



Master Thesis

MSc. Business Administration – Purchasing and
Supply Management

The impact of organisational culture on
the involvement of indirect procurement
by their internal stakeholders: A case
study from the FMCG industry

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Preface

Dear reader,

This thesis is the effort of about five months writing and conducting research next to a full-time internship.

The research was carried out at *Company I*, which is also one of the case companies in this thesis. I would like to thank *Company I* for making it possible that I was able to combine my research with an internship in the marketing-procurement department. At the firm, I saw hands on the reality of the collaboration and involvement between the marketing department and marketing-procurement department, which motivated me to write this thesis. I hope that with the findings I can support *Company I* to increase their extent of involvement between the two departments.

Next, I would like to thank all the people that I was able to interview. I met many interesting, successful and inspiring marketing-buyers and marketers who gave me great insights. During the interviews, it also really showed me the practical relevance of this thesis since quite a few companies are struggling with the involvement of marketing-procurement or have struggled in the past.

Furthermore, I want to thank my thesis supervisors for giving me feedback and guidance while writing my thesis.

Lastly, I would like to of course thank my friends and family who were very understanding during this stressful time.

Laura Frank

Enschede, 5th of January 2020

Abstract

Purpose – The aim of this research was to assess how organisational culture impacts the involvement of marketing-buyers by the marketing department. Further, enablers, drivers and barriers of marketing-procurement involvement got identified.

Design/Methodology/Approach – This study is a qualitative case study of five companies. 12 semi-structured interviews were conducted of which eight at the focal company, *Company 1*. Marketers as well as marketing-buyers got interviewed to find out their extent of collaboration and involvement. Next to the interviews, the interviewees filled in an organisational culture assessment instrument, to assess the company's organisational culture.

Findings – A relationship between organisational culture and marketing-buyers involvement could not be found in this case study. It was found that co-location of the marketing and marketing-procurement department, a high level of formalisation, top management support, a thorough onboarding program for marketers that includes aspects about procurement, and a high level of communication and information sharing enable a high level of marketing-procurement involvement. One-sided collaboration efforts, not seeing the value of involving procurement, seeing involving procurement as a burden and structures that do not facilitate collaboration act as barriers.

Research limitation – All five case companies are large multinational, multibillion-euro revenue companies operating in the Netherlands. Therefore, the findings might be limited to companies that are similar to the analysed cases.

Further, at four of the cases just a single marketing-buyer was asked to fill in the organisational culture tool, which was used as the basis to assess their organisational culture. There is the possibility that other employees within those firms may experience the organisational culture differently than the interviewees while the opinion of one buyer was used to analyse their organisational culture.

Originality/Value – There has not been much research about the collaboration between the marketing and procurement department yet and multiple scholars asked for further research. Next, organisational culture is a new aspect that got introduced to the research field which has not been assessed by other scholars who analysed the involvement of marketing-procurement yet.

Keywords – Cross-functional collaboration, marketing-procurement, organisational culture

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List of Abbreviations

KPI = Key Performance Indicator

CMO = Chief Marketing Officer

CPO = Chief Procurement Officer

OCAI = Organisational Culture Assessment instrument

1. Indirect procurement involvement requires more attention and research

1.1 Focus of this research: The impact of organisational culture on indirect procurement inclusion

Nowadays, only a very limited number of companies can allow their procurement department to work in isolation. Strong integration, cross-functional collaboration, and top management support are crucial.¹ Due to higher supply chain risks coming from e.g. political instabilities or resource scarcity² it is recommended that procurement departments get more included by internal stakeholders in decision making.³

The purchasing volume as a percentage of a company's turnover has grown over the past years⁴ and it has gained more importance due to its strategic impact on the firms operational and financial performance.⁵ Overall, the procurement function has gained increasing responsibility and strategic recognition.⁶

Companies must form cross-functional partnerships for complex buying decisions.⁷ High performing procurement departments link their activities with those of their internal stakeholders and form functional groups to add value.⁸ Kahn (1996) found that internal collaboration has a strong positive effect on company performance.⁹ Top organisations who spend more time on aligning with their internal stakeholders can generate about 41% higher savings than firms who spend little time on it.¹⁰ Further, research by Hardt et al. (2007) found that cross-functional teams can almost double the impact of cost saving initiatives.¹¹

While the procurement department must be included for purchases by their internal stakeholders for direct materials, for indirect materials that is not always the case and procurement must be invited.¹² For many service categories, only about 60% follows formal buying processes.¹³ In the past, indirect procurement has gotten less attention from firms than direct procurement.¹⁴ Recently, indirect procurement has gained recognition due to its

¹ See Kralijc (1983), p.115-116

² See Kralijc (1983), p. 109

³ See Nair et al. (2015), p. 6263

⁴ See Schiele (2007), p. 274

⁵ See Saranga & Moser (2010), p. 197

⁶ See Carter & Narasimhan (1996), p. 20

⁷ See Brown & Cousins (2004), p. 303

⁸ See Hardt et al. (2007)

⁹ See Kahn (1996), p. 137

¹⁰ See The Hackett Group (2015)

¹¹ See Hardt et al. (2007)

¹² See Ellram & Tate (2015), p. 64+75

¹³ See Ellram et al. (2007), p. 52

¹⁴ See Kim & Shunk (2004), p. 154

great potential for cutting costs.¹⁵ Here, especially new e-procurement technologies have contributed to it by enabling more efficiency and transparency which often yields cost savings.¹⁶

Multiple scholars have researched the driving and enabling factors as well as the barriers to procurement inclusion. While aspects such as firm size and organisational complexity have been analysed, the impact of organisational culture on procurement involvement has not been on the research agenda yet. Organisational culture is a popular research topic for a few decades already.¹⁷ Corporate culture impacts organisational theory and is nowadays put on the same level of importance as the firm's structure, control and strategy.¹⁸

This thesis will explore whether the inclusion of indirect procurement and the collaboration with their internal stakeholders could stem from a corporate culture problem which might not facilitate, among others, collaboration, sharing of information or teamwork among the various departments and internal stakeholders. To have a narrow research focus, this thesis will focus on the procurement of marketing services and marketing materials of companies operating in the fast-moving consumer goods industry.

The main research question of this thesis is stated as follows:

How does organisational culture impact the involvement of marketing-buyers by the marketing department?

Multiple sub-research questions will be analysed to guide towards the answer to the main research question. The sub-research questions that will be analysed in this thesis are the following:

- *What are the barriers, drivers and enablers of marketing-buyers to get involved by marketers?*
- *Which type of organisational culture facilitates marketing-buyers involvement by marketers best?*

This thesis starts with a theoretical framework in chapter 2 to outline what procurement departments do, how they can be structured and goes into detail about the responsibilities and challenges of the procurement of marketing materials and marketing services. Further,

¹⁵ See Gebauer & Segev (2000), P. 109; See Monczka et al. (2009), p. 623

¹⁶ See Mahdillou & Akbary (2014), p. 54-55

¹⁷ See Schein (1990), p. 109

¹⁸ See Hofstede et al. (1990), p. 286

the topic of national and organisational culture will be explored as well as the organisational culture assessment instrument introduced. Next, collaboration and cross-functional teams are explained by also going into the details of the involvement of indirect procurement within an organisation. Based on the theoretical framework a research framework gets introduced in chapter 3. Further, the hypotheses of this research are stated and tested according to the methods outlined in the methodology chapter 4. It follows the analysis in chapter 5 and the introduction of the revised research framework as well as a maturity model for marketing-procurement involvement in chapter 6. Lastly, the thesis concludes with the discussion chapter as well as the research limitations and further research suggestions in chapter 7.

2.Theoretical Framework

2.1 Procurement's responsibility for all supply-related matters

2.1.1 The procurement department has a strategic function within an organisation

Companies incur high procurement costs which typically range between 40-60% of the sales volume.¹⁹ Traditionally, procurement is seen as a function with a strong focus on cost reduction.²⁰ The procurement department fulfils all supply related roles and is often split into sourcing, negotiation, research, operational support and administration.²¹ Further responsibilities are buying, contacting supplier, maintaining inventory control, arranging transportation, managing countertrades, decide to insource or outsource, forecast and supply management.²² A competent procurement department influences manufacturing costs, customisation, new product development, quality and lead times.²³ Next, it has a boundary spanning role because it connects the organisation with its suppliers.²⁴

While some scholars conclude that procurement is not strategic,²⁵ others disagree.²⁶ In the past, procurement was seen as a clerical function where their responsibility was to take care of the supply base and to align it with its corporate objectives.²⁷ Nowadays, procurement has

¹⁹ See Saranga & Moser (2010), p. 197

²⁰ See Van Weele & Van Raai (2014), p. 57

²¹ See Monczka et al. (2009), p. 156-158

²² See Monczka et al. (2009), p. 161-163

²³ See Das & Narasimhan (2000), p. 17; See Nair et al. (2015), p. 6263

²⁴ See Hartmann et al. (2012), p. 23

²⁵ See Van Weele & Van Raaij (2014), p. 56

²⁶ See Bals & Turkulainen (2017), p. 256

²⁷ See Hartmann et al. (2011), p. 22

a strategic role and has to find ways to constantly increase its efficiency as well as effectiveness.²⁸

The importance of strategic procurement is growing and gains increased attention by senior management as it has an impact on operational as well as financial performance. Competitive pressure among companies around the world is on the rise which forces firms to cut costs and improve their operational excellence. Many global companies have shown that it is possible to become a leader in their industry via efficient and effective procurement.²⁹

To guarantee the long-term supply of the required materials and services, companies need to assess the risks that are associated with it. The more critical the procured item is for manufacturing or operations of a firm, the more important the supply management function within the organisation becomes. The supply risk is determined by the availability of resources, the number of suppliers available, make-or-buy possibilities, option to substitute items as well as the competitiveness of demand. Depending on the level of the mentioned factors, procured goods and services can be categorised into four categories being strategic, bottleneck, leverage and non-critical items. Each category needs its strategy and approach to handle it appropriately.³⁰

Further, whether the procurement department can operate successfully and act upon its strategy depends on its maturity.³¹ Rozemeijer et al. (2006) defined maturity as “(...) *the level of professionalism in the purchasing function.*”.³² Research found that procurement departments with a high maturity level can achieve higher cost savings. On top of that, procurement departments that are cross-functionally embedded within an organisation tend to have higher maturity levels.³³ Buying departments must have a minimum level of maturity to profit from the implementation of best practices. If the maturity of the firm is too low, the investments for introducing best practices might not yield the desired benefits.³⁴

Das and Narasimhan (2000) found that procurement competence positively impacts manufacturing costs, quality, delivery, customisation as well as new product innovations.³⁵

Others added that supplier management, cross-functional integration, strategy development, human resource management and procurement controlling all have a positive impact on

²⁸ See Bals & Turkulainen (2017), p. 256

²⁹ See Saranga & Moser (2010), p.197

³⁰ See Kraljic (1983), p. 110-112

³¹ See Schiele (2007), p. 274

³² Rozemeijer et al. (2003), p. 7

³³ See Schiele (2007), p. 281-282

³⁴ See Schiele (2007), p. 283

³⁵ See Das & Narasimhan (2000), p.17

procurement results which in turn can increase the operational firm performance. It has a positive impact on cost performance, quality performance and financial performance and therefore, indirectly positively affects firm performance.³⁶

2.1.2 Procurement can be split in centralised and decentralised procurement as well as indirect and direct procurement

To reach the maximum potential of the supply base, the procurement department should be embedded in a strategic position within the firm. Here, top management must decide whether the department should be centralised or decentralised.

A few decades ago firms preferred to give their business units greater independence by decentralising them, rather than centralising them and creating synergies.³⁷ Decentralised procurement benefits from speed, flexibility, understanding unique requirements, helping with product development and more ownership.³⁸

A centralised procurement department can buy larger volumes by bundling orders but is also more inflexible. Here, it is crucial to find the right balance.³⁹ Centralised procurement departments combine their order volumes, reduce duplicating efforts, easier coordinate plans and strategy, develop more expertise, and manage change easier. Coordinated procurement strategies can be helpful when corporations face cost-cutting. The more business units bundle their purchase needs the better cost savings can be achieved, stronger position with suppliers can be gained, increased productivity and lower lead time as well as a better relationship with the supplier.⁴⁰

Companies with low procurement maturity and business units having varying cultures and structures are more likely to have decentralised procurement structure. When maturity is high and the business units are uniform, centralised procurement is often preferred.⁴¹ A hybrid structure is also an option where some parts and commodities are centralised and others decentralised.⁴²

Further, procurement can be split into direct and indirect procurement. Direct procurement is for direct goods such as materials necessary for production to manufacture products, while indirect procurement is for indirect goods, such as goods and services used in operations.⁴³

³⁶ See Hartmann et al. (2012), p. 30

³⁷ See Rozemeijer et al. (2003), p. 4

³⁸ See Monczka et al. (2009), p. 167-170

³⁹ See Kraljic (1983), p. 116

⁴⁰ See Rozemeijer et al. (2003), p. 4-5; Schiele, Horn & Vos (2011), p. 322-323

⁴¹ See Rozemeijer et al. (2003), p. 10

⁴² See Kraljic (1983), p. 116

⁴³ See Gebauer & Segev (2000), p. 108-109

While procurement for direct materials is often separated in business units and centralised in commodity groups, indirect materials differ. With the service sector growing and the popularity of outsourcing non-core activities, managing indirect spend effectively is increasing.⁴⁴ In many firms, indirect procurement does not happen via the formal sourcing function. Historically, it is spent by others than supply management.⁴⁵

Indirect procurement has gotten less consideration by firms than direct procurement.⁴⁶ Here, reporting the costs of services is often not uniform which makes it difficult to grasp the spending. Buying services often happens decentral which makes the overall spend less significant so that less thought is drawn to this category.⁴⁷ Recently, indirect procurement has gained growing attention due to its potential for cost savings.⁴⁸

Procuring services is different to procuring materials since specifications can be unclear compared to manufacturing goods. In service procurement, a lot of effort is put into defining the needs, specifying the assignment and specifications. Services are often objectified in the procurement process to make them tradable. The objectification takes the buyers lots of time but it makes the services that at first seemed intangible, tangible.⁴⁹

In some firms, the same service may get purchased from multiple or even the same supplier via various departments. To leverage indirect spend, procurement must know which services get purchased by which business units. When it is known who buys what from which supplier, procedures can be implemented that protect from maverick spend which helps to minimise unauthorised spend.⁵⁰ Further, Ellram et al. (2004) state that it is common to fall in the trap of hidden costs, billing mistakes happen more frequently than with the procurement of materials, level of service might be lower than what was initially agreed on as well as the service supplier tend to want to sell a package, which makes it difficult to compare offers from various suppliers as they differentiate.⁵¹ By centralising and standardising the procurement of indirect goods and service, more control over the spend can be gained.⁵²

The following section will introduce what the procurement of marketing materials and services entails and sheds light on its challenges.

⁴⁴ See Monczka et al. (2009), p. 646-647

⁴⁵ See Monczka et al. (2009), p. 622-623

⁴⁶ See Kim & Shunk (2004), p. 154

⁴⁷ See Ellram et al. (2004), p.18-19

⁴⁸ See Gebauer & Segev (2000), P. 109; See Monczka et al. (2009), p. 623

⁴⁹ See Lindberg & Nordin (2008), p. 297-299

⁵⁰ See Monczka et al. (2009), p. 648

⁵¹ See Ellram et al. (2004), p. 19

⁵² See Ellram et al. (2004), p. 30

2.1.3 Marketing procurement and its challenges

Marketing procurement can be defined as the buying of services that are externally provided and related to marketing.⁵³ The marketing environment is changing since digitalisation is changing how people consume media. Marketers need to make decisions on what to buy, how to buy it as well as with whom they would want to work with. Procurement can assist them by helping them to create value. Ashnai et al. (2019) define marketing-procurement collaboration as "*(...) the degree to which there exists a perception of collaboration, aiming at joint goals, sharing mutual understandings, ideas and resources, which typifies working as a joint team.*".⁵⁴ Nonetheless, in many firms this partnership does not work as expected. Many problems stem from misperceptions. Marketers are not aware of how procurement can assist them so they often get procurement on board during the negotiation or contracting phase when procurement cannot add that much value anymore. Procurement needs to communicate their capabilities to marketing more clearly and the two departments need to find ways to work together effectively and get the most out of their capabilities.⁵⁵ Marketing managers should work closely with the procurement department to grasp what drives the marketing costs and how they could increase efficiency. When working together they have the opportunity to get the most out of their budget.⁵⁶

KPMG (2018) found that when the recent financial crisis began, some companies gave the marketing sourcing responsibility to procurement to cut costs. This cost-cutting focus has led to lower quality marketing work, slow negotiations as well as decision making which impacted the performance of those firms. This resulted that a few years later companies gave the marketing-procurement responsibility back to marketing.⁵⁷ In 2015 it made the news that PepsiCo dissolved their marketing-procurement team. The company decided that the procurement of marketing material and services should be done by marketers.⁵⁸ PepsiCo's believes that they can become more efficient and effective this way. Marketers are closer to the consumer and can act in real-time. They can balance their costs, value and quality when making decisions. This action can be seen as a warning for other marketing-procurement departments.⁵⁹ The indirect procurement manager for media and marketing at Colgate-

⁵³ See Bals et al. (2008), p. 892

⁵⁴ See Ashnai et al. (2019), p. 26

⁵⁵ See McKinsey (2016)

⁵⁶ See KPMG (2018)

⁵⁷ See KPMG (2018)

⁵⁸ See CIPS (2019)

⁵⁹ See Campaign (2015)

Palmolive, Szacki (2019), said “I can’t say if this works well for them or not, but I can imagine in the future creating a ‘marketing operations department’ which would be somewhere between marketing and procurement – so the future can be marketing and procurement, together.”⁶⁰

Forcetti (2019), who is leading the global sourcing board of the World Federation of Advertisers, claims that “Pretty much all marketing procurement leaders are conscious that the perception of their discipline is not always positive, and they want this to change (...) Many of them have already moved far beyond just savings and look to understand value and contribution to growth by focusing on what actually matters to their business.”⁶¹ Byrne (2019), global marketing procurement director at Adidas, adds that “Any fool can cut the cost of a creative agency. Anyone can say ‘Cut costs by 10% or we’re not working with you’ – the brand manager can do that.” He claims that if that is the only aspect that marketing-buyers provide then they are just slowing everything down. Marketing-buyers need to change their way of working and tell marketers that they will create value and that marketers can then use the value to invest in other projects. Marketing and marketing-procurement departments should work together on a day to day basis and get embedded in marketing’s processes.⁶²

Allerz (2019), associate director of global procurement at Mondelez, stated that marketing-procurement professionals act as commercial advisors who know how to structure and organise relationships to achieve desired objectives whose metrics also evolve from cost savings to creating value and aligning with stakeholders.⁶³ Byrne (2019) adds that marketing spend must be seen as an investment and not as a cost and it is important to maximise the investment’s value.⁶⁴ There is no one size fits all solution for a marketing-procurement strategy. The strategy needs to consider the spend efficiency and effectiveness as well as volume bundling and reducing suppliers. Here, individual roles should be clearly defined.⁶⁵

The following chapter covers the topic of cross-functional teams in a firm environment as well as the involvement of the procurement department within organisations.

⁶⁰ Szacki in CIPS (2019)

⁶¹ Forcetti in CIPS (2019)

⁶² Byrne in CIPS (2019)

⁶³ Allerz in TheDrum (2019)

⁶⁴ Byrne in CIPS (2019)

⁶⁵ See KPMG (2018)

2.2 Cross-functional collaboration and its importance

2.2.1 The procurement department needs to be organised in cross-functional teams

Research suggests that a firm's success nowadays is to some degree dependent on the extent to which firms integrate functions that tend to have boundaries. Integration can be defined as “(...) *the process of incorporating or bringing together different groups, functions, or organizations, either formally or informally, physically or by information technology, to work jointly and often concurrently on a common business-related assignment or purpose.*”⁶⁶

Integration is a function that is about interaction as well as collaboration.⁶⁷ Interdependent tasks facilitate interdepartmental integration. The success of interdepartmental collaboration depends on whether tasks and projects are done collaboratively when it is required. It can be stimulated by having a reward system in place. The level of cross-functional collaboration is higher when people within the firm have decision autonomy as well as shared responsibilities, interaction, trust and similar goals. Knowledge exchange between departments depends on its structural and relational context. Organisations should grant their departments a sufficient level of autonomy so that they can share their knowledge without boundaries. Cross-functional collaboration facilitates mutual understanding, sharing of ideas and resources as well as joint problem-solving.⁶⁸

Top management must encourage informal information exchange between the departments, establish trust among them and establish common goals and objectives. Employees must not only focus on their department but instead work as partners with other departments towards a common task and goal.⁶⁹

In best practice firms about 70% make use of cross-functional teams while other firms use them about 62% of the time.⁷⁰ Firms should incentivise cross-functional collaboration as its outcome benefits the whole company. To align the departments, interaction between them is required. If the departments are not aligned then collaboration will be dampened. The departments should all benefit from the collaboration and should perceive it as positive and collaborative. When the perceptions of both parties are aligned it can positively impact the

⁶⁶ Monczka et al. (2009), p. 114

⁶⁷ See Bals et al. (2009), p. 900

⁶⁸ See Ellinger (2000), p. 85-94

⁶⁹ See De Clercq et al. (2011), p. 693

⁷⁰ See Griffin (1997), p.455

collaboration and enhance the interaction.⁷¹ Here, perceptual symmetry has a positive effect on collaboration as well as a similar attitude and perspective.⁷²

Firms operating in fast-paced environments facilitate closer contact between procurement and other departments.⁷³ The integration of procurement enables the function to align the procurement practices with the company objectives.⁷⁴ Procurement must be strategically involved in strategic planning and should be involved when trying to make the firm's procurement function more strategic.⁷⁵ Here, involvement is defined as the extent of integration in the procurement process between procurement and their internal stakeholders.⁷⁶ The inclusion is valuable to achieve cost savings and reach high performance.⁷⁷ The more the procurement department is integrated, the stronger the effect. Procurement knowledge is most valuable when it gets involved with the processes of other functions via procurement integration.⁷⁸ When procurement is well integrated into the organisation, it leads to them being better informed about ongoing projects which enables procurement to better support internal projects.⁷⁹ Procurement teams can improve internal and external integration and combine the skills and resources of multiple internal stakeholders from various functions to complete a purchasing project.⁸⁰

Actions taken by procurement to integrate with other functions are forming cross-functional teams, information systems, integrated performance objectives or co-location with other functions. Internal stakeholders and partners for procurement within a firm are e.g. operations, quality assurance, engineering, accounting and finance, marketing, sales, and legal.⁸¹ These cross-functional teams are often needed to support procurement decision making⁸² since the effectiveness of procurement can be increased by establishing such teams. They could be in the form of committees, task forces or groups with employees from various backgrounds who work together to achieve a common goal.⁸³ The current involvement of

⁷¹ See Ashnai et al. (2019), p. 32

⁷² See Ashnai et al. (2019), p. 19

⁷³ See Monczka et al. (2009), p. 156-157

⁷⁴ See Das & Narasimhan (2000), P. 19

⁷⁵ See Carr & Pearson (2002), p. 1050

⁷⁶ See Bals et al. (2009), p. 900

⁷⁷ See Driedonks et al (2014), p. 296

⁷⁸ See Schütz et al. (2019), p. 1

⁷⁹ See Wynstra et al. (2000), p. 131-132

⁸⁰ See Johnson et al. (2002), p. 77

⁸¹ See Monczka et al. (2009), p. 115-121

⁸² See Trent (1996), p. 29

⁸³ See Carr & Pearson (2002), p. 1037

the procurement department needs to be analysed by firms to see current initiatives for involvement and lower the existing barriers.⁸⁴

2.2.2 Indirect procurement involvement is different to direct procurement involvement

Historically, service procurement was done by the content experts and not by procurement.⁸⁵ The procurement of services was often ad hoc, reactive and unstructured. Nowadays, it is more forward-looking, structured and more in line with the organisational goal.⁸⁶ While including procurement for the purchase of materials and goods is mostly required, for the purchase of services this is often not the case.⁸⁷

There are many types of services where the indirect procurement department only has limited participation, such as advertising, real estate or legal.⁸⁸ When there is limited procurement participation, parties within the firm that use these services procure them themselves without input and assistance from the procurement department.⁸⁹

It is difficult for supply management to track who buys what outside of the procurement department. For many service categories, it is estimated that only about 60% follows formal buying processes.⁹⁰ The lack of procurement participation in the areas of service spending can lead to missed control of the service supply chain.⁹¹

Involving procurement adds value to the purchase of services as it limits the liability and increases the assurance of supply. On top of that, procurement can increase the value of the purchased service. It adds value for the firm by having contracts in place that govern the relationship and actions with their suppliers.⁹²

Research recommends increasing interaction and collaboration between marketing and procurement departments.⁹³ A large extent of a firm's marketing services is purchased from external companies. By integrating procurement's activities with their internal customers such as marketing, cost reductions can be achieved.⁹⁴

In marketing-procurement, procurement involvement is often limited to making the purchase order after the marketing department has already committed to the purchase. If the

⁸⁴ See Bals et al. (2009), p. 901

⁸⁵ See Tate et al. (2010), p. 806-808

⁸⁶ See Lindberg & Nordin (2008), p. 296; See Ellram et al. (2014), p. 20

⁸⁷ See Ellram & Tate (2015), p. 64+75

⁸⁸ See Ellram et al. (2004), p. 19

⁸⁹ See Ellram et al. (2004), p. 28

⁹⁰ See Ellram et al. (2007), p. 52

⁹¹ See Ellram et al. (2004), p. 20

⁹² See Ellram & Tate (2015), p. 74

⁹³ See Ashnai et al. (2019), p. 19

⁹⁴ See Hardt et al. (2007), para 2

procurement function is involved in the purchase and negotiations, they could assist with discussing the commercial issues like the price, services and performance measures.⁹⁵ A study by Tate et al. (2010) found that marketing departments increasingly involve the procurement department because they believe that buyers can help them with managing spend and getting more out of their budget.⁹⁶

It can be handy for buyers to have a background in marketing if they are procuring marketing services. This gives the purchaser a better understanding of their internal stakeholder's needs.⁹⁷

The collaboration between procurement and marketing also comes with some challenges. Marketing and procurement may have varying expectations and priorities when it comes to supplier performance, which can result in the supplier receiving mixed signals. This can reduce the performance of the supplier and reduced efficiency.⁹⁸ While marketing may believe that procurement is too focussed on cost reduction, procurement may believe that marketing is too focussed on increasing sales while forgetting the costs and impact on the profit.⁹⁹

2.2.3 Communication and information exchange is important for successful procurement involvement

The variations of the extent of purchasing involvement in firms can be explained by drivers, enablers and barriers. Driving factors can be defined as conditions that drive the need for involvement while enabling factors are conditions that have an impact on the ability of such involvement.¹⁰⁰ In a similar research, researchers were interested in finding out the involvement of procurement in new product development. Here, Wynstra et al. (2000) identified four driving factors for procurement involvement being firm size, production type or technology, dependence on suppliers, and the importance of product development. Enabling factors identified are the extent to which the firm is able to facilitate communication and coordination in product development, the extend of information exchange and the quality of human resources.¹⁰¹ McDonough III (2000) on the other hand identified the team leaders, senior management and champions as enablers, and project goals,

⁹⁵ See Tate et al. (2010), p. 806-808

⁹⁶ See Tate et al. (2010), p. 810

⁹⁷ See Hardt et al (2007), para 5

⁹⁸ See Tate et al. (2010), p.814

⁹⁹ See Tate et al. (2010), p. 807

¹⁰⁰ See Wynstra et al. (2000), p. 130

¹⁰¹ See Wynstra et al. (2000), p. 130-131

empowerment, human resources and the climate as the drivers. The enablers and drivers must facilitate cooperation, commitment, a feeling of ownership as well as trust.¹⁰²

Further, researcher found that companies with low procurement involvement lack enabling factors. They are functionally oriented, do not have good internal structures, it's difficult to share and acquire information, are not competent to work together and have different collaborative perceptions and attitudes.¹⁰³

