, ways of working and organisational capabilities accordingly”; “this is typically designed by commodity. Whenever we can drive better value through consolidation then that would be the target”; “we are currently implementing global reporting lines with globally lead categories, supported by regional and local teams”; sub-categories are divided into global categories (e.g. media and research) and into local categories (e.g. creative ATL and POS)”;

Mostly task related: “global handles global strategies, relationships, and solutions, however most items are negotiated and executed locally”; “regular (daily) collaboration at a project level. Well defined governance models for 1-2-1 and team meetings and global team acting as consultants in their subject matter expert areas”; “global provides strategic oversight and direction, and regional/local executes on the strategy and ongoing marketing scopes of work”; “we strive to negotiate overarching legal and commercial terms globally, and leave market specific terms to be figured out at a local level following global guidelines” ; “our over arching vision and processes are set by global but the management and execution is often local”; “as local, regional teams, we use the global teams to support us by sharing best practises and insights that would help us locally” ; “local role clearly defined as business partner, their primarily objective is to understand marketing needs” ; “global teams takes care of global contracts and sourcing strategy. Global team provides a tender process including templates to efficiently and consistently tender local marketing services. While regional colleagues are implementing global strategy in strong collaboration with the local resources. Local purchaser are only executing, they are working on all indirect materials and therefore are not marketing specialists”

Mentioned
over
4 times

Based on stakeholders and/or marketing structures: “the balance is driven from the stakeholders; in case of the presence of global stakeholder, able to define a strategy, the procurement strategy is set at global level”; “we follow the global marketing organization. Where decisions are made centrally/globally we are also global” ; “our model is far more driven by overall business financial structures rather than any specific focus on marketing”; “we do not have global in place since our marketing business function is not global”

Brand specific: “we have global and local brands where the influence splits naturally and some sub-categories (e.g. media) lend themselves far more naturally to global management”; “we operate based on brand strategy (global-regional-local) driving scale wherever possible”; “we have different brands in each country so that limits the amount of global procurement we do. Target audiences are also different, as are the maturity of the markets. We struggle to find suppliers that can service all the markets so this is another factor”

Mentioned
twice

Mirroring the supply landscape: “based on the supply industry landscape combined with business needs / execution” ; “we use a standard model of considering the market place vs the category specifics to ensure we only try to deploy global contracts where it makes sense i.e. global suppliers”

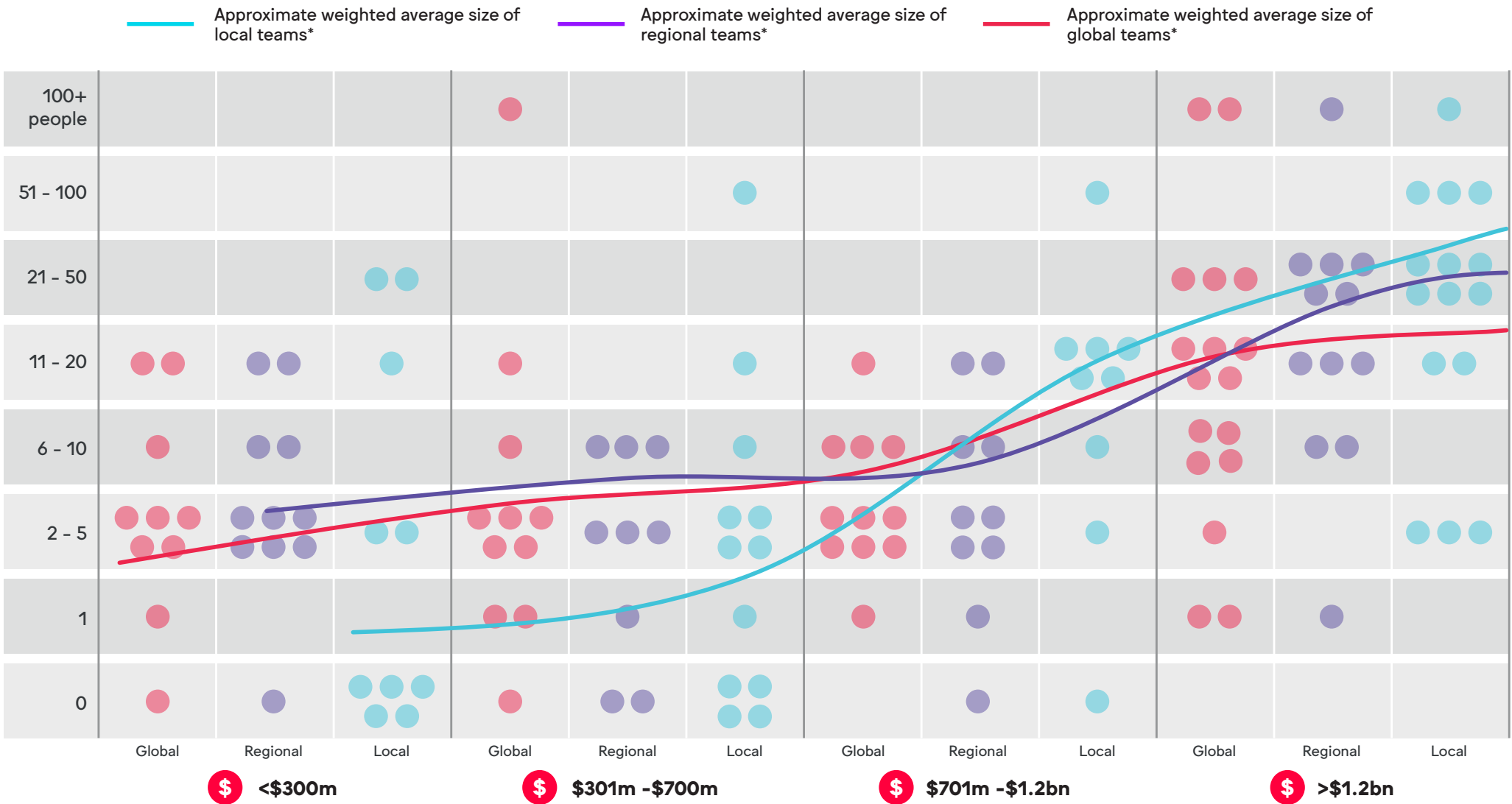
Combining various aspects: “based on category segmentation of strategic importance, similar suppliers across regions and stakeholder engagement (usually regional)” ; “this is customized by subcategory, the needs of the stakeholders and supplier capabilities”

Mentioned
once

Procurement maturity: “the US / Canada procurement are the more mature markets and set the tone for policy and process. We share on a regular basis best practices with rest of world”

Available resources: “driven by resource levels”

Q. Approximately, how many marketing procurement practitioners do you have within your organisation?



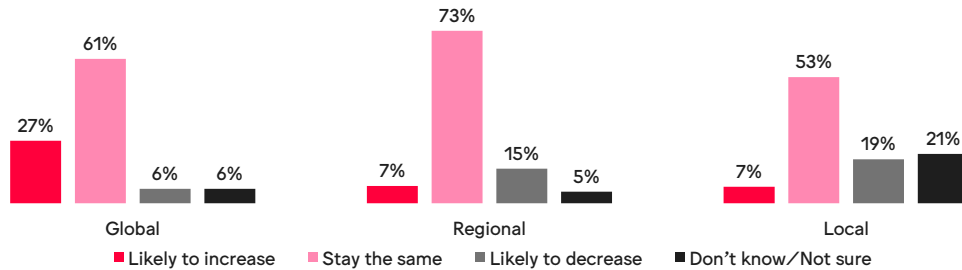
Note: low samples by annual advertising spend, please treat as qualitative insights
* Weighted average assuming normal distribution within #FTE ranges

● = 1 survey respondent ● = 1 survey respondent ● = 1 survey respondent

Insight #13

For most – the size of their organisation is expected to remain the same; notable increase of global roles for 1 in 3

Q. Looking at the future... how do you see the number of marketing procurement practitioners growing in your organisation?



The majority did not feel that their organisations would be looking to increase in size except for the 27% who did feel that global roles would possibly increase. When our respondents took part in this initiative (June 2020), the impact of Covid-19 was possibly starting to be seen with some roles not being replaced when team members left, and restrictions being placed on headcount recruitment. But on the positive side, the data shows that most roles will increase or remain the same as we've evidenced that procurement's role during Covid-19 has been key. The use of offshoring for the back office / non-strategic work as well as organisation redesign were also cited as having an impact on the future recruitment plans for marketing procurement teams.

"Our current major re-organisation will impact the final design of the team"

"We have recently have restructured the teams"

"Tendency to decrease - depending on the degree of centralization"

"This is a very hard question to answer as we all know there is so much dependent on the overall business situation in the world"

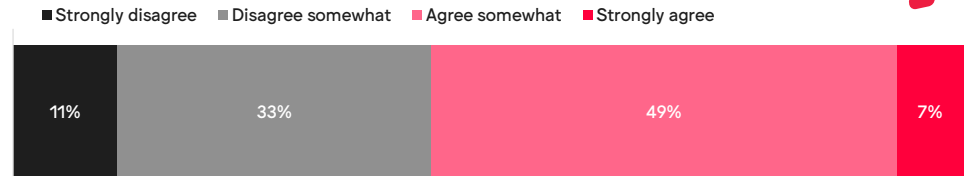
"For local, we are reviewing the current resources and potential"

"The team has been run down to the bare bones through natural attrition but with no intention to recruit to cover gaps!"

"Had we not hit the Covid19 crisis, this number may have increased at a global level; regional and local not relevant at this stage"

"Shift of more non-strategic tasks into offshore centre of excellence in between stay the same or decrease"

Q. "The Covid-19 epidemic will increase the need for local marketing procurement"



44% did not feel that Covid-19 would increase their organisations move to a more local procurement structure

With the right set of technology and communication in place, the globalisation of marketing has delivered huge value to an organisation in 2020; for instance by shifting the marketing plans or investments where there has been less constraints e.g. in a market that was less affected by the virus, reusing assets or mitigating agency revenues towards campaigns that would have been produced later in the year or felt more relevant at the time of the virus.



Covid-19 has accelerated the focus on being agile in a globalised world and how work can be delivered in a consistent and effective manner with the support of global teams to get out of silos; but you will always need a strong local representation with enough resources to ensure that local needs – that are increasingly different, are represented. Which explains why 56% are in favour for more local procurement, including 7% saying that it would be strongly considered.

Mirroring marketing

Marketing procurement, as shared by Tracy Allery, Business Partner Lead – Marketing, Nestlé in **WFA's Project Spring**, is “support function with touchpoints across the business. Gone are the days when procurement should have its own set of goals, distinct from the core business operation. Many teams have already moved from procurement-only to stakeholder-aligned objectives.” In this context, the following section explored to what extent does marketing procurement mirror their marketing counterparts' organisation for more effective collaboration.

