This template helps you take a more objective view of your importance to procurement.

|  |  |
| --- | --- |
| **What is procurement’s category strategy?****Score each section 1-5. We have given some suggestions as to either ends of that scale.** | |
| **MARKET DIFFICULTY #1**: How competitive does the customer find the supply market for your products and services?  1 = easy market, 5 = very difficult market |  |
| **MARKET DIFFICULTY #2**: Does the customer have plans to bundle or unbundle the category we service?  1 = plans to unbundle, 5 = very unlikely to unbundle |  |
| **MARKET DIFFICULTY #3**: Does the customer have plans to outsource the procurement of your products and services?  1 = plans to outsource, 5 = very unlikely to outsource |  |
|  | |
| **SPEND/VALUE IMPACT #1**: Can we clearly define the spend category (or sub-categories) the customer classifies us as supplying?  1 = we can’t define, 3 = we have some idea but are not totally sure, 5 = we are very sure which the spend category (or sub-categories) the customer puts us in |  |
| **SPEND/VALUE IMPACT #2**: What percentage of the whole procurement spend portfolio does this represent?  1 = 0%-1%, 2 =1%-5%, 5 = 50%-100% |  |
| **SPEND/VALUE IMPACT #3**: Are your products and services a high, medium, or low priority for the CPO? CPO = chief procurement officer  1 = low priority, 2 = medium priority, 5 = high priority |  |

What’s your total score?

### Score < 10

Any score under 10: you need a clear engagement strategy and a lot of stakeholders in the customer helping you succeed. You WILL be under price pressure. Procurement is probably not going to want to engage with you.

### Score 10 - 15

Score 10-15: probably the most challenging score – procurement should recognise you have some importance to them. You need to get early engagement – understand what the particular procurement person and their department’s priorities are. Then build a clear strategy that makes sure you are distinctive (and measurable) and make sure everyone who might engage with customer understands those messages and keep repeating them.

### Score 15 - 25

Score 15-25: this needs careful thinking about – first off, test those scores. You might even ask your customer (be careful with their answers – it might be in their interests to say you are more important than you actually are - “read between the lines”). Assuming the scores are right, then the account team needs to develop a strategy that makes sure your supporters in the customer are telling procurement how important you are. Absolutely key here is making sure you don’t screw up. Procurement especially will be looking for any gaps in your performance.

### Score > 25

Any score over 25: go back and do the scores again!! That sort of score means you have a genuinely unique product or service that is absolutely critical to your customer, and the customer has no other options! If that is the case, then we recommend thinking very carefully about what your strategy might be. Your customer might try to buy you. (You might want that, or more likely, they will find an alternative, maybe even paying some else to develop an alternative.)

**Please do read tip #3: “What is the value to procurement of what you have to offer?” in the blog** [**5 TOP TIPS TO MAKE PROCUREMENT RELATIONSHIPS WORK FOR YOU**](https://jaconsulting.co.uk/make-procurement-relationships-work-for-you) **– the comments in there should also be key part of your strategy.**