Some internal stakeholder might have different interests that do not align with procurements objectives.¹⁰⁴ The more strategic the procurement department the better the integration with internal stakeholder. In manufacturing firms, such integration is more common than in service firms.¹⁰⁵ It often exists a gap between the actual purchasing involvement by internal stakeholders and the desired one. Some might not be aware that procurement involvement is of value, others might not know how to approach the procurement department to collaborate with them.¹⁰⁶ Next, some procurement manager might feel that they should use their time to focus on their relationships with their suppliers, rather than with internal stakeholders.¹⁰⁷

Internal authority, as well as transformational leadership, have shown to facilitate integration between procurement and internal stakeholders. Next, A high degree of formalisation has shown to increase team effectiveness.¹⁰⁸

While it does not matter whether the firm is decentralised, centralised or has a hybrid structure,¹⁰⁹ the firm must focus on having structures that enable employee involvement by supporting them and having a reward system.¹¹⁰ The organisational context must give the employees guidance regarding their task execution, team leadership and formalisation. Team composition is best when it is functionally diverse,¹¹¹ and the team processes must facilitate an effort for good communication within the team.¹¹² Technologies can be used to increase knowledge sharing as well as communication.¹¹³ Lastly, extensive communication with internal stakeholder and supplier is necessary for effective sharing of information and knowledge.¹¹⁴

¹⁰² See McDonough (2000), p. 233

¹⁰³ See Wynstra et al. (2000), p. 139

¹⁰⁴ See Ellram & Tate (2015), p. 65

¹⁰⁵ See Johnson et al. (2002), p. 85

¹⁰⁶ See Wynstra et al. (2000), p. 130-131

¹⁰⁷ See Johnson et al. (2002), p. 85

¹⁰⁸ See Driedonks et al (2014), p. 288

¹⁰⁹ See Johnson et al. (2002), p. 86

¹¹⁰ See Driedonks et al (2014), p. 299

¹¹¹ See Brown & Eisenhardt (1995), p. 367

¹¹² See Trent (1996), p. 29; See Driedonks et al (2014), p. 290

¹¹³ See Driedonks et al (2014), p. 288

¹¹⁴ See Driedonks et al (2014), p. 292

2.2.4 Service Procurement: Previous successful collaborations with indirect procurement pave the way for future collaborations

While there are enablers, drivers and barriers for procurement involvement in general, there are also some specifically for indirect procurement. The extent to which procurement is involved can depend on the perceived needs ranging from reducing supply risk to increasing value of the purchased good or service. Buyers must be able to make the internal stakeholder see the value of involving buyers for service purchases to be successfully involved.¹¹⁵ It can be handy for buyers to have a background in marketing if they are procuring marketing services. This gives the purchaser a better understanding of their internal stakeholder's needs.¹¹⁶ Buyers need to be flexible with their stakeholders, discover their needs, the type of support they require as well as how the stakeholder could benefit from procurement involvement. Supply Management can support the internal stakeholder with identifying suppliers, help with contracting and later manage the supplier.¹¹⁷

Procurement tends to get involved for service purchases when internal stakeholders face budget cuts, need cost-saving initiatives as well as see the opportunity for improvement. Procurement meets the internal stakeholder's needs if they are able to deliver higher value for money, can lower the costs, get better service and are able to reduce risk.¹¹⁸ According to Ellram and Tate (2015), internal stakeholders need assistance by procurement to meet their requirements for services that they purchase. If procurement is involved early with internal stakeholder who require services, then procurement is more likely to be involved with the purchase of services for these stakeholders.¹¹⁹ When the procurement department has shown in the past that they add value to the purchase of services they are more likely to get invited again by internal stakeholders.¹²⁰

Bals et al. (2009) also developed propositions for procurement involvement being the level of awareness, skills, motivation as well as opportunity by the indirect buyers and marketing personnel. They found that procurement involvement is mediated by the complexity of the product or service that gets procured as well as the involvement experience that the buyer has. They conclude that purchasing involvement has an impact on procurement success.¹²¹ Similar findings of marketing-procurement interaction from Ashnai et al. (2019) found that

¹¹⁵ See Bals et al. (2009), p. 879; See Ellram & Tate (2015), p.73-74

¹¹⁶ See Hardt et al (2007), para 5

¹¹⁷ See Ellram et al. (2017), p. 56

¹¹⁸ See Ellram & Tate (2015), p. 75

¹¹⁹ See Ellram & Tate (2015), p.74

¹²⁰ See Ellram & Tate, (2015), p. 74-75

¹²¹ See Bals et al. (2009), p. 897-899

the perception for collaboration must be high, departments need joint targets and goals, share their ideas and work together as a team.¹²²

To change the behaviour of internal stakeholders regarding their service spending they need to be informed that their spending is inappropriate. Still, the stakeholders might fear that the procurement department takes over their budget freedom.¹²³

The literature can be summarised into enablers and drivers for indirect procurement involvement in *Table 2* as well as into barriers in *Table 3*.

Table 1: Driver and enabler of procurement involvement

Enabler and driver of Procurement Inclusion	Literature
Formalisation	Driedonks et al. (2014, p. 290) Trent (1996, p. 29)
Cross-functional teams	Monczka et al. (2009, pp. 115-121) Ashnai et al. (2019, p. 32) Trent (1996, p. 29)
Collaborative attitude	Ellinger (2000, pp. 85-94) Bals et al. (2009, pp. 897-899) Ashnai et al. (2019, p. 26) Johnson et al. (2002, p. 85)
Stakeholder seeks procurement help	Ellram and Tate (2015, pp. 74-75) Lindberg & Nordin (2008, p. 297) Schütz et al. (2019, p. 1) Tate et al. (2010, p. 810)
Mutual goals/strategy alignment	Das & Narasimhan (2000, p. 19) Tate et al. (2010, p. 807)
Rewards/Incentives in place	Driedonks et al. (2014, p. 290) Trent (1996, p. 29)
Inter-department communication	Ashnai et al. (2019, p. 26) Bals et al. (2009, p. 892) Driedonks et al. (2014, p. 290) Trent (1996, p. 29) Kralijc (1983, p. 116)

Table 2: Barriers of procurement involvement by internal stakeholders

Barriers of Procurement Inclusion	Literature
No information sharing	Wynstra et al. (2000, p. 139)
Stakeholders not aware of procurement's value	Kralijc (1983, p. 116) Bals et al. (2009, p. 892)
Stakeholders afraid that procurement cuts their budget/only focussed on costs, marketing sees involving procurement as a burden	Tate et al. (2010, pp. 806-808) Ellram et al. (2007, p. 56)
Company structures do not allow collaboration	Bals et al. (2009, p. 892) Wynstra et al. (2000, p. 139)
Procurement focusses on supplier and not on internal stakeholder's needs	Johnson et al. (2002, p. 85)

The following chapter introduces the concepts of national and organisational culture. Further, it will familiarise the reader with the tools that are used in this study to measure organisational culture.

¹²² See Ashnai et al. (2019), p. 26

¹²³ See Ellram et al. (2017), p. 56

2.3 Culture can be split into national and organisational culture

2.3.1 National culture distinguished people from one group to another

Culture intersects with multiple social sciences such as anthropology, sociology and organisational behaviour.¹²⁴

Hofstede (1994) defines culture as “(...) *the collective programming of the mind which distinguishes the members of one category of people from another.*” According to Parker, national culture is a “*critical factor affecting economic development, demographic behaviour and general business policies.*”.¹²⁵ People can belong to a certain culture based on their nationality, region, ethnical group, gender, age, certain kind of company, organisation or family type.¹²⁶

National culture is difficult to change and embedded in people's everyday life. It governs how people understand and approach work as well as the way they expect to be treated by others.¹²⁷ It has an impact on all age groups within a nation as well as e.g. politics, managers, teachers, basically everyone. Therefore, management practices depend on national culture and might work in one country but not in another.¹²⁸ In fact, the cultures of rich economies can be distinguished from countries with lower economic development.¹²⁹

One of the most famous cultural studies was conducted by Hofstede (1994). He conducted three quantitative research projects where he analysed national culture by doing one global study with the company IBM in 64 countries and two further ones among students in multiple countries. The findings showed that national culture can have five dimensions being power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, and long term vs. short term orientation.¹³⁰

Power distance is about whether people within groups or firms accept that some people have more power than others. Individualism and collectivism is about the extent to which people are part of groups. Masculinity and femininity refer to the degree to which the stereotypical roles of the sexes are distributed. Uncertainty avoidance is about the degree to which people accept uncertainty as well as ambiguity. Short term orientation is about respecting traditions

¹²⁴ See Schein (1990), p. 109

¹²⁵ Parker (1997), p. 1

¹²⁶ See Hofstede (1994), p. 1

¹²⁷ See Newman & Nollen (1996), p. 754-755

¹²⁸ See Parker (1997), p. 1

¹²⁹ See Inglehart (2008), p. 140-141; See Minkov & Hofstede (2012), p. 153

¹³⁰ See Hofstede (1994), p. 2-5

and fulfilling social obligations, whereas long term orientation is about thrift and perseverance.¹³¹

Hofstede's (1994) research has also gotten criticism. Other scholars found that cultures do not have to stop at the country's border. Multiple studies have found that e.g. the Middle East has about 35 different cultures while it is made up from of 14 countries.¹³² Next, Minkov and Hofstede (2012) question whether the culture of countries can be studied and regarded as a single unit of analysis.¹³³

Still, some scholars found that when comparing the basic cultural values of regions within a specific country they tend to cluster along the national line as opposed to cluster with similar regions outside their country.¹³⁴

Wu (2006) argues that cultural theories need to be updated regularly since e.g. societal, economic and political environments can develop and change the cultural values of people.¹³⁵

2.3.2 Organisational culture differs from national culture

2.3.2.1 Employees need to align their values with the organisational culture

Studying organisational culture has become popular in the past decades.¹³⁶ The term *culture* is not only limited to the culture of a country but can also be applied to corporations, which has become very popular.¹³⁷

Since organisational culture differs from national culture¹³⁸ some scholars even argue that calling both *cultures* might even be considered as misleading.¹³⁹ Schein (1990) defines organisational culture as “*A pattern of basic assumptions (...) invented, discovered, or developed by a given group (...) as it learns to cope with its problems of external adaption and internal integration (...) that has worked well enough to be considered valid and, therefore (...) is to be taught to new members as the (...) correct way to perceive, think, and feel in relation to those problems.*”.¹⁴⁰ While Cameron and Quinn (2006) concluded that it

¹³¹ See Hofstede (1994), p. 2-5

¹³² See Baskerville (2003), p.6

¹³³ See Minkov & Hofstede (2012), p. 135

¹³⁴ See Minkov & Hofstede (2012), p. 152

¹³⁵ See Wu (2006), p. 41

¹³⁶ See Schein (1990), p. 109

¹³⁷ See Schein (1990), p. 109; See Denison & Spreitzer (1991), P. 2; See Hofstede (1994), p. 9-10

¹³⁸ See Hofstede et al. (1990), p. 312

¹³⁹ See Wilkins & Ouchi (1983), p. 479; See Hofstede et al. (1990), p. 313

¹⁴⁰ Schein (1990), p.114

reflects what the company values, leadership style, language, symbols, routines as well as how the firm defines success.¹⁴¹

Hofstede et al. (1990) summarised that scholars mostly agree on the following aspects of organisational culture being holistic, historically determined, related to anthropological concepts, socially constructed as well as soft and difficult to change.¹⁴² Organisational culture is made up of observable artefacts, values and underlying assumptions. The firm's artefacts can be felt and observed such as dress codes, layout and the feel of the place.¹⁴³ It is split into four categories being symbol, heroes, rituals and values. Rituals can be defined as collective activities that are socially of high importance for a culture. Symbols, rituals and heroes can be grouped as practices because they are visible even though their deeper meaning is only perceived by insiders. Values, being perceived as the core of a culture, are based on feelings, perceptions and rationality. These feelings cannot be observed but are integrated into the behaviour.¹⁴⁴

Organisational culture impacts organisational theory and is nowadays put on the same level of importance as the firm's structure, control and strategy.¹⁴⁵ It is an intangible asset which is difficult for competing firms to imitate.¹⁴⁶ Organisational culture is not static but dynamic and can change over time when it needs to adapt to new practices or systems.¹⁴⁷

While employees voluntarily are part of organisational culture, their national culture is often fixed.¹⁴⁸ Cultures of countries vary mostly among their values while companies, on the other hand, tend to have different rituals, heroes and symbols. The practices of the organisational members are made up of symbols, heroes and rituals that are created by firm founders and leaders. Employees of an organisation need to align their values with the ones of the company to a limited extent because practices rather than values govern organisational culture.¹⁴⁹ To be able to attract the best employees, firms must show off a company culture that future employees would like to be part of, value and fit in.¹⁵⁰

Hofstede (1994) researched 20 company units in the Netherlands and Denmark. Multinational corporations can struggle with having different organisational cultures per

¹⁴¹ See Cameron & Quin (2006), p. 17

¹⁴² See Hofstede et al. (1990), p. 286

¹⁴³ See Schein (1990), p. 114

¹⁴⁴ See Hofstede et al. (1990), p. 291

¹⁴⁵ See Hofstede et al. (1990), p. 286

¹⁴⁶ See Maldonado et al. (2018), p. 747

¹⁴⁷ See Maldonado et al. (2018), p. 746

¹⁴⁸ See Hofstede (1994), p. 11

¹⁴⁹ See Hofstede (1994), p.9

¹⁵⁰ See Maldonado et al. (2018), p. 747

country. His findings showed that when global companies have a common organisational culture across their global business units it holds them together.¹⁵¹

Common practices can help to bridge the value differences among the countries business units. When managers want to align their global units, managers need to know whether the structures and leadership styles that work in one country will also work in another or whether they need to adapt them to local cultures.¹⁵²

2.3.2.2 *Organisational culture impacts the way an organisation is run*

Often, employees are unaware of their organisational culture until it gets challenged, it is tried to establish a new culture or it is made visible via a framework or model.¹⁵³

Analysing organisational culture can help with understanding how a firm operates.

Organisational culture impacts the way a company is run by influencing its strategy and processes. The behaviours of individuals within a firm are prescribed and proscribed by their organisational culture. Belassi et al. (2007) concluded from their research that rather than project structure, the firm culture could be the determining success factor, and depending on the culture a certain project structure tends to be selected. They found that a trusting and participative organisational culture is needed to complete projects. They also hypothesise that culture might be the reason why firms with similar strategies attain different results.¹⁵⁴ To put it in the words of Maldonado et al. (2018), “*Company cultures are built, maintained, and changed, and they can enhance or hinder company success.*”.¹⁵⁵ The culture of a firm impacts how people within the firm think and act as well as explains how the firm performs since it impacts elements that can determine business success.¹⁵⁶ Nowadays, many scholars agree that organisational culture has a strong impact on the performance as well as long-term effectiveness of companies.¹⁵⁷

Firm culture is something that is learned over time. The learning phase is a behavioural, cognitive and emotional process.¹⁵⁸

Gregory et al. (2009) found that firm cultures who value teamwork, employee involvement and cohesion are likely to outperform firms who do not value these aspects. They also found

¹⁵¹ See Hofstede (1994), p. 1

¹⁵² See Hofstede (1994), p. 11-13

¹⁵³ See Cameron & Quinn (2006), p. 16

¹⁵⁴ See Belassi et al. (2007), p. 12-19

¹⁵⁵ Maldonado et al. (2018), p. 747

¹⁵⁶ See Maldonado et al. (2018), p. 747

¹⁵⁷ See Cameron & Quinn (2006), p. 5

¹⁵⁸ See Schein (1990), p. 113-114

that organisational culture impacts the attitude of the employees and that these then have an impact on the firm outcomes.¹⁵⁹

Organisational culture reinforces itself by the way the members of the firm interact with each other. This process already starts with the recruitment of employees as firms tend to recruit employees who fit into the organisation by having similar beliefs, values and assumptions. Culture is impacted by its external environment since changes in the external environment can also lead to cultural changes within the firm. New employees who enter the firm can lead to new beliefs and pressures the company culture to change. When the firm's culture evolves, it can create subcultures. When a firm develops many subcultures, the overall firm culture will become a mixture of them.¹⁶⁰

Companies need a certain level of stability as well as common history to form a common company culture. Firms with high turnover rates might struggle to create a company culture due to no common history and members constantly entering and leaving the firm.

Research concluded that based on six dimensions, cultural differences among companies can be found to define their organisational culture.

Hofstede's et al. (1990) six organisational culture dimensions are process-oriented vs. results-oriented, employee vs. job-oriented, parochial vs. professional, open vs. closed system, loose vs. tight and normative vs pragmatic. These dimensions can be used to spot the differences between organisational cultures.¹⁶¹ Process-oriented cultures have bureaucratic routines whereas result-oriented cultures are focused on results. Job oriented cultures focus only on job performance while employee-oriented cultures feel more broadly responsible for other's wellbeing. In professional cultures, high educated organisational members tend to identify with their job. In parochial cultures, the members create their identity based on the company that they work for. Open system vs closed system culture is based on the extent of internal and external communication with outsiders of the firm. Tightly vs loosely controlled cultures depend on the level of formality as well as punctuality that can be found within an organisation. Whether a culture is pragmatic or normative depends on how organisations react to their environment, flexible or rigid.

These dimensions were however only tested in two countries and are, therefore, most likely not applicable for all countries.¹⁶²

¹⁵⁹ See Gregory et al. (2009), p. 678-679

¹⁶⁰ See Schein (1990), p. 116-118+120+122

¹⁶¹ See Hofstede et al. (1990), p. 305-306

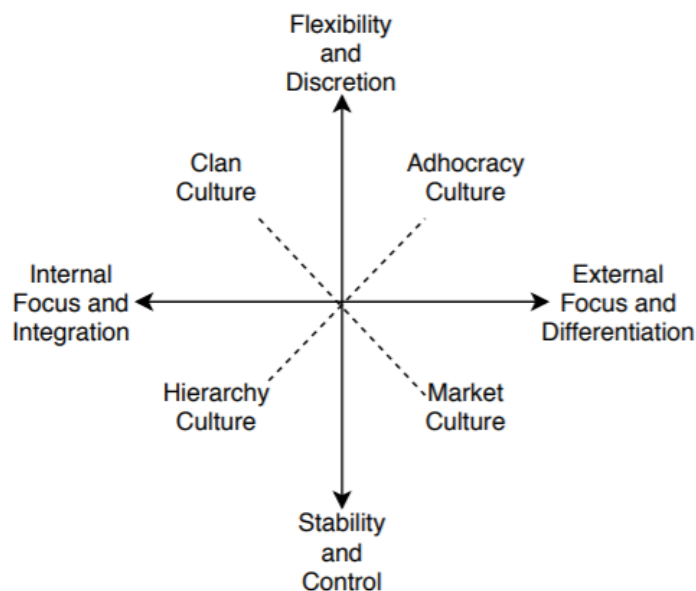
¹⁶² See Hofstede (1994), p. 9-11

2.4 Frameworks and tools to assess organisational culture

2.4.1 The competing value framework extends the competing value approach

The competing value framework is rooted in the competing value approach that got developed by Quinn and Rohrbaugh (1983). It got extended by Quinn and Kimberly (1984) to also examine organisational culture, its deep structures in the firm, assumptions, decision making, and values.¹⁶³ The extended framework has the power to organise different patterns of shared values, interpretations and their assumptions which make up organisational culture.¹⁶⁴ It is one of the most used frameworks to analyse organisational culture and its impact on the firm's performance,¹⁶⁵ and is in the top 40 of the most important models of business.¹⁶⁶ It has shown good application by other scholars and consultants.¹⁶⁷

Figure 1: Competing Value Framework, based on Cameron & Quinn (2006), p. 53



This framework focuses on the conflict between the internal and external environment as well as the tension of organisational life.¹⁶⁸ It has two axes where one reflects change and stability, where change is about flexibility and spontaneity and stability is about control and order. The second axis is about the internal and external environment. One side is about the integration of the organisation while the other side focusses on the competition and

¹⁶³ See Quinn & Kimberly (1984), p. 298

¹⁶⁴ See Denison & Spreitzer (1991), p. 3

¹⁶⁵ See Gregory et al. (2009), p. 673

¹⁶⁶ See Cameron & Quinn (2006), p. 13

¹⁶⁷ See Cameron & Quinn (2006), p. 7

¹⁶⁸ See Denison & Spreitzer (1991), P. 2; See Hofstede (1994), p. 2-3

interaction with the external environment. The two axes make up four quadrants which represent four different culture types¹⁶⁹: *Clan*, *Adhocracy*, *Hierarchy* and *Market* culture.

Clan culture is concerned with human relations and distinguishes itself by having a friendly work atmosphere where the employees like to exchange personal information which creates a family feeling. Leaders act as mentors and parental figure. Loyalty, traditions and rituals are valued and protected. The firm values cohesion and morals and defines success as sensitivity to their customers and people. Internal maintenance and flexibility are the firm's focus. The organisation values a "we" mentality, teamwork and participation among their employees.¹⁷⁰

Adhocracy organisation is a dynamic place, entrepreneurial as well as creative. Employees do not shy away from taking a risk and their leaders are innovators. The firm is held together by the commitment to experiments and innovations. The firm's goal is to grow and acquire more new resources which is also how they measure success. Leading with products and services is important for the organisation. It encourages their employees to take initiative and grants freedom. With a focus on the external environment, the adhocracy culture also values a high degree of flexibility and individuality.¹⁷¹

Market culture is results-oriented and focusses on getting their job done. The people who make up the firm are competitive as well as goal-oriented. Leaders are pushing hard and can be seen as competitors who are tough and demanding. The firm is held together by its winning ambition. Concerns of the firm are around their reputation and success. The firm has a long-term focus on being competitive and achieving its goals and targets. Market share and penetration is how the firm knows whether it is successful. Being the market leader is of high value to the organisation as it prefers to have a strong external position with a need for control and stability.¹⁷² This type of culture strives to quickly respond to customer needs and demands. They can also respond quickly to actions taken by competitors.¹⁷³ An example of a market culture organisation is General Electric who fight to always be number one in their market and do not see the second or third place as acceptable.¹⁷⁴

¹⁶⁹ See Quinn & Rohrbaugh (1983), p. 369

¹⁷⁰ See Denison & Spreitzer (1991), p. 5; See Chan (1997), p. 95; See Cameron & Quinn (2006), p. 66-67

¹⁷¹ See Denison & Spreitzer (1991), p. 5; See Cameron & Quinn (2006), p. 66-67

¹⁷² See Denison & Spreitzer (1991), p. 5-6; See Cameron & Quinn (2006), p. 66-67

¹⁷³ See Bamgbade et al. (2017), p. 122

¹⁷⁴ See Cameron & Quinn (2006), p. 40

Lastly, hierarchy firms have a strong emphasis on formalisation, procedures and structures that govern what employees do.¹⁷⁵ Leaders coordinate and organise the workplace with the goal to be efficient, as running a smooth organisation is their key. The formalisation is what holds the firm together, stable and able to perform its operations. When the operations run smooth and at low cost, they can be regarded as successful. Employees have a secure job and an environment that is predictable. Lastly, the hierarchy culture has an internal focus that favours stability and control.¹⁷⁶ Large organisations and governmental institutions often show characteristics of the hierarchy culture due to many standardised procedures, hierarchical levels as well as an emphasis for rule enforcement. Nonetheless, also smaller firms can show characteristics of a hierarchy culture.¹⁷⁷

2.4.2 Organisational culture assessment instrument diagnoses organisational culture

The OCAI got developed by Cameron and Quinn (2006) and is based on the competing value framework. It is a questionnaire which covers six dimensions being: dominant characteristics, organisational leadership, management of employees, organisational glue, strategic emphases, and criteria for success. The tool assesses the firm's assumptions and values that it characterises.¹⁷⁸ This instrument has been used in over 1000 firms and has proven to be accurate in diagnosing organisational culture.¹⁷⁹ Employees rate their firm on items which provide a picture of the assumptions and values that are held within the firm. Next to the current firm culture, the instrument also identifies the preferred organisational culture. Each dimension offers four different items with response being A, B, C and D. A represents an item that shows values of the clan culture, B the adhocracy culture, C the Market culture and D the Hierarchy culture.¹⁸⁰

Table 3: Example of Organisational Culture Assessment Instrument, based on Cameron & Quinn (2006)

1	Dominant Characteristics	Now	Preferred
A	The organisation is a very personal place. It is like an extended family. People seem to share a lot about themselves.	20	30
B	The organisation is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risk.	30	20
C	The organisation is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.	10	40
D	The organisation is a very controlled and structured place. Formal procedures generally govern what people do.	40	10
	Total	100	100

¹⁷⁵ See Tseng (2009), p.271

¹⁷⁶ See Denison & Spreitzer (1991), p. 6; See Cameron & Quinn (2006), p. 66-67

¹⁷⁷ See Cameron & Quinn (2006), p. 38

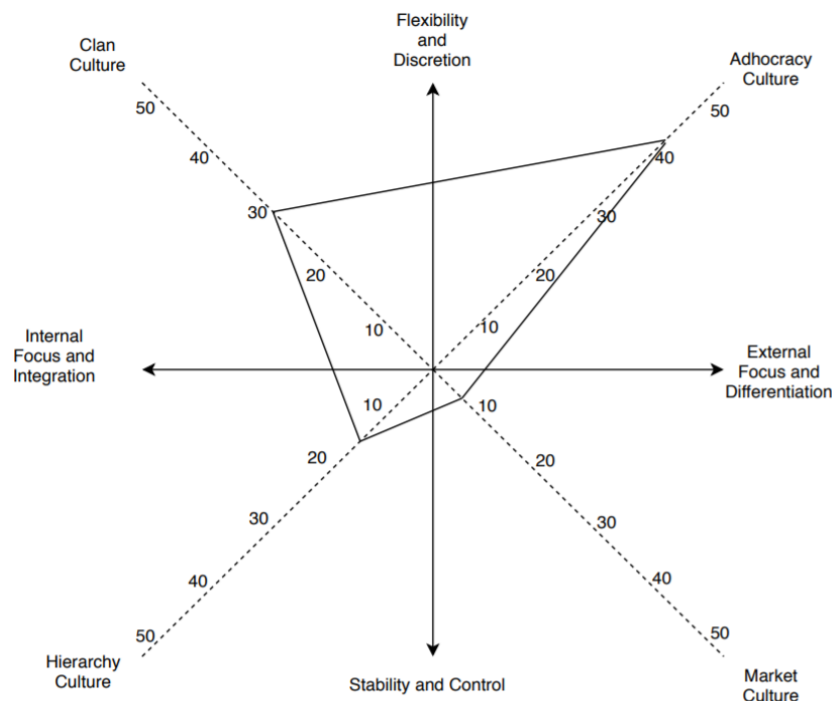
¹⁷⁸ See Cameron & Quinn (2006), p. 24

¹⁷⁹ See Cameron & Quinn (2006), p. ix

¹⁸⁰ See Cameron & Quinn (2006), p. 31

The individual must divide 100 points over the four alternatives per dimension, giving most points to the item that fits best to the firm.¹⁸¹ The instrument gets evaluated by adding up all the A Now scores and dividing them by six, to calculate the average score. Same procedure needs to get followed for B, C and D. Next step is to do the same with the Preferred scores, where each score relates to an organisational culture type.¹⁸² When all scores are calculated, the organisational culture profile can be plotted in the competing value framework. Clan culture is the complete opposite of market culture and adhocracy culture is the opposite of hierarchical culture. Still, companies can show characteristics of multiple culture types and do not need to fit perfectly in one of those quadrants.¹⁸³ *Figure 2* depicts an example.

Figure 2: Example of OCAI plotted in competing value framework



The 100 points get distributed on the four culture types. By plotting the scores in the graph, it can be seen which organisational culture types are more dominant in the firm than others. The preferred culture points can be plotted into the same graph to see whether and how the culture needs to change. The example company in *Figure 2* scores highest on adhocracy culture, then clan culture and hierarchy culture, and lowest on market culture. This can also be done per all six dimensions and plotted on the graph.

