

What CPOs Can Learn From Facebook's CIO - Part 1

Author : Pierre Mitchell

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The Wall Street Journal recently [published](#) a great article that featured an interview with Facebook's CIO Timothy Campos, which offered some great lessons for both CIOs and CPO's alike. The biggest one, though, is the commitment to picking the right approach and tool that's best suited to the processes that add differentiated value to the customer. For non-strategic, back-office functions, vanilla ERP is great and cloud-based ERP is even better. But, for strategic processes, as Mr. Campos plainly states: "You can't go buy the off-the-shelf solution that everyone else has and expect we're going to have a better outcome. We found that tweaking off-the-shelf software would force us to adapt our process to the tools. We want to do the opposite: make our process better, more efficient, faster. Our tools are very purpose-built."

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This is "make vs. buy 101," yet too often procurement is hamstrung by a CIO that feels:

1. Procurement is a back-office function with little strategic impact
2. Procurement can make do with a single business application
3. That single application is a single instance ERP suite

For problem No. 1, a CPO needs to build a strong business case around external customer requirements needing differentiated support and also how supply risk (and any process requiring supply market intelligence) will not be mitigated with internal workflow processing. It's also good to know the CIO's hot buttons and be able to help IT with its supply market intelligence for what other IT organizations are doing related to digital business strategies. Your IT category manager and your procurement technology person (i.e., the person in procurement that is responsible for procurement's IT capability - and partners with IT) should both be actively engaged to make sure the relationship and the internal "balance of trade" between procurement and IT is managed effectively.

Procurement's biggest weapon is its internal stakeholders (including the CEO) and external customers. The CEO wants growth and is tasking operating units and functions such as sales, marketing, R&D, engineering, customer/field service and corporate strategy groups to deliver it. If procurement is elevating its value beyond doing deals and processing POs, it will be aligned with these groups to support the growth and innovation mandate. And, as digital business strategies begin to de-construct and re-construct value chains, the supply bases will be re-drawn in very different ways, so procurement needs to be on the front end of those efforts to get aligned in lockstep with IT as an "internal channel partner" to jointly address the business need. Such activity will likely involve a heavy dose of custom or semi-custom solution development and is a great launch point-for-procurement vs. a procurement-led project going to CIO with, "Hey, I need a better functional mousetrap," to which the CIO says to take a number, akin to the [waiting room scene in the movie Beetlejuice](#).

In Part 2 of this series, we'll continue in this series and show how other Facebook initiatives cited by Facebook's CIO provide a role model for other CIOs and for CPOs alike.