Insight #14

Marketing and marketing procurement structures are often different

“More similar at a global level than at a local level”

“Very small team relative to number of marketing stakeholders”

“We have tried to match by offering a buying lead for each of the 4 pillars. However recruitment freeze has prevented this”

“Procurement is category led but marketing is brand led with some specialised discipline teams”

“Very different, however we operate with a representative that sits across the 2 with an understanding of both sides to mediate”

“Procurement is its own centralized entity while the marketing teams are separate in several units of local, global, retail, group comms”

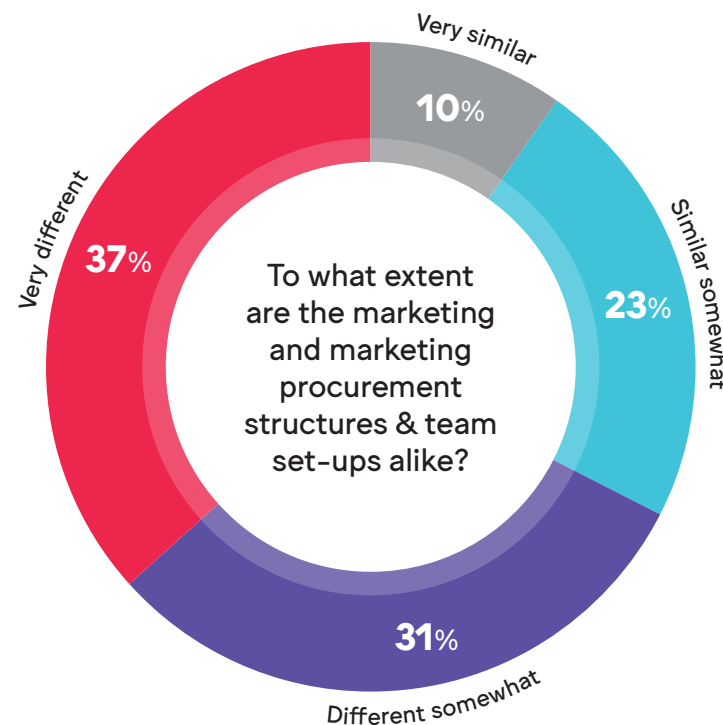
“Our subcategorization for the most part mirrors the split in the marketing function/wider business”

“Media is similar because that is a global team; creative & sales are entirely local stakeholders.”

“I am alone with around 100 marketing people working”

“Marketing team in silos and procurement by region”

“Each country that we support has a different marketing structure, so it is impossible to mirror”



There do tend to be more marketers than marketing procurement practitioners in an organisation. The role of procurement – more likely ‘category led’ is to ensure synergies and consistencies across categories and regions so a smaller amount of resources may be enough perhaps, whereas marketers – ‘brand-led’, need resources for every brand in every market that they operate in. This could explain why 68% are saying that the two department structures were different although aiming towards shared goals.

Note: we were not too sure to celebrate or be worried about the one respondent that said that “I am alone with around 100 marketing people working”!

Insight #15

Priority would traditionally be given to physical closeness with marketing counterparts as much as possible but C19 may have proved differently!

“A combination of both – sometimes physical closeness in combination with some days remote is ok”

“We are covering 30 countries in EMEA alone so co-locating is impossible”

“As a global business we have some teams in close proximity / same building / sit as part of the marketing team but we find the virtual teams works just as well”

“My experience has been the closer you are physically the more integrated you can be into marketing’s team”

“We make remote working happen but I do think there are opportunities to accelerate initiatives or be included in projects more when you are physically present”

“Physical always preferred but not feasible”

“Face-to-face meetings take place for important projects and/or agency visits the current levels of home working due to Covid-19 have made plain that working remotely can work equally well as being located in the same offices therefore its more about behaviours and mindset than actual location”

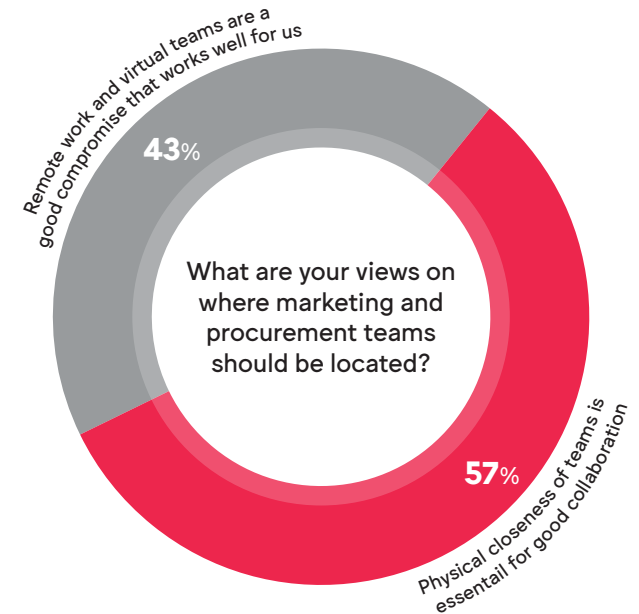
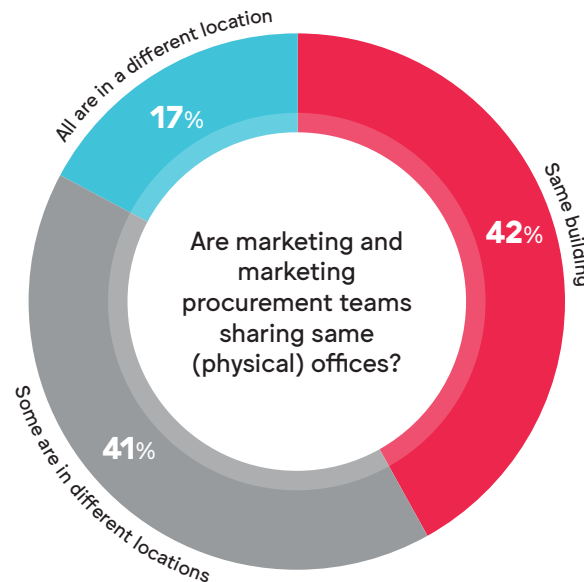
“Face to face is always preferred but as a global organisation we rely heavily on video conferencing anyway”

“Both of the above really – where we have a small number of key stakeholder, we try to place PRO resources in the same location (e.g. for media)”

“Business partners are in the same space as marketing”

“In normal times, we sit close by when we’re in the same office. We have hundreds of brand teams in many offices around the world; we don’t have people in all of those locations.”

“It does help initially to build the relationship but now I am able to do remote work with marketing as I have a strong relationship with my stakeholders”



“

I believe that our marketing colleagues want to meet us and see who we are – they value relationships massively. However times have changed and we now must use technology to try and build those same relationships.

”



Heather Derbyshire

Purchasing Manager
Global Marketing & PR,
Jaguar Land Rover

Cross-functional projects

Insight #16

Majority have experienced cross-functional team work in various ways

“Yes for marketing IT projects with marketing, IT, data privacy... functions and a project manager”

“Some areas we are working in agile teams and flex based on business need and speed of delivery e.g., marketing, sales, finance, procurement, legal, COE etc”

“Media governance working group including, procurement, marketing, audit & finance with clear objectives”

“Strategic projects will have teams from across the business including procurement”

“Teams made up of marketing, corporate services and procurement IT for website creations for example”

“We have done this several times, and general approach is to pull experts from various functions, and they become dedicated for all or part (usually part) of their time to the initiative”

“Digitalisation projects – i.e. digitalisation of the sourcing process, or within finance etc. are sourced across the company departments to ensure insights from all angles (IT, procurement, the department itself, legal etc.)”

“We’ve started working in agile/squads way on the areas where we have multiple geographies facing same problem”

“This is very common and we often create project teams to work on specific projects which are often a group of individuals from different but related teams”

“We do this regularly. Cross functional teams with diversity in thought brings the best ideas!”



Over half (55%) have worked in cross functional team. As a respondent said “this is very common and we often create project teams to work on specific projects which are often a group of individuals from different but related teams”. Agile working methods were referred to with many organisations looking to work this way now.

As we saw in WFA’s Project Spring report, it is a good way to overcome potential challenges around procurement’s reporting lines. In this cross-functional set-up, everyone works together towards a shared goal be it a pitch process or the implementation of a marketing operations system.



David Crayon

Strategy & Delivery Director –
Marketing & Sales Procurement, GSK



“

We have had a number of successful projects that implement this type of cross-functional working group, most recently in a ‘sprint’ format. Typically a core team would comprise a procurement lead, a business lead, a finance representative and then a few subject experts for smaller elements of the programme.

”

“

Procurement teams need to stop using words like ‘stakeholder’ when referring to internal colleagues and instead talk in joint performance language around shared goals. One way to do this is by creating real cross-functional teams (or communities, councils or squads!) around business imperatives, which at a simple level turn the “stakeholder” simply into a team member.

”

James Taylor

Global Procurement Director, Media,
Digital and Consumer Planning, Diageo

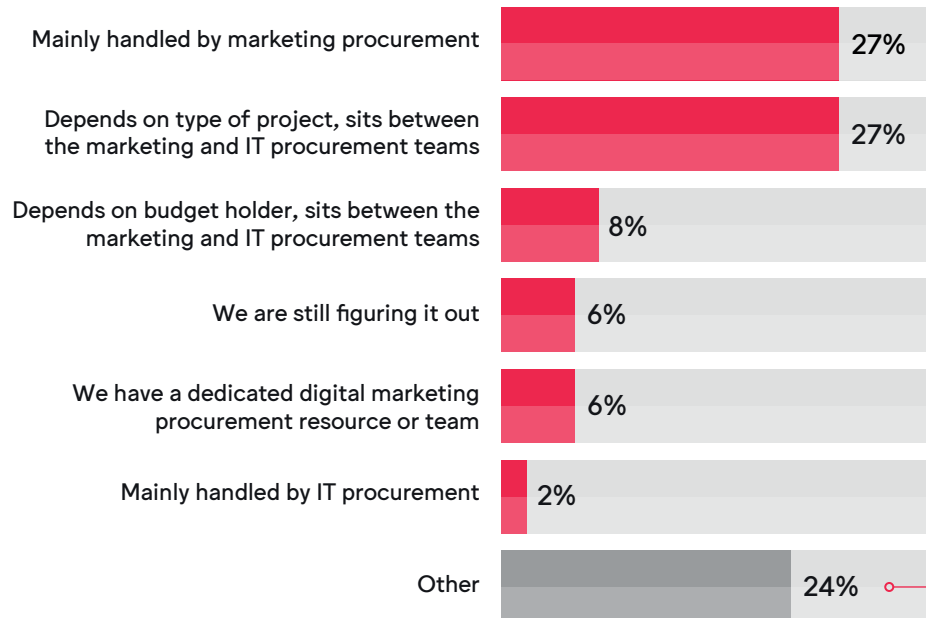


Insight #17

The case of digital marketing: still no one clear 'best' practice on roles & responsibilities

Q. e.g. digital/social, DSP; e-commerce, MarTech, tech stack, websites...

How are those digital marketing projects generally handled by procurement?