¹⁸¹ See Cameron & Quinn (2006), p. 23-25

¹⁸² See Cameron & Quinn (2006), p. 25+30

¹⁸³ See Denison & Spreitzer (1991), p. 5-6

The analysis offers insights in the type of organisational culture that is dominant in the firm, the differences between the current and preferred organisational culture, the power of the dominant culture and the similarity of the culture profiles per dimension.¹⁸⁴

Findings show the manager whether their organisational culture type fits their organisation and environment. By seeing the differences between the current and preferred organisational culture, a strategy for organisational change can be established. If the firm scores predominantly on a certain culture type it has a strong culture and is more uniform than if it would score on all culture types evenly. Here, it also needs to be checked if it suits the firm's environment and needs.¹⁸⁵

Cameron and Quinn's (2006) experience with the application of the tool in over 1000 companies has shown a couple of trends. The top management tends to score high on clan scores while lower-level management frequently scores on hierarchy culture. Adhocracy cultures tend to be the least frequent of the four culture types since many firms score rather low on it and not many firms have it as their dominant culture. Companies that are established over a few years already tend to move at some point toward hierarchy or market cultures. Once these culture types are dominant it is difficult to get back to the upper quadrants.¹⁸⁶

3. Hypotheses: Organisational culture type as predictor for indirect procurement involvement

3.1 Proposed framework of the impact of culture on the collaboration between marketing-procurement and marketing

Enablers, drivers and barriers for marketing-buyers involvement by the marketing department were identified and matched with the four organisational culture types. It is proposed that while some culture types enable marketing-procurement involvement others might act as a barrier. This can be seen in *Table 4*.

¹⁸⁴ See Cameron & Quinn (2006), p. 69

¹⁸⁵ See Cameron & Quinn (2006), p. 71-73

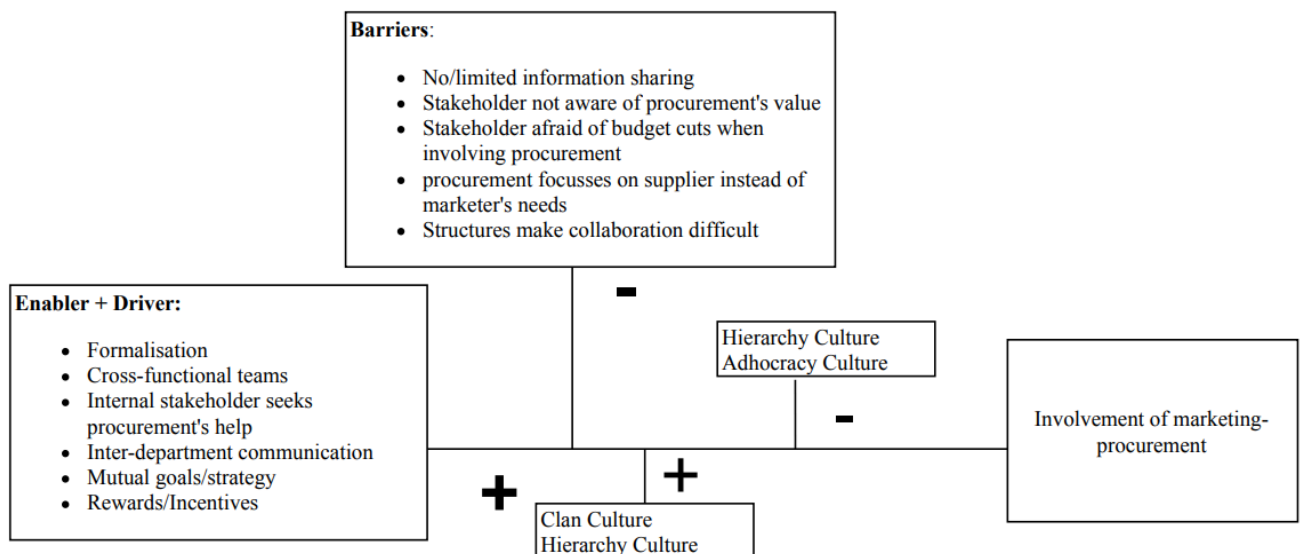
¹⁸⁶ See Cameron & Quinn (2006), p. 79-80

Table 4: Organisational culture types and their barriers and enabler of procurement involvement

Category	Antecedent	Procurement involvement
Clan Culture	- Internal focus	Driver
	- Information exchange	Enabler
	- Openness	Enabler
	- Teamwork	Driver
	- Participating	Driver
	- Commitment	Enabler
	- Collaboration	Enabler
Adhocracy Culture	- External focus	Barrier
	- Freedom/Autonomy	Barrier
	- Risk taking	Barrier
	- Innovating	
	- New challenges and opportunities	
Market Culture	- External focus	Barrier
	- Results oriented	
	- Competitive/Aggressive	Barrier
	- Pressure on goal achievement	
	- Being market leader	
	- Speed/fast decisions	Barrier
Hierarchy Culture	- Internal focus	Driver
	- High formalisation and rules	Enabler
	- Control and procedures	Enabler
	- Stability	Enabler
	- Efficiency	Enabler

Based on the findings from the literature, a conceptual framework got developed which is depicted in *Figure 3*. It is hypothesised that the combination of enablers, drivers, barriers, organisational culture type impact the extent of involvement of the marketing-buyers by the marketers.

Figure 3: Proposed framework of barriers, enablers, drivers and culture for marketing-procurement involvement



Based on the proposed framework, hypotheses to test the assumption about culture as well as the barriers, enabler and driver that other scholars found got proposed. The hypotheses

that are tested in this thesis are depicted in *Figure 4,5 and 6* and are further elaborated in the following sections.

3.2 Hypotheses: Hypotheses to test findings from other scholars and applying them on marketing-procurement specifically

Research by other scholars has shown that a high level of formalisation facilitates a high level of marketing and procurement collaboration. With formalisation come standards, guidelines and rules when and how to buy a product or service as well as the implementation of contracts.¹⁸⁷ Smythe (2000) defines formalisation as the level to which procedures and rules are formally codified as well as standardised.¹⁸⁸

Further, Driedonks et al. (2014) found that sourcing teams need authority and formalisation to successfully execute procurement tasks. They need to be able to develop a strategy independently but need clear formalisation regarding their roles, responsibilities and sourcing procedures.¹⁸⁹ Therefore, it can be assumed that a high level of formalisation leads to a high level of marketing-procurement involvement.

- *H1a: Companies with a high level of formalisation have a **high level** of marketing-procurement involvement.*

Some procurement departments take action to integrate with other functions to form cross-functional teams. Internal stakeholders and partners of procurement within an organisation are e.g. operations, quality assurance, engineering, accounting and finance, marketing, sales, and legal.¹⁹⁰ These cross-functional teams are often needed to support procurement decision making.¹⁹¹ Cross-functional teams combine the knowledge of multiple people/departments as well as their resources which is necessary for handling new sourcing demands.¹⁹² Findings from Monczka et al. (2009) and Ashnai et al. (2019) agree that having cross-functional teams in place in a company enables internal procurement involvement.¹⁹³ The knowledge and skills of the procurement department become most valuable when they get combined in cross-functional teams and processes by integrating procurement.¹⁹⁴ Research found that the cross-functional team composition is best when participants come from diverse

¹⁸⁷ See Perner et al. (2014), p. 842

¹⁸⁸ See Smythe (2000), p. 938

¹⁸⁹ Driedonks et al. (2014), p. 300

¹⁹⁰ See Monczka et al. (2009), p. 115-121

¹⁹¹ See Trent (1996), p. 29

¹⁹² See Trent (1996), p. 29

¹⁹³ See Monczka et al. (2009), p. 115-121; Ashnai et al. (2009), p. 32

¹⁹⁴ See Schütz et al. (2019), p. 1

backgrounds.¹⁹⁵ Therefore, it can be assumed that cross-functional teams lead to a high level of marketing-procurement involvement.

***H1b:** Companies that facilitate cross-functional teams with procurement have a **high level** of marketing-procurement involvement.*

Ellram and Tate (2015) found that internal stakeholders need assistance and help by procurement to meet their requirements for services that they purchase.¹⁹⁶ When the needs of the internal stakeholders are put into different categories, the assigned procurement teams can assist to fulfil those needs as well as structure and plan for future needs.¹⁹⁷ Therefore, it can be assumed that when marketers frequently need help and assistance from buyers it leads to a high level of marketing-procurement involvement.

***H1c:** At companies where marketing frequently seeks help and assistance from procurement it is a **high level** of marketing-procurement involvement present.*

Procurement often needs input from other departments or functional areas. Here, the department must be able to accumulate knowledge from the various people who have different backgrounds.¹⁹⁸ Frequent communication between procurement and internal stakeholders as well as suppliers is necessary for effective sharing of information and knowledge.¹⁹⁹ Technologies can be used to facilitate and increase knowledge sharing as well as communication.²⁰⁰ Marketing and procurement interaction needs various means of communication such as meetings, phone calls and emails.²⁰¹ Further, team processes must facilitate mutual effort for a good level of communication within the team.²⁰² Therefore, it can be assumed that a high level of inter-department communication leads to a high level of marketing-procurement involvement.

***H1d:** Companies with lots of inter-department communication have a **high level** of marketing-procurement involvement.*

The integration of the procurement department within a company enables the function to align the procurement practices with the company objectives.²⁰³ Ashnai et al. (2019) found that marketers and procurement should have joint targets and goals to successfully work

¹⁹⁵ See Brown & Eisenhardt (1995), p. 367

¹⁹⁶ See Ellram & Tate (2015), p.74

¹⁹⁷ See Lindberg and Nording (2008), p. 297

¹⁹⁸ See Driedonks et al. (2014), p. 289-290

¹⁹⁹ See Driedonks et al (2014), p. 292

²⁰⁰ See Driedonks et al (2014), p. 288

²⁰¹ See Ashnai et al. (2014), p. 25-26

²⁰² See Trent (1996), p. 29; See Driedonks et al (2014), p. 290

²⁰³ See Das & Narasimhan (2000), P. 19

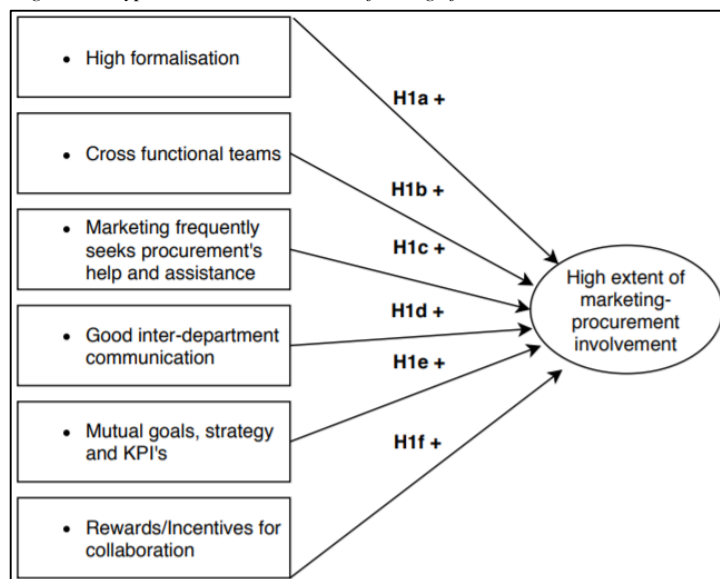
together.²⁰⁴ Other scholars agree that having mutual goals and strategies enables procurement involvement by internal stakeholders.²⁰⁵ Internal alignment is achieved when they have common goals as well as joint performance metrics.²⁰⁶ Still, marketing and procurement do not always have shared objectives which can create a misalignment of the two departments. Therefore, it can be assumed that having joint goals, strategies and KPI's among the marketing and procurement department leads to a high level of marketing-procurement involvement.

H1e: *Companies that have mutual goals, strategies and KPI's between the marketing and procurement department have a **high level** of marketing-procurement involvement.*

Incentives have become popular over the past decades, aiming the staff to work according to the organisation's goals.²⁰⁷ Companies should focus on having structures in place that enable employee involvement by actively supporting them and having a reward system in place.²⁰⁸ Further, Driedonks et al. (2014) found that having rewards and incentives in place to motivate collaboration among departments and people as well as to create ownership enables the inclusion of the procurement department.²⁰⁹ Therefore, it can be assumed that having rewards and incentives in place for collaboration between departments facilitates a high level of marketing-procurement involvement.

H1f: *Companies that have rewards and incentives in place for collaboration have a **high level** of marketing-procurement involvement.*

Figure 4: Hypotheses Overview with findings from other scholars



²⁰⁴ See Ashnai et al. (2019), p. 26

²⁰⁵ See Das and Narasimhan (2000), p. 19

²⁰⁶ See Tate et al. (2010), p. 807

²⁰⁷ See Magnusson & Nyrenius (2011), p. 1

²⁰⁸ See Driedonks et al (2014), p. 299

²⁰⁹ See Driedonks et al (2014), p. 290

Yan and Maxwell (2011) consider information sharing as being an “(...) important approach to increasing organizational efficiency and performance.”²¹⁰ In some firms, it is difficult to share and acquire internal information.²¹¹ The interests of the department should be aligned because then they are more likely to share information.²¹² The procurement department often gets access to the firm’s business plan and objectives that are not complete or not given the right time that is necessary for strategic procurement. They often lack operating information of the next months while the department needs these data to successfully negotiate and plan. In this case, purchases are often ad hoc and more expensive.²¹³ Therefore, it can be assumed that a low level of information sharing leads to a low level of marketing-procurement involvement.

***H2a:** Companies with a low level of information sharing have a **low level** of marketing-procurement involvement.*

Involving the procurement department has a positive impact on savings as well as strategic purchasing performance.²¹⁴ Buyers can e.g. support marketers with finding suitable suppliers, contracting and managing the suppliers.²¹⁵ Still, research found that some internal stakeholders are not aware of the value of involving the procurement department or do not know how to involve them.²¹⁶ The buyers must ensure that the marketers see the value of involving procurement to get involved.²¹⁷ Therefore, it can be assumed that when marketers are unaware of the value of involving procurement those firms have a lower level of marketing-procurement involvement.

***H2b:** In companies where the marketers are unaware of the value of involving procurement there is a **low level** of marketing-procurement involvement.*

Ashnai et al. (2019) found that for marketing-procurement to be integrated with the firm the perception for collaboration must be high, departments need joint targets and goals, share their ideas and work together as a team.²¹⁸ However, some marketers are afraid that involving procurement in projects can create disadvantages for them. It is feared that procurement is only focused on the price or cannot keep up with the short timeline to

²¹⁰ See Yang and Maxwell (2011), p. 164

²¹¹ See Wynstra et al. (2000), p. 139

²¹² See Tate et al. (2010), p. 807

²¹³ See Kraljic (1983), p. 116

²¹⁴ See Schütz et al. (2019), p. 1

²¹⁵ See Ellram et al. (2017), p. 56

²¹⁶ See Wynstra et al. (2000), p. 130-131

²¹⁷ See Bals et al. (2009), p. 879; See Ellram & Tate (2015), p.73-74

²¹⁸ See Ashnai et al. (2019), p. 26

market.²¹⁹ On top of that, some internal stakeholders are afraid that procurement takes away their budget freedom.²²⁰ Therefore, it can be assumed that when marketers perceive involving procurement as a burden those firms have a lower level of marketing-procurement involvement.

H2c: In companies where marketers see involving procurement as a burden there is a **low level** of marketing-procurement involvement.

Lai (2011) defines collaborative interactions as being “(...) characterized by shared goals, symmetry of structure, and a high degree of negotiation, interactivity, and interdependence.”²²¹ Researcher found that firms who do not have good internal structures that facilitate collaboration can act as a barrier to procurement involvement.²²² Firms should have structures in place that enable their employees to involve and support each other by collaborating.²²³ Organisational structures should promote cross-functional communication, collaboration and coordination in order to support procurement and sourcing decisions.²²⁴ Therefore, it can be assumed that firms that have structures that make it difficult to collaborate among departments have a low level of marketing-procurement involvement.

H2d: In companies where the structures do not make it easy to collaborate there is a **low level** of marketing-procurement involvement.

Johnson et al. (2002) found that in firms where buyers focus more on the company's relationship with the supplier, rather than focusing on the internal stakeholder's needs, create a barrier for procurement involvement.²²⁵ Therefore, it can be assumed that if the buyers focus more on the supplier rather than the needs of the marketers those firms have a lower level of marketing procurement involvement.

H2e: In companies where procurement focusses on the needs of the supplier instead of the needs of the marketers there is a **low level** of marketing-procurement involvement.

²¹⁹ See Tate et al. (2010), p. 807

²²⁰ See Ellram et al. (2017), p. 56

²²¹ See Lai (2011), p. 2

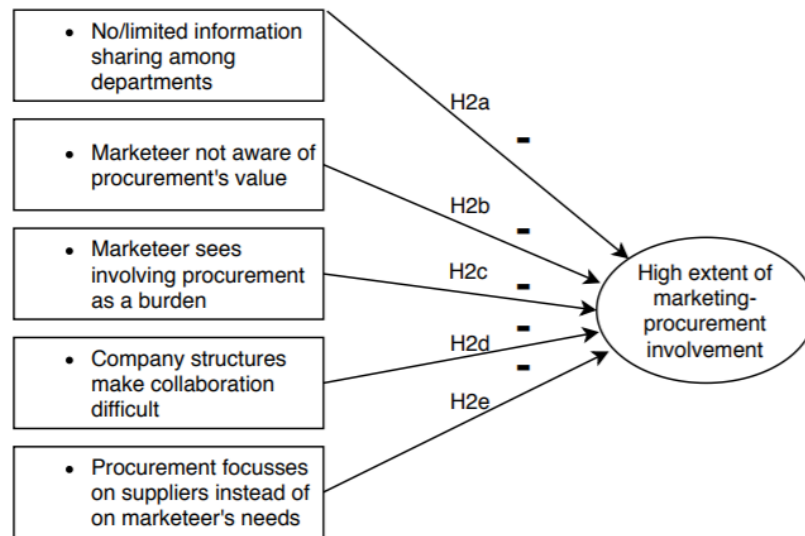
²²² See Wynstra et al. (2000), p. 139

²²³ See Driedonks et al (2014), p. 299

²²⁴ See Trent (1996), p. 29

²²⁵ See Johnson et al. (2002), p. 85

Figure 5: Hypotheses for low marketing-procurement involvement



3.3 Hypotheses: Clan and hierarchy culture promote indirect procurement involvement

Based on the proposed framework it is hypothesised that the clan culture and adhocracy culture facilitate a larger extent of marketing-procurement collaboration due to the identified enabler and driver matching with multiple characteristics of the two culture types.

Clan Culture values a friendly work atmosphere where employees work together, exchange information and value participation.²²⁶ If internal stakeholder want to involve the procurement department for indirect services/materials it also requires good communication, timely information sharing and team-work.²²⁷ Ashnai et al. (2019) identified that collaborative perception and behaviour of procurement and their internal stakeholders is an enabler for stakeholder's extent of collaboration with procurement. When employees share information, and work together it can be expected that the departments also work towards the same goals and have aligned strategies, which is another factor that positively influences indirect procurement involvement.²²⁸ Therefore, it is hypothesised that a clan culture facilitates a high level of procurement inclusion by internal stakeholders:

H3a: Companies with a dominant clan culture show a **high level** of indirect procurement involvement by their internal stakeholders.

Hierarchy Culture values formalisation, procedures and structures to facilitate coordination. Stability and control are also of high importance for this type of culture.²²⁹

²²⁶ See Cameron & Quinn (2006), p. 66-67

²²⁷ See Kralijc (1983), p. 116; See Bals et al. (2009), p. 892; See Ashnai et al. (2019), p. 26

²²⁸ See Das & Narasimhan (2000), P. 19

²²⁹ See Cameron & Quinn (2006), p. 66-67

Procurement involvement can be facilitated in both, formal and informal companies.²³⁰ Due to the high level of procedures and structures that are in place in a firm with a dominant hierarchy culture, this type of firm has clear procurement policies which inform internal stakeholders how the procurement process of the firm works and when to include the procurement department.²³¹ Further, a company with a dominant hierarchy culture has an internal focus which enables collaboration and information exchange among departments. Therefore, it can be hypothesised that firms with a dominant *Hierarchy Culture* have a high level of procurement involvement by their internal stakeholders.

H3b: Companies with a dominant Hierarchy Culture show a **high level** of indirect procurement involvement by their internal stakeholders.

3.4 Hypotheses: Adhocracy and market culture result in a low level of indirect-procurement involvement

From the proposed framework, it is hypothesised that the adhocracy culture, as well as market culture, have a lower level of marketing-procurement involvement. Multiple barriers and few enabler and driver were matched with the characteristics of the two culture types.

Adhocracy Culture is a dynamic, entrepreneurial and creative workplace. Employees like to take risk, initiatives and innovate. The culture has a high degree of flexibility and individuality as well as has an external focus.²³² Barriers to indirect procurement inclusion are that stakeholders are afraid that they lose their budget freedom,²³³ which can be expected in the Adhocracy Culture since employees value their freedom and individuality a lot. On top of that, due to the high level of individuality and risk-taking the amount of information exchange and teamwork is limited.²³⁴ Since employees like to take initiative as well as risk it can be expected that they will not ask the procurement department for help with tricky purchases and rather do them themselves.²³⁵ Therefore, it can be hypothesised that a high level of Adhocracy Culture leads to low indirect procurement involvement by their internal stakeholders.

H3c: Companies with a dominant Adhocracy Culture show a **low level** of indirect procurement inclusion by their internal stakeholders.

²³⁰ See Monczka et al. (2009), p. 114

²³¹ See Kraljic (1983), p. 116

²³² See Cameron & Quinn (2006), p. 66-67

²³³ See Ellram et al. (2017), p. 56

²³⁴ See Bals et al. (2009), p. 892

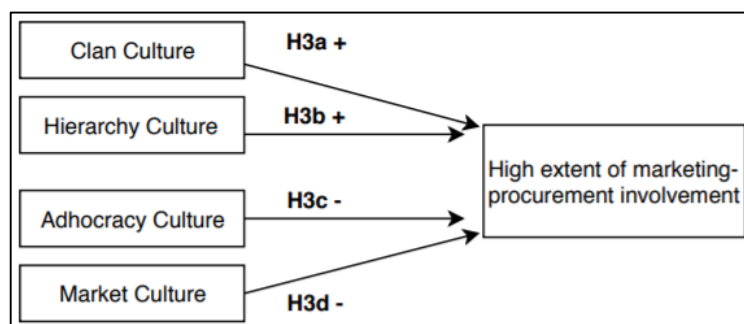
²³⁵ See Lindberg & Nordin (2008), p. 297; See Ellram and Tate, (2015), p. 74-75; See Schütz et al. (2019), p.1; See Tate et al. (2010), p. 810

Market Culture is very focused on results, reputation and success. To achieve that, the employees are competitive and goal-oriented.²³⁶ This culture type has an external focus, which can be seen as a barrier as the purchasers might focus on the relationship with their supplier rather than on the needs of their internal stakeholders.²³⁷

Due to their competitive and aggressive behaviour of the employees, it is expected that teamwork is not common. Their speed to market and quick decision making also is expected to prevent procurement involvement as internal stakeholders might perceive including procurement as slowing down the process. Therefore, it can be hypothesised that firms with a dominant *Market Cultures* have a low level of indirect procurement inclusion by their internal stakeholders.

H3d: *Companies with a dominant Market Culture show a **low level** of indirect procurement inclusion by their internal stakeholders.*

Figure 6: Hypotheses overview per organisational culture type



4. Research methodology: Qualitative research for testing hypotheses

4.1 Qualitative research is suitable for analysing organisational culture

While quantitative research is often associated with the collection of numerical data via surveys,²³⁸ qualitative research is usually about collecting data from interviews and observations. Qualitative research gives an inductive view by generating theory out of research. Its aim is to understand the social world by examining interpretations of people.²³⁹ Here, data collection via interviews is the most commonly used data collection methodology.²⁴⁰ Qualitative data enables thick descriptions which facilitate lots of detail about the unit of analysis.²⁴¹ Interviews with open questions can be valuable to learn how

²³⁶ See Cameron & Quinn (2006), p. 66-67

²³⁷ See Johnson et al. (2002), p. 85

²³⁸ See Bryman (2012), p. 160

²³⁹ See Bryman (2012), p. 380

²⁴⁰ See Taylor (2005), p. 39

²⁴¹ See Brymann (2012), p. 400

people feel and think within an organisation. This way, the firm's values, norms, ideologies and philosophies could be investigated and discovered.²⁴² Semi-structured interviews are a popular method for data collection since they are flexible and versatile.²⁴³

Schein (1990) states that while culture has been analysed via quantitative surveys with questions on a Likert scale in the past, he doubts that that is the right way to measure culture. He believes that generic survey questions might not be able to capture the true organisational culture. On top of that, he doubts that the concept of culture can be measured with survey items.²⁴⁴ Quantitative research can be superficial and might not be able to understand the deeper meaning of the organisational culture from the standpoint of an individual within the firm. It has the limitation that it examines the characteristics that the researcher is interested in as opposed to the concepts that the actor in the system would use to characterise themselves and the organisation.²⁴⁵

Thus, quantitative research is not the appropriate way to analyse the impact of organisational culture on the involvement of marketing-procurement by the marketing department. Therefore, qualitative research and the OCAI were the chosen methodologies in this thesis. Building theory from case studies is increasingly gaining popularity as well as becoming a relevant strategy for conducting research.²⁴⁶ A case study can be defined as studying single or multiple cases with the aim to generalise the findings to a larger population.²⁴⁷ The trustworthiness of case studies is frequently questioned because the validity and reliability cannot be measured in the same way as quantitative research.²⁴⁸ Some might say that case studies are too subjective since they are based on the researcher's interpretation.²⁴⁹ While there are some misperceptions about case studies such as that theoretical knowledge would be more valuable than practical knowledge, it would not be possible to generalise from a single case, case studies could only be used to create hypotheses, case studies are biased towards verification, and it would be difficult to summarise different case studies; some researchers disagree strongly with those statements. Further, case studies can be beneficial when trying to understand complex issues²⁵⁰ and they produce context-dependent

²⁴² See Schein (1990), p. 114

²⁴³ See Brymann (2012), p. 303-304

²⁴⁴ See Schein (1990), p. 111

²⁴⁵ See Denison & Spreitzer (1991), p.7

²⁴⁶ See Eisenhardt et al. (2004), p. 30

²⁴⁷ See Gerring (2004), P. 341

²⁴⁸ See Shenton (2004), p. 63

²⁴⁹ See Flyvbjerg (2006), p. 219

²⁵⁰ See Flyvbjerg (2006), p. 219

knowledge.²⁵¹ A case study can fulfil a heroic role where the case is supposed to reflect an industry or a country. Nonetheless, it can be difficult to generalise from a single case to a broader population of cases. When doing a case study with a small number of cases, random sampling is not the way to go and they should be more purposefully get selected.²⁵² When selecting cases, it is important to select a representative sample and to find variations on the dimensions of interest.²⁵³ Lastly, case studies can have a wide variety of data sources such as interviews, data from achieves, survey data or observations.²⁵⁴ Therefore, a case study will be conducted in this research.

Additionally, semi-structured interviews with representatives of the case companies are conducted. The interviews capture concepts of the perception of the marketing-procurement manager and marketer as well as their extent of collaboration.

The other part of the research is about the organisational culture and aims to match the case firm with one of the four culture types via a tool. Marketers and marketing-procurement managers were asked to fill in the OCAI after the interview. This instrument analyses the current organisational culture as well as the firm's preferred future culture.²⁵⁵ The instrument has proven in many other kinds of researches that it can quite accurately assess the organisational culture type. The person has to distribute points on six dimensions with four items each, which only takes a couple of minutes. Later, the scores get calculated to find out how the firm scores on the four organisational culture types; clan culture, market culture, adhocracy culture and hierarchy culture. The OCAI can be found in *Annexure II*.

