



Procurement Toolbox #1

Communication & Facilitation in Procurement

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LESSON 01 – Inverting Method

Right, let's get started. Lesson one. I'm going to introduce you to the inverting method. Bear with me. You might remember if you attended the procurement fundamentals course that I talked about, the fact that often getting stakeholders to say what they want to get to business for requirements can be a bit tricky. They're after safety boots, but you end up with a description of gold rocket powered flying boots with lights on. There's a lot of extras there that we probably don't need. And if we think about it, if you were the category manager for, I don't know, personal protective equipment, you could pretty easily go from the rocket power boots to sensible safety shoes that do the job in the right way. It's quite a straightforward discussion with stakeholders to identify the opportunity to reduce the requirement to get what you need and therefore maximize value. The thing is, what if you've been doing this for a few years, you got rid of that idea of rocket power boots. So actually, what they're asking you to do is to identify value in a perfectly sensible pair of safety boots to stay with the same kind of safety boots. And you know what? That's a lot harder. Let me show you why. What I want you to do is imagine that you're responsible for this bottle of water. Very simple. You've all seen them. 400 mil, 500 mil plastic bottle water. We get them everywhere. I want you to spend 30 seconds right now and just try and think of a couple of things that you could do to perhaps reduce the cost of that bottled water. Ready? off you head. Right. I hope that felt quite awkward. 30 seconds. I'm going to guess how it felt. Yawn. I mean, seriously, you're the category manager for bottled water. You've been doing it for years. Someone asked you to save a bit more. What do you do? Did you actually manage to write a couple of things down? I hope so, but I'm kind of imagining that the energy level was pretty low. Okay, let's try it again, but in a different way. Same bottle of water. You're the category manager and I'm going to paint a slightly different scenario. You've been working for your company for 20 years, you've been looking after the procurement of bottled water for the entire time, and you've done a brilliant job. And this morning, the chief procurement officer walks into your office and says, Richard, great job, bad news, I'm afraid. We're going to let you go. Bit tricky

in the company having to downsize. We'll sort out a good settlement, but it's time to go. I mean, you'd be pretty upset, right? And then imagine if they said this, but just before you go, could you just do that category strategy one last time? Just need a little bit more bit of improvement on the bottled water. I mean, insult on top of injury, you've been fired, and they've got the cheek to ask you to save a bit more money, right? So here we go. This time, I want you to spend the same 30 seconds and I want you to think of all the ways, legally, that you could make that bottle of water as expensive as it could possibly be. And you can do anything, all right? Because your objective is to make sure that your company, that you've looked after for 20 years, that's saving a bit of money by letting you go, pays 5, 10, 20 times as much in additional costs for that water. You ready? 30 seconds. Come up with as many ideas as you can to make that water as expensive as it could possibly be. Off you go. I can't see you, but I can see you scribbling. Right? How did that feel? Completely different. I bet just take a moment to reflect. I bet you felt more energy. I bet you your pen went straight to the piece of paper and you started scribbling them down and maybe you came up with some of these. I mean, they're silly. Get your water from a mountain spring, store it in an air conditioned warehouse in the middle of a desert, have personalized bottles that are hand delivered, perhaps even by an A lister, and ship them a bottle at a time. I mean, ridiculous things to do, all totally legal, but just imagine how expensive every single bottle of water would be. But now, here comes the power of the inverting method, because all we've got to do is turn those ideas upside down and you can see it here. We don't get spring water, we get local water. We don't store it in the desert, we store it at room temperature, locally. We don't have personalized bottles, we have standard bottles. The point is, psychology, for whatever reason, makes it easier for us to think of all the things we could do that are mischievous. So let's use it with your group. Ask your stakeholders, not how do we save a bit more money? Ask them, how can I make this as expensive as possible? The energy will go up, they'll write down the ideas, and all you've then got to do is turn them upside down and you've got a brilliant list of ideas that could help you deliver value. And it's not just about cost. You could do it for environment, you could do it for regulation, quality, anything. One word of caution, don't try this with C suite unless you know them really well, because they might think you've gone a bit off piece. But you know what, working with colleagues, stakeholders, it's a really good, fun technique with a really brilliant outcome. So there you go. Lesson one, the inverting method. Join us for lesson two, where I'm going to talk about, would you believe it, Mr Potato Head. See you then.