"My team's remit is global marketing and technology and payments so interconnectivity is managed within my team"

"We are centralizing now. Historically, split by budget holder"

"IT digital report to marketing and we are align with the company organisation , IT digital reporting to Digital not to IT"

"We are still figuring this out, but currently it falls between marketing and IT"

"Marketing leads this with procurement support"

"It is a mixture between budget holder and project type as well as IT and marketing procurement. A list of criteria has been developed which needs to be filled out by the DO in order to know who will be dealing with the project - sometimes it is even a mix of IT and marketing procurement."

"Everything is handled by marketing procurement, except MarTech which is covered by tech procurement"

"There is a marketing team dedicated to digital, but there isn't one in procurement which is a frustrating skills gap."

"Joint project with digital"

"In collaboration between marketing and IT teams. We decide who leads etc. We have good collaboration across the categories"

Is the buying of 'digital marketing' as a category the awkward teenager? The answers shown that there was no one way that the organisations were supporting this category as historically it sits between marketing and IT procurement. As the spend in this area increases we would expect to see a hybrid role develop or the creation of 'digital marketing steering committees' but for many it is still a new area and the answer will also depend on the current organisation structure and resources and skills.



“

Moving forward, I would see us in marketing procurement, organising more joint end to end reviews together with a squad of different marketing departments.

”



Tuomas Anttila

Global Marketing
Procurement Director, Unilever

Insight #18

Experience-based marketing and omnichannel marketing: coming closer together

Q. Experience-based marketing and omni-channel marketing: with the evolution of the creative landscape, would you see the traditional media & creative categories coming together at some point?

“Yes, they must be viewed holistically”

“Ideally yes, where they come together it works very well, but we’ve yet to see an agency capable of doing this well at scale”

“Yes, definitely noticing a shift of experiential marketing coming more into the communications world. Given COVID-19 I see this speeding up. Using events & shows to reach customers will be more complicated with potential for lower ROI. So we may see our agencies moving more quickly to digital experience offering or our supplier roster changing”

“Yes more importantly the non media and creative must interconnect with other areas better for seamless execution and impact”

“Yes – although the categories are separate teams there is close working and cross-functional teams to ensure joint up working where relevant”

“Yes from a collaboration POV but not to the same extent they previously were (integrated in 1 agency)”

“Yes. I think that if we are all driving towards the same business purpose then we have to take learnings from campaigns run through all channels”

“Yes. we are combining the 2 together under management of omnichannel marketing”

“We treat media inclusive of all digital channels and the content creation with it. We have such limited resource that it does not make sense to distinguish”

“The team member who manages advertising also manages the media buying agencies so they are already fairly combined in our organisation”

“Yes I do. Our marketing is media-led so it would make sense with the ascension of tech around media & data”

“We are piloting this in specific markets”

Yes

53%

No

30%

Somehow

17%

“I rather see a trend to performance based marketing, this doesn’t mean necessarily that media & creative categories are coming together, rather that there are more specialist and KPI driven agencies are raising. Especially traditional creative agencies are often work too traditional and offline focussed”

“In this media led landscape I see that informing the creative execution however the creative development and ideation would be a separate craft in my opinion”

“Yes for the global brands not sure for local ones”

Over half (53%) said that experience-based marketing and omnichannel marketing were starting to come closer together within their organisations. We are seeing more and more overlaps across the ‘more traditional’ marketing categories and as one respondent said “if we are all driving towards the same business purpose then we have to take learnings from campaigns run through all channels”. Perhaps Covid-19 has also accelerated the need for greater alignment and the need to see the two channels holistically.

“

With the evolution of the creative landscape, I would see the traditional media, digital & creative procurement categories coming closer together. In fact, it already has, if we think about ‘influencer marketing’, ‘search’, ‘eCommerce’ etc. There are many overlaps and they will grow. ”

Ursula Brockhoff

Team Leader Global
Procurement Marketing, Beiersdorf AG



“

As they become increasingly connected, I could see the media & creative categories being managed by one leader with two category experts underneath. Then you get the best of both breadth and also the depth on each category. There is too much going on to have it be one category with only one resource. ”

Alex Halverson

Global Sourcing Manager,
General Mills



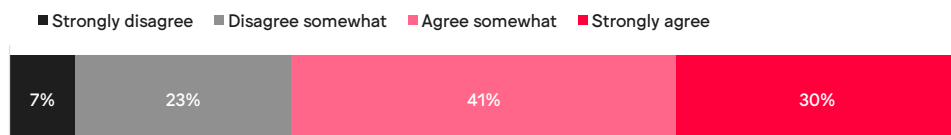
03

The career path of marketing procurement

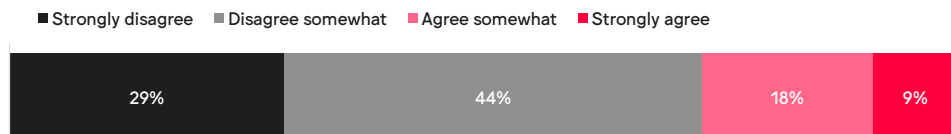
Diversity & Inclusion

In the year 2020, Diversity & Inclusion (D&I) within the marketing industry has become a top priority for many organisations. Some have done a great job of setting and achieving ambitious targets for greater representation of minorities within their own organisation, and in the following section, we wanted to know how does this apply to the marketing procurement function.

Q. “We have an official D&I policy in place to support a diverse marketing procurement team”



Q. “We have gender or diversity quotas in place for marketing procurement”



“

At Shell, we seek to develop all staff members, regardless of background or status; but I do feel strongly that we benefit greatly from the diverse group we have assembled in marketing procurement – as well as being represented by staff from all the major markets in which we operate, we have a nice blend of experience which ranges from long term procurement specialists through to recent joiners with a marketing, sales and IT background. It makes for a flexible and supportive community able to learn from each other, and one which is able to adapt and grow with the new technologies and business activities we are introducing and supporting.

”

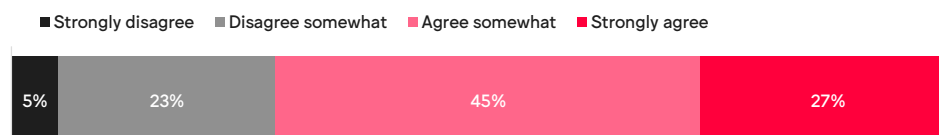
Richard Hawkins

Global Category Manager, Marketing, Shell

Insight #19

Importance is not always given to diverse shortlists of candidates

Q. “We ensure that diverse candidates are shortlisted for interviews”



D&I starts with recruitment and 72% of the respondents felt that this importance was not always placed at the initial stage. Our recommendation would be that HR teams, supported by marketing procurement team leaders, focus on making sure that any recruitment process is fair and open to all.

Covid-19 and increasing remote work strategies present great opportunities to enhance diversity and job accessibility; giving more opportunities to talent who in the past would have not been able to join organisations as not able to fully embrace an office setting or afford to live in specific locations – where headquarters are.



“

As our marketing procurement team is small it would not make sense to have these policies in place specifically for marketing procurement. However we do have these initiatives in place across the company, procurement included – where the right person, regardless of age, race etc will be offered the job.

”

WFA member

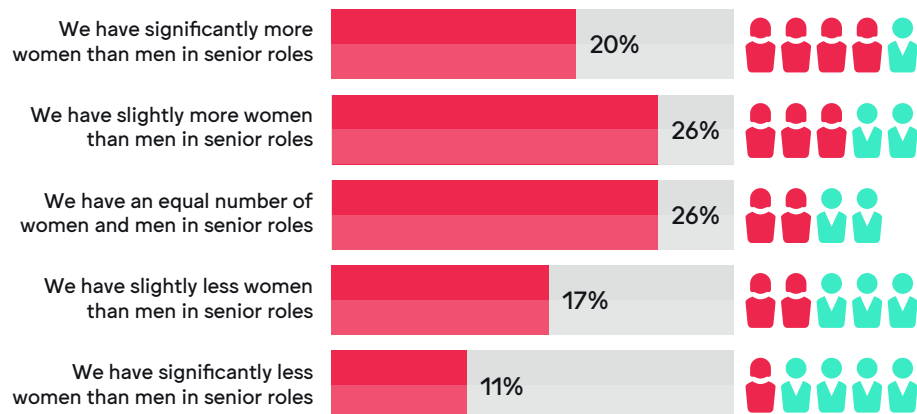
Marketing procurement, a great place for women?

Q. “The majority of marketing procurement practitioners are women”



60% say that the majority of marketing procurement practitioners are women

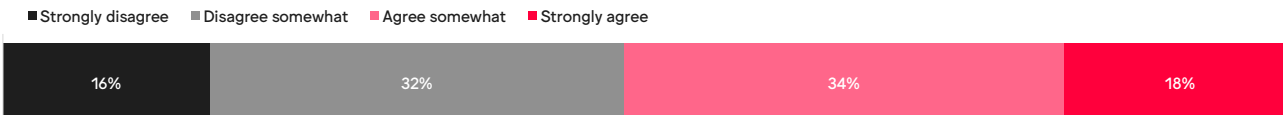
Q. “Thinking about the senior roles in your marketing procurement department, would you say that:”



Some companies are putting D&I policies in place that are general and not specific to marketing procurement. 60% said that the majority of marketing procurement practitioners were women with 72% indicating that they had equal or more women than men in senior roles and exceeds the male. This was positive to see, especially when combined with previous survey findings showing that only 27% have gender or diversity quotas in place for marketing procurement; but there was a challenge that perhaps as mentioned by a respondent, at a higher CPO level, there was still an opportunity for more D&I.