Further, this study has stated various hypotheses which can be seen in the previous chapter. Hypotheses that are supported by literature are often part of research to frame the research problem.²⁵⁶ The stated hypotheses get tested where "Hypothesis testing can imply the (in)validation of hypothetical assumptions (hypotheses) based on available data, which can be accessed through interviews, observations and various other means."²⁵⁷

Testing hypotheses in quantitative research usually involves isolating specific factors to observe their effect on outcomes. The researcher needs to hypothesise the outcome of the research before carrying it out.²⁵⁸ In qualitative research, testing hypotheses can come with

²⁵¹ See Flyvbjerg (2006), p. 221

²⁵² See Seawright and Gerring (2008), p. 294

²⁵³ See Seawright and Gerring (2008), p. 296

²⁵⁴ See Eisenhardt et al. (2004), p. 28

²⁵⁵ See Cameon & Quinn (2006), p. 8-9

²⁵⁶ See Chigbu (2019), p.9

²⁵⁷ Chigbu (2019), p.9

²⁵⁸ See Ulichny (1991), p. 201

challenges. Some found it difficult to test hypotheses in qualitative research which has led to the belief that it is not possible.²⁵⁹ Nonetheless, “(...) qualitative inquiries sometimes have to go beyond the mere construction and use of research questions into the use of hypotheses to ascertain human interactions.”²⁶⁰ According to Chigbu (2019) hypotheses should also be used in qualitative research since they are not limited to quantitative research methods.²⁶¹ Flyvbjerg (2006) agrees and states that qualitative research is “(...) useful for both generating and testing of hypotheses (...)”.²⁶² According to Peshkin (1993), there is no blueprint that a qualitative researcher must follow.²⁶³ Still, if the qualitative researcher decides to state hypotheses at the beginning of the research it must be ensured that the hypotheses are formulated in a way that they can be assessed at the end of the study.²⁶⁴ Concluding, it was decided to use hypotheses in this qualitative research since just like Chigbu (2019) states, “(...) a hypothesis is a vital part of qualitative research.”²⁶⁵

4.2 Semi-structured interview guide inspired by previous research

Research found that the results of a study are very dependent on the quality of the interview guide since having an interview guide gives a structure for the semi-structured interview.²⁶⁶ Therefore, an interview guide got created for the semi-structured interviews to guide the researcher during the interview process. The interview guide including all interview questions can be found in *Annexure I*.

To kick off the interview some introduction questions about the interviewee such as their job function and experience within the company were asked. Interviewees were asked to introduce the company as well as its structures. Example questions are e.g.:

“Can you tell me a bit about your job and experience here at the company?”	To get to know the Interviewee’s job and responsibility in the company.
“To what extent do the structures in the company facilitate cross-functional collaboration?”	To find out the company structures and their extent of cross-functional collaboration
“To what extent are processes formalised at the firm here?”	To find out whether processes are formalised at the firm
“Do you feel like you have top management support by your CMO and/or CPO?”	To find out whether internal structures and top management support marketing-procurement collaboration.

²⁵⁹ See Chigbu (2019), p.1

²⁶⁰ Chigbu (2019), p.2

²⁶¹ See Chigbu (2019), p.7-8

²⁶² See Flyvbjerg (2006), p. 229

²⁶³ See Peshkin (1993), p. 28

²⁶⁴ See Chigbu (2019), p.8

²⁶⁵ Chigbu (2019), p.2

²⁶⁶ See Kallio et al. (2016), p. 2955

To find out more about the extent of collaboration and involvement with the marketing department, questions regarding inter-department collaboration and cross-functional teams were asked during the interviews. To measure the extent of collaboration between the internal stakeholders and indirect procurement, inspiration for interview questions got taken from Ashnai et al. (2019), who based their question on research from Kahn and Mentzer (1998). In previous research, the questions got used in a dyadic approach and were asked to procurement and internal stakeholders. Interview questions for the extent of collaboration are e.g.:

<i>“To what extend does marketing-procurement and marketing department work together on achieving goals?”</i>	To find out whether the departments have mutual goals and processes.
<i>“To what extend does marketing-procurement and marketing department share ideas, information and resources?”</i>	To find out the extent of communication and information exchange between the departments
<i>“To what extend do you have mutual understanding with marketing/procurement? Are you educated in marketing/procurement?”</i>	To find out whether procurement and marketing know about each other’s value and speak with the same terminology.

Other questions that were asked about the extent of collaboration and cross-functional teams are based on the literature findings from an earlier chapter in this thesis. These questions are about the enabler, driver and barriers of involvement such as about joint KPI’s, meetings, the value both departments can add to each other, the stage and level of involvement as well as success stories. Example questions are e.g.:

<i>“To what kind of meetings do you invite procurement to take part?”/ “To which meetings does marketing invite you?”</i>	To find out whether procurement gets invited to important strategic meetings, supplier meetings, or catch-ups regularly or not at all.
<i>“At which stage do you involve marketing-procurement and why?”/ “At which stage does marketing involve you?”</i>	To find out at what time marketing involves procurement, early involvement, late involvement or no involvement, as well as the reason for it.
<i>“Could you tell me a success story where the collaboration worked really well or a situation where it didn’t work well at all? What were the reasons?”</i>	To find out the reasons that made a collaboration successful/unsuccessful in the past in the eye of procurement and marketing.

The interview ended with a question where the interviewee had to name three aspects that they believe are most important for successful marketing-procurement and marketing collaboration.

In the following section, the research sample gets introduced.

4.3 Sample definition for data collection

There are various methods available to select a research sample. The selected sampling method must suit the aims and assumptions of the research.²⁶⁷ Further, selecting the participants must be linked with the aim of the study. The researcher must ask themselves

²⁶⁷ See Palinkas et al. (2015), p. 534

‘why these cases’ and ‘what qualifies them’.²⁶⁸ Next, it is important to be able to compare and contrast the selected cases to be able to identify their similarities and differences.²⁶⁹

In this study, it got decided to conduct purposeful sampling. Purposeful sampling is a popular method in qualitative research to select cases that fit the phenomenon of interest.²⁷⁰ Further, a non-probabilistic sampling method was used which involves selecting cases that are available to be studied.²⁷¹ The research objects of this study were five large multinational companies operating in the Netherlands. Research participants come from the personal network of the researcher, colleagues, or were approached via the social media platform LinkedIn. The aim was to select marketing-procurement professionals and marketers who work in large multinational companies operating in the FMCG sector, who were willing to participate in this research. By purposefully selecting case companies who are in similar industries and have a similar size it is easier to benchmark them and find best practices. Potential participants were messaged and asked to voluntarily take part in the research. Here, the method of non-probabilistic sampling was applied. If e.g. some start-ups and some large multinationals would have been in the sample, the practices and best practices of the start-ups/large multinationals might not apply to firms of other sizes. Therefore, it was decided to stick to one size category, being large multinationals. Upon willingness to take part either a visit, phone call or skype call was scheduled.

Inspiration from the research design of Bals et al. (2009) got taken for this thesis. The researchers analysed the marketing and procurement integration by analysing a company that has separate marketing and procurement departments, high marketing spend and is active in a marketing extensive industry. Bals et al. selected a company from the pharmacy industry and interviewed four purchasers and four marketers.²⁷² In this research, a company from the food industry got selected to be the centre of this research (*Company 1*). The firm operates in over 100 countries worldwide, has separate marketing and procurement departments, high marketing spend, and operates in the marketing intensive fast-moving consumer goods industry. At that company, four purchasers for marketing as well as four marketers were interviewed. This dyadic approach has been successfully used by other researchers who analysed the relationship and inclusion between the internal stakeholders and procurement department and therefore, it seemed suitable to also use a dyadic

²⁶⁸ See Palinkas et al. (2015), p. 536

²⁶⁹ See Palinkas et al. (2015), p. 534

²⁷⁰ See Palinkas et al. (2015), p. 533

²⁷¹ See Creswel & Plano Clark (2011), p. 174

²⁷² See Bals et al. (2006), p. 893

approach.²⁷³ Next to *Company 1*, four other companies in the Netherlands got interviewed. At those firms, one purchaser for marketing got interviewed each. The descriptions of the interviewees and companies can be found in *Table 5*, *6* and *Figure 7*.

Figure 7: Company 1; Interview Sample Overview

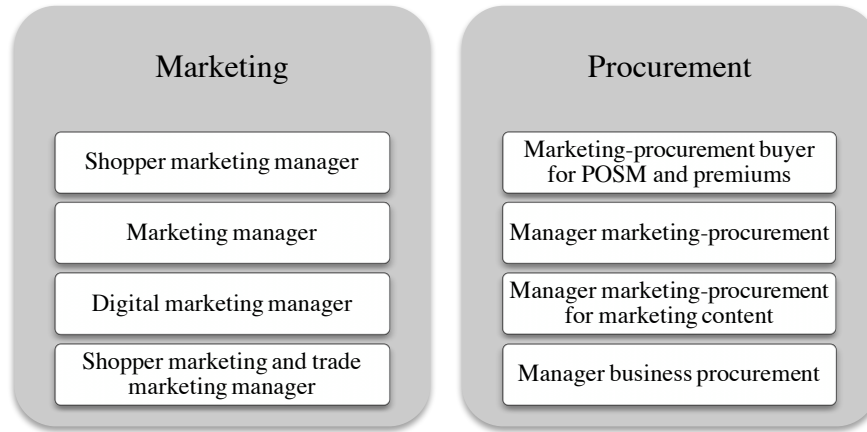


Table 5: Overview of research sample and its characteristics

Company	Industry	Employees	Revenue	Founded
1. Company 1	FMCG - Food	23.000	€11,6 billion	Founded 2008 after a merger, in the Netherlands
2. Company 2	FMCG - Beverage	30.000	€13.7 billion	Founded 1997, in England
3. Company 3	FMCG - Food	38.000	€24 billion	Founded 2015 after a merger, in the USA
4. Company 4	FMCG- Furniture	208.000	€37.05 billion	Founded 1943, in the Scandinavian region
5. Company 5	FMCG - Beverage	10.000	€5.00 billion	Founded 2015 after a merger, in the Netherlands
Gender of research participants, n=12: Female: 75% Male 25%			Interview Duration in minutes Average: 20,28 Shortest: 13,15 Longest: 28,01	Company Turnover: Average: €18,27 billion Lowest: €5.00 billion Highest: €37,05 billion
Industry, n= 5 companies - FMCG – Food: 2 - FMCG – Beverage: 2 - FMCG – Furniture: 1			Number of employees: Average: 61.800 Lowest: 10.000 Highest: 208.000	Interview Style Face to Face: 67% Skype: 17% FaceTime: 8% Phone Call: 8%
Existence of company in years Average company existence: 23.4 Youngest Company: 4 Oldest company: 76				

²⁷³ See Ashnai et al. (2019); Bals et al. (2009)

Table 6: Qualitative sample overview

Company	Function	Interviewed via	Duration	Yrs. experience with marketing
1-Buyer 1	Marketing Procurement: POSM	Face to face	18:36 min.	9 months
1-Buyer 2	Manager Marketing Procurement	Face to face	19:24 min.	13,5 years
1-Buyer 3	Marketing Procurement: Marketing Content	Face to face	19:48 min.	6 years
1-Buyer 4	Business Procurement	Face to face	13:10 min.	5 years
1-Marketing 1	Shopper Marketing Manager	Face to face	24:57 min.	1 year
1-Marketing 2	Marketing Manager	Face to face	13:09 min.	3 years
1-Marketing 3	Digital Marketing Manager	Skype	16:48 min.	7 years
1-Marketing 4	Shopper Marketing Manager	Face to Face	23:29 min.	2 years
2-Buyer	Global Marketing Procurement Director	Face to face	28:02 min.	12,5 years
3-Buyer	Marketing and Sales Procurement	Skype	24:56 min.	> 2.5
4-Buyer	Marketing and Sales Procurement	FaceTime	19:24 min.	>1 year
5-Buyer	Marketing Procurement	Phone call	20:07 min.	8 years

As can be seen in Table 6, the interview duration varies, ranging from 13:09 minutes to 28:02 minutes. Irvine et al. (2011) found that interview durations can vary a lot, typically telephone interviews tend to be shorter than face to face interviews.²⁷⁴ Regardless, in this study, it was not experienced that the phone/Skype calls were particularly shorter.

It was noticed that the interviewees at company 2-5 shared more details and were generally more talkative which explains the longer interview durations at those firms. Overall, it was noticed by the researcher that some interviewees were less invested in the interviews than others which explains some shorter interview durations. In those interviews, the interviewee tended to give short answers and not many details. Another reason for the varying interview durations can be that people speak with different speeds. Some interviewees spoke quick and didn't have to think long for a reply to a question which resulted in an overall shorter interview duration.

5. Analysis: Deductive coding and evaluation of organisational culture assessment instrument

5.1 Codes used to analyse the interviews

The interviews got recorded with the permission of the interviewees and afterwards got transcribed. Since transcribing is a very time-consuming process,²⁷⁵ the website www.OTranscribe.com got used for some of the interviews, which slowed down the audio files of the interviews and therefore, made it easier to transcribe.

²⁷⁴ See Irvine (2011), p.212

²⁷⁵ See Bryman (2012), p. 484

To develop concepts from qualitative data, transcripts need to be analysed. When reading through transcripts, descriptive names and codes can be added to sections.²⁷⁶

Since the enabler, driver and barriers of marketing-procurement collaboration were already identified in an earlier chapter, it got decided to use them as the codes. The following codes were used to analyse the transcripts:

(1) Formalisation (2) Cross-functional teams (3) Collaboration (4) Stakeholders seeks procurement's help (5) Mutual goals, strategy alignment, joint KPI's (6) Rewards/Incentives (7) Communication (8) Procurement's value (9) Involving procurement seen as a burden (10) Company structure (11) Procurement focusses on supplier rather than marketers (12) Top management support (13) Marketing knowledge

This process is called deductive coding. Hyde (2000) defines deductive coding as “(...) *a theory testing process which commences with an established theory or generalisation, and seeks to see if the theory applies to specific instances.*”.²⁷⁷ Deductive coding is the appropriate method of analysis here since it is used to test the proposed framework, whereas an inductive approach would be used for creating new theory. New concepts that emerged during the interviews were later added to the already existing codes.

Since it is recommended to code as soon as possible, every interview got coded shortly after the interviews took place.²⁷⁸ To start the coding process it is necessary to read the transcripts multiple times and to make some notes about concepts and messages that pop up. Codes got assigned to parts and messages of the interview. Reviewing the codes over and over again was necessary to check whether connections could be made between the codes or new codes had to be added.²⁷⁹

5.2 Interview Analysis of the participating case companies

5.2.1 Findings at Company 1 – Procurement department

All interview transcripts can be found in *Annexure III*.

The following describes the marketing-procurement department findings of the company that got studied more extensively by interviewing multiple purchasers as well as marketers. In the firm, the procurement department is seen as a support function and acts as an advisor to marketing, “(...) *they don't need to involve us, that is the company policy since*

²⁷⁶ See Huq Khandkar (2009), p. 1

²⁷⁷ Hyde (2000), p. 83

²⁷⁸ See Bryman (2012), p. 576

²⁷⁹ See Bryman (2012), p. 576-577

procurement is not leading.” (Buyer 3). Two of the four interviewed buyers sit in the same office as the marketers and the two other buyers sit in the same building as marketing.

The formalisation in the firm is rather low. Some processes and guidelines for contracts are in place as well as for approving purchase orders. Procurement would like a bit more formalisation and templates to also aid marketing so that they can do some steps themselves and guarantee that e.g. an NDA is signed with a supplier or that quality and safety is taken into consideration.

The interviews show that three out of the four marketing-buyers have multiple years of marketing-procurement experience and one of them even has multiple years of marketing experience. Just one of the buyers is completely new to the field. Buyers acknowledge that having marketing knowledge as a marketing-buyer is quite essential since it is valuable to understand marketing terminology, *“(...) in marketing-procurement we say pitch and not tender. Otherwise if you go to a marketer they won’t know what you mean.”* (Buyer 2). Two interviewees mentioned that marketing buyers should be specific content experts so that they could best support marketers and earn their trust by showing their capabilities.

Three out of the four buyers struggle with collaborating with marketing. They perceive that the collaboration is mainly initiated by them and if they would not initiate to collaborate they wouldn’t be involved by marketers after all, *“(...) you need to convince marketing to come because they don’t really perceive the added value but mostly they see it as an addition to their workload.”* (Buyer 2). Still, all perceive marketing as collaborative when the situation arises and they work on a project together or when procurement approaches marketing for information and coming planning. Nonetheless, procurement perceives that they are often involved in the later stages of the procurement process when marketing has already decided on the strategic details. One stated about the extent of involvement that it happens *“(...) either too late or we are not involved at all.”* (Buyer 1) while another buyer said that she gets involved *“More and more in the beginning but sometimes also in the middle of the project or afterwards.”* (Buyer 4). Still, when marketing and procurement are working in a project together they perceive marketers as collaborative. The buyers have to work hard to get involved in projects from the beginning. One marketing buyer who sits in the same office as the marketers and who has previously worked in the same firm in the marketing department perceives that she can easily collaborate with her old marketing team. Another buyer who sits in the marketing office also perceives the collaboration as easy since marketing approaches her daily. Another buyer thinks that marketing doesn’t not collaborate

with procurement on purpose but instead just doesn't know how and when to involve procurement in projects.

Communication is often initiated by procurement, *"I am usually the one who approaches first"* (Buyer 2) and *"(...) if you want to have an impact you need to talk to people all the time."* (Buyer 2). Some buyers put in place that marketers have to share their quarterly planning with them, others try to get the suppliers to share information with them so that they know on which projects marketing is working on. All buyers agreed that they have to tell marketing the value of working with procurement to earn their trust. They have to show them that procurement is not just about cutting costs and budgets. The buyers perceive that they add value beyond cost savings to marketing which according to them marketing doesn't always notice, *"I think it needs lots of educating to show them that yes there is savings but there is also much more like we have objectives on sustainability and on value added. So yes, I think they are not aware of that so that is what we can do to improve the collaboration."* (Buyer 4).

While some buyers perceive that marketing is not aware of procurement's value and what they have to offer for them, others are sure that marketing knows it. One buyer would like to increase the visibility of procurement by putting e-learning in place for marketers to learn about procurement as well as how to work with them and what they have for offer.

Also, all agree that marketing and procurement have the same vision since all work for the same company goals. Regarding joint objectives and KPI's opinions vary. Most agree that joint objectives or KPI's would be valuable. Some have set KPI's together such as for savings or for market share or joint objectives when working together on a project with marketing.

Two of the buyers perceived that *"Top management supports us whenever we ask for their support. Nevertheless, I don't think that it is the top priority of them to provide collaboration between procurement and other disciplines"* (Buyer 1), while the other two perceive that they have top management support due to them meeting with the marketing director or other marketing managers regularly, *"I work closely with the marketing director so she helps me a lot."* (Buyer 4).

5.2.2 Findings at Company 1 - Marketing department

The interviews with marketing taught that the marketing department has decision power because they own the budget. It has low formalisation and marketers can decide themselves

whether they would like to involve procurement in projects or not. They don't have any procurement guidelines of information about procurement, *"That is also what I once discussed with a colleague that we did not receive any training or documentation how to do it so I had contact with a colleague who told me everything."* (Marketer 3). Marketers would like more information about procurement processes such as how to properly create purchase orders.

Marketers work closely with other teams and departments such as sales but often not closely with procurement, *"We don't have regular meetings or update meetings. I think it is more that if we have questions we reach out to each other, we don't have set routines or checkups."* When they work with procurement then it is more on a project basis and decide per project whether they feel the necessity to involve procurement, *"(...) if you start with a project like this it is really important for me to understand whether I want to include procurement or not, what will the benefit for me or the job be."* (Marketer 3).

Marketers perceive that collaborating in the firm is easily facilitated and everyone is approachable. They perceive procurement as helpful and collaborative. Some perceive that involving procurement could slow processes down and involves lots of bureaucracy while marketing has to get a product quickly to the market and therefore are hesitant to include procurement, *"(...) they are not very much aware of the urgency that some things need to be done quickly and then they want to be very formal and bureaucratic."* (Marketer 1).

Still, marketing said that they are open to sharing information and planning with procurement if procurement would need it, *"(...) we don't have secrets from each other, we are happy to share so yea I don't think that is an issue."* (Marketer 2). One marketer even suggested that it would be nice to have half-year meetings to get to know what each party is working on and how they could assist each other, *"I think that is the thing that is missing most that we don't know from each other when to involve the other person."* (Marketer 2).

The reasons for marketing to reach out to procurement have often be named that when they need assistance with negotiations, have difficulties with purchase orders or when they need to find a suitable supplier, *"I involved procurement because the negotiation turned a bit off so that is why I included them."* (Marketer 1).

Marketers mentioned that it is often difficult to know who in procurement to contact and that often their first interaction with procurement is when marketer does a mistake with a purchase order and procurement then reaches out to them, *"I think it is often more that marketing does something and then procurement comes and says that that was not correct and then that is the moment when you get to know each other when something is not going"*

right and especially so with making PO's if it is not going right you meet each other instead of in an earlier phase just to get to know each other." (Marketer 3).

According to the marketers, there are no joint KPI's, *"We don't have agreed on KPI's or things that we work on together or improve"*, (Marketer 3) but on project basis, they have the same objectives. They feel that marketing's and procurement's objectives can sometimes be contradicting but that everyone has always the overall firm goals in mind, *"In some ways we have the same goals but sometimes we have different perspectives and I think it is really important to try and understand that."* (Marketer 3). One marketer mentioned that it would be nice to share each other's KPI's to understand each other's objectives.

The awareness about the extent of involvement of marketing-procurement varies, *"Recently I was talking to some colleagues that this is really an issue and everyone notices it. Uhm but I don't really know why it is that way within the company. I think especially within such a big company we should be able to share guidelines with each other or at least know who your counterpart is for certain topics."* (Marketer 3). While some have known since their beginning of working in the firm that the firm has a team for marketing-procurement, others just have learnt it after multiple months and more via coincidence, *"If you start in this role I think it was a coincidence that I had a first meeting with marketing-procurement, that was more that I did a certain topic and then one of procurement came and said can I help you, what do you need?"* (Marketer 3). Often, they found out about the marketing-procurement team via making a wrong purchase order or contacting someone in procurement and then getting redirected to marketing-procurement. Since the company is rather large and the office building holds about 2000 employees it is sometimes difficult for marketing to find the right person in procurement to contact, *"I think the main thing in a big company where many people work at it is difficult to know who does what."* (Marketer 1), but often when they need to discuss something they will still be able to find each other.

Table 7: Assessment of Company's level of marketing procurement involvement: Company 1

<i>Aspects of low involvement</i>	<i>Aspects for high involvement</i>
<ul style="list-style-type: none"> • Marketing prefers to work in isolation • Marketing partially unaware of procurement's added value • Meetings and information sharing mostly on basis of procurement's initiative • Not all marketers know how and when to involve procurement • No guidelines or formal process about working with procurement • Don't know each other's objectives • Frequently involved late by marketing or not at all but it is slowly getting better due to initiatives by procurement 	<ul style="list-style-type: none"> • Marketing approaches procurement if they need help/assistance • Marketing-procurement shows collaborative attitude by trying to involve themselves with marketing • Marketing is collaborative when procurement approaches them • Buyers who sit close with marketing achieve better involvement than other buyers • Some marketers are aware of procurements value and involve them if they see it valuable • Have the same goals

5.2.3 Findings at Company 2

Company 2 operates in the FMCG industry for alcoholic beverages. The interviewee was a global marketing procurement director who has seven years of marketing-procurement experience and has worked in the same company for five years as a global marketing director previously. Therefore, he has a good amount of marketing understanding, which he perceives as very beneficial because he has the inside knowledge and knows how marketing plans and what they value. He adds that the firm is *“trying to get more marketers into marketing procurement everyday whenever we have a role that is open because then you just get a richness and understanding.”*

Marketing and marketing-procurement have a close partnership, which in the past was more transactional. Nowadays, they work closely with the marketing leadership team and get a seat at prime marketing meetings. Decisions and projects are done in joint conversations. Procurement ultimately has the decision right but they do it in a collaborative way. Three to four years ago, the company made the decision to embed marketing-procurement closer with marketing by sitting them together in the same office which showed great payoffs because marketing-procurement now takes part in key marketing meetings, *“It just blew my mind how much it transforms our relationship and you know because then you have people on the inside.”*. The buyer perceives that top management support is very important. At his company, the CMO values marketing-procurement a lot. The global head of marketing procurement always has a seat in senior marketing meetings. Both agendas are always on the table and aligned, *“(...) having that culture is amazing and you know if we get a new CMO we have to be very careful so that we get someone who reinforces that. Because otherwise the whole thing will likely fall apart.”*. About five years ago when they needed a new marketing-procurement director the CMO was asked for her opinion and she suggested that they should employ someone who has a strong marketing background instead of procurement, *“It was just a suggestion from her that if we would get someone with a strong marketing background it might be a benefit but it has taken us to a new level.”* Marketing and marketing-procurement then sat together to form their strategy on how they want to work together, which change the terms of the partnership.

Procurement's objectives and KPI's are not set on cost savings but instead on being a good business partner, adding value and fueling growth. They enable marketers to get the best suppliers and the best resources in an efficient way. Whatever procurement saves gets

reinvested and the marketing leadership team can use those savings to fund additional projects that they would have otherwise not been able to do.

“I think the key part for me is that you tell the story in the right way”, meaning that marketing should not just perceive procurement as someone who only wants the cheapest suppliers and only focusses on costs. Procurement created a story that is all about investments which has changed the whole relationship. The company has a pitch processes where marketing teams can show their ideas and the return that they would create and then a jury has to decide if they would want to allocate part of the savings to the marketing team. Marketing-procurement also has a seat in the jury and the pitch process occurs four times a year.

Information sharing and communication wise the company has a clear reoccurring meeting schedule where they track the KPI’s and share project plans. These meetings happen every month, also together with marketing teams. Procurement is always up to date regarding what marketing is planning in the next 90 days and they also develop an annual work plan together. In general, it is very rare for procurement to get involved late in projects, in the past, it has happened a lot more frequent. The firm has a one-pager with procurement guidelines that every new hire has to read which sets out the do’s and don’ts. It is just a one-pager because they don’t want that marketing thinks that they want to control them since they aim for a good partnership. When marketing and marketing-procurement work together they feel like one team and are very collaborative.

Table 8: Assessment of Company's level of marketing procurement involvement: Company 2

<i>Aspects of low involvement</i>	<i>Aspects for high involvement</i>
	<ul style="list-style-type: none"> • Many processes in place on how to engage internally as well as guidelines • Close partnership between marketing and marketing-procurement department • Top management support by CMO • Close collaboration and decision making • Procurement sits with marketing and becomes part of marketing team • Have aligned agendas and objectives • Marketing sees procurement’s value (cost-savings, contracts in place etc.) • Regular meeting structure • Develop planning together

5.2.4 Findings at Company 3

Company 3 operates in the FMCG food industry where a marketing and sales procurement manager who works at the company since two and a half years got interviewed.

He stated that the decision making between marketing and marketing-procurement *“(...) is always a joint discussion.”* Decisions are not done in silos since according to him that would lead to a bad outcome while collaboration would lead to success. When he was asked how the involvement with his stakeholders looked like he stated that *“There are some*

stakeholders that depend on me on every step and then there are stakeholders who understand how to work and only involve me when it is really needed.”. When he knows that the marketer is familiar with the purchasing process he trusts them and gets less involved. However, in case it is a large project he gets involved regardless straight from the beginning to fulfil all procurement related tasks of the project. Regarding meetings, he doesn’t schedule meetings on a weekly or monthly basis because he is aware that *“They are busy and I am busy.”* Therefore, he expects that marketers let him know when something is happening or when they require his opinion. Same goes for him, *“If I hear something about what is happening like a new trend or a new supplier or anything I will forward that to them”*. He gets invited for quarterly meetings of the marketers and also their planning meetings for the next year. For supplier meetings, he only gets involved when it is with an important supplier. In general, he stated that *“I would say about 60% of the time it is marketing who approaches me and 40% of the time it would be me approaching marketing. (...) They have questions on how to proceed or get a relationship with a supplier to the next step or when they have plans for the next year. For all of that they need my advice.”*. He cannot have such a close relationship with every marketer since he is located in the Netherlands while he is responsible for whole EMEA. Nonetheless, he tries to travel to their offices regularly to establish a relationship with marketing and stay up to date with plans. He tries to work as a team and very close to the stakeholders who are the key decision makers and important to him, *“So, for those stakeholders I am very much connected.”*.

