

Getting ahead in procurement

Guy Allen, director of sourcing, supply and services at Fujitsu, talks to Jane Simms about how reaching the top can involve expanding your role beyond just procurement

Guy Allen is enjoying a stellar career. Ford, IBM, SmithKline Beecham, Abbey and now Fujitsu, where he took on the new role of director of sourcing, supply and services at the beginning of this year.

Money has not been a driver, Allen insists, but rather the need for new challenges. "If I stop learning, or feel I am not contributing anymore, I get bored," he says. Nor has he consciously planned his career. "It's been more an issue of taking on bigger roles in bigger companies, and adding new skills as I've gone along, almost as a by-product of that."

As with most successful careers, serendipity has also played a part. Allen never planned to go into procurement, hoping instead that he could use his degree in operational research in inventory planning at Ford. But he found himself in a buying role, and ended up as assistant buyer for commodities on the Ford Transit.

"Ford provided fantastic on-the-job technical experience, and it really threw me in at the deep end," he recalls. Seeing his efforts pay off was also motivating: "I got involved in the launch of the new Transit van, for instance." He also enjoyed the bridge-building aspect of his role between Ford and other organisations. "I realised early on that procurement has a wider and more externally focused brief than disciplines such as finance and HR."

Moving on

Two years later, when Allen was 23, he moved to IBM as part of a small team responsible for indirect purchasing. During his six and a half years with the company he did five different jobs and developed the people skills that are so critical for a modern procurement professional. "IBM was very strong on emotional intelligence and really invested in its people," he says.

A job buying components for an ATM printer from a European supply base exposed him to some pretty tricky supply issues, testing his powers of persuasion and influence. "The problem was no one actually wanted to make the printer because the volumes and values were so small, and IBM's usual clout didn't count for much because the suppliers knew we were going through a supplier reduction programme."

He also worked on purchasing for a new product that was canned after a year, which gave him some interesting experience of how to negotiate a settlement fee. "But that job, where we were essentially constructing something from the beginning, also allowed me to use my initiative more," he says.

Making a difference

Allen's final role at IBM was running a team of 10 in inventory logistics planning, which gave him a taste for something bigger, and he joined SmithKline Beecham as head of procurement for its northern R&D sites.

SmithKline Beecham gained a reputation in the 1990s for leading-edge procurement thinking and activity, borne out by the number of its former employees now working in senior procurement roles in other blue-chip companies. But when Allen joined the business, there wasn't even a common stationery supplier between the five R&D sites, though they were no more than 50 miles apart.

"I did some of the very simple things that were standard in IBM, like writing visit reports, and because they had never happened before they made a real difference and SmithKline Beecham thought they were great," he recalls.

Such quick wins secured Allen a platform of trust and credibility that allowed him to get out into the business and effect even bigger change.

"One of things SmithKline Beecham taught me was that I hadn't made the most of my skills at IBM because the structure was so strong that it prevented you from making either a big mistake or a big positive difference," he says. "At SmithKline Beecham I got more out of my staff and myself because I was less constrained."

Allen spent 10 years at SB, culminating in the job of director for global IT procurement at GlaxoSmithKline in 2002 following the merger of SmithKline Beecham with Glaxo Wellcome. Having worked closely with his immediate boss, the senior vice-president for procurement, Allen knew he wanted to run his own show, and when the top procurement job came up at Abbey National, it seemed an obvious career move.

Procurement had a low profile, low credibility and, therefore, little influence at Abbey. "Procurement lacked leadership, so while there were some good people, they were not aligned and they never dealt with any of the senior executive team in the business," says Allen. "My job was to enable them to do the work they were trained and able to do. I opened doors for them and when they got free rein on a category they began to save 20 to 30 per cent."

After four years at Abbey, Allen left because he felt he couldn't add much more value.

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"The problem is, where do you go from there?" he asks. "The profession is littered with people who reach a sort of glass ceiling and go off to become consultants. When I joined Abbey, it was the 17th largest company in the UK. That meant there were, potentially, 16 bigger roles to move to - but I couldn't rely on my name being in the frame, and the attraction of moving to another similar job is limited. The only real option is to add another element to your remit."

This is exactly what Allen did when he moved to Fujitsu, where he essentially wrote his own job description. Less than half his role involves procurement, the lion's share involves supply chain management and elements of business process outsourcing for Fujitsu's customers.

Mentoring

Allen has never had a formal coach or mentor, but he believes the support of a senior sponsor can be immensely valuable in, for example, helping you to make a particular career transition.

"Clive Heal, who was head of indirect procurement for Europe at SmithKline Beecham, recommended me for the role of director of worldwide procurement support. In so doing, he helped me make an all-important jump from being procurement strategy manager," he says.

By comparison, switching companies is the easy bit. "Procurement skills are largely transferable," says Allen. "But if you want to progress up the career ladder, or even switch functions, you have to start doing it before you are 30."

Name in the frame

Ambitious purchasing people have to seek out vacuums to fill, not sit on their hands wondering if they are allowed to do something, he believes. "Because it is a relatively young function - in terms of its maturity and the age of its practitioners - procurement often lacks confidence and it has to be more definite and proactive," he says. "That's how you pick up other projects and get your name in the frame for new roles."

CIPS membership is useful for networking purposes and to lend credibility in employers' eyes, believes Allen. He is a member, but doesn't have an MBA, preferring, as he puts it, "to learn by doing".

However, he thinks ambitious procurement professionals would benefit from training in finance. "I have an aptitude for numbers and I would encourage others to develop one. Being able to look at an annual report and work out ratios to identify areas for negotiation and interrogation is a vital skill," he says.

He has also been an active - although not cold-blooded - networker over the past 10 years. "You meet people you like and find they happen to be well placed in procurement," he says. "Getting on in your career has a lot to do with who knows you rather than who you know."

But not everyone should necessarily aspire to the top job, adds Allen. "If the thought of long hours, dealing with interpersonal problems and networking over coffee fills you with dread, then don't put yourself through the wringer," he says. "There is absolutely nothing wrong with being a damn good category manager or buyer."

Jane Simms is a freelance business journalist

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