“The challenge of diversity is on higher position than marketing sourcing e.g. in CPO Board ”

Q. “We have a strategy that supports the building of a pipeline of qualified women for management/senior leadership positions in marketing procurement”



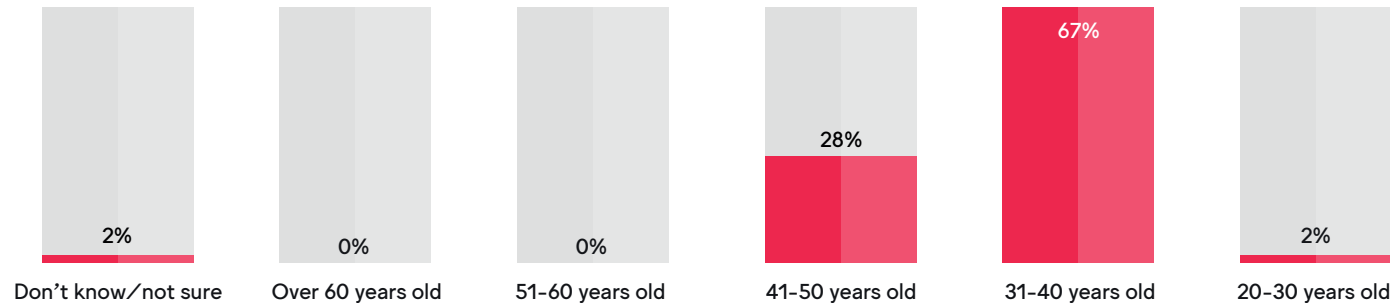
48% disagree and 34% agree somewhat that there was a strategy in place that supports the building of a pipeline of qualified women for management/senior leadership positions in marketing procurement. With a bias towards women in marketing procurement as seen previously in this report, are we seeing women being able to access the senior roles such as CPO?



Insight #20

Marketing procurement seem to have young teams – median age around 30/40s

Q. What is the rough median age of your marketing procurement team?

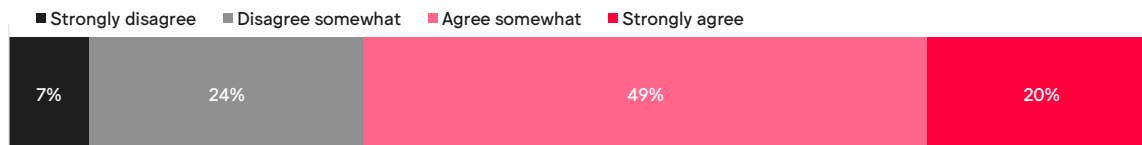


“A good range across entire team, senior leaders around early 40’s”

Insight #21

Leadership opportunities are being given to talent under 35

Q. “Talent under 35 year old have easy access to senior leadership roles in our marketing procurement organisation”



Most marketing procurement teams have a median age range of 30–40 years old (ref [Insight #20](#)); these results are encouraging and could be another reason for young talent to be in a marketing procurement role as we can see that 69% say that talent under 35 years old do have a chance to access the leadership positions.



Talent acquisition

This section looks at how marketing procurement practitioners are usually recruited and what this is based on – is it their skills – both hard or soft or is it their backgrounds? Has there been a trend for marketers to move over to the ‘dark side’ and work in procurement for example? As we found previously in Insight #19 it is important that any marketing procurement recruitment process supports a full D&I policy.

Christopher Kredo

VP Commercial – Global Demand, Mars Inc.



“

The secrets to success for marketing procurement teams in **WFA's Project Spring** have evolved over time, just as the marketing function itself has. Traditional media have given rise to a massive array of marketing categories and channels, fragmenting audiences, and requiring the marketing procurement team to expand their capabilities accordingly. Team members need to have new capabilities in their toolbox beyond negotiation, contract management and savings capture. The stars of tomorrow are those that not only have strong procurement skills, but deep category knowledge and a track record of leading transformational change.

”

Stephanie Bell

Global Marketing Procurement Director,
Natura & Co



“

A change in the expectation of what procurement delivers to an organisation should encourage a change in what we look for when identifying talent. Searching for talent in the same ‘tried and tested’ areas, using the same techniques and practices, is likely to produce the same results. Perhaps it is time for organisations and those responsible for hiring to consider different backgrounds and behaviours, encouraging diversity of thought to produce different results.

”

Insight #22

Many skills are being sought after. Are organisations in search of the unicorn?

**Q. When recruiting a new marketing procurement talent...
what are the top 3 skills that you or your company look for?**

Hard or knowledge - based skills	Soft skills - functional or transferable skills	Soft skills - personal traits
<p>Marketing (17) i.e. understanding and/or having an experience in marketing</p> <p>Procurement (15) i.e. the understanding and/or a past experience in procurement</p> <p>Marketing procurement (11) i.e. previous experience in marketing procurement</p> <p>Media (1)</p> <p>Sales (1)</p> <p>SRM (1)</p>	<p>Leadership (14) i.e. ability to influence, engage stakeholders, challenge and/or manage</p> <p>Commercial awareness (7) incl. business acumen or enterprise thinking</p> <p>Communication (7) i.e. multi-cultural, clear, ability to simplify and interact with others</p> <p>Culture fit (6) i.e. good fit for our company or business chemistry</p> <p>Flexibility (5) i.e. ability to adapt and learn new skills, be agile</p> <p>Teamwork (5) i.e. ability to collaborate towards a common goal</p> <p>Change management (3) incl. ability to identify new value opportunities and to execute them</p> <p>Desire to learn (2) i.e. capacity to learn and grow, continuously and in a quick way</p> <p>Negotiation skills (2)</p> <p>Numeracy skills (2) i.e. analytical mindset</p> <p>Strategic thinking (2) incl. big thinking</p> <p>Active listening (1)</p> <p>Digital savviness (1)</p> <p>Organisational skills (1)</p> <p>Problem solving (1) i.e. solution driven and positive</p> <p>Resourcefulness (1)</p> <p>Sustainable thinking (1) i.e. ethical decision making</p>	<p>Curious (2)</p> <p>Emotional intelligence (2)</p> <p>Resilient (2)</p> <p>Autonomous (1)</p> <p>Enthusiast (1)</p> <p>Innovative (1) i.e. thinking out of the box</p> <p>Persistent (1)</p> <p>Self confident (1)</p> <p>Motivated (1)</p>

In brackets above: is the amount of times that a skill was mentioned

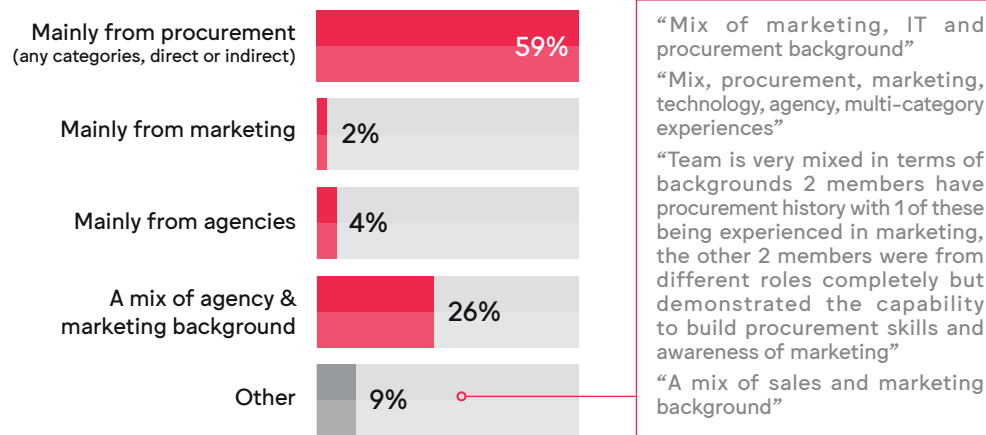
Highlighted in red: skills that are the most sought after



The survey results showed that a clear mix of hard and soft skills is being sought after for any new marketing procurement role. 'Marketing literacy', 'procurement experience' and 'marketing procurement' are the top three hard/knowledge based skills with 'leadership', 'commercial awareness' and 'communication' being key soft skills. The right balance of hard and soft skills is crucial to the success of any marketing procurement team especially and we can evidence an increase in required transferable (or soft) skills as they make a team member more adaptable to potential change and highlight someone's potential to be an asset to a company.

Expectations vs reality of talent; with a strong willingness to diversify teams

Q. Looking at the current marketing procurement team members in your organisation, would you say that their background is?

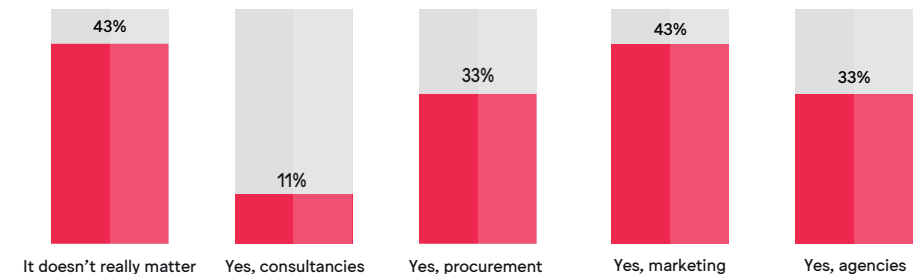


59% said that their marketing procurement teams are mainly composed of people with procurement background (any category, not specifically marketing). 26% indicated that their team had a mix of both agency and marketing backgrounds. For 43%, background does not matter (assuming as long as they have the right set of transferable skills) and therefore this shows a great way to encourage anyone who wants to join marketing procurement to consider it – including from agency and marketing backgrounds.

“

Marketing procurement roles are more attractive but it is difficult to find people required experience especially on managerial level ”

Q. When you or your organisation recruit a new marketing procurement talent, do you have a preferred background in particular?



It is worth noting the disproportion between the current background of marketing procurement teams – 59% would have a procurement background, and if team leaders recruit from a specific area – only 33% are specifically looking for a procurement background. Perhaps this shows that there is a lack of interest from marketing or agencies to join procurement? Our recommendation here would be for team leaders to increase the level of external communications and build desire for anyone who wouldn't already be in a procurement role to join their teams; as we will see in **Insight #25**, only a very few are for instance working with universities to make marketing procurement more attractive.

“

A healthy rotation in your career always helps in getting a better perspective. I always urge people to go to the front line and sell as that experience makes you a better marketer. ”

Vinod Subramanian

Marketing Procurement, Huawei

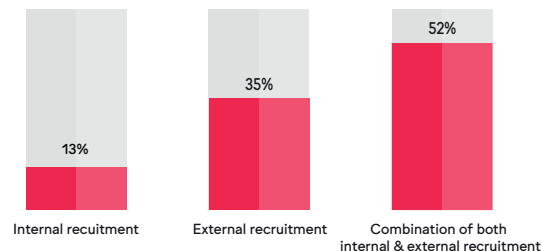


Insight #23

Talent often sought externally

Q. When recruiting a new marketing procurement talent... are candidates more likely to come from?

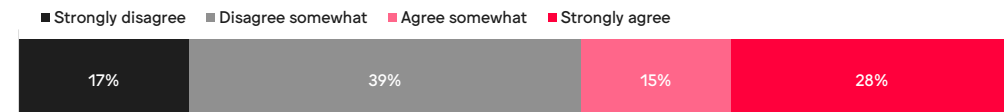
External recruitment is the most popular way of finding talent with 87% using an external sourcing as well as internally. So it is good to see that people have a chance to apply for roles if they are not already part of the organisation but does it mean that the respondents feel they can't find the unicorn they're looking for internally and or the career path in an organisation is potentially limited? We assume this would also depend on the size of the marketing procurement team.