The buyers feels that joint objectives and goals are missing since their objectives are contradicting, *“The objective of marketing is more towards creating sales and my objective is to make that more efficient. So, in that sense this way it is difficult to have joint KPI’s as they would not really match.”* According to him working successfully as a team is more important than setting KPI’s. At his company, they managed that marketing sees the value of including procurement by building a relationship with the marketers, working together and explaining to them procurements value. The added value should not be focused on cost savings but also on other skills and competencies that procurement offers, *“So marketers know that contracting is important but they are not in the position to do it. And they are not in the position to negotiate with suppliers on those contractual frameworks. That’s where procurement adds value.”*.

Further, marketing has to follow procurement rules that are set out in a procurement playbook. Their compliance gets monitored and checked monthly. Lastly, the buyer stated

that higher-level management encourages the collaboration strongly and that he has top management support.

Table 9: Assessment of Company's level of marketing procurement involvement: Company 3

<i>Aspects of low involvement</i>	<i>Aspects for high involvement</i>
<ul style="list-style-type: none"> • Procurement is less involved with marketers who know the processes because procurement trusts that the marketer could do it themselves • Procurement tends to not be involved in projects with smaller suppliers • Don't have regular meeting schedule, it is more ad hoc or on a project basis 	<ul style="list-style-type: none"> • Decisions are always joint discussions • Collaborate closely • Procurement works closely with marketers who need assistance • Procurement always involved in big projects • Works closely with key marketers • Marketers know procurement's value • Procurement involved early • Marketing comes to procurement with questions and asks for assistance • Procurement procedures and guidelines in place for marketers • Top management support to facilitate collaboration between marketing and procurement

5.2.5 Findings at Company 4

Company 4 operates in the FMCG furniture industry and the marketing buyer works at the company for about a year. Both departments, marketing and procurement, are located on the same floor and the collaboration works well. Every year they plan the strategy for the coming year together so that procurement knows where they can assist marketing. The procurement department has also set up a preferred supplier pool together with the marketers, “(...) *we already have their rates and contracts and if something less than a certain amount of money is planned we can go straight with them because we have the contract and know their prices.*”.

The procurement department reports to the chief financial officer and according to the buyer that has helped a lot since management promotes and pushes marketers to work closely with procurement. Marketing almost always shares what they have in the pipeline but “*Sometimes it can something suddenly arise and pop up that they didn't expect. But that is usually smaller things or projects.*”. Procurement tends to be involved in the early stages of projects. Whenever it happens that they get involved in the later stage it is usually due to someone from another entity or someone who is not used to work with procurement yet, “(...) *this is getting less and less because management knows that we are strategic and knows what we are doing. This is more like an exception.*”. She says that there might still be people in marketing who perceive procurement as just focusing on costs or slowing down processes but these are then often “(...) *people who are new and came from other firms don't know how to work with procurement*” yet.

Procurement has in the firm the last word since they need to approve purchase orders as well as have an authorisation procedure and policies regarding when procurement must be

included. All new hires get trained for procurement to learn when to involve procurement and to learn how things work. Both departments, marketing and procurement, are happy to help, explain and share their expertise with the other.

She feels like that it is important to have a marketing understanding as a marketing buyer, *“Mh, personally I think that that is very important because it helps and you feel more confident when you talk with marketing or supplier about the topic and not only about the figures and you understand when it is relevant information and when it is not.”*

She said that a few years ago the situation looked a bit different, procurement had to work hard to make marketing show their value, *“Now we have showed it and passed this step and it is much better. They really like us and involve us from the beginning.”*. Procurement got support for that from the legal and finance department as well.

Besides the large yearly meeting with marketing, there is not a regular meeting schedule in place but it is always possible to just ask marketing what they plan for the next few months. From the yearly planning, they, however, know when marketing starts projects and then marketing tends to come to procurement for assistance. According to the interviewee, it is generally marketing who approaches procurement first, *“Marketing’s project manager know that they have to approach from the beginning so they are knocking on our doors.”*

The company does currently not have much formalisation but is step by step increasing it. Over the years improvements were already possible to be seen by increasing the formalisation.

Table 10: Assessment of Company's level of marketing procurement involvement: Company 4

<i>Aspects of low involvement</i>	<i>Aspects for high involvement</i>
<ul style="list-style-type: none"> • Only have one large meeting together per year • It can happen that they get involved late but that is then usually due to a new marketer or someone who isn't used to working with procurement yet 	<ul style="list-style-type: none"> • Build yearly strategy and planning together • Have preferred suppliers pool that got jointly set up with marketing • Procurement and marketing sit together in the office • Strong support from CFO and legal, push marketers to work with procurement • CMO shares marketing's planning with procurement • Mostly involved early at the beginning of procurement process • Marketers know strategic value of procurement • Rules in place when marketing must include procurement, also have procurement training for marketers • A couple of years ago it was difficult for procurement to get involved but now they have shown their value to marketers • Collaborative relationship • Joint KPI's with other departments to create alignment among them • Marketing reaches out to procurement for help

5.2.6 Findings at Company 5

Company 5 operates in the FMCG beverage industry. A marketing-buyer, who works for 8 years at the company in the global marketing procurement team, got interviewed. Being located in the office in Amsterdam and sitting together with the marketers is according to her a great advantage because she really feels integrated by them *“(...) and they don't just see me as a procurement person”*. The buyer is attending many marketing meetings and perceives the engagement and communication with her stakeholders as good.

Since she sits with marketing on the same floor it often happens that marketing comes to her when they have questions, *“We have a really open and transparent conversation and share what we are doing etcetera so that is really lucky for me as a procurement person.”*.

The firm doesn't have joint KPI's for the marketing and procurement department but they are currently looking into it. They hope that by having joint KPI's they could make the relationship even more efficient and take the relationship to the next level.

Formalisation is rather high but according to her, that is the standard in large FMCG companies. They have set policies and ways of working. New hires will get on-boarded *“(...) so that they understand the role of procurement because that is always a bit of a challenge so that they understand what procurement is doing and why they have to work with procurement.”*. They are taught the procurement rules as well because marketing is the budget owner and they are required to follow the rules.

The departments decide on new suppliers together by having a scoring system, rate cards, in place. Depending on the type of supplier, marketing's scores may weight more than procurement's scores, *“But overall I would say yes, it is pretty good in terms of collaboration.”*.

Currently, the company is planning for the next year which is joint planning with marketing and procurement, *“(...) what do we need etcetera so that we can also have those discussions and negotiations with supplier based on the future needs and I think we work quite well on that so I think that it is already going pretty ok.”*.

When marketing is working with the preferred supplier pool procurement is less involved since the suppliers are already approved. With new suppliers, procurement supports the project a bit longer to ensure that everything with the supplier is going as expected.

The marketing-buyers in the firm do not necessarily have a marketing background but she thinks that marketing knowledge is important to do the job. Since she attends many

marketing meetings and knows marketing's planning she has gained marketing know-how over the past years.

She feels that she has top management support by the C-level since her manager has quite a lot of interaction with them.

To analyse whether their internal stakeholders see procurements value they did a survey in Germany. The findings showed that *"(...) indeed quite a high percentage saying okay we understand what procurement is doing but it is not 100% that clear so uhm I think that is something that needs to happen."* She said that it is important to show marketers that procurement is beyond costs and cash. According to her many other companies face the same problem. She perceives that engaging with stakeholders is important for good collaboration. Time should be invested into the relationship and it must be transparent to them what procurements role is and what they are doing, *"(...) make them feel confident that procurement is a strong partner within the organization and that they can rely on procurement"*.

This can be achieved by establishing trust which can be gained by showing marketing that procurement knows what marketing is talking about. *"So, I think within my firm we are really making this change and people involve us from the start to deliver value."* According to her, procurement should go a bit out of their traditional procurement role and show interest in what marketing is doing.

Table 11: Assessment of Company's level of marketing procurement involvement: Company 5

<i>Aspects of low involvement</i>	<i>Aspects for high involvement</i>
<ul style="list-style-type: none"> • Lower involvement when marketing is working with preferred suppliers 	<ul style="list-style-type: none"> • Marketing-procurement sits with central and global marketing team in same office and room • Procurement feels as being part of marketing • Procurement attends many marketing meetings • Marketers are approaching procurement for help • Open and transparent communication, sharing of plans • Marketers are trained in procurement to understand the role and follow the guidelines • Marketers understand value of procurement • Suppliers get selected jointly • Good collaboration • Planning is done with marketing and procurement jointly • Procurement has top management support from CMO • Did survey among their marketers and found that marketers understand the value of procurement

5.3 The most important factors for good marketing and marketing-procurement collaboration are understanding each other's priorities and needs

During the interviews, all interviewees were asked which two to three factors they see as most important for successful marketing and marketing-procurement collaboration and

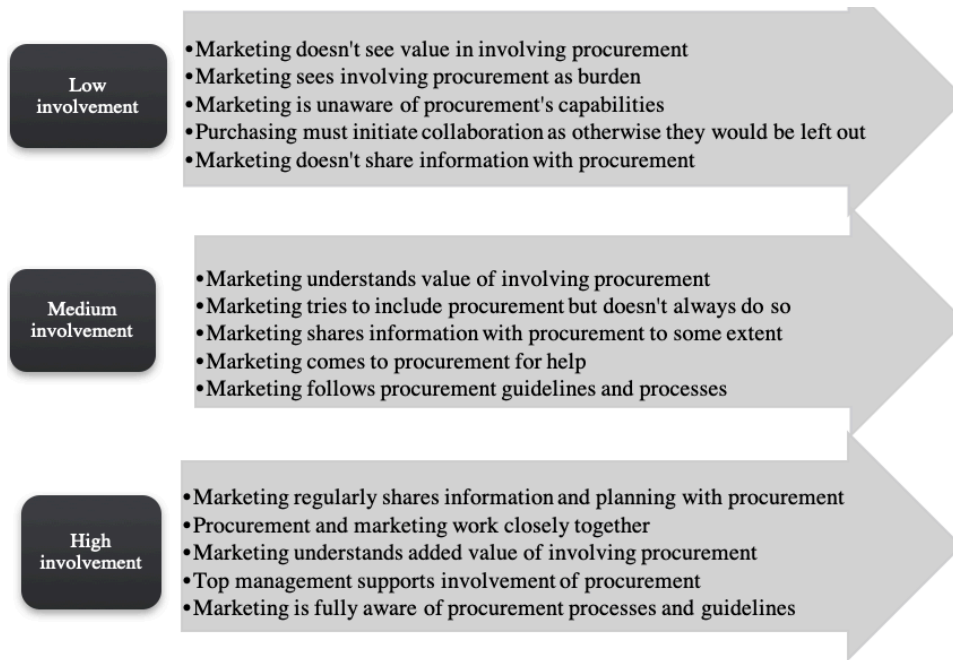
involvement. Factors that got repeatedly mentioned were (1) open communication and sharing of plans (2) aligning objectives, goals and KPI's (3) establishing an expertise and interest in marketing, (4) having top management support (5) guidelines and procedures in place (6) understanding each other's priorities and needs (7) procurement showing added value and that (8) procurement must act flexibly. The factor that got mentioned the most was that procurement and marketing should understand each other's priorities and needs. From the marketers, in the interviews, it got multiple times mentioned that they are not sure what exactly procurement responsibilities are and when they should include them. They perceived that knowing that would be valuable for better collaboration. The buyer mentioned that it is important to understand the marketer's needs to work best with them. What goes hand in hand with it is also having open communication and sharing of plans as well as aligning objectives, goals and KPI's. Knowing what the departments are working on and aligning the objectives improves the understanding of each other and helps identify their needs and priorities.

Getting top management support got only mentioned once as important factor for good marketing and marketing-procurement collaboration, however, during the interviews it got multiple times mentioned that when top management support is in place it has helped them a lot in regard to improving the relationship.

5.4 Findings per interviewed company: assessment of firm's level of marketing-buyers involvement

To make a statement on the extent of procurement involvement per case company, low, medium as well as high collaboration with marketing-procurement got defined in the *figure 8* below. The definitions are based on the findings of other scholars from the literature review in the previous chapter.

Figure 8: Extent of collaboration definitions



The definitions of the level of marketing-buyers involvement got compared with the findings from the interviews. *Table 12* gives an overview of the interpretations of the extent of marketing-buyers involvement per case company.

Table 12: Interpretation of firm's level of marketing-buyers involvement

Company	Level of Marketing-Buyers Involvement
<i>Company 1</i>	Low-medium
<i>Company 2</i>	High
<i>Company 3</i>	Medium-high
<i>Company 4</i>	High
<i>Company 5</i>	High

5.5 Organisational culture analysis : Organisational culture varies per company

The organisational culture of the participating firms in this research got identified by assessing their filled in OCAI, which each interviewee was asked to fill in after the interview. One of the interviewees, a marketing-buyer at *Company 5*, did not fill it in even though the person was reminded four times. Therefore, the organisational culture of *Company 5* could not get assessed.

This instrument got analysed according to its rules set out by Cameron and Quinn (2006). By following the instructions, the case companies were assigned to the organisational culture with which they match the most. The culture type per company can be found in *Table 13*.

Table 13: Dominant organisational culture type identified per case company

Case Company		Organisational Culture Score			
		A-Clan	B-Adhocracy	C-Market	D-Hierarchy
1 FMCG - Food					
	Buyer A	200	90	90	220
	Buyer B	200	90	165	145
	Buyer C	115	145	170	170
	Buyer D	180	85	115	220
	Marketing E	135	190	145	130
	Marketing F	150	90	205	155
	Marketing G	80	140	280	100
	Marketing H	230	120	110	140
	<i>Average</i>	161.25	118.75	160	160
2 FMCG - Beverage					
	Buyer	165	145	150	140
3 FMCG - Food					
	Buyer	90	100	235	175
4 FMCG - Furniture					
	Buyer	160	180	100	160
5 FMCG - Beverage					
	Buyer	N.A.	N.A.	N.A.	N.A.
Culture	Company 1	Company 2	Company 3	Company 4	Company 5
Strongest	Clan	Clan	Market	Adhocracy	N.A.
2 nd Strongest	Hierarchy/ Market	Market	Hierarchy	Hierarchy/ Clan	N.A.
2 nd Weakest		Adhocracy	Adhocracy		N.A.
Weakest	Adhocracy	Hierarchy	Clan	Market	N.A.
Internal/ external focus	Internal	Internal	External	Internal	N.A.
Stability/ flexibility focus	Stability	Flexibility	Stability	Flexibility	N.A.

Based on the organisational culture types identified per case company (*Table 13*) and the findings from the interviews about the perception and collaboration of the procurement department and their internal stakeholders, the hypotheses were tested in the following chapter.

6. Results: Testing the hypotheses with the findings from the interviews and culture assessment

6.1 Hypotheses acceptance and rejections

Since *Company 1* has the lowest level of marketing-procurement involvement, the findings of the firm will be compared against the findings of *Company 2-5*, who have a medium-high or high-level level of involvement, to draw conclusions about the proposed hypotheses.

H1a: Formalisation: *Company 2-5* mentioned that they all have a medium to high level of formalisation. They have e.g. clear reporting structures, meeting schedules, monitoring of compliance to guidelines and policies and authorisation procedures. These firms have also

shown a medium-high level of procurement involvement by marketers. At *Company 1* it was mentioned by the interviewees that the formalisation is rather low, on the procurement side there are some guidelines for e.g. contract approval but on the marketer's side, they can act very freely and almost have no written rules or guidelines. In the firm, employees have to find out many things themselves or ask colleagues how it works, such as purchase orders. At this firm, the level of collaboration was perceived as low-medium. Therefore, the hypothesis can be **accepted**.

H1b: Cross-functional teams: At *Company 2-5* marketing and marketing-buyers feel and act as a team. Most even sit in the same office and are truly part of each other's teams. Decisions are done collectively and the planning is often shared and open. At *Company 1* the perception varied. The two buyers who sit in the procurement department felt rather neglected by the marketers and not often involved but were able to see an improvement over time already. The other two buyers who sit with the marketers feel closer connected to them and also as part of their teams. Therefore, H1b can be **accepted**.

H1c: Seeking help and assistance from procurement: At all companies, marketing approaches the marketing-procurement team if they have questions or need assistance with something such as a new supplier or contract. Therefore, it was noted that it happens no matter the level of marketing-procurement involvement and the hypotheses can be **rejected**.

H1d: Communication: At *Company 2-5* happens frequent communication exchange. Marketers and marketing-procurement sit in the same department and are therefore always close by and approachable to one another. Procurement tends to be up to date what the marketers are working on since the marketers share their planning with them. *Company 1* has a low level of communication for the two buyers who sit in the procurement department and a higher level of communication for the two buyers who sit more often with the marketing department. Still, three of the four always need to show lots of initiative to communicate with the marketers. The marketers do not tend to communicate with them otherwise, while the marketers stated in the interviews that they would be happy to talk with procurement if they would want to. Here, the hypothesis can be **accepted**.

H1e: Joint objectives, goals and KPI's: Regarding joint objectives, KPI's and goals the findings vary across the companies. Some firms feel that the objectives of marketing and procurement contradict, others feel like they complement each other and that all departments work towards the same company goals. Some firms have joint KPI's and the firms who don't have joint KPI's mentioned that they are considering implementing joint KPI's. Here, the

hypothesis is **rejected** since there was no clear picture that having joint objectives, goals or KPI's has an impact on the level of involvement of marketing-procurement.

H1f: Rewards and Incentives: From all companies interviewed and analysed not a single one had rewards or incentives for collaborating in place. In most firms, it was voluntarily or just necessary to work and collaborate on projects. Therefore, the hypothesis could not be tested.

H2a: Information Sharing: *Company 1* has from the interviewed firms the lowest level of information sharing. Some buyers feel left out by marketing and have to be the one who initiates information and planning sharing. Nonetheless, the marketers at the firm said that they would be happy to share information with procurement if they would get asked. There is no set meeting structure in place and it would only occur ad hoc. At the other firms with a high procurement involvement, it was seen that they have a better meeting structure in place. Here, large yearly planning meetings or monthly meetings happen to share information about marketers' plans and strategies with procurement. Some didn't have a clear information-sharing structure but still get information shared with marketing due to marketing keeping them up to date or regularly approaching procurement for help. Here, the hypothesis can be **accepted**, a low level of communication does indeed create a low level of marketing-procurement involvement.

H2b: Value: At *Company 1* it has shown that not all marketers are aware of the value of involving procurement. Some marketers knew that it would be beneficial since procurement has lots of knowledge but they were not sure how and when to properly involve them and when it would be necessary. The buyers said that they still have to tell the marketers the value of involving procurement because the marketers are not all aware yet. At *Company 2-5* the procurement department worked hard to teach their internal stakeholders procurement's value in the past years. In some firms, it is even part of the onboarding program. Most companies where marketing nowadays sees the value of the procurement department mentioned that they also used to struggle with it in the past but managed to teach and show marketing procurement's value. Here, the hypothesis can be **accepted**, when marketers do not know the value of involving procurement the marketing-procurement team is less involved.

H2c: Burden: At *Company 1* some marketers mentioned that involving procurement could slow down processes because it makes things more bureaucratic or they would have to tell them about the whole project while other marketers didn't see any problems with involving procurement regarding speed. One marketer even mentioned that with every project she

considers whether involving procurement would be worth it. All interviewed marketer had a pleasant experience when they have collaborated with procurement in the past or presence. The other companies mentioned that procurement of course always gives the picture of being predominantly focused on costs or being bureaucratic but in their firms, the added value is stronger and marketers know how important it is to involve procurement or simply have to due to policies.

Here, the hypothesis can be **accepted**. If marketers perceive that involving procurement would be a burden then procurement gets less involved.

H2d: Collaborating structures: At all companies, marketers and marketing-buyers were located in the same buildings. At *Company 2, 4 and 5* they were co-located and sit in the same office which according to the buyers makes it very easy to collaborate, feel closely connected, as well as part of the marketing teams.

At *Company 1*, the firm with the lowest involvement, one buyer perceived that the two departments act as silos which does not make it easy to collaborate. Another buyer feels like the extent of collaboration is up to the individual and their willingness to collaborate. The business procurement buyer feels that due to the marketers not needing to involve procurement it does not have a good impact on the collaboration with procurement. In *Company 1* it is a firm policy that marketing doesn't have to involve procurement. It is up to the marketer whether they would like to include procurement in a project or not. Here, the hypothesis can be **accepted**. If the firm structures do not facilitate collaborating the marketing-procurement team gets less involved by marketers. Co-location seems to be an enabling factor for collaboration.

H2e: Focusing on needs: In all interviews with the various companies it was clear that the marketing-buyers want to fulfil the marketer's needs and want to support them in the best way possible by giving them the best suppliers, resource, innovations, trends and conditions. Of course, they also need to work on the relationship with the supplier but they do not neglect their internal stakeholders. Here, the hypothesis cannot be tested since there was no case found where procurement would neglect the marketer's needs. Even at the firm with a lower level of involvement, the buyers aimed to discover the marketer's needs.

H3a: Clan culture: *Company 1, 2 and 4* scored high on clan culture while *Company 3* scored weakest on it. While it was hypothesised that a strong clan culture yields a high level of marketing-procurement involvement this was not the case for *Company 1*. Therefore, the hypothesis is **rejected**. A strong clan culture doesn't automatically yield to a high level of marketing-procurement involvement.

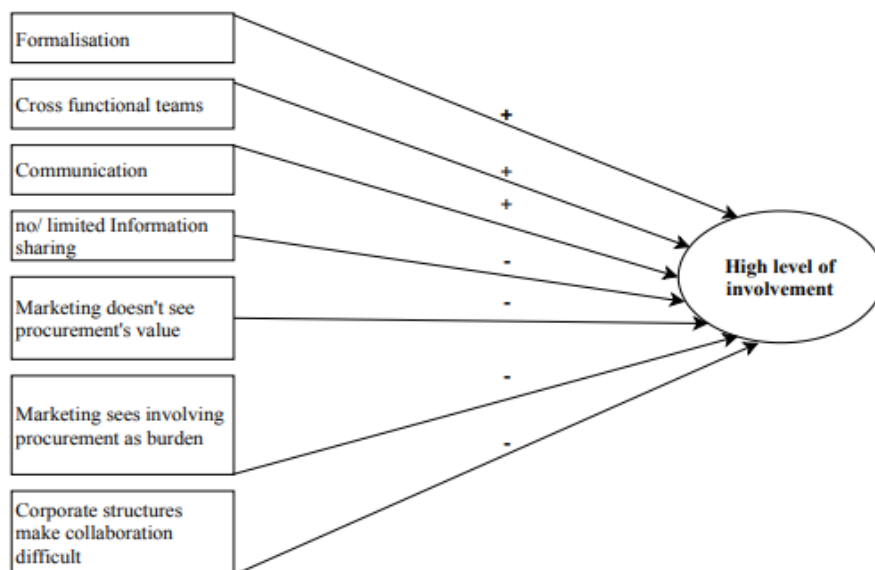
H3b: *Adhocracy culture*: While it was hypothesised that a strong adhocracy culture would lead to a low involvement of marketing-procurement, *Company 4* showed the opposite by having a dominant adhocracy culture and a high level of involvement. Still, adhocracy culture was weak at the other companies who had a mix of higher and lower level of involvement. Here, the hypothesis is **rejected**. A dominant adhocracy culture does not lead to a low level of marketing-procurement involvement.

H3c: *Market culture*: While it was hypothesised that a strong market culture would lead to a low level of marketing-procurement involvement, *Company 3* has shown the opposite by having a dominant market culture while still having a rather high level of involvement. Two other firms scored rather high on market culture as well while having a mix of high and low involvement. Here, the hypothesis is to be **rejected**. Having a dominant market culture does not lead to a lower level of marketing-procurement involvement.

H3d: *Hierarchy culture*: While it was hypothesised that a dominant hierarchy culture enables a high level of marketing-procurement involvement not a single company showed it as their dominant culture. Three companies, however, *Company 1, 3 and 4*, still scored high on it while they have a varying level of procurement involvement. Therefore, the hypothesis can be **rejected**. Having a dominant hierarchy culture does not lead to a high level of marketing-procurement involvement.

Figure 9 depicts the accepted hypotheses of this study.

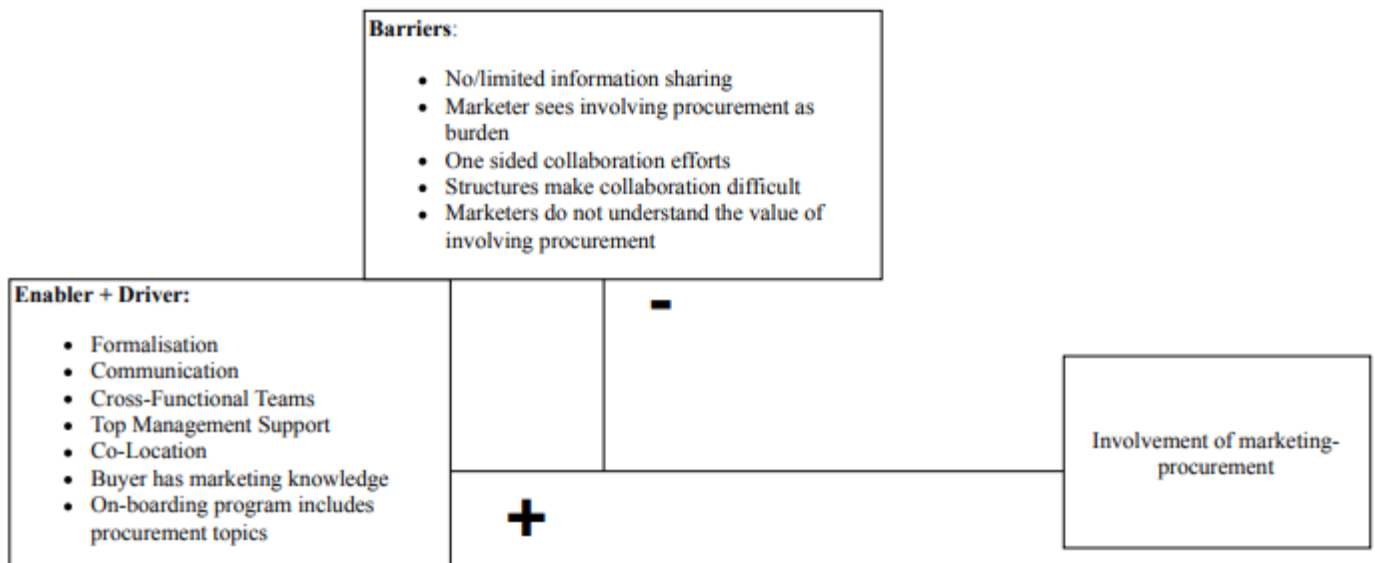
Figure 9: Accepted hypotheses overview



6.2 Revised framework for marketing-procurement involvement

The analysis of the organisational culture per interviewed company has shown that there is no clear connection between the dominant organisational culture and level of involvement between marketing and marketing-buyers. Therefore, the culture aspect got removed in the revised framework. Many of the aspects that were in the original framework were also found in the revised framework which can be seen in *Figure 10*.

Figure 10: Revised Framework for marketing-procurement involvement



No firm mentioned having rewards or incentives for collaborating, therefore, this aspect got removed from the framework. Next, it was clear from the interviews that all buyers focus on the needs of the marketers by aiming to give them the best resources, suppliers and innovations. Therefore, this barrier got removed as well. Joint objectives, goals and KPI's varied across all firms. Here, it was not clear that it would have a positive impact on the involvement of procurement and therefore got removed. Still, in the interviews, many buyers and marketers mentioned that it would be nice to know about each other's objectives and to have joint KPI's to align. At all firm's marketers reach out to procurement when they need help with suppliers, products or contract. Therefore, it was in this case also not the case that that would lead to a particularly high or low involvement and got removed from the framework. The companies where the marketing-procurement involvement is working well showed that they all have a detailed onboarding program for new hires which also teaches about procurement processes. New hires learn how procurement works, procurement guidelines as well as the value of involving procurement. In the firm with the lower level of procurement involvement the topic procurement was not part of their onboarding program and marketers complained that they didn't know any procurement guidelines or how to work

with procurement. Therefore, it was found that having a procurement onboarding program for non-procurement employees is beneficial and got added to the framework.

