Getting Procurement a Seat at the Digital Transformation Table

J&J Design
Nigel Storey
Chief Operating Officer

Zemoga
Donald Edgerton
CEO

CI&T
Bruno Guicardi
President
You will learn

▪ Which deciding factors are driving Digital Transformation sourcing

▪ Distinction between transactional x preferred partners

▪ How Procurement can add value in the decision process

▪ Ideas to engage your business counterparts
Agenda

1. Intros
2. Digital x IT (what has changed?)
3. The new deciding factors
4. Stories
5. Where is it going?
6. How can procurement add value?
7. Q&A
We would like to know ...

Are you already sitting on the decision table for strategic Digital engagements?
Digital x Traditional IT

The Cycle of Innovation

Mission-critical
- Deploy differentiated at scale
- Invent differentiated offering

Non-mission-critical
- Invent differentiated offering
- Offload

Core
- Deploy
- Invent

Context
- Manage
- Extract resources to repurpose for core

Manage mission-critical processes at scale

Fund next innovation

Source: Dealing with Darwin, Geoffrey Moore
Digital x Traditional IT

Challenges

- High level of unpredictability (ever changing customer behavior)
- Ever expanding tech landscape
- Responsiveness and adaptability
- Time-to-market

Challenges

- Reduce complexity (Standardization & Consolidation)
- Reduce Unit Cost (labor arbitrage)

Source: Dealing with Darwin, Geoffrey Moore
The New Deciding Factors

- High level of unpredictability (ever changing customer behavior)
- Ever expanding tech landscape
- Responsiveness and adaptability
- Time-to-market

- Context
- Cultural alignment (initiative, relationship with work (passion), xxx)
- Ability to rapidly adapt to change
- Communication
- Collaboration
- "Proximity"
- "On the edge" of things (process, tech, tools)
We would like to know ...

Do you use the same process to procure Digital and "traditional IT"?
I'm Nigel.
Disclaimer: The views and opinions expressed in this presentation are those of the author and do not reflect the official policy or position of Johnson & Johnson. Examples of data and analysis performed within this article are only examples. They should not be utilized in real-world analytic products as they are based only on very limited and dated information. Assumptions made within the analysis are not reflective of the position of Johnson & Johnson.
Credo Values

Challenges us to put the needs and well-being of the people we serve first!
Brands we have touched
Service Catalog
QBRs
(Quarterly Business Reviews)
Preferred Partner Strategies
Site Benchmarking Visit
Celebrating the Wins

Project Names
Formalized Processes
<table>
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<tr>
<th>Partner</th>
<th>PM</th>
<th>Name</th>
<th>BU-IT</th>
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**NA Portfolio Planning and Management**

- Are You Serious? CAMM Migration
- Are You Serious? Rounds 6-8 Changes
- Remosite Ecosystem

**Inaugural Site**
- Pancreas Mobilization
- Xarelto HCP Mobile
- Xarelto HCP Mobile Site & Maintenance Updates (HCP)-PHASE 1
- Xarelto HCP Mobile Site & Maintenance Updates (HCP)-PHASE 2 mobile Site wrap up and android testing
- Xarelto ACS Indication Search

**Inaugural Site**
- Empower the Patient
- Corporation Info.ca
- Dalsal
- Janssen HCP

**Simplici HCP Mobile**
- Stelara HCP
- Stelara HCP Mobile
- Stelara FSD Update
- Stelara Round 5 Changes
- Stelara CarePath Update: ACS
- Stelara CarePath Launch (CORS)
- Asset Redesign (Spring 2)
- Stelara CarePath AP/EMACS

**Stelara HCP Mobile**
- Personalized URL, POC
- Viasat Contact Us
- Single Sign On
- Gateway Learning
  - Lab Integration
- DNS-LAT Options
- Web MD
Resourcefulness
Case Study
70 Pages of Changes
+ 1 Business Hour =
impossible mission
70 Pages of Changes + 1 Business Hour = possible mission
From The Horse’s Mouth
Jeff Hirsch- Head of Technology Products

“When procurement is aware of the detail of our need and the challenges we face, the outsourcing solutions they recommend are much better suited.”

In 2016, Morningstar Procurement was faced with a tough ask.

“Outsource like it’s one cube over with nothing lost in translation”

- We started with a small project “to help test a firm’s mettle”
- We needed to prove the tools we use match the internal teams standards and requirements
- They made the early vetting process match the need.
The Right Partner is in The Details
Detailed initial vetting included questions specific to project team needs short and long term.

- Do you have the infrastructure and tooling to provide product demos to Project X? (Please describe)

- What is your level of experience of integrating with security protocols? (i.e. experience with integrating SAML)

- What is your company's standard project management methodology?

- How many certified project managers exist and of what type and qualification?
These questions included inquiries specific to Nearshoring and attempts at a peek into our culture.

- Is the English Proficiency of your staff measured through ACTFL standards?
- What % of your staff has studied in the United States?
- How many have valid US visa’s for temporary or short term work in the US?
- If your firm is HQ is in the US, does your company prepare an annual Transfer Pricing Study?
- List the Top 5 of each of the listed items as voted on by your staff.
  - Films
  - Songs
  - Clothing Brands
  - Public Personalities
Where is it going?

Growth of the marketing technology landscape over 7 years

- 2011: ~150
- 2012: ~350
- 2013: ~1,000
- 2014: ~2,000
- 2015: ~3,500
- 2016: ~5,000
We would like to know ...

How do you see yourself helping in the process?
How can procurement add value

- Get out of back office and more upfront
- Start by listening to your business counterparts and understand their needs
- Less transactional, more consultative approach
  - Owning the overall agenda of the relationship (QBR, value drivers)
  - Maintain the preferred partner lists
- Helping to screen a fragmented market
  - Being the first Point of Contact
  - Finding new players
  - Site benchmarking visits
  - Know the platform landscape for options being considered
How can procurement add value

• Helping to screen a fragmented market (cont.)
  ○ Assessing new deciding factors (Culture, communication tools, "edgeness", etc.) and adjusting for the old ones (Size, Regions operates, Services & capabilities offered)

• Helping to solve the complexity to engage with smaller players (startups)
  ○ Long lead-time for negotiations of small deals
  ○ Liability and indemnification clauses
  ○ Payment terms
How you can learn more?

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DJ Edgerton - dj@zemoga.com

Nigel Storey -

https://www.linkedin.com/in/nigelstorey/
Thank you
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Why?

▪ Your feedback **drives** SIG Event content
▪ By signing and submitting your evaluation, you are **automatically entered** into a prize drawing

How?

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1. Select **Schedule**
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3. Select **Day**
4. Select **Session WS01**
5. Scroll to **Session Survey**

**COMPLETE & SUBMIT EVAL**
### Workshop # 1

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