C19 has not always led to a hiring freeze



Q. “We had to postpone our recruitment process in marketing procurement due to Covid-19”

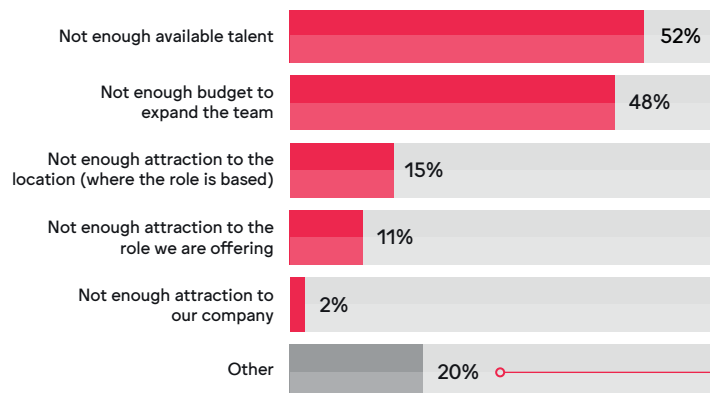


As a WFA member put it in a WFA meeting, “we have noticed such a huge focus on procurement at the moment, and such a strong willingness from our internal stakeholders as well as external partners who have shifted their behaviours and want us involved. It feels that procurement has a real say now”. This could explain why 56% said that Covid-19 has not impacted on their hiring freeze, which is considering the current economic crisis and unemployment forecasted to increase, rather positive.

Insight #24

Are we faced with both a limited talent pool or/and a limited budget for recruitment?

Q. What are the main challenges faced by your organisation to recruit marketing procurement roles?



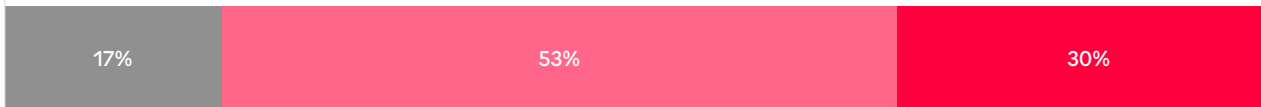
“No challenge, we are recruiting and is going well – but finding good marketing digital profiles is a challenge”
 “Where location is important then the resource pool to pick from may be a challenge; otherwise if it is a choice between marketing and marketing procurement some people may choose marketing”
 “Limited talent pool, lack of cut through to marketeers”
 “Salary range not adapted to marketing sourcing , need specific study on salary showing it is not comparable to other sourcing profile”
 “Compensation”
 “The right talent is the biggest issue. We have great procurement talent but I would like more marketing professionals to come and join marketing procurement.”

Insight #25

Conscious that some categories can be more attractive than others, some are partnering with universities to find talent

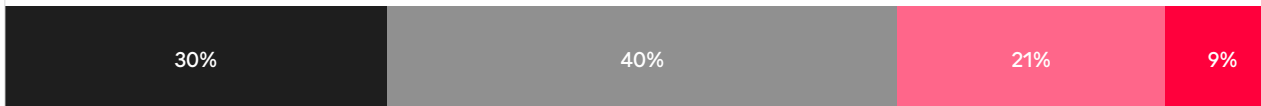
Q. “Some marketing procurement categories are more attractive (and easier to hire!) than others”

■ Strongly disagree ■ Disagree somewhat ■ Agree somewhat ■ Strongly agree



Q. “We partner with university students to make marketing procurement more attractive as a role”

■ Strongly disagree ■ Disagree somewhat ■ Agree somewhat ■ Strongly agree



30% partner with universities to make marketing procurement more attractive as a role

“

We always work in close collaboration with our HR teams to promote the role of the marketing procurement function. We initiated partnering with university students or young graduates in our hubs. We developed internship and management trainee programs focusing on marketing procurement. Our management trainee program will allow them to rotate across the different marketing categories providing them an 360' immersion, working closely with marketing teams and agencies. So far, it has been a recent but successful experience. We have high expectations of such initiatives. These new team members will also become our ambassadors promoting marketing procurement roles widely.

”



Choib Stambouli

Activation
Procurement
Lead, Nestlé

“

When I was studying at university, I remember being very keen to know how the business world would look like. And I promised myself that as soon as I am in the position to do so, I would try and provide that insight to students. So this is why since I've been in a marketing procurement role, I have actively partnered with universities, with the objective to inspire their students so they get a sense of the opportunities that our discipline can offer. I've worked closely with our HR department and we promote our role and how to get into the hiring process during guest lectures. We also offer short term assignments to give students first hand experiences into procurement. These activities allowed us to identify great talent and we hired a hand full of students into the marketing procurement team. Most of them are still in marketing procurement and some moved into the marketing world.

”



Michael Pues-Tillkamp

Head of
Marketing
Procurement,
IKEA



Training programs

The marketing landscape is constantly changing and with it is a demand for marketing procurement teams to possess an ever-expanding skill set – so they constantly add value when engaging with their key stakeholders, see the bigger picture and are able to give adequate advice or drive any required change. Having the right set of skills will have a direct impact on the quality of the services that the marketing procurement teams deliver, but also will contribute to their perception and credibility, internally as well as externally, leading to stronger stakeholder engagement.

Investing in training and upskilling teams is extremely important for organisations to remain both attractive and competitive. Relevant learning and development programs will ensure that teams remain valuable assets to their organisation and perhaps more importantly, from an individual perspective, will provide employees with higher levels of enjoyment in their day to day role, higher success and stronger motivation. Ultimately, offering great training programs will also contribute to greater talent retention.

Training programs will require some degree of personalisation depending on the team's background, existing skills, seniority and category. However, they will remain crucial and a must have for all team members including the leader, independently from how long the marketing procurement team has existed for or how mature it is.

“

I feel that a lot of marketing procurement practitioners are still living in the old world of negotiation mentality and pushing margins instead of caring for agency management and engaging stakeholders. It's key for all of us to train, develop the right set of skills and evolve from this old image if we don't want our function to be seen as obsolete.

”



Mel Mohamednur
Procurement Manager,
Constellation Brands

“

We share several training sessions with our key stakeholders. As a business, we have lots of programs that have been created for all parts of the business and accessible to staff, irrelevant of the function they are part of. We for instance have a training for negotiation skills (both buy and sell) that is shared with colleagues that are not procurement

”



Marie Collings
Global Category Lead –
Advertising & Content –
Marketing Procurement,
Diageo

Insight #26

60% felt that their teams have the right level of skills to address all stakeholders' challenges

Over half felt that their teams possess the right set of skills. The main skills being mentioned were primarily soft skills e.g. stakeholder management and communication. From those that said they did not, the two main themes that they wanted to see develop were on digital marketing knowledge and soft skills e.g. how to work with senior leadership.

Q. Do you feel your marketing procurement team has the right level of skills to address all stakeholders' challenges? Yes/No and why?

YES

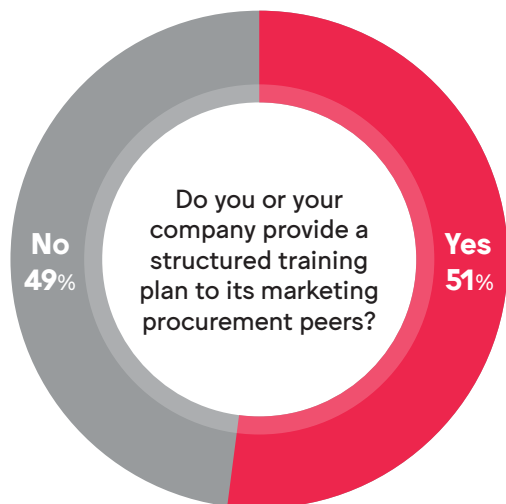
- "Yes but we need to evolve further to meet challenges of digital marketing ecosystem"
- "Yes - we have experienced leads to guide the new comers. the challenge would tend to be navigating the organization and working out which stakeholders count and how to handle the many other opinions and suggestions"
- "Yes - 2018 I rebuilt the team and refocused their purpose and approach - 85% spend under new strategies built by new team"
- "Yes we have a good pool of talents with right skillset"
- "Yes - ability to successfully communicate and execute in a professional manner"
- "Yes- we continually review the skill set both for new recruits but also to upskill existing procurement personnel"
- "Yes & no! It's important we continue to learn from our stakeholders and be effective, trusted partners, but it's also important we bring an element of the 'outside in' and help our stakeholders learn from us what the industry is doing and mutually help grow"
- "Yes because marketing expertise and soft skills are more important than sourcing experience and skills"
- "We are ok where we are for now, mainly because we are such a small team and the opportunities on what we can go after are so large/many. This creates a situation where if we have a stakeholders not receptive to our services, we can chase somewhere else"
- "Generally, yes - a bit more specialized IT know-how would be preferred"
- "Yes; a combination of marketing concepts and understanding the scope is critical to getting the best service and price. There is a different language that is spoken that is more marketing related than procurement. Marketing focuses on the supplier relationship and benefit more than the price so they release budgets upfront; marketing procurement should relay the overall value rather than talk cost saving."
- "Yes, we have a mix of seasoned and new professionals. We invest in training and benchmarking activities. In addition, the integration with our clients is a top priority and has been very successful"
- "Yes, we have just re-evaluated/staffed out team and have been able to address gaps"
- "Yes in terms of skills, no in terms of resource available"
- "Yes, we have a good mix of backgrounds experiences people who have moved into marketing procurement from the internal team as well as external recruits and consultants"
- "Yes, most as they have agency and marketing experience"

NO

- "No missing digital marketing skills"
- "No, some of our people specially in local roles are lacking the right skillset and marketing understanding"
- "No, more media, digital, and marketing-specific knowledge is required"
- "No. Soft skills need building"
- "Not yet. Team experience is very mixed. Overall think they do not have enough commercial experience"
- "No. Lack of knowledge on digital/marketing technology. Lack of out of the box/strategic thinking and stakeholder persuasion"
- "No - they need more understanding of digital marketing - Programmatic / Martech / even KPI's that are reflective of digital media"
- "No. I feel a lot of them are still living in the old world of negotiation mentality and pushing margins instead of caring for agency management and engaging stakeholders"
- "No, we are lacking some marketing related trainings and don't spend enough time building our skills outside by attending events (WFA, ANA, ACA, etc.)"
- "No as I am the only one and it is difficult to know all subcategories"
- "No, not senior enough. More senior profiles needed for top management meetings"

Insight #27

Training plans that are specific to marketing procurement talent not always provided



“

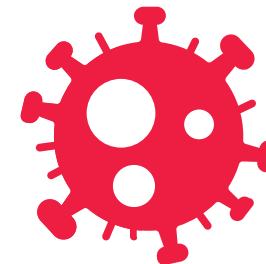
The training that's needed for our team is different or in addition to the training that is offered for the other indirect sourcing categories. Therefore what we have available to us is specifically developed for our team, and is dependent on our time and budget limitations.