Next, it was noticed that firms with a high level of procurement involvement get top management support. The buyers stated that that has really helped them to establish a good relationship with the marketers and made them get more and earlier involved in marketing's projects. At the firm with the lower procurement involvement, the opinions of the buyers varied. Some stated that they have mentioned the collaboration problem to their managers but felt that no action was taken and that it is not the priority of top management. Thus, top management support got added as an enabler to the framework since it has shown to be very beneficial in most of the case companies. Next, the interviews have shown that having a marketing understanding as marketing-buyer is beneficial. This way the marketers notice that the buyers are capable and understand the marketers' needs. Basically, all buyers who had multiple years in marketing-procurement or even a marketing background had a higher level of involvement by marketers than the one buyer who didn't have a marketing background and who is fairly new to marketing-procurement. The last aspect that got added to the framework is that both parties, the marketers and procurement must put effort into the collaboration. At *Company 1*, it was perceived that the effort is rather one-sided and procurement having to be the one who always initiates meetings, communication and information sharing. Buyers have to push hard to be involved in marketer's projects. Therefore, this aspect also got added to the barriers.

In *table 14* and *15* can be seen statements of the interviewees in order to follow the reasoning.

Table 14: Findings of enabler and driver

Enabler/Driver	Quote
Top Management Support	<i>“Actually, it starts with the very top so if you have got a CMO, a chief marketing officer that values procurement is the best thing that can happen. And then so we have got our current CMO who has always valued what we do. Our global head of marketing procurement so my boss sits on the marketing leadership team so with the most senior marketers so she has a seat at the top table with that senior marketing group. Ehm, so you know our agenda is on the table all the time in terms of what we are trying to achieve.” (Gary Carey, Diageo)</i>
Communication	<i>“If I hear something about what is happening like a new trend or a new supplier or anything I will forward that to them”. (Avneet Singh, Kraft Heinz)</i>
Onboarding Program	<i>New hires will get on-boarded “(...) so that they understand the role of procurement because that is always a bit of a challenge so that they understand what procurement is doing and why they have to work with procurement.” (Pauline Paris, Jacobs Douwe Egberts)</i>
Formalisation	<i>“We have quite a lot of processes and sometimes things are taking a lot of time because of those processes but I think it is more or less the same in many big FMCG companies. We need this structure, otherwise it could go a bit wild and everyone would do their own thing. So, we have structures and compliance with policies and the ways of working and that is something we are really looking at to make sure that we work in the right way.” (Pauline Paris, Jacobs Douwe Egberts)</i>
Cross-functional Teams	<i>“(...) we work in partnership. But in terms of ehm this is where. I think it is fair to say that in previous years it was more a transactional relationship where we were seen as coming from a cost cutting perspective, being very efficient, we would control the supplier lists you know you must choose one of these partners. There is much more collaboration now for example we just recently worked with the marketing leadership team to talk about the agencies that we were comfortable having on our roster to get us the best work. That's a joint conversations and joint decision.” (Gary Carey, Digaeo)</i>
Buyer has marketing knowledge/background	<i>“Mh personally I think that that is very important because it helps and you feel more confident when you talk with marketing or supplier about the topic and not only about the figures and you understand when it is relevant information and when it is not.” (Anastasia Kondratenko, Ikea)</i>
Co-location	<i>“I have the chance to sit in Amsterdam so I am sitting with the central marketing team and the global marketing teams so I am really sitting with them every day so it feels like I am a little bit part of their team and they don't just see me as a procurement person” (Pauline Paris, Jacobs Douwe Egberts)</i>

Table 15: Findings of barriers

Barrier	Quote
No information sharing	<i>“Uhm, suppliers are sharing information with marketing and procurement because it is also agreed by procurement that they share what they did for FrieslandCampina every quarter since it is a complex multinational organization. There is not always communications between countries and not always in the same discipline. So uhm this is also what procurement delivers is that connect the suppliers actually asking them for help to communicate internally.” (Burcu Waelbers, FrieslandCampina)</i>
One sided effort for collaboration	<i>“I am usually the one who approaches first” (Constanze Hepp, FrieslandCampina)</i>
Marketing not aware of procurements value	<i>“(...) indeed, quite a high percentage saying okay we understand what procurement is doing but it is not 100% that clear so uhm I think that is something that needs to happen.” (Pauline Paris, Jacobs Douwe Egberts)</i>
Marketing sees involving procurement as burden	<i>“(...) since we are really commercial driven sometimes the response time we need to the market is quick so it means that if you want to approach procurement, procurement should be included from the very early stage for selecting a vendor. But whenever you decide it to go for a vendor it is really like you have maybe a month to execute something. So, in that month because of business negotiation levels you cannot really have the luxury of these times. Normally you step up this process then I do it myself.” (Fabiola Osornio, FrieslandCampina)</i>
Firm structures make it difficult to collaborate	<i>“I have seen way better examples than here at FrieslandCampina because I feel that here the silo image is even more concrete than in another companies I have been working with. And I don't think we have a lot of tools and means to improve this collaboration and I don't think this is really a priority at the moment.” (Maud Riviere, FrieslandCampina)</i>

6.3 A Maturity Model for marketing-procurement integration

Based on the findings from the interviews, a maturity model assessing the level of integration of marketing-buyers within a firm got developed. A maturity model tends to be displayed as a matrix where one axis has the dimensions/categories that are being measured while the stages from low to high are on the other axis.²⁸⁰ Procurement maturity models typically have about three to five maturity stages and “are easily communicable and show the way to immediate actions for improvement.”²⁸¹ Maturity models require a description where the level of maturity gets higher per stage. “The key is to define stages of maturity paths, what requires to characterize each level and to define logical relationship between them.”²⁸² The maturity model should cover all relevant dimensions that make up the extent of maturity.²⁸³ For this maturity model, it was decided to have three maturity stages ranging from low, to medium, to high. Dimensions that are measured in the maturity model are involvement, communication and information sharing, buyer’s marketing experience, onboarding and extent of formalisation, which are in line with the revised framework.

Table 16 Maturity Model

Category	Stage 1 - Low	Stage 2 - Medium	Stage 3 - High
Involvement	Buyers are not involved in marketing-buying process/involved late in the to sign a contract with the supplier	Marketers sometimes involve the buyers in the marketing-buying process Marketers involve procurement mid buying process such as when selecting a supplier or in the negotiation process.	Buyers are involved early and in full of the marketing-buying process when the marketers discover the need for a marketing product/service
Communication and information sharing	No/very limited communication and information sharing between marketers and buyers. Information sharing and communication often on buyer’s initiative	Marketers and buyers irregularly/ ad hoc communicate and share information as well as planning	Marketing and procurement regularly have strategic meetings to discuss the marketing strategy and upcoming planning.
Buyer’s marketing experience	Buyer has no marketing background nor has worked in the category marketing procurement for long	Buyer has limited marketing knowledge	Buyer has multiple years of marketing experience/ has worked multiple years for the category marketing-procurement
Onboarding	Company has no onboarding program. New hires need to find out themselves how processes and procurement within the firm works	Company has an informal onboarding where a colleague shows the new hire the processes and how procurement at the firm works	New hires get a formal onboarding program which includes e.g. how procurement within the firm works, how to create purchase orders and how/when to work with procurement
Formalisation	Procurement process is deformed or employees are not aware that a formal procurement process exists and therefore neglect it.	Procurement process is formalised but not always followed. No clear enforcement of the process.	Procurement process is highly formalised and documented. All employees within the firm have to follow an official procurement process
Top Management Support	Top management does not regard the integration of the procurement department within the firm as important or does not see the problem	Top management is aware that they should support the integration of the procurement department and plans to take actions for improvement.	Top management supports the integration of the procurement department within the firm. Supports communication and information sharing among departments and incentivises collaboration

²⁸⁰ See Schiele (2007), p. 276

²⁸¹ Schiele (2007), p. 275

²⁸² Werner-Lewandowska & Kosacka-Olejnik (2018), p. 793

²⁸³ See Schiele (2007), p. 276

7. Discussion, implications, limitations and recommendations for further research

7.1 Top management support and a well-structured onboarding program for marketers are found to be beneficial for marketing-procurement involvement

In this thesis, best practices were identified, new aspects of marketing-procurement involvement were found and findings from other scholars confirmed.

Enablers of marketing-procurement involvement are found to be a high level of formalisation, frequent communication and information sharing between departments, cross-functional teams, top management support, co-location of marketing and procurement, buyers having marketing knowledge and onboarding programs for new marketing hires. Barriers to marketing-buyers involvement are no information exchange between departments, marketing not understanding the value of involving buyers, one-sided collaboration effort and firm structures where departments act as silos.

Firms with a high involvement of marketing-procurement showed that top management support is very valuable. The support from top management has taken the relationship and involvement between marketing and procurement to the next level which confirms the findings of other scholars.²⁸⁴ Kahn (1996) proposed that top management should encourage departments to collaborate by having joint goals, mutual understanding, working collaboratively, aligning visions and sharing information.²⁸⁵ If top management is not aware of procurement's strategic value then it is unlikely that the department has the resources to manage the performance of the supplier.²⁸⁶

Next, a high level of formalisation with clear procurement rules and guidelines that also the marketers need to follow showed to be beneficial for marketing-procurement involvement. Driedonks et al. (2014) also found that a high degree of formalisation has a positive impact on team effectiveness,²⁸⁷ while Brown & Eisenhardt (1995) had similar findings and proposed that the organisational context should give the departments and teams formalisation for optimal collaboration.²⁸⁸

Further, this thesis found that having an onboarding program for new marketing hires, which also includes aspects of procurement, had a positive impact on the extent of collaboration. In onboarding programs, new hires learn the formal and informal practices of the firm,

²⁸⁴ See Kralijc (1983), p.115-116; See McDonough III (2000), p. 53; See Le Meunier-FitzHugh (2007), p. 207+216; See Eijkemans (2016), p. 68;

²⁸⁵ See Kahn (1996), p. 147

²⁸⁶ See Krause (1999), p. 209

²⁸⁷ See Driedonks et al (2014), p. 288

²⁸⁸ See Brown & Eisenhardt (1995), p. 367

programs and policies to make newcomer adjust to the new firm environment.²⁸⁹ With strategic onboarding, new hires align with the firm's strategy and will learn everything that they need to know to be successful in their role, which makes them productive quickly.²⁹⁰

Having a collaborative attitude coming from marketers and buyers is found to positively impact the involvement of marketing-buyers. Here, marketers and procurement both reach out to each other regularly and see each other as partners. Studies found that a collaborative attitude by both sides is a significant factor for the involvement of procurement.²⁹¹

Just like other scholars concluded, it got found that some company structures make it easier to collaborate than others.²⁹² In firms with high marketing-buyers involvement, the marketers and procurement were co-located, meaning they sit in the same office. This way it is easier to communicate as well as to collaborate because everyone is always easily approachable. Co-location can be defined as bringing together personnel from different departments into the same location with the goal to have easier and more frequent interaction.²⁹³ Kahn and McDonough III (1997) show that the effects can depend on the kind of department. They found that it increases the extent of collaboration between e.g. the marketing and R&D department but not between the manufacturing and other departments.²⁹⁴ In this study, it has shown that it positively impacts the extent of collaboration between the marketing and procurement department.

Sharing planning and information is found to positively impact the involvement of marketing-procurement which confirms findings by Le Meunier-FitzHugh and Piercy (2007), who found that communication among two departments is important since it gives the departments the opportunity to share information, coordinate projects and to develop strategies together. They emphasise that the communication effort should be two-way and not one-sided to be effective,²⁹⁵ which was also the case in the interviewed firms. Since the customer-facing resources such as information are often controlled by the marketers it makes it necessary that the marketers get proactive by fostering cross-functional alignment.²⁹⁶

Next, marketing needs to understand the value of involving procurement in order for marketing-buyers to get involved. Some internal stakeholders are not aware of the value of

²⁸⁹ Klein & Polin (2012), p. 268

²⁹⁰ See Stein & Christiansen (2010), p. 13

²⁹¹ See Ellinger (2000), p. 85-94; See Johnson et al (2002), p. 85; See Bals et al. (2009), p. 897-899 ; See Ashnai et al. (2019), p. 26

²⁹² See Wynstra et al. (2000), p. 139 ; Bals et al. (2009), p. 892

²⁹³ See Kahn and McDonough III (1997), p. 162

²⁹⁴ See Kahn and McDonough III (1997), p. 161

²⁹⁵ See Le Meunier-FitzHugh (2007), p. 216

²⁹⁶ See Smirnova et al. (2011), p. 62

involving the procurement department or do not know how to involve them.²⁹⁷ Procurement can add value to the marketing department by ensuring that the budget gets spend in line with the firm's strategy and goals, improving the product or service quality, as well as saving time and money for the marketer.²⁹⁸ The Hackett Group (2015) found that procurement departments that are seen by stakeholders as business partner yield 68% higher savings than those procurement departments that are perceived as the gatekeeper. This can be achieved by assigning buyers to key stakeholders, make procurement more client-facing, and embedding them within the internal stakeholder's teams.²⁹⁹

The aim of this research was to assess the impact of organisational culture on the extent of marketing-buyers involvement by the marketing department. From the analysis of the organisational culture as well as the extent of involvement of the marketing-buyers, not the results that were expected from the proposed hypotheses could be found. The results of this thesis have shown that a relationship between organisational culture and the extent of involvement between marketing and marketing-procurement could not be found. The organisational culture types varied across the case companies even though multiple had a similar extent of marketing-procurement involvement.

Two firms had a dominant market culture and a high level of marketing-procurement involvement while it was hypothesised that a dominant market culture results in a low level of marketing-procurement involvement. A study by Sin and Tse (2000) found that efficient marketing departments have a high level of customer orientation, service and quality orientation as well as innovation orientation,³⁰⁰ which shows signs of a market culture. Further, Dobni and Luffmann (2010) concluded marketing strategies can be implemented via a market-oriented culture,³⁰¹ and a market orientation as a marketing strategy has a positive impact on company results.³⁰² It could be hypothesised that because the buyers perceived the firm culture as a market culture, just like the marketers, it facilitates a good level of collaboration and involvement of the two departments. This hypothesis could be analysed further.

Wiewiora et al. (2013) found that dominant market cultures are less likely to share knowledge while clan-cultures are more emphasising a collaborative environment and

²⁹⁷ See Wynstra et al. (2000), p. 130-131

²⁹⁸ See Bals et al. (2009), p. 296

²⁹⁹ See The Hackett Group (2015), p. 2

³⁰⁰ See Sin & Tse (2000), p. 302

³⁰¹ See Dobni & Luffmann (2000), p. 895

³⁰² See McNaughton et al. (2002), p. 991

sharing of information.³⁰³ Here, the findings of other scholars contradict with the findings of this research since the firms with a market culture had still a high level of collaboration and information sharing while a firm with a dominant clan culture experienced a low level of involvement, communication and information sharing.

While the first sub-research question was already answered in a previous chapter, the second one still needs to be answered. The sub-question was stated as ‘Which type of organisational culture facilitates marketing-buyers involvement by the marketing department best?’. Based on the findings of this thesis no clear answer can be given. Therefore, it cannot be answered at this moment. Further research must show whether there is a indeed a link between organisational culture and marketing-buyers involvement. In this study, no link could be found between organisational culture and the extent of marketing-buyers involvement.

7.2 Academic relevance of the research findings and further research recommendations

7.2.1 This study extends the already existing findings by other scholars with further factors for collaboration

This paper aims to clarify some questions regarding the relationship between the marketing and marketing-procurement department.

Other researchers have suggested that the collaboration between the marketing and procurement department requires more attention by further research.³⁰⁴

Findings of this thesis have academic relevance since it adds to the research of other scholars who researched enabler, drivers and barriers of indirect procurement inclusion. In this thesis, marketing-procurement specifically, where the findings provide a framework for marketing-procurement involvement. The organisational culture dimension is new to this field of research. Wynstra et al. (2000) have researched some of the enabling factors and drivers of purchasing inclusion and suggested that the impact of company culture could be an interesting driver or enabler that has not been researched yet.³⁰⁵ While organisational culture has been widely researched in the past decades,³⁰⁶ the impact of it on the collaboration between indirect procurement and their internal stakeholders is a new addition. On top of that, the internal integration of indirect procurement and cross-functional interaction between marketing and procurement has not been researched sufficiently.³⁰⁷ In this study,

³⁰³ See Wiewiora et al. (2012), p. 1171-1172

³⁰⁴ See Bals et al. (2009), p. 901; Bocconcelli & Tunisini (unknown), p. 1

³⁰⁵ See Wynstra et al. (2000), p. 141

³⁰⁶ See Denison & Spreitzer (1991), p.2

³⁰⁷ See Narasimhan & Das (2001), p. 593; See Bals et al. (2009), p. 901; See Smirnova et al. (2011), p.56

the impact of organisational culture on the extent of marketing-procurement involvement could not be found. Nonetheless, the findings of previous research were reinforced, such as that a high level of formalisation, top management support and co-location impact the extent of marketing-procurement involvement positively. The study has also shown more in detail what best practice firms do to integrate their marketing-procurement team successfully within the company.

7.2.2 Limitations and further research: This study could be repeated or extended by other scholars to validate its findings

In addition to the strength of this research it also naturally has its weaknesses.

The study was carried out with a small research sample of companies operating in the Netherlands, while all are active in the fast-moving consumer goods industry with multibillion-euro turnover. This limits the external validity of the findings since they might not be the same in other geographic areas in the world, industries or company sizes.

This study could be expanded to other countries, industries and firm sizes to validate the findings. Due to the scope of this thesis only at one firm the buyers and marketers were interviewed and asked to fill in the OCAI. It could be that the organisational culture perception of the buyers at firm 2-5 do not reflect the same culture perception of other employees in their firms. In further research, more employees per case company should get asked to fill in the OCAI.

The findings within *Company 1* show that the culture among the employees and departments deviates. Some perceived clan culture as dominant while others perceived market or adhocracy culture as the dominating culture. According to Cameron and Quinn (2006), “(...) having all aspects of the organisation clear and focused on the same values and sharing the same assumptions simply eliminates many of the complications, disconnects, and obstacles that can get in the way of effective performance.”³⁰⁸ Having multiple organisational cultures within a firm can have a negative impact on the firm because it can cause discomfort.³⁰⁹ The deviating internal cultures could be a reason why the involvement of marketing-procurement is not as high as desired. This aspect could be picked up in further research. Further, it would be interesting to find out whether the buyers who perceive it as a strong market culture have a good extent of involvement by the marketers due to having the same dominant market culture, which marketers often seem to have. Here, it would be interesting to see whether the

³⁰⁸ Cameron and Quinn (2006), p. 73

³⁰⁹ Cameron and Quinn (2006), p. 74

buyers who have the same organisational culture as marketers are more likely to get involved by marketers than buyers who perceive it as a different culture. It would be interesting to see if future scholars could pick the ideas up in further research.

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Annexure I – Interview Guide

Interview Guide

Interviewee _____

Date _____

My master thesis aims to find out whether organisational culture has an impact on the collaboration between marketing-procurement and the marketing department. The interview questions are about your perception of the marketing department/marketing-procurement and the extent of your collaboration. After the interview, I would like to invite you to fill in the OCAI, which measures which organisational culture type is dominant in the company that you work at.

All information that you provide in this interview will be kept confidential and anonymous. If you give me your permission then I would like to record this interview. You can stop the interview anytime in case you feel uncomfortable.

Record permission _____

Theme	Purpose of the question/What to find out	Interview Question
Background Questions	Background of interviewee and their responsibilities	<i>Can you tell me a bit about your job and experience here at the company?</i>
	Company structures, cross functional teams, co-location	<i>Do you feel like the structures at the firm here facilitate cross-functional teams, how? Is there co-location of marketing and procurement?</i>

	Company structures, collaboration, rewards/incentives	<i>To what extent does the company encourage you to work together /collaborate /share information? Are there incentives/rewards?</i>
	Structures and processes	<i>To what extent are processes formalised here?</i>
	Top Management Support	<i>Do you feel like you have top management support by your CMO or CPO?</i>
Collaboration/Cross-functional teams	Goals and strategies	<i>To what extent do you work together with marketing/procurement on achieving goals? Do you have joint goals?</i>
	Mutual understanding, same terminology	<i>To what extent do you have mutual understanding with marketing/procurement? Are you educated in marketing/procurement?</i>
	Collaboration, teamwork, team feeling, collaborative attitude	<i>To what extent do you work together as a team with procurement/ marketing? Do you perceive marketing/ procurement employees as collaborative, how/how not?</i>
	Mutual goals, mutual understanding, KPI's	<i>To what extent do you share the same vision for the company with marketing/procurement? Do you have joint KPI's, which ones?</i>
	Joint processes	<i>Do you have joint processes with procurement/ marketing, if yes what kind of processes?</i>
	Communication, meetings, information sharing	<i>To what kinds of meetings do you invite procurement/ marketing to take part? What kind of information is shared? Regularly or ad hoc?</i>
	Value of procurement, helping each other, support	<i>With which aspects do you think you can add value/support to marketing/ procurement</i>
	Involvement, timing	<i>Who tends to approach marketing/procurement first? At which stage is that, why? Is it the right moment, too late, early?</i>
	Reasons for collaboration/no collaboration	<i>To marketing: Are there any particular reasons why you do/do not include procurement?</i>

		<i>To procurement: Do you think there are any particular reasons why marketing doesn't include you?</i>
	Success story, characteristics for collaboration success/failure	<i>Could you tell me a success story where the collaboration worked really well/badly? What were the reasons?</i>
	Collaboration success characteristics	<i>What are in your opinion the three most important factor for good marketing-procurement collaboration?</i>

We have now reached the end of this interview. Is there a question that you have or anything you would like to add that could be relevant?

Ending time: _____

Thank you for taking the time for this interview!

Annexure II - Organisational Culture Assessment Instrument

1	Dominant Characteristics	Now	Preferred
A	The organisation is a very personal place. It is like an extended family. People seem to share a lot of themselves.		
B	The organisation is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risk.		
C	The organisation is very results-oriented. A major concern is with getting the job done. People are very competitive and achievement-oriented		
D	The organisation is a very controlled and structured place. Formal procedures generally govern what people do.		
	Total	100	100
2	Organisational Leadership		
A	The leadership in this organisation is generally considered to exemplify monitoring, facilitating or nurturing.		
B	The leadership in the organisation is generally considered to exemplify entrepreneurship, innovation, or risk taking.		
C	The leadership in this organisation is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.		

D	The leadership in the organisation is generally considered to exemplify coordinating, organising, or smooth-running efficiency.		
	Total	100	100
3	Management of Employees		
A	The management style in the organisation is characterised by teamwork, consensus, and participation		
B	The management style in this organisation is characterised by individual risk taking, innovation, freedom, and uniqueness.		
C	The management style of this organisation is characterised by hard-driving competitiveness, high demands, and achievement.		
D	The management style of the organisation is characterised by security of deployment, and stability in relationships.		
	Total	100	100
4	Organisation Glue		
A	The glue that holds the organisation together is loyalty and mutual trust. Commitment to this organisation runs high.		
B	The glue that holds the organisation together is commitment to innovation and development. There is an emphasis on being on the cutting edge.		
C	The glue that holds the organisation together is the emphasis on achievement and goal accomplishment.		
D	The glue that holds the organisation together is formal rules and policies. Maintaining a smooth-running organisation is important.		
	Total	100	100
5	Strategic Emphases		
A	The organisation emphasises human development. High trust, openness, and participation persist.		
B	The organisation emphasises acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.		
C	The organisation emphasises competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.		
D	The organisation emphasises permanence and stability. Efficiency, control, and smooth operations are important		
	Total	100	100
6	Criteria of success		
A	The organisation defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.		
B	The organisation defines success on the basis of having the most unique or newest products. It is a product leader and innovator.		
C	The organisation defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.		

D	The organisation defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low-cost production are critical.		
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Now Scores

1A

2A

3A

4A

5A

6A

Sum

Average

Preferred Scores

1A

2A

3A

4A

5A

6A

Sum

Average

1B

2B

3B

4B

5B

6B

Sum

Average

1B

2B

3B

4B

5B

6B

Sum

Average

Now Scores

1C

2C

3C

4C

5C

6C

Sum

Average

Preferred Scores

1C

2C

3C

4C

5C

6C

Sum

Average

1D

2D

3D

4D

5D

6D

Sum

Average

1D

2D

3D

4D

5D

6D

Sum

Average

Annexure III – Interview Transcripts

Transcript: Company 1 – Buyer 1

1= Interviewer = Laura Frank

2= Interviewee = *Buyer 1*

1: What is your job function?

2: I am a category procurement manager

1: For which category

2: Marcom procurement team

1: What are your responsibilities there?

2: I am responsible for uhm supplier management and also stakeholder management. I collect all the marketing information from suppliers and I like to deliver value to the company. I try to deliver savings but we are not only focusing on hard savings but also on value add. I negotiate contracts with suppliers and I also uhm I negotiate the conditions with them that will deliver value to the company such uhm new projects, innovative ideas, innovation workshops, sustainable workshops.

1: What kinds of services or products do you buy?

2: I am responsible for POSM so its point of sales materials and premiums, these are the merchandising items that we give away

1: And since how long are you in the company

2: I am here now since 8 years

1: How long is your experience in procurement

2: Since uhm 4 years

1: And in marketing procurement?

2: In marcom procurement since February 2019

1: How do you feel like are the structures here. Do they facilitate working together, cross functional teams?

2: Actually, procurement here is a support function. So, we are working with mainly marketing teams and business procurement teams. So, marketing is based in the head quarter like us, and business procurement is located in the operating units

1: Is it co-located? Are your stakeholders located close by, on the same floor?

2: We are in the same building, nevertheless there is not much interaction because marketing has a budget to spend and uhm they know supplier, they connect with suppliers and uhm but we as procurement try to get the best from suppliers with the best budget so it is our role and target. So, we have actually different goals. They want to get the product as soon as possible in the way how they want but we want to improve the process to get better prices to get better service. So actually, we have different goals. we like to save some money but saving money will then deliver financially to the company. but they want the best product. they don't always consider the supply chain impacts

1: Do you feel like you have top management support by the CPO and/or CMO to facilitate good marketing-procurement collaboration?

2: Top management supports us whenever we ask for their support. Nevertheless, I don't think that it is the top priority of them to provide collaboration between Procurement and other disciplines. I didn't experience that they mentioned the importance or the values of it.

1: Do you also have joint goals with marketing, if yes what kind of goals?

2: No not really

1: Do you think you have mutual understanding like know the same marketing terminology, a common understanding due to a background in marketing or so?

2: No, I don't, but I know that marketing is actually creating value to the shopper and consumer and as procurement we try to support them therefore they can optimize their budget but further we are not too involved with marketing related activities.

1: And to what extent do you work together as a team with marketing?

2: We uhm we are, there are some ideas to improve or start freshly new. It is initiated by procurement mainly to connect with them to plan a meeting. but it is sadly not on a regular basis. It was actually my purpose to make it on a regular basis like every month we come together we discuss what we have done, what we could do different or better. But marketing thinks that that is not necessary.

1: So that is quite a barrier I guess?

2: Yes, because we are working for the company but for them if they don't feel the necessity to meet you cannot really push to meet, I try to explain why it is important but they have their own priorities than getting better service from supplier or getting savings.

1: And when they approach you, at what step do they usually approach you, at the later or earlier stage

2: When there is a problem

1: Such as?

2: When let's say that supplier didn't deliver the premiums on time for example. or they need some information why the supplier didn't deliver it. otherwise they won't.

1: So, there is not a formal process or something that they would have to work with procurement. For example, that they need a signature from procurement or so?

2: No, nothing. Actually, we need to approve the invoices from the suppliers which are not known to procurement. so that means they are uhm already ordering premiums or POSM from unknow suppliers to even to procurement. So, they don't have a contract, they don't have price agreements. they don't have bonus agreement so they don't get any advantage from a good relationship with procurement. and they ask us if we could approve the invoices.

