

# What Procurement Can Learn From Quality Management in the 1980s (Besides Bad Hair)

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The 1980s was a decade of transformation and pushing boundaries – and of lessons learned regarding what boundaries should be left alone (namely [1980s bad hair](#)). One transformation that occurred in the business world dealt with total quality management (TQM). At that time, nearly all firms from the West treated quality as a corporate function that had to build quality assurance and quality control systems and tools into a shop floor staffed by workers who were essentially human robots. However, over time, firms began to embrace Japanese-style quality management approaches that trained and empowered those workers to solve their own quality problems. In other words, quality management became a democratized process rather than an elitist corporate function. And the rest is history. (For more information on this, check out our 3-part series on the CPO's Guide to Six Sigma, Lean, and Continuous Improvement [here](#), [here](#) and [here](#).)

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Today, most large firms, especially manufacturers, have a continuous improvement capability that seeks to continually “train the trainers” to teach process participants how to eliminate waste and redesign their processes to focus on the customer. Six Sigma “black belts” are encouraged to train “green belts” to then lead the masses. This is all great. But, once you know the customer requirements, and when it comes time to supply those requirements, and when such “supply” (products and information/services) needs to come from third parties, then what?

Well, that is when you bring in the experts from procurement, right?

Yet procurement is somewhat still stuck in the '80s (even though in 1983, a McKinsey consultant named Peter Krajlic [argued](#) that it must become a more robust “supply management” process) with a corporate function trying to get itself inserted into buying processes just as corporate quality groups were doing decades ago. So, isn't there some opportunity to democratize the procurement process? Can't procurement enable stakeholders to perform best practices regardless of where the resources report? Can't procurement teach the organization how to buy better, consume better, negotiate better, collaborate better and so on? Maybe. And maybe not. This is the crux of the question regarding the relevance and future of the procurement function. We have written literally dozens of articles on this topic, but I will address one point worthy of consideration...

Many procurement leaders will argue that procurement is different than quality management. They might argue that teaching the masses about some basic quality improvement techniques is different than a much broader and deeper body of knowledge surrounding strategic procurement (i.e., sourcing, supplier collaboration, innovation management, risk management, scenario planning, contract/commercial management, etc.). Yet tell that to a Six Sigma black belt who is teaching shop floor workers how to run multivariate statistical analysis (e.g., [design of experiments](#)).

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Most enlightened procurement executives do realize that the procurement skill set can be acquired through good training and job experience, and that you need to start with those people who know the core value chain processes deeply and merely need the right techniques and tools to manage spend/supply more rigorously. The more that procurement can become a steward to influencing and ensuring spend/supply management excellence – regardless of the exact [RACI](#) model for process X in spend category Y in business unit/geography Z – the more procurement will be able to learn from what quality organizations learned decades ago. The job of the corporate center is to lead and enable, not just command and control. Traditional hierarchies just don't fare very well these days in a networked economy.