”

Whilst it was [almost] an equal split of 'yes' and 'no' answers, we feel that perhaps since marketing procurement as a function is still a relatively new one compared to for instance 'sales' / 'marketing' / 'finance' / 'accounting' disciplines, some organisations may have not found yet the perfect customised training program for marketing procurement – that would remain relevant in a constantly evolving marketing and business climate.

Another explanation we found could be that if the marketing procurement team remains rather small in numbers against the wider procurement team, combined with a lack of understanding of the uniqueness of the marketing category from the leadership team, perhaps the overall procurement training budget could feel to be better spent on the more generic type of training of negotiation and contract management for example.

62% said that Covid-19 has not impacted on their existing skillset of marketing procurement



Q. “The Covid-19 epidemic has forced us to develop new marketing procurement skills”

■ Strongly disagree ■ Disagree somewhat ■ Agree somewhat ■ Strongly agree



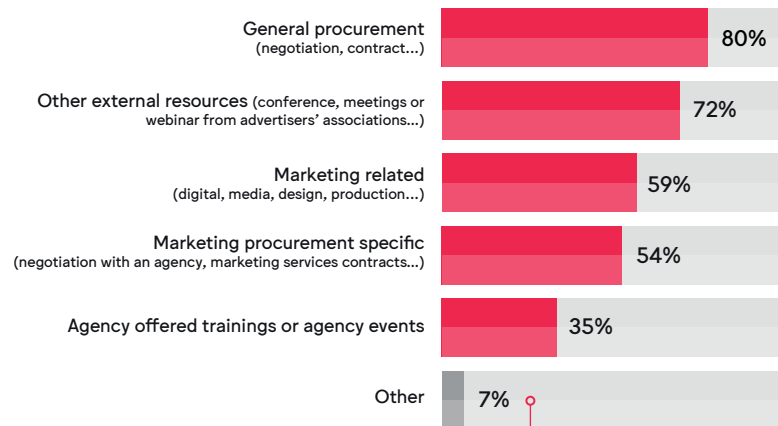
The Covid-19 has certainly increased the need for marketing procurement and reinforced its importance to the business; however, the crisis didn't really change the core mission of the function, which should be to maximise the value of marketing investments. As a WFA member said, “I have noticed an important shift in the marketers' interest around efficiencies, so they can get more for their money. Before Covid-19, it was mainly procurement initiating these conversations, now I feel that marketers are also looking into this”. As another WFA member put in a recent meeting, “we are here to give marketers more 'bang for their buck' and help them make the most of their remaining budget this year”. This could explain why the majority don't feel that Covid-19 has forced them to develop new marketing procurement skills.



Insight #28

Training: a mix of practices being taught; but still very general procurement heavy though

Q. What training programs do you offer to your marketing procurement team members?



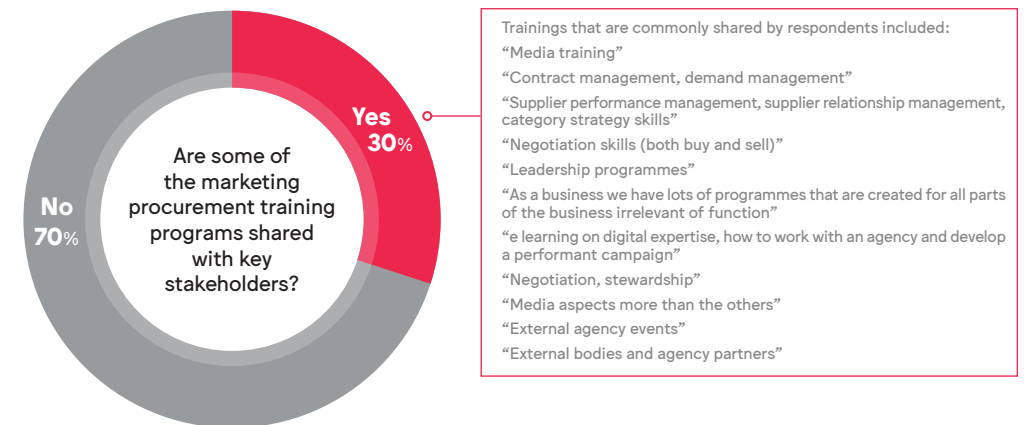
"Training program is very specific to the business - i.e. risk training based on our own risk appetite for contracts, negotiations etc - so no training that is really beneficial outside of our company"
 "WFA!"
 "No training plan"

The majority (80%) of the respondents are being trained on general procurement (e.g. contract drafting and negotiation). External resources are seen as a popular way of training and came second - before specific programs provided by their own company - with almost three quarters relying on conferences and over a third attending agency offered events.

A bit over half (59% and 54%) said that they have access to marketing or marketing-procurement related programs. As we saw in **Insight #2**, respondents feel that marketing procurement is different from the rest of procurement, so we would have expected a higher level of marketing or marketing-procurement training programs to be in place and are probably an area for organisations and HR teams to look at.

Insight #29

Some training programs are being shared with marketers



Q. What is your company's annual training budget per person?



Only 30% of the respondents indicated that they share some training sessions with their stakeholders and this seems a real missed opportunity. The knowledge that the teams want from **Insight #26** is on the marketplace e.g. media or digital expertise and marketing counterparts may be best placed to potentially provide this as well as supporting and building up their levels of stakeholder engagement. What the data doesn't tell us - is it because HR do not see marketing procurement as an extended support for marketing, or is it because marketing procurement leaders feel that the marketing trainings are still not adapted to their needs?

Surprisingly, 58% weren't sure about their company's annual training budget per person. Our recommendation here would be for marketing procurement leaders to urgently find out about these, as developing and/or strengthening skills are key for building the marketing procurement credibility internally as well as externally but also team retention.

Q. “Skills in digital marketing technology and data are more important now than established and traditional marketing procurement skills”

■ Strongly disagree ■ Disagree somewhat ■ Agree somewhat ■ Strongly agree

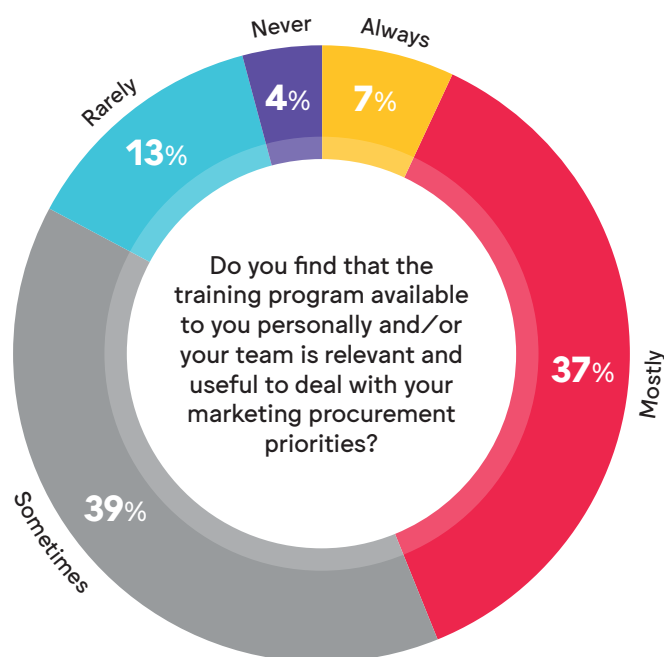


76% feel that the skills in digital marketing technology and data are more important now than the established and traditional marketing procurement skills

This supports the responses that we have seen in **Insight #26** that category specific knowledge is important as the focus is increasingly on digital forms of advertising.

Insight #30

Training programs are not always relevant and useful to deal with marketing procurement priorities



Trainings that are missing according respondents:

“Deeper understanding of aspects of marketing”

“Above my role, there is no marketing procurement specific training, however I provide this to my team myself”

“Brand training, sales training”

“We don’t have any category specific things. We do use WFA or other similar organizations to build knowledge but ultimately we struggle to keep up with stakeholders who have 20+ years of agency experience and we generally do not. So we have to try to elevate to their knowledge level which can be tough.”

“Regular trainings on practical procurement skills, provided by company leadership”

“Procurement focuses on procurement specific training including leadership and influencing skills. Marketing teams offer training to procurement. Procurement learns best about the category from agencies.”

“Marketing-specific topics”

“Financial / business model of agencies, their business affairs function and how they manage pass-through costs / operations”

“We do not have specific marketing training in place unless we ask our marketing folks to set up a workshop for new comers”

“Project management training is an important building block as well as negotiation tactics”

Training programs are not always perceived as relevant and useful to deal with marketing procurement priorities. Just over half of the respondents (56%) felt that their training was not relevant to working in marketing procurement. As seen previously they want to move away from the procurement related training and have category specific training.