1: Do you then usually do it?

2: I never do it without challenging them. I try to explain why it is important for the company if they would connect with procurement

1: Do you know if that is allowed for them? Any idea if marketing has some guidelines on how to purchase?

2: Uhm no, there are no guidelines. It is all on their initiative if they want to get in touch with procurement. if they would like to align or collaborate with procurement

1: If they would invite you to meetings what kind of meetings are they like with a supplier or just an internal meeting

2: Usually they don't. I try to come to meetings because I hear it from suppliers and then I act on it and tell them that I want to be there. And then marketing tells me that they would let me know

1: But do they then let you know?

2: Not always but actually it is also strategic thinking. Against suppliers we have a reputation and we have agreements also for the future. I am the one who is selecting suppliers so I don't need the operational details but I want to know the level of the discussion

1: So how is the extent of information sharing, does that happen regularly?

2: Uhm, suppliers are sharing information with marketing and procurement because it is also agreed by procurement that they share what they did for Company X every quarter since it is a complex multinational organization. There is not always communications between countries and not always in the same discipline. So uhm this is also what procurement delivers is that connect the suppliers actually asking them for help to communicate internally.

1: And does it then occur more ad hoc when it is necessary?

2: Actually, it was in that way but now with the new contracts I changed the way of working that every quarter they will prepare a deck and they will share it with all shareholders so

marketing and procurement. When I mention procurement, I meant category procurement and business procurement

1: Are there any incentives or rewards to work together?

2: No nothing

1: Do you have joint KPI's

2: No, we don't

1: Is there any plan to have them in the future maybe?

2: There was a KPI actually, it was also our KPI to reach sales targets but it is that high level that it doesn't create any incentive. But that is a good one actually

1: And is the marketing success also measured by procurement action?

2: Actually, if you select the right supplier for a project they are very happy about this supplier they will give credits.

1: To you?

2: Yes, to me. But I never heard that marketing success would be procurement related.

1: With which aspects do you think you can add value to marketing? How can you assist them?

2: Showing them the added value of suppliers and discussing with them the differences of suppliers and the importance why procurement should be in lead when there is supplier selection. When we bring marketing information to the marketing department, because our marketing agencies work with different customers in the market, they work with the biggest so they can also share information with us which can help us be on track in terms of innovative ideas or sustainability.

1: So you pass this information on to marketing?

2: Yes absolutely. This is actually also my biggest role to do so

1: If marketing involves you, at which stage would they involve you. When they discover they need something or when they are already in the contracting phase?

2: When they struggle or have problems they get back to us. When there is a problem, an administrative problem, when they don't know how to process, uhm in the system because they already decided everything. So, we are usually involved after their decisions. And if it was possible to set up everything in the system we are not even involved, because we need to sometimes approve something or they need master data and they need us for that. Then we see that there are discussions with unknown suppliers. It doesn't have to be a bad thing, it could be a good supplier but it could also be a bad one. we as procurement have knowledge about the supplier. we know who is strategic.

1: So you feel like when they involve you it is the right time, too late, too early?

2: Actually, we should be involved from the very beginning when they define the budget for the coming year and allocation of the budget we should know it. When we know this idea, we can start discussion with suppliers. Tell them that we have a higher budget and that they get more jobs from us. And if let's say there is a budget cut and they don't get a job they should know. It is important for our relationships or contracts, so we can already start new contract discussions. We can act on it in time. but we usually act backwards. An example is that there was a contract discussion and we agreed on a certain budget, then we had a budget cut by 50% of the job that we promised to them could not be given to the supplier. But our bonus agreement was based on this budget so it costs a lot of unnecessary time in the end and problems and it is also not good for our reputation as a company

1: So you feel like you get involved too late?

2: Yea, either too late or we are not involved at all

1: Can you tell me a success story where the collaboration worked really well?

2: We selected an activation agency so we planned agency pitches and marketing also joined us two days long and they also talked with us about the supplier selection. We did it in 6 sessions. so they were actively involved in the supplier selection process. but in the end it was again our initiatives. but nonetheless it was a success, we mutually decided on the new supplier

1: When you initiate something do they tend to agree to it? For example meetings to talk about a supplier?

2: Uhm yes! Actually, they are not resistant. If it is not, I mean I always meet them but of course you need to tell them something. You really need to discuss something with them. And you know they always have very limited time

1: We come to the last questions now. What are in your opinion the three most important factors for good marketing-procurement collaboration?

2: Actually, willingness to communicate, being aware of the importance of procurement and being aware that we are working all for mutual goals. Actually, we are all working for company X. So, we want the best for the company.

Transcript: Company 1 – Buyer 2

1= Interviewer = Laura Frank

2= Interviewee = *Buyer 2*

1: Can you tell me a bit about your job and experience here at the company?

2: I am currently global manager marcom procurement, globally responsible for below the line and digital since last week. So, I just started a new role and am now setting up the team to focus more on digital topics. And supporting the business on below the line digital topics. Before that I was doing below the line in marcom procurement for the last two years. And before that I was doing 11 years of marketing. So basically 2.5 years in a global role at FC, 2.5 years in a local procurement in Germany at Company X, before that I worked at a marketing agency in Germany. And 4 years in marketing at Company Y.

1: Uhm, and what kind of industry is the company in, could you tell me a bit about that?

2: Yes, the company is in the dairy industry which is in FMCG, fast moving consumer goods, B2B and B2C.

1: And uhm how high is the marketing spend?

2: I don't know, BTL we are talking about ca., I would say 200 million but that is without digital yet and ATL is way higher, so it is quite a big spend

1: Let's talk a bit about the structure here. Do you feel like the structures here at the company facilitate working together? Like group work, or working together on projects

2: That is a good question. I actually have some meetings next week with marketing-procurement people in China to understand how they are setting it up. Because what is currently the trend in the industry is that marketing-procurement goes into the marketing team. Which used to be the case years ago when I started and now it is a bit separate. I think it can work but you really need to have a passion for marketing if you are in marketing-procurement to get a relationship with the marketers. You need to sit with them be on the same floor and really try to integrate as a business partner. Because when you are only sitting in your little corner in the procurement department then I think it doesn't work. So the most successful marketing procurement manager we have here in the company they are really business partner, they know the plan for the next year, they know what is happening, and they try to engage with marketing people as much as possible so uhm I do think you need the passion and the interest and learning willingness to actually be relevant to them.

1: So right now they are not co-located, they are maybe in the same building but not in the same room?

2: It depends, it depends on the country. Lisa (business procurement Netherlands) sometimes sits upstairs (where marketing sits) so she is trying to. But if you look at Nigeria, they are sitting in a different building. In Indonesia and Vietnam they also sit on other floors. In

Malaysia they sit in different buildings across a road, so you actually need a car to get there. It is not always very easy to connect. And I do think it should be easier. I do think you should rather sit with the marketeers than sitting with your peers from procurement. So I would say rather sit four days with marketing and one day with procurement.

1: Do you feel like you have top management support by the CPO/CMO for marketing-procurement collaboration?

2: I do think so. Our director for business procurement is joining meetings with the global commercial teams and we have meetings with all global commercial teams. This helps us to understand the strategy and to be able to support according to their plans.

1: Does the company somehow encourage you to work together? Do they push it on you or is it all voluntarily from your side whether you want to work together or not?

2: All voluntarily I would say. So I have now in my new role, uhm I am sitting in Singapore and the office is a bit like a circle and I am now sitting on one side of the circle which is currently a bit more the ingredients business and now Max (former global marketing manager) actually pushed me to sit a bit more on the other side, where the marketeers are sitting, just to integrate a bit more. And I think in marketing-procurement we also discussed that yesterday with someone, if you want to have an impact you need to talk to people all the time. They will be able to do everything by themselves and they will never reach out to you because marketeers are used to doing it themselves. But the moment you get involved I think there are a lot of opportunities that you can actually work on. And then you also see that there can be savings, there are effectivity projects that you can work on. But you need to be there all the time and get involved from the beginning in order to do this.

1: so you really need to initiate it?

2: Yea,

1: So there are no rewards or anything if you collaborate?

2: No, we tried to include objectives in Horizon so in the yearly plans. It is very difficult because then you really need to coordinate that well but I do think it would be helpful because in the end we do work for the same goal. Ehm what I do think is that the moment you are an expert in the topic such as Reitze, who is an expert in media, people will reach out to him. But the moment they feel like you don't have a clue they also don't want to work with you. So, in our new strategy that is a bit what we want to, we want to make procurement content experts and really having this outside-in-vision. Because if I talk to a marketer I want to bring something to the table and mostly what they are interested in is, new agencies, new ideas, trends in the market and if I can bring that they will also reach out to me.

1: So they need to think that you are competent and know what to do?

2: Yea, exactly

1: We already went a bit further with the talk but I have to go a bit backwards. To what extent do you think processes are formalized here? Are there for example many guidelines?

2: yes and no. So, in a way, like, I think in marketing-procurement you cannot make things too formalized because marketeers don't like templates or these kinds of things. There are some things that you need to formalize in a way. What we are trying to do now and it is a bit. I think procurement is holding more the formalized part and marketing will push anything that is like a template, contract, whatever to procurement because they don't want to do it. But what we were discussion this week is that if you look at digital, there are a lot of new agencies popping up and new projects and we cannot cover this all so I cannot constantly work on a new contract for a new agency that we do once a pilot with. So we want to have a kind of set of rules or a kind of set of templates that the marketeers can use to do like the test pilots with agencies. That means that we need to formalize for them what they need to do step for step, like a NDA or whatever so that they know what to do. And we also want them to have a training with legal so that they know what is legally important. Uhm but I think we are not there yet. Another example is that with premium quality and safety. This is a super important topic because if for example we sent out teddy bears and they are bad and a kid dies or so the whole company is under attack and that would be very bad. So there is a whole process for quality and safety for premiums, but the audits don't go really well because people don't really follow the process so it is something we need to work on to get in place.

1: So if there is formalization are people okay with it?

2: They will try to go around it. Also, if we have preferred suppliers and we say this is who you are supposed to work with they always find a reason not to do it. And marketeers like to be very creative and as soon as you say these are the three preferred suppliers they will find a reason around it.

1: You already said you kind of work on the same goals, so what kind of mutual goals do you have?

2: We try to have the same objectives in market share and market growth but the problem is that we cannot influence it directly so people don't feel like it makes sense uhm but I think it would be good to have at least one objective in common. And I would make it more concrete, maybe work on a project together. For example, both me and the shopper marketing team globally are working on POSM effectiveness so how can we make that a

goal together, an objective. I do think it makes sense but it is very difficult in practice actually to get it done.

1: Do you have mutual understanding; do you speak with the same terminology for example when you meet?

2: I had a good discussion yesterday when I was speaking with Dorien (head of marketing procurement) and Elske (manager indirect materials) who are both new to the marketing slang and are confused and suggested that we change the name. I said that I am very against changing the name because everybody who works in marketing knows what it is we have to just adapt but they said like nobody understands it. You cannot just change something for the sake of no one being able to understand I mean you just need to be able to explain it. For example in marketing-procurement we say pitch and not tender. If you go to a marketer they won't know what you mean

1: To what extent do you perceive marketing as collaborative? Like if you ask them to work on something together, how does that look like?

2: It really depends on the country. And it really depends on what we ask and which value we can add to them so. I think it is difficult. At the moment, we want to do deep dives in some companies uhm then you need to convince marketing to come because they don't really perceive the added value but mostly they see it as an addition to their workload.

1: And if you work together do you feel like a team? Or just like a mix of people who have to work together on something/

2: Also depends on country for me I work a lot with the global team and for me that's my old team so it feels like a team but I think it is more difficult in the countries. I don't think we are seen as a team, procurement is always seen as procurement wanting to cut budget and we are getting there slowly more investment managers which is how we like to call it and that we more add value but that takes time.

1: When you say old team you mean your old marketing team?

2: Yes, shopper marketing global team

1: Do you share the same vision for the company?

2: Yes, I do think so, yes, we have the same vision

1: And do you have joint KPI's that you work on together?

2: No, that is what I meant with the objectives earlier in Horizon. I mean in the end in the contract we should align on the same KPI's. I mean if I hire supplier X for print management the KPI's that we put there should also lead to what marketing actually needs, not what I

need. I mean there will always be savings or safety or so but it should mostly be marketing KPI's.

1: Now we go in the direction of communication, to what kind of meetings does marketing invite you?

2: The ones I force myself into?!

1: And what kind of information does marketing share with you?

2: We ask them now for the 12 quarter plans but normally it used to be that they only get us involved in the contract stage. I am now at a stage that when they do that I say no because that is not my job I uhm want to be involved from the strategic part uhm so I try to be involved as early as possible in the discussions. Since I am in a category it is a bit easier to say no. But uhm, the more you push yourself into things the earlier you get involved.

1: Okay, so meetings and information sharing does that occur regularly, is it like every week or month or more ad hoc when they actually need you or when you force yourself in?

2: For the category I do it quite regularly with the global team, and with the business procurement I would say they meet more regularly, quite often.

1: Who approaches first, marketing or procurement?

2: I am usually the one who approaches first

1: And that is then usually in the later stage?

2: Yes, there it depends, I could imagine that Reitze is involved earlier because he is an expert. People know exactly that he knows better than anyone else so uhm I can imagine that for him it is different. So, I think that we need to develop experts in the team to then be able to speak with marketing

1: Do you think that marketing is aware that we have someone especially for media or POSM?

2: Yea, yea they definitely know that and they know that Reitze is specialized in media

1: Do you think there is any particular reason why marketing doesn't include you?

2: Because they are scared that we cut their budget. So, I had a discussion with the Dutch team, and with the Dutch team the Supplier X savings, the moment they are hard savings they are seen as a budget cut, so we now put them as value add because then they don't think that we cut the budget. I feel like that might be a Dutch thing to I don't think anyone else does it like that.

1: Do they maybe also believe that including procurement slows down processes or you take away their responsibility

2: Yes, it slows down and they think that we only go there to make it cheaper and not to get more money out of it even though that is not what we are trying to do. I feel like it is already

getting a bit better and we are kind of seen as business partners and I think we are getting their step by step.

1: Could you tell me a success story where the collaboration went really well or really badly? What were the reasons?

2: Mh, I was when we started with supplier X 5 years ago back then I was still in Germany in the OpCo and then I was here in the global shopper marketing and I was working really close with procurement and ehm at the time Maxime (marcom procurement) was working with me on working closer and really seeing what is happening in the country and he tried to use me as a resource to sell it to the other countries and we also then worked very strategically together with the agency on different innovation workshops or effectiveness these kind of things. I think that was actually a quite good example of working good together.

1: So like everyone put effort in it?

2: Yes, indeed

1: Now we are at the last question already. What do you think are the three most important success factors for good marketing-procurement collaboration?

2: I think you need to be very interested in the topic. So, you really need to show that you want to always learn, learn new things, reading online, going to conferences and these kind of things. You need a very open personality and connect with people so you need to like it to talk to people, just go for a coffee and ask people what they are doing and just be generally interested in their daily work, and I think you need to be aware that it is not just about hard savings but added value is also very important. You should not just go with the cheapest agency because marketing thinks they are crap. You need to understand that it is not about hard savings but adding value to the business. But still challenge the marketers if you feel like they are going the wrong direction. I feel like in your heart you have to feel a bit like a marketer.

1: So, understand their needs?

2: Yes exactly

1: So, we are now at the end, anything you would like to add or do you have a question?

2: No, I think it is very good research and I am really curious what you find out about it. And also, your proposal on how it should then be best

Transcript: Company 1 - Buyer 3

1= Interviewer = Laura Frank

2= Interviewee = *Buyer 3*

1: Can you tell me a bit about your job here at the company and your experience?

2: So i joined company X 9 months ago. Ehm my job is that I am part of procurement, category procurement, category means that I have an expertise on a certain category. My expertise is marketing content so i am in charge globally for everything that is marketing and more specifically with content part. So for example tv commercials, production of any assets whether it is for YouTube, Facebook, TV or radio doesn't matter. There is also packaging design, production of all the assets and thinks like that. So in a nutshell that is my role so I have an expertise like I said I am in charge of a category but uhm so my role is more like a consultant for the buyers that are in the countries so business procurement but they are really hands on let's say and we really led the project. My role is more as a consultant to give them best practices and things like that?

1: You also have marketing procurement experience from pervious jobs?

2: My total marketing procurement experience is about 6 years

1: Do you feel like the structures here at the company facilitate working together, is it easy to collaborate with others?

2: No

1: Why?

2: Ehm, together you mean between procurement?

1: Yea or working with other stakeholder internally?

2: Yea ehm I don't think so because what I have seen in my career so far, most companies work in silos so you have different departments and they work in silos and don't really communicate with each other. However, I have seen way better examples than here at company X because I feel that here the silo image is even more concrete than in another companies I have been working with. And I don't think we have a lot of tools and means to improve this collaboration and I don't think this is really a priority at the moment. For me the one thing that we really need to improve and we just discussed that is indeed the visibility of procurement and improving the communication together with the business. And even though something was already discussed with my manager it is not something that I have seen any concrete actions on, so i don't know if it is really I priority for management.

1: So, there is like no incentive from the company to work together or improve it?

2: I don't think so but I have only been here for 9 months so maybe it is too early to say

1: Do you feel like processes are formalised here, many guidelines or so?

2: Not really, I think we do have a few templates for example for contracts or very basic things but no I don't think there is a lot of processes to follow. I have seen better, I have seen worse. So I think it is actually lacking for example yea, I don't know if it is part of processes but something that I would do it for new people joining or current marketeers I would put in place e-learning about what is the procurement process and how they can work with us. And that is something that is missing

1: So you would like a bit more formalization?

2: Yea

1: Okay. To what extent do you work with marketing together on achieving goals, any common objectives?

2: Ehm, yea that is an interesting point because ehm obviously we are procurement so marketing always sees us attracted by savings and nothing else. I think it needs lots of educating to show them that yes there is savings but there is also much more like we have objectives on sustainability and on value added. So yes, I think they are not aware of that so that is what we can do to improve the collaboration.

1: Do you communicate that with them?

2: Yea obviously we should but in reality, that is true that I don't always think about it because when you are in the middle of a project and you are working on something concrete you are not really thinking about that although it should be part of ehm any introduction but that is honestly something i don't do myself necessarily because i don't remember to do that

1: Does marketing know that you don't just focus on saving costs but also on adding value?

2: No, I don't think they know that. Ehm yea I think they don't know that and they think that maybe for us only savings are important. Also, there are people who don't know procurement and have no idea what we do so for those people I don't think they know our objective. I think then a fair part of them thinks it is only about savings. I don't think many people know that we have much more and actually everything is put in place to better work with marketing because we have value add, we have also sustainability like I said and this term we had a new objective. I don't remember exactly the name but it is like ehm yea it is like market share I belief so it is the objective of marketing so that my manager put it as our objective so that we feel closer connected to marketing and can show them hey look guys we have the same objective as you right? But I don't know how I feel about that because it is not something that we can directly impact and at the moment the numbers are not looking so

good so it means we won't be having our bonus maybe and it is not something we impact directly so is it fair? I am not sure

1: Yea it is probably also not easy to measure?

2: Ehm yea I don't know how it is measured it's in my objective but I don't know because it is very marketing and sales oriented. I think on paper it is a really got idea but practically speaking I don't know if I am really convinced.

1: Are there any other joint KPI's?

2: To my knowledge, that is the only one.

1: And in what kinds of situations do you work together with marketing, how does the interaction look like? When do they approach you?

2: At the moment, it is not so great because they actually approach me most of the time when they need to sign a contract so that means they have done the sourcing, they did the selection, they know who they want to work with, they sometimes have already discussed the financial proposal and they just don't want to do the contract process because it is too administrative for them. So, then they call procurement. Unfortunately, yea that is the reality but now I am starting to work with more and more people and offer my help so now they reach out a bit earlier in the process but it is still not fully integrated and we are not part of the early stages.

1: So, do you feel like you have to make yourself heard, for example tell them that you are in marketing procurement and could assist them?

2: yea i feel like i need to educate them on what is rally procurement and what i can do for them and i feel like even if they know i would still need to earn their trust. i don't think even if they knew i don't think they would reach out to me themselves. so i really need to demonstrate them that i can be trusted and that i can bring value to them. which is not easy to do.

1: And if you then actually work together do you feel like a team and marketing as collaborative in these situations?

2: Ehm yea I do yea I feel a because most of the time when I am contacted it is to discuss with a supplier and then it is then really our company X and the supplier so then we are on the same boat so yea I do think they are very collaborative with us

1: And do you also have joint processes such as together selecting a supplier, compare them or so?

2: Yea so far it is not really the case. Yea and that is what I said that you know they involve us at a late stage at the moment. I really hope to change that in the future but it takes a lot of time and energy and we are not there yet.

1: To what kind of meetings does marketing invite you, if they invite you to any?

2: Yea they don't invite me to many. We had an example with supplier Y and then they met with the supplier, the agency, and we were invited to just join the last 5 minutes. I have never seen that in my previous experience. Normally they don't meet at this stage of the process where the contract is still being discussed the marketeers don't meet the agencies without procurement. So that is yea that i am not happy with but that is what i see, they don't involve us because they don't know what we can do and they don't know when to involve us. So I don't necessarily blame them and don't think that they are not collaborative on purpose. I think it is mainly because they don't know. Sometimes meetings are too technical and then they think they don't have to involve us even though procurement actually knows things about that and it is relevant to have procurement there as well.

1: Do you feel like the same language, like same market terminology, know what is going on in the industry

2: I do but that is because I learn and have spent lots of time in this category. If I were coming to marketing procurement without any previous experience I think I would feel lost because indeed there is a lot of specific language and yea and terms that can be really mystic

1: And about information sharing, does that happen regularly or more when it is necessary?

2: Only when it is necessary.

1: Okay, and then probably also more because you ask?

2: Yea because I ask, otherwise I don't receive anything

1: With which aspects do you think you can add value for marketing?

2: I think on any aspect of the procurement process because it starts with sourcing so meaning finding the right agency for us so it's not only the best creativity but also the chemical fit and the right capabilities in terms of resources so people and things like that so yea from sourcing to also at the end managing the payment process because we have sometimes some issues because we didn't anticipate it properly so I think yea procurement can help throughout the entire process and even when you already work with an agency for a while it is important to assess their importance and know where we stand. And marketing without procurement from what I have seen they won't necessarily do that. But really working with an agency is exactly like working with employees you need to set objectives, you need to assess their performance every once in a while, and the tendency that I have seen with marketing that from one day to the other they kick out an agency without us speaking before and that is not the proper way to handle it. You need to have a conversation, you should try to improve the performance before you make a definite decision.

1: I heard a lot that marketing thinks that procurement slows processes down. Are you aware of that and that for marketing things sometimes need to happen quickly and then it is difficult for them to involve procurement?

2: Yea I can understand this feeling because indeed when procurement is involved they will do more work than if you speed up the process and don't take into consideration many aspects. So indeed, it can be a longer process but at the same time if you want quality work I think you should go through the steps. And at the same time if you involve us early in the process then chances are we won't slow down because many steps will be accelerated because we will anticipate and it is our job to share many requirements from the beginning and not ongoing. But what we see is that most of the time marketing involve us at the end of the process and then at this point of course it slows down because we need to check many aspects and sometimes we realize okay this was not shared at the beginning in the brief, something is missing so this can slow down the process.

1: Are there any other aspects where you think that might be a reason why marketing doesn't include procurement?

2: Ehm, yea well one of the aspects I think is that they think we only focus on savings so they think yea they are going to choose the cheapest agency so I don't want to include procurement because I want to keep the choice or be able to select the most expensive agency if I want to so I think that is definitely a very big aspect even if they probably won't say it.

1: Do you think they are aware that we have marketing procurement category here, most of them?

2: Ehm I don't know that, I don't think so

1: Ehm do you maybe have a success story or a failure story where it didn't work at all, what were the factors?

2: Ehm let me think. Because I had an example where it was very successful ehm and the reasons for that is that because we had a lot of different marketing teams and they were not speaking to each other and procurement came as a coordinator for all of that so that the departments would speak to each other and based on that I was involved to create some synergies and to build up the volume as well and being able to negotiate better terms and in my opinion that was a very successful project, now for marketers I don't know but I think they were happy. Yea an example of a bad collaboration is typically involve us at the very last minute just to rush the contract and to obtain the signature and then we see that many things are not properly done and we need to review everything. then they get very frustrated

because they think we are really slowing them down and then what is the point of involving them.

1: we are already at the last question now. What are in your opinion the three most important factors for good marketing procurement collaboration

2: first once would be communication. So, communication for me would be on educating them on what is procurement marketing what can we do for them how is our way of working. also communicating like a list of preferred suppliers, our process of working. Ehm what else. onboarding them on how to work with us that would be the main point. Ehm yes communication that is one, second one i would say would be in terms of objectives for procurement if indeed you are focused only on savings i think the collaboration is always going to be difficult because the KPI's don't align with each other. so uhm if you are evaluated on value adding as well as innovations, creativity thing like that then obviously you are sharing the same objectives so then you go in the same direction. third one. the third one i would say is expertise because if you are only a buyer and only like would say focusing on negotiation i don't think they would be very impressed with us and i don't know if they would really trust us. you need to be able to show them that you have some expertise and know what you want and what they want and that you understand the agency and once they see that they tend to trust us way more ah and then we are able to work together. if they see that we don't know what we are talking about they won't involve us anymore. so that what i have seen in the past. it was a terrible collaborate in the end.

1: Thank you

Transcript: Company 1 – Buyer 4

1 = Interviewer = Laura Frank

2 = Interviewee = *Buyer 4*

1: Can you tell me a bit about your job and responsibility here at the company? Maybe also tell me since how long you are working here?

2: yes, I am working here now since 5 years at company X, I started in category procurement for marketing-communication, responsible for different roles, first I was in procurement specialties so I was supporting the category lead buyers with media content and BTL and after one year I was responsible for BTL for EMEA, premiums, activations, merchandising.

I did that for 3 years or so and now I am since one year responsible for business procurement for one of the 4 divisions of company x.

1: nice, but you are still quite a bit in contact with marketing procurement I heard?

2: yea, indeed because I am working for the marketing and sales fighting unit who are the stakeholder so yes, I am doing a lot of marketing-communication projects

1: do you feel like the structures here at the company facilitate working together? Like, is it easy to collaborate

2: if I look at my stakeholders in marketing it is easy to work with them because I am working a lot with them and I am sitting a lot in their office. I really belong to their team. And with the category procurement its sometimes, I struggle with working together because the business is leading uhm and I think for the category procurement that is sometimes difficult because the business is leading and procurement is supporting the business so the category procurement sometimes asks what their role is. They ask how they can help and what they could do to support. I have a clear idea how they can support us but yea that is sometimes a struggle

1: So, they are not really like a real partner in decision making but it is more them making suggestions?

2: yea I think it is more an advisor role and the expert role and that is now what we miss

1: Is there any plan to change that in the near future?

2: I think you need to, as a category you need to educate your team as the experts about content, BTL so that the business can always come to you and ask for support and ask like hey I need suppliers for I don't know ehm what can we do. Oh, yea here is a number of suppliers or oh I have some ideas or innovations. So, yea that is important

1: so basically, creating awareness that we actually have some people here in category procurement in marketing and media?

2: as an example, X is our media expert and it takes time to build trust in the company so ehm everybody knows X and knows that he is specialized in media. The business procurement knows who X is, but that takes time. You really need to work on the trust in the company

1: ehm do you feel like it is formalized here? Like are there many structured guidelines or procedures that people have to follow?

2: yes, for contract approval etcetera

1: do you feel like you have top management support from for example the CPO or CMO?

2: yes, indeed, they help and support. If we need them. I work closely with the marketing director so she helps me a lot

1: do you know if she also remind the marketing staff to work with procurement?

2: yes she does, for the Netherlands but then with business procurement and not really with category procurement

1: and how does it look like then?

2: she tells the marketing staff that they should involve me in the project

1: and then you might involve marketing category procurement too?

2: yea indeed.

1: you already said that you sometimes sit in the same office as marketing. How do you work together, how does that look like?