Training programs recommended by our respondent sample:

	Marketing related	Procurement related	Other
Topics	<p>“Work at an agency – or at least spend a few days there”</p> <p>How to develop an efficient campaign</p> <p>Digital marketing / CRM</p> <p>Programmatic media – requested agency to support training - DAN London</p>	<p>Interact with impact</p> <p>Internal academy</p> <p>S2C, P2P , Ariba</p> <p>Legal skills; Contracting 101</p> <p>“ANA and WFA have been wonderful resources here too”</p> <p>“General Indirect Procurement sources, such as ProcureCon”</p>	<p>Design thinking</p> <p>Facilitation training</p> <p>A communication program about how to organize & share ideas</p> <p>Project management</p> <p>Talent growth programs</p> <p>Learning leader programme</p>
Training	<p>Brand Manager College</p> <p>Peter Field Marketing Effectiveness</p> <p>WFA, ANA, ACA events, webinars, papers; agency management from ANA training; ISBA Understanding Agency Finances</p>	<p>Negotiation / Karrass</p> <p>CIPS</p> <p>Efficio</p> <p>ISM training</p> <p>The perfectly skilled negotiator - GAP partnership ;</p> <p>Advanced negotiation - The Gap Partnership</p> <p>Scotwork advanced negotiation</p> <p>Huthwaite International</p>	

“

Procurement has a unique ability to span and work with many facets of the organisation being able to bring a broad range of experience as well as business expertise through stakeholder partnering. I think more and more agencies will look to hire marketing procurement to help them understand the buying / pitch process, where to add value, how to move towards performance based remuneration. ”



David Crayon

Strategy & Delivery Director
- Marketing & Sales
Procurement, GSK

“

Our role is more and more evolving into a marketing operations one. Indeed – the key part of our role in marketing sourcing is about evolving the way we and our marketing counterparts work, implementing new company processes, developing agency relationships for better outcomes and value, and understanding data to improve ways of working as well as our company efficiency. ”



Myriam Bénichou

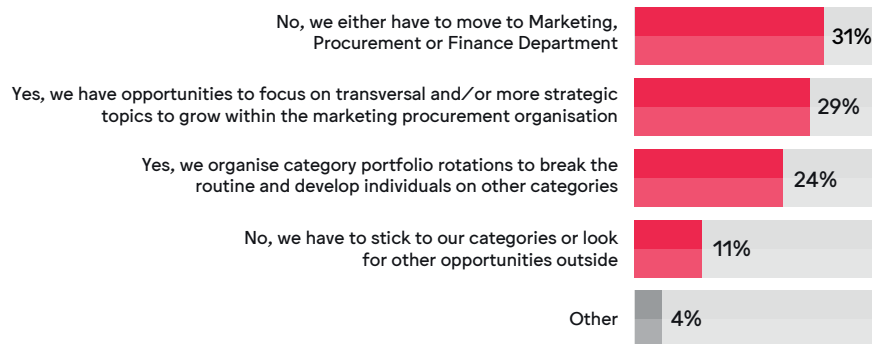
Global Sourcing Director -
Marketing, Digital and Media,
L'Oréal

Talent retention

Insight #31

Marketing procurement has a limited career path for those who would like to stay in this function

Q. Are there any measures in place in your organisation to retain marketing procurement talent?



“Above my role no. However within my team I designed a structure that allowed for more junior resources and subsequent progression within the team across mixed categories”

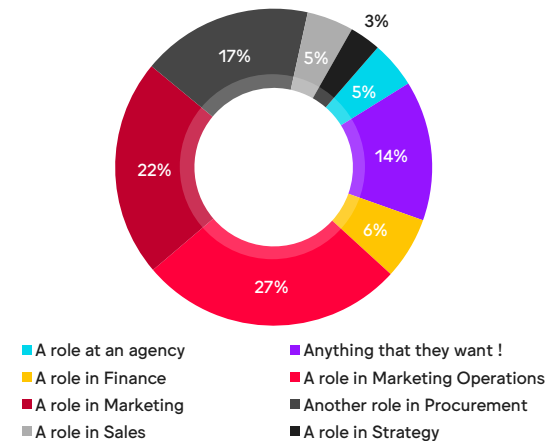
42% felt that there was a lack of career opportunities for them within marketing procurement

– as they would have to move to another department, stick to their category or leave the organisation, and despite what we saw in **Insight #3** where 95% were proud to be working in marketing procurement, this must be terribly frustrating for them. We would recommend any marketing procurement team leader to pay attention to this and proactively work on the team’s career path.

Insight #32

A promising ‘after marketing procurement life’, according marketing procurement practitioners

Q. What type of role(s) do you think a marketing procurement practitioner could evolve to and why?



“Working in procurement and gaining in depth understanding of the scopes give ample opportunity internally and externally. I have heard many times even if no role exists I will find one for you.”

“Marketing operations, as they manage the day to day relationship and interact with purchasing and finance. I would never see myself as suitable for a marketing role within the company or an agency - unless it was a commercial role within an agency”

“I have found that if trying to move into another role for example in marketing we are not considered to have the same level skills so would need to go for a more junior role, but when people come in to procurement they come in at the same level”

Despite **Insight #31** that highlighted a limited career path for those who would like to stay in the function, it is very encouraging to see that marketing procurement practitioners see themselves move into various other roles – 27% in marketing operations, 22% in marketing, 18% in another role in procurement, and 14% – more optimistic – “in anything that they want!”. This provides a good explanation of why in **Insight #3**, respondents felt that marketing procurement was a good career step.

It is interesting to note that marketing procurement would see themselves evolve in a marketing-related role, before another procurement one. But this does not come as a surprise though – when we combine the data with **Insight #2** where 9 in 10 feel that what they do is different from the rest of procurement.

Very few in this survey mentioned the opportunity of a role an agency, however we’ve started to see several cases of job evolution from procurement to an agency to help agencies develop compelling client commercial models, drive client procurement understanding, and ensure stronger agency and client collaborations towards shared goals.

04

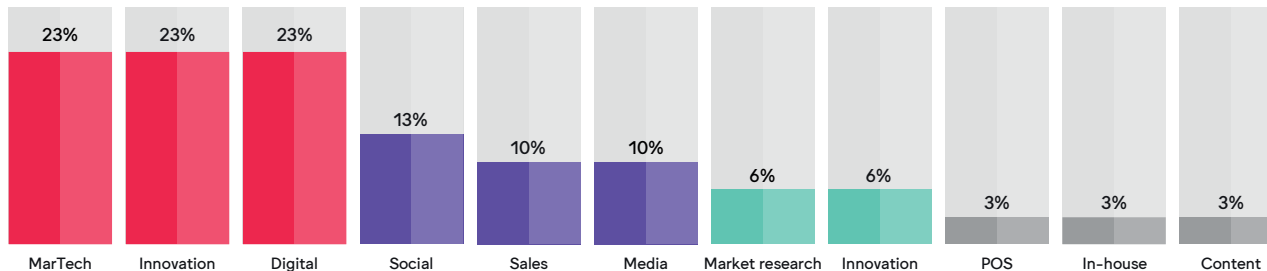
Looking at the future

Covid-19 is perhaps the biggest catalyst for industry change since the arrival of the internet, affecting all companies and consumers alike. Leading marketers are tasked with finding more agile ways of working while demonstrating an increase in effective business outcomes. As such, we see a lot of companies currently looking at re-shaping their model and agency roster by which their brands harness creative, strategic, media and data resource to achieve their objectives; but also applying more digital processes and new technologies to operate more efficiently. Obviously clients need the right partners to match these new ways of operating, which in some cases can mean in-housing resource. With the increase of in-housing strategies, automation and digital investments exacerbated by the pandemic, this section explores whether these are seen as threats or opportunities for marketing procurement; and includes other food for thought on future areas for procurement to be involved in, now and beyond 2020.

Insight #33

MarTech, Digital & Innovation – where marketing sourcing leaders see themselves playing a more active role

Q. Moving forward, where would you see marketing procurement playing a more active role? in what type of projects or marketing categories that would not be currently widely covered?



This qualitative and open question gave respondents the opportunity to share in which areas they would see their function play a more active role. Most popular answers were ‘MarTech’, ‘digital’ including digital commerce or ‘e-commerce’ & ‘innovation’. With 2 thirds who feel that they do need to get involved more in MarTech and digital, it is important to strengthen the current marketing procurement skillset in this area. This highly resonates with **Insight #30**, where 76% of the respondents felt that the skills in digital marketing technology and data are more important now than the established and traditional marketing procurement skills.

“The role within digital marketing is one which I can see our scope expanding. Potentially taking the lead but with IT support instead of projects being split between the two teams.”

“Procurement marketing will have to play a greater role with regards to cooperation with start-ups, IT-development projects and online market places”

“Within digital, digital marketing is becoming the biggest aspect of our media, but there is a lack of knowledge around the complexities of programmatic and how our agencies should be managed to drive transparency. Also around digital measurement”

“Spreading into pure technology solutions and payments and e-commerce growth”

“Marketing technology design and acquisition”

“Reshaping how content is managed and mar-tech design”

“Sales focused - e-commerce”

“Cross-functional e-commerce”

“Experimental marketing, in marketing automatization processes and KPI based campaigns”

The following questions and potential watch-outs that these insights are leading us to though are, as a WFA member put it in a meeting – “there are stuff that stick, and stuff that don’t.” Which will request more agility in the way we are sourcing initiatives for currently important marketing projects that may not outlast Covid or our industry in general, as they would at some point become less priority, irrelevant or obsolete. New or emerging procurement categories are constantly appearing. How can teams build an efficient procurement strategy for currently important projects that may not have a long-term life shell? And how are the ‘old / traditional categories developing’, how will they be supported by procurement moving forward?

“

Marketing procurement professionals should focus more on SRM with key agencies. We are still not doing enough and this is where we can make a difference ensuring the commercial terms are respected and also work on continuous improvement. Also on providing insights on agency landscape, services and tools to help marketing to be more efficient and create more revenue.

”



Stephanie Hericotte

Head of Marketing
Procurement, Paysafe

“

I would like us to focus more on creating end to end value chains, bringing the marketing organisation out of silos and having a more holistic approach to problem solving and supplier partnering. Leading the effort on increased focus of online and e-commerce channels.

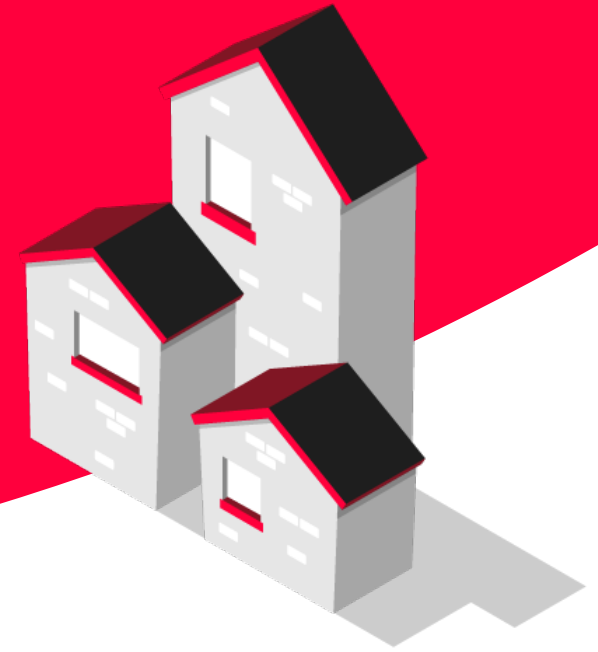
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WFA member

Marketing procurement & in-housing strategies

A recent WFA study found that as companies need to balance keeping a lid on budgets and yet maintain quality, speed and efficiency levels up, they are increasingly turning to in-house units. The WFA report stated that for instance, 57% of multinationals now have in-house creative teams, with a further 17% considering one. Three-quarters of these in-house units have been set up in the last five years, and in-house teams are absorbing more work, with 82% saying workloads are increasing in the last year.