2: on a daily basis, so they know me and know that I am from procurement. So, for every procurement question they come to me with a lot of different questions such as outsourcing, marketing campaigns, quotes from suppliers, they ask me. So, we have some big projects but yea they come to me. But I must say I worked hard on it to get there

1: To make them work with you?

2: yes, in the beginning I did more than I needed to do from my job but you need to work on the trust. If they come with a contract to me yea I will do that for them but sometimes you need to show them what else you can do

1: see your added value?

2: Yea indeed

1: do you know if marketing has to follow any guidelines to involve us if e.g. a campaign is over a certain euro amount or so?

2: they don't need to involve us, that is the company policy since procurement is not leading. If marketing doesn't involve procurement then they can do it. But what we see is that with suppliers we have many discussions about e.g. costs, contracting and then they come to us. And then we tell them yea that is why you should involve procurement because we can help

1: Do you feel like you have mutual understanding with marketing, maybe because you also have a marketing background or taught it yourself or so?

2: yea I think so, but that is because I am almost 5 years involved with marketing. Marketing communication is a different category than ehm buying flavors. That is stricter while marketing is creative. Sometimes the agency is more expensive and yea you need to react on that as procurement.

- 1: and when you work together with marketing on a project. Is that very collaborative?
- 2: yea, they like to work together with me
- 1: how does it look like with meetings. Do they occur regularly or only when necessary?
- 2: if necessary and regularly with higher people.
- 1: okay, do they also share for example their next quarter plan or so?
- 2: yes they do
- 1: and that is because they just want to share it with you or because you asked them?
- 2: I ask them to share it with me
- 1: do you think they would otherwise not share it with you?
- 2: yes exactly
- 1: do you have common KPI's or joint objectives that you want to reach together?
- 2: ehm yea that is maybe FORCE, but they are cutting their budget already so we can help with generating more savings to fill that budget cut. Ehm that is I think our common target. Besides that mh no not really agreed common targets
- 1: okay, does marketing invite you to supplier meetings or something like that?
- 2: supplier meetings, yes
- 1: to discuss like next steps or plans?
- 2: yes
- 1: with which aspects do you think you can support marketing?
- 2: ehm, getting the best price for their services, selecting the best services of course, ehm I think that is the most important.
- 1: and if they involve you in a project, is that more at the beginning or the end stage.
- 2: more and more in the beginning but sometimes also in the middle of the project or afterwards. Yea I think that as business procurement it is more easy and they involve me sooner
- 1: do you think that there are any particular reasons why marketing doesn't want to include procurement?
- 2: speed yea
- 1: and I also heard a couple of time now already that marketing thinks that procurement is only focusing on cutting costs, cut budget. Do you also see that?
- 2: yea
- 1: do you then tell them about the added value of procurement or what do you do?

2: yea but they know the added value now because we worked on that and they see the added value, they see that everything is in place, the contract is in place. Intellectual property rights are very important in marketing, very important. So yea

1: ehm do you maybe have a success story were the collaboration worked really well or a failure story were it didn't work good at all? What were the reasons?

2: I have a story where it didn't work well with digital. Ehm the business selected a supplier without procurement, supplier was a startup, supplier had a fixed fee of 60k per months with no really clear deliverables. And it escalated very hard in a fight. Because the business and the supplier where not on the same page anymore and they wanted to have money. And then procurement asked how they could help. And yea as procurement you can then not do much about it anymore. And then the business needed to solve their own problems.

And a good example is ehm yea every supplier selection with involvement of procurement from the beginning. Then you have the clear process.

1: we are at the last question now. What do you think are the three most important aspects for good marketing procurement collaboration?

2: in marketing procurement? It is very important to be flexible as procurement, because it is a really different category to other categories. Creativity is important, the business needs are very important. And if the procurement manager says that numbers are not right it is not marketing procurement. Marketing is creative. Yea okay a being a little bit fake and you need to handle the fakeness.

Transcript: Company 1 – Marketer 1

1 = Interviewer = Laura Frank

2 = Interviewee = Marketer 1

1: Can you tell me a bit about your job and your experience here at the company?

2: Yea well I am the area marketing manager for Mexico. So I am responsible for shaping the shopper marketing strategy in the market, by creating value propositions for branded products in order to increase the volume and revenue and gross profit levels, so that's my main activity. and part of this activity is yea a lot of contact with agencies, a lot of contact with market research departments to know how the strategy has to be.

1: Since how long are you doing this?

2: Since June 2018

1: Now let's go to the company structure here. Do you feel like it facilitated working together as teams?

2: Which teams?

1: Just in general, work teams?

2: Well uhm, yea this company is divided in different business units so which means that I am from the consumer dairy unit and my department of that unit is the expert department so which means that we have some touch points with the company but not with the whole company. For instance we have a lot of contact with global brand, with business intelligence but just for that particular area. We don't have a lot of contact with corporate communication, procurement or legal.

1: Because it is not applicable for your task?

2: It is not that the contact is required

1: But does the company encourage you to work together? For projects or so?

2: Just in commercial projects, but in terms of internal communication or so no.

1: How does information sharing look like here? Do You have regular meetings with other departments or is it mostly internally with just your department?

2: Not really, my perception is that the company is very much sales driven so which means that in order to achieve these sales targets you have to be very pragmatic. By being very pragmatic means not that much time investing in planning or yea in organizing I would say. The common belief is that the more people you involve the less quick is the respond

1: So it slows down processes?

2: Yea

1: Do you feel like it is formalized here, like many guidelines, structured processes or more unformalized?

2: It depends, if you want to do something internally yes, if you want to really go to the market and have commercial decisions it is very fast.

1: To what extent do you work with procurement?

2: Well, that is part of what I mentioned about internal processes since we are really commercial driven sometimes the response time we need to the market is quick so it means that if you want to approach procurement, procurement should be included from the very early stage for selecting a vendor. But whenever you decide it to go for a vendor it is really like you have maybe a month to execute something. So in that month because of business negotiation levels you cannot really have the luxury of these times. Normally you step up this process then I do it myself

1: Because as you said you are a lot in contact with agencies, do you know if procurement is also in contact with those agencies or is it only you?

2: Normally at least in my area not really, I mean some vendors are just for that particular area but not important for whole Company X. I would say mainly for all my vendors because I am the marketing manager for Mexico tend to be local but whenever we develop something here then yes, the vendors from Company X that has already been there is there so probably at some time procurement was involved.

1: But other than that you are usually the only contact point for those agencies?

2: Yes I am the one who runs the tenders, I am the one choosing the ultimate winning vendor and then negotiating the terms

1: So you basically do procurement's job?

2: yes haha

1: uhm yea so there tends to be not much information sharing?

2: no

1: But uhm, in which situations would you involve procurement, are there any cases?

2: When it is very key that the vendor or the terms are for long term and very strategic, for instance my last experience with procurement was when I was selecting a digital agency for Mexico so since this is strategic it is expected to be over time and then with the policies of the agencies I was not very comfortable so then I involved procurement because to my knowledge they are more experienced on that

1: Basically if you have more time you are more likely to involve them?

2: In this case it was more important, I still did not have much time. I involved procurement because the negotiation turned a bit off so that is why I included them

1: Do you think you have mutual understanding so if you use marketing terms procurement knows what you mean?

2: Uhm well based on my experience with the companies I realized by asking people some procurement professionals are specialized on certain things so not everyone knows everything so if you have a doubt or particular case they will refer you to the correct person from procurement.

1: So you are aware that there is maybe someone specialized in media or content creation?

2: I didn't know that before touching with procurement but yea now I know

1: That is interesting! Do you feel like you have the same goals? You kind of touched already on it that your objectives might not be the same?

2: Yea well uhm, I think on an internal level yes, I think initially the professional or not just procurement but in general internally they are not very much aware of the urgency that some things need to be done quickly and then they want to be very formal and bureaucratic.

1: It has to be bureaucratic to some extent if it involves a contract or something

2: Yea I understand it that order has to be there but yea then they well to my understanding in my perspective they need to be more commercial driven. Fortunately my last experience with procurement was very much pleasant because they were aware of it.

1: Do you have any procurement education from university or so?

2: Yea, well my understanding how procurement works is tendering, then proposals, negotiations and then closing, these are the steps

1: Are there any joint KPI's?

2: No

1: And joint processes?

2: Not officially

1: Like together evaluating suppliers, or contracting?

2: At least like in my area this is not happening

1: So you also have no guidelines whether you have to include procurement, you can basically do everything yourselves?

2: Yea well in the system in our intranet we have this template for contracts and in order to be pragmatic this is what we usually do. So we download it and fill it in. But if it is strategic or it gets complicated we would include procurement

1: Meetings don't occur regularly with procurement more ad hoc when you want assistance, right?

2: Yea, only when it is necessary

1: Would you wish that it would be more frequently or are you happy with the way it is right now?

2: I think now it is okay

1: To what extent do you think procurement could add value for you?

2: Maybe for, apart from that contract template that they set the processes, and make it more possible in events that happen that when it gets complicated we know what to do. Actually that would be good, now we have a universal template by procurement but since I realized that there is procurement manager for each part of media or shopper marketing etc. then you can have these templates accordingly for what they are and then maybe some not KPI's but

references on costs like hey this is what it should usually cost so that we can compare and benchmark

1: And if you would include procurement and which stage would that be, more at the beginning of a project or more towards the end in case you struggle with the contract or so?

2: Yea I think in the end because first I think it is like a hurrying an employee, you have to see the skills of your tender participants and they are more worth investing time in.

1: Are you aware that we have a whole tender system called Coupa and there is a full team supporting tenders?

2: No, well the thing is yea I don't know exactly who they are but also I try not to get involved or involve them because it's not like a big thing and yea then also they are not I think I think they are not going to invest the time to small thing, that is my perception

1: How does it look like when you do a tender. You reach out to a few supplier and ask them for a proposal and quotation?

2: Yea proposal, yea I share the project brief with them, set my main KPI's that I want to achieve and then request a proposal

1: So any particular reasons why you don't include procurement? You already said that it slows down processes and any other concerns?

2: Well also a lot of time must be invested in it. You have to accomplish your delivery target in time and then also you have your business target so it is a lot of time investment for a one off thing. Yea I would have to explain the situation and to make them aware because maybe they know how to negotiate but they don't know the circumstances on the market or how the market works etc. so having more meetings would be required to coordinate it. I think once it is set it probably works but the start is a time consuming part and therefore I think many don't involve procurement

1: Do you think procurement is not specialized and you would have to explain it to them?

2: Yea I think I would to inform them about the status of the market

1: Do you have a success story where the collaboration with procurement worked really well?

2: Well my only interaction in 1.5 years since working here happened recently because I actually did the tender and I was not really aware that I could include procurement but then yea based also on the project that I had for this project I said yea I just want to also get aboard these agencies and have a pragmatic proposal because if I put a lot on politics on it they will say yea I am not interested in it for this amount of money and yea I will pass. Because I know that the procurement process here is very extensive or at least I heard or time consuming also for the vendors. So that is why I decided not to. My experience was that in

the negotiation part with procurement it went very smoothly, I approach someone that I have heard who was in charge so I just asked her and then yea she was happy to help and yea, to be honest that team really got involved and actually help me to reduce the management fee and make better payment terms.

1: In general a question that just popped up. When people start to work here in marketing, do they tell you anything here about procurement?

2: No nothing, as far as I recall in the onboarding they just talk about the company, products, policies and safety and that's it.

1: And when you buy something and you make a purchase order it has to go to procurement right, someone has to approve it?

2: Ehm that is the other thing that I think is missing. Because normally the invoices also come to me and I have to approve them and even the invoice has my name so that finance and controlling knows to which department they have to charge. But at least at the moment I don't generate any PO's

1: And the agencies that you work with, do you know if they are registered suppliers in our SAP base? Like are they officially signed up?

2: Yea well so till recently I did not know about this process. I think the main thing in a big company where many people work at it is difficult to know who does what. So actually that part of communication is not clear, who you have to reach out for in order you get some information. In this case the documents of the supplier needed for signing them up. I imagined this to be a big process but actually it was rather quick and requires limited documents

1: Before this recent case you never signed any suppliers up?

2: No and I actually wanted to sign up some other vendors before but then my first contact with the departments that does the payment and when I told them that I want to sign up a vendor they send me like one Excel with a lot of very complicated processes so I decided to not do it because it is very time consuming.

1: But even if they are not registered suppliers they can still be paid somehow?

2: Yea the thing is that we work with an agency in the market so the agency pays the suppliers in Mexico and since the agency was already signed up in our SAP we pay the suppliers who are not registered. But this also requires a fee for the agency, but the agency makes things easier. But now that I know that it is easy to set up suppliers I might do it more often in the future.

1: We are now at the last question, what do you think are the most important characteristics for good marketing-procurement collaboration?

2: Information and procedures should be more clear and also with collaboration maybe if you said playbook, so maybe shared playbooks so we learn how to do procurement and how it works, who we could approach if we need help. Procurement needs to be quicker, for me that is important. We need to know who to contact, make the processes smooth by that I mean like not that many information requirements and well that gives me the third which is ownership. I am in charge for marketing so I am the one evaluation the quality and the content of the proposal but I think the ownership for procurement should be like so that I don't have to be in the middle. Procurement should be responsible for e.g. the fee, commission. I feel like there should be more guidelines for that.

Transcript: Company 1 – Marketer 2

1 = Interviewer = Laura Frank

2 = Interviewee = *Marketer 2*

1: Can you tell me something about your job and experience here at the company?

2: Yes, I started here 3 years ago. First as a trainee and then about 1 year ago I had the outflows and now I am in my regular role. I am now working for the Brand X as a marketeer for our home countries, so Netherlands and Belgium and enjoying it very much.

1: Nice, ehm about the company structures here, do you feel like it facilitates working together?

2: I think so!

1: Teamwork?

2: Yea! I think in general if I look at least at our department that works very easily. People just walk to each other and it is not very hierarchical so it is easy to get in contact with others

1: Do you do project team work?

2: Sometimes, especially in marketing you are in contact with many disciplines such as digital, finance, supply chain or depends a bit what you are working on. So yea you have contact with many people and I feel like we are not limited with that.

1: Does the company promote that you work together, is there an incentives or is it up to you?

2: No, it is up to you but it goes automatically, if you want to get stuff done in such a large company you yea or in general in the company you need to work together. It is not actively

promoted but it is kind of part of the deal and occurs automatically.

1: Okay, ehm do you feel like processes are formalised here or is it more open?

2: I think it is quite open actually, also when working on projects and those kind of things you always need to figure it out yourself how things go. So there is official project management where there are processes but that is the only thing where I ever experienced formalised processes. For the rest it is more about figuring it out yourself or learning it from others.

1: Do you sometimes work together with procurement

2: Yea, very little to be honest. Now I am within one project where we work with someone from procurement and otherwise it is only very little. For example when I was making a lot of PO's for a certain supplier I got a lot of messages from procurement like hey what is going on shall we talk about that? Those kind of things but not on a regular basis

1: Do you think you and procurement have joint goals or objectives?

2: No, only within one project we are going to work with co-packer so that is where the external manufacturing team of procurement is now involved because we need to select a supplier. So there in the end we have a common goal but that is only project based not in my day to day job

1: Did you involve external manufacturing at the beginning of the project or later on?

2: Later on, we should have had them at the beginning but none of us in the project knew at that stage that we would do that so they were involved a bit later on. But I think it is really important that they get involved because they have lots of knowledge that we need for projects but yea it was later

1: So when did you involve them exactly

2: When it became clear that we needed an external manufacturer when the co-packer was the best option so then yea we heard that there was someone in procurement who could help us with that so that is how we involved them

1: Do you then feel like you work together as a team when you work on such a project?

2: Yea definitely, I mean we don't work together that much but yea I mean the way I have collaborated with procurement it is always very pleasant. I think in the end we have the same goal. It is just that we have different ways of working or different timelines sometimes. But in general it goes well.

1: You just said timelines, I heard that sometimes that marketing beliefs that involving procurement slows things down, is that also your perception?

2: Well, not necessarily but I think that within the commercial discipline we don't know how much has to be accounted for from procurement perspective. I think we very easily just go along with a partner or supplier to do something but don't know that we are at risk by doing that or that there should be research first or those kind of things. I don't think that they slow us down but they have a different perspective. Sometimes we just want to have the product in the market as soon as possible. But I think it is really good that you have a party involved that says no, first look at this. Of course it can be conflicting but in the end it is necessary to do for business

1: Do you also sign up the supplier when you work with them, are they officially in our data base?

2: Yea the person from procurement is doing that so I don't know the exact processes but she made a shortlist for us and that is what we are working with now

1: Uhm, and information sharing with procurement, when you work as a team you have regular information sharing or updates?

2: Yea definitely! Also when there are questions about suppliers that is also how I got in contact with procurement of course. Yea, I mean we don't have secrets from each other, we are happy to share so yea I don't think that is an issue

1: But that is then more ad hoc when needed?

2: Yes more ad hoc yea

1: Do you share your marketing plan with procurement, like you planning for the next months in case it involves suppliers etc?

2: Not actively no, the only way that I do it now is that for example I buy a lot of POSM material or other goods so now that I have been in contact with procurement I know that I should check that with them beforehand. So now with my next projects I know that I should involve them to yea to have good products in the end. Uhm but yea it is also a bit more ad hoc. It is not like we share every quartal our plans, for that we are not in contact enough.

1: Are you aware that there a buyer for POSM material?

2: No (laughs). That is important to know. I know that people within procurement are working on that but I don't know exactly who is working on what. Yea I know someone that if I have questions I go to that person and they help me

1: So you don't really have a database or overview with who would be responsible for what?

2: No

1: So you would have to ask and find out yourself?

2: Yea and I think that is also the case that there is sometimes friction between marketing and procurement because we don't know what we can use each other for. I think now in my brand X we are more in contact with procurement and it is very positive. It would be nice to know for which kind of things we should involve procurement because we are not not doing it because we don't like it, it is just that we don't know when to do it. Now that it is good for POSM material that I know before I buy like a dozen X that I could first ask procurement if I can do it that way. But I think that is the thing that is missing most that we don't know from each other when to involve the other person. I think some information material on how to work with procurement would be really useful.

1: Would you maybe also invite procurement for meetings with suppliers or so?

2: I don't have those myself but if necessary I would but I don't have a lot of contact with suppliers myself. We have a design agency that we work with but most of these meetings are really in detail so then I wouldn't really do it. But yea maybe if we are looking for a new design agency we might ask procurement because they might have contacts

1: With which aspects do you think procurement can add value to your work?

2: I think there is a lot of knowledge in procurement and that is useful to check that the things we are doing are according to the guidelines and safe and smart. Ehm, so I think that is the biggest thing that really helps

1: Do you have any procurement guidelines that you need to follow?

2: No not that I know of. I think there are guidelines but I have not heard about them. This is my third role in the company and in none of the roles I have never had anything like that but I think it would be valuable

1: And then, who tends to approach each other first, marketing or procurement?

2: I think procurement approaches marketing first. I think most of the times I got messages from procurement because they saw or heard that we were doing something and they wanted to know what is going on shall we sit together. So it is more from procurements side.

1: And you are then open to discuss?

2: Sure, definitely

1: And could you tell me any particular reasons why you might not want to include procurement, if there are any?

2: Uhm, yea well I think that it is a big thing in general to actively not include them. I don't think that is the right thing to do. But sometimes it is more a time issue. The last time that I was in contact with procurement we were buying certain materials for a kid and we were really on a time crunch and at a really late stage of the projects we had to check with

procurement which we really did not know but then I also just said it openly, hey guys we didn't know this but we are already ordering it otherwise it won't be in time, is that ok? We then agreed that for this case it was okay but in the future we would do it differently. So that is like the only reason where I wouldn't involve them but that is only in critical situations. in general I think that it is best to be open about it

1: Do you actually have any procurement education?

2: No not really, I think the only things I know about procurement are mostly from working here and having contact with them sometimes

1: Do you maybe have a success or failure story where the collaboration worked well or not good?

2: I think the biggest issue is just that we don't really know what we both are doing and how to involve each other. Sometimes that can feel like one or the other is neglecting the other person or not wanting to move forward and I don't that is the case. So I think with all those things it is always a matter of wording. In the past I once got a really angry email from procurement saying that I see that you are working with this supplier and there is a lot of money going there but they are not correct or I don't know. It is not that I am actively doing that to annoy procurement it is more that I did not know that that was the case. So I think it is always a matter of just the right tone and trying to educate each other on what is going on.

1: We are already at the last question. What do you think are the most important factors for good collaboration.

2: Ehm yea I think knowledge of each other and day to day work what we are doing. Just to realise why a project can take longer if we are working with procurement. Yea the time is needed for something. I think that is the biggest thing that is missing. What I also notice in my own work is that I don't know a lot what procurement does and for what I should include them. I think that is the biggest thing that is needed for having a good relationship.

1: Any other last things or questions that you would want to talk about?

2: Yea I think it is an really interesting topic because recently I was talking to some colleagues that this is really an issue and everyone notices it. Uhm but I don't really know why it is that way within the company. I think especially within such a big company we should be able to share guidelines with each other or at least know who your counterpart is for certain topics. So I am very curious what comes out of your research and how in the company we are going to improve it.

Transcript: Company 1 – Marketer 3

1 = Interviewer = Laura Frank

2 = Interviewee = *Marketer 3*

1: kannst du mir ein bisschen was zu deinem Job und Aufgabenbereich und wie lange du hier schon in der Firma arbeitest erzählen?

2: Ja klar sehr gerne, also ich bin seit Anfang diesen Jahres bei Firma X, bin jetzt hier als Digital Marketing Manager angestellt, das heißt ich bin hier für den DACH Bereich übergreifend für die digitalen Themen zuständig also nicht nur einer Marke zugeordnet sondern wirklich unterstütze dort alle Marken so als Beraterfunktion was digitale Themen angeht aber manchmal ziehen ich auch eigene Projekt durch das kann von Social Media über die eigene Homepage bis hin zu Datenschutz also das ganze digitale Feld abdecken. Vorher war ich auf Mediaagentur Seite und habe da bei Mars gearbeitet also auch im FMCH Bereich also kenne auch dadurch die andere Seite

2: Und wie viel Arbeitserfahrung hast du dann insgesamt schon im Marketing?

2: mh ich glaube so 7-8 Jahre ungefähr

1: Dann geht es jetzt ein bisschen um Zusammenarbeit und Firmenstrukturen. Findest du das die Firmenstruktur es einfach macht das man zusammenarbeiten kann? Zum Beispiel mit Kollegen im Team oder auch mit anderen Abteilung?

2: Ehm ja auf jeden Fall, wir haben ja jetzt auch in Deutschland ehm ursprünglich war ja der komplette Standort in Heilbronn und jetzt seit Anfang diesen Jahres ehm ist ja Marketing, Vertrieb und Finance hier nach Düsseldorf gezogen und das neue Büro ermöglicht halt sehr gut um mit anderen Abteilungen zusammen zu arbeiten weil es ist ein komplettes Großraumbüro, sehr offen, und dann kann man immer schnell mal rüber gehen wenn man etwas klären muss. Es gibt auch viele Teams mit Schnittstellen wo dann Leute aus verschiedenen Bereichen zusammen kommen. Also da würde ich schon auf jeden Fall sagen, dass zusammenarbeiten gut funktioniert.

1: Und zum Thema Zusammenarbeit, kommt das dann eher von einem selber aus oder vom Management?

2: Also wie gesagt wir haben ja diese Rituals und Routines und diese klassischen Abstimmungsmeetings und da gibt es diverse und die sind dann im Prinzip vorgegeben, auch die Teilnehmer sind vorgegeben also es kommt auf jeden Fall vom Unternehmen aus. Da gibt es verschiedene Meetings mit verschiedenen Teilnehmerkreisen also das wird auf jeden

Fall vom Unternehmen vorgegeben. Aber sonst ist man natürlich auch in der Lage selber Meetings mit anderen einzustellen und mit den anderen Leuten zusammen zu sitzen oder einfach mal kurz vorbeizugehen. Ist manchmal nicht ganz so einfach weil die Leute immer einen sehr vollen Terminkalender haben aber ich hatte bisher keine Probleme, im Marketing-Team sowieso nicht da wir sehr nah bei einander sitzen und auch wenn man mal mit dem Vertrieb oder so zusammensitzen muss dann klappt das schon immer relativ gut eigentlich

1: Findest du das es hier bei Firma X bürokratisch ist mit vielen Guidelines und Regeln an die man sich halten muss? Oder hat man viel Spielraum und kann selbst bestimmen?

2: jetzt auf den Einkauf bezogen?

1: ne auf deine Arbeit zum Beispiel?

2: Meine Arbeit gibt so gut wie keine Guidelines weil diese ganze Stelle ist komplett neu geschaffen worden und auch das ganze Thema digital ist halt noch super stark in den Kinderschuhen bei Firma X, zumindest in Deutschland und ich glaube in anderen Ländern auch. Das heißt da gibt es und kann es auch noch nicht großartig Guidelines geben, da fangen wir gerade ein bisschen mit an um den Mediakanal aufzubauen und das ganze ein bisschen zu professionalisieren.

1: also hast du echt sehr Großes Mitspracherecht und kannst es selber gestalten?

2: genau, genau

1: Dann hast du auch keine Einkaufs-Guidelines die du folgen musst? Zum Beispiel wenn ein Projekt mehr als X-Euro kostet das du dann eine Unterschrift brauchst oder den Einkauf einbeziehen müsstest?

2: Was man vielleicht dazu sagen muss ist das natürlich immer schon sehr eng mit den verschiedenen Marketing-Teams zusammenarbeiten muss und die dann aber natürlich das letzte Wort über das Budget haben. Also ich gebe dann immer Empfehlungen was ich machen würde im digitalen und grundsätzlich auch teilweise ein bisschen weiter gefasst weil ich ja aus der Media Branche komme und dann auch zu Media-Themen unterstützen kann. Also da stimme ich mich eng mit den Kollegen ab aber die Endentscheidung liegt dann bei denen.

1: ah okay also bist dann auch nicht du der, der dann die Purchase Order macht?

2: ne genau, das macht Marketing

1: Aber arbeitest du dann manchmal mit dem Marketing-Einkauf zusammen oder gar nicht?

2: also direkt mit dem Marketing-Einkauf habe ich hin und wieder mit zutun weil wie gesagt die PO's und so weiter läuft über die Teams aber die kommen dann manchmal bei den digitalen, bei den Freigaben, das läuft dann schon über mich, zum Beispiel wenn Fragen

aufkommen und dann kommen die Kollegen auf mich zu und ich stimme mich dann teilweise auch mit dem Einkauf ab. Am Anfang des Jahres habe ich recht eng mit dem Einkauf zusammengearbeitet als wir den Media Pitch hatten

1: und da habt ihr dann zusammengearbeitet an einem Projekt?

2: Ja genau, da ging es darum das wir eine neue Mediaagentur gesucht haben und da haben wir dann zusammen mit Kollegen aus Holland diesen Pitch dann organisiert und umgesetzt und dann letztendlich auch die Agentur ausgewählt mit der wir dann jetzt auch zusammenarbeiten.

1: Ah super, und hast du das Gefühl das ihr das selbe Verständnis habt, dieselbe Sprache spricht wenn es um Media oder Marketing-Themen geht?

2: ja habe ich, in dem konkreten Fall habe ich das schon weil die Kollegen mit denen ich damals zu tun hatte, ich bin mir nicht ganz sicher ob die auch direkt vom Einkauf waren oder alle davon aber die hatten schon auch alle ein Verständnis davon über was wir geredet haben und auch über Media spezifische Themen und so weiter also das war auf jeden Fall gut.

1: War dir von Anfang an bewusst seit dem du hier arbeitest das wir einen Marketing-Einkauf haben?

2: Ja, es ist mir bewusst das wir einen Marketing-Einkauf haben. Mir ist ehrlicherweise nicht immer weil ich nicht immer so tief drin bin ganz bewusst was läuft jetzt wirklich über den Marketing-Einkauf also so klassische Sachen wie Verträge und so weiter ja klar aber ich weiß nicht ob andere Sachen direkt über unsere Marketing-Teams laufen

1: Ah okay, würdest du dir vielleicht mehr Guidelines wünschen so dass man weiß wann man den Marketing-Einkauf involvieren sollte