Would this mean the strategic role of marketing procurement, who's played an active role in building and/or strengthening relationships with external partners over the past years, could be affected and potentially questioned?



Louise Deane

Category Manager, Suntory

“

We have an in-house creative team, and marketing procurement initially worked on the make or buy case for it. Now we help monitor the freelancers and small production companies that our in-house teams use so instead of using one big agency that manages all for us, we are managing a lot of small suppliers ourselves.

”



Paul Jones

Head of Marketing Procurement, Sony

“

Moving forward, I would see us having a defined advisory role in the general (make vs. buy) in-house proposition, thanks to the expertise we've already developed for several marketing requirements.

”



Insight #34

With the increase in marketing in-housing strategies, procurement can play a central role in its implementation

Q. Many organisations are nowadays looking to in-house some of the marketing services. How has your marketing procurement role been impacted so far, if at all?

The decision to in-house creative capabilities cannot be undertaken lightly. From planning and scoping the 'right' work to bring inside (as well as deciding what remains with which external suppliers), to creating the roadmap for transition, investment in new capabilities, and evaluating the internal agency's efficacy – all present critical opportunities for procurement as part of the business team.

Our sample in this survey felt that the increase of in-housing strategies did not have an impact on their importance in the eyes of the business. That said, it makes total sense as it is the first step of any sourcing process (make vs. buy) as one respondent emphasized "we were the ones pushing this agenda forward! We help lead the insourcing and develop scope changes and business case". Several mentioned being "part of the project team when it comes to insourcing, supporting in regards of price comparison and process set-up", "supporting with traditional procurement make vs buy assessments to support the business in making such decisions", or "having enhanced their collaboration with the business as a central management function is needed to manage the resource".

Often, the job of the marketing team becomes more intense with in-housing. It requires more cross-departmental coordination, advance planning, and holistic budgeting. A few explained that in-housing actually increased their marketing procurement workload, as it "led to negotiating and managing direct media relationships" or they now have to "help monitoring the freelancers and small production companies they use so instead of using one big agency that manages all for us, we are managing a lot of small suppliers ourselves". But also: "bringing creative in-house means no more agency agreements covering your projects. Don't forget that you have now to manage liability, insurance, usage rights..."

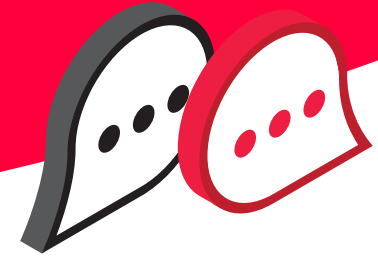
One member confided that "procurement was mainly on the side-lines to begin with, but we are clawing into decision making forums, as they are more and more being viewed as a supplier".

Besides, while bringing skills and resource in-house can help meet certain business objectives, it is very uncommon for a business to bring in all roles involved in the full end-to-end process, at least not all at once. As shared by a few respondents, "our role has not yet been impacted so much, as not so many marketing services have completely been sourced internally", or "we have an in house creative team but they still need external support and I am involved with them in working with these suppliers".

Working with both internal and external agencies also means the need for the establishment of working processes and relationships between the two. And this was raised by another respondent: "In-house agencies or services have been around for a long time in several organizations. It works well when the balance is the right one meaning as a complementary agency rather than replacing it".

Whether going for in-house or external solutions, as with any client-agency relationship, it is recommended too that a structured process for regular, ongoing performance measurement and evaluation is established to prevent potential issues growing in negative impact. This was also illustrated by a respondent who indicated that "we've had an in-house agency for the last 3 years which is managed by procurement from effectiveness and efficiency points of view to ensure in-house remains competitive and valuable asset".

E-sourcing and AI: an opportunity for a more strategic procurement function



Liliya Rechitsky

Director, Marketing Sourcing,
McDonald's Corporation

“

Most indirect sourcing categories have struggled to adopt these technologies, especially ones such as marketing and technology where it is difficult to compare and predict products, and subjective criteria is involved. Eventually, when portions of marketing sourcing can be completed or assisted via technology, impact should be positive as it should enable resources to concentrate on higher value tasks. ”



Vinod Subramanian

Marketing Procurement, Huawei

“

I believe technology is an enabler that we have to fully embrace and support; it will only help us focus our attention on the right things. ”



Jo Harding

Senior Sourcing Director, Expedia Group

“

Automation can be a good thing for efficiency but only when used in the right way and for the right sub-categories / services. ”

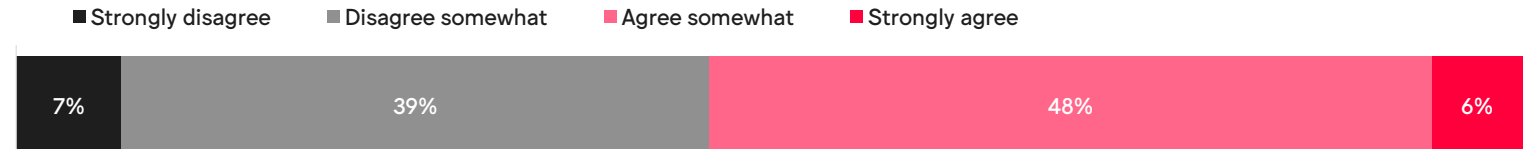




Insight #35

54% said that the Covid-19 epidemic will increase the automation of marketing procurement

Q. “The Covid-19 epidemic will increase the automation of marketing procurement”



To date, most organisations took an incremental path to digitalisation and digital transformation, often including multi-year journeys necessary to build the initial case. The current pandemic though as highly accelerated investments in that space.

Which has first of all, highly increased the number of digital projects in which marketing procurement teams are now getting involved, broadening their scope and areas where they are expected to support to an even higher degree, which has been confirmed in [Insight #33](#). However, as we saw in [Insight #13](#), for most – the size of their procurement organisation is expected to remain the same.

Which is secondly likely to influence and accelerate the digital transformation of the procurement teams themselves as these technologies have recently proved to be useful to operate by facilitating social distancing in the workplace and by enabling remote work. And perhaps using more AI and automation to shift work roles or transforming marketing processes generally, will allow existing teams to free up

some time and optimise their ways of working overall? Giving them more time to allocate on new or more strategic things and be more agile?

The automation and speeding up of processes as well as e-sourcing were the main areas where the respondents felt that technology would help procurement in the future. For marketing procurement and in this survey, the thoughts seemed to be focussing mainly on the media buy category and looking for transparency of costs. There was no reference to ‘Digital Asset Management’ systems or ‘Marketing Operations’ platforms to manage content creation, adaption, and distribution, which could also fall under this remit.

That said, our advice here would be for team leaders to keep their sang-froid and avoid panic tech buying. It is essential to have a clear digital transformation strategy in place driven by long-term objectives.

“Takes away a lot of the admin work and standardises data”

“More automated and data driven which will enable a learning organization”

“Some categories we are seeing technology replacing traditional agency activities and able to travel across borders”

“More in the tech space aiding sophisticated effectiveness”

“Help to eradicate some of the basic and time-consuming tasks and free up time for teams to concentrate on more value-based projects”

“e-sourcing enables a competitive view on the marketplace and brings new tools to the marketing world that aren’t typical. AI should ideally be able to make things more streamlined and drive efficiency for the business”

“Simplification and productivity of resources”

“Hopefully, processes will become automatically more structured and compliant and easier to handle, so that people can further concentrate on strategies and the business itself (less administration)”

“Simplification of operational tasks in order to focus on more strategic projects/initiatives”

“Creative suppliers and media buyers in particular have had a lack of transparency in their pricing models, the increasing utilisation of e-sourcing supports far greater transparency and we’re seeing some agencies coming to us with open book pricing from the outset.”

“Where it applies, it’s great. E-sourcing should not be used to identify human talent, but it can work fine for media (programmatic), POS, production”

“Should speed up the process if set up properly and agencies are willing to use it”

10 highlights from the research



01

The role of marketing procurement has to be continually redefined as not to become obsolete. This was already highlighted in WFA's Project Spring report based on initial data collected in 2018 and confirmed in this survey 2 years later. Gone are the days where marketing procurement practitioners were only involved to cut costs. Our respondent sample wants to drive value and work in partnership and be a true strategic partner of marketing. This is reflected in the visions and missions of the marketing procurement teams surveyed.

02

Marketing procurement practitioners are needed by their organisations and respondents cannot imagine a world without their function. For most, the number of marketing procurement practitioners will increase or remain the same as we saw evidence that procurement's role during Covid-19 has been key.

03

There is not a single way to name the marketing procurement function, categorise the marketing spend or allocate the workload amongst team members. Each organisation has their own bespoke set-up taking into account multiple variables. Most of them are built without the help of an external consultant.

04

Marketing categories are constantly evolving: new ones appear, others become obsolete or must evolve and be merged or seen holistically with another area. Very few share rosters of preferred suppliers covering several marketing categories, some want this to change.

05

Marketing procurement practitioners are getting more involved in cross-functional team projects. They would be part of squads bringing various departments with different skill sets together to work on a project or reach for a common goal.

06

Procurement organisations do have to balance global v regional v local needs of their marketers. This balance is quite specific to their business, but the most common structures are split by marketing category or procurement tasks.

07

Marketing procurement practitioners usually fell into their current position, but are proud of their discovery of the discipline and see it as a good career move. Most tend to come from another procurement role; however, managers are increasingly willing to diversify their teams and keen to recruit from other backgrounds. Which reinforces the need to communicate around the function externally and make it more attractive to more diverse and possible new recruits.

08

Required and expected skills include transferable skills such as 'leadership', 'commercial awareness', 'communication' and 'flexibility'. Gone are the days where you only needed some general procurement knowledge to get the job. This presents a great opportunity for anyone who hasn't already been working in procurement before to be short-listed for a marketing procurement role.

09

Marketing procurement is seen as being different from the rest of the procurement categories. Training programs must evolve and be more specific to the marketing procurement needs. 'Digital marketing', 'MarTech' and 'data management' are areas where respondents feel they need better knowledge, as they see their involvement growing there.

10

There are loads of opportunities for marketing procurement to improve and/or broaden their range of services brought to the business e.g. by helping in-housing marketing services or embracing AI or e-sourcing to free up some time and overcome the current challenges of lacking of available resources and/or budget to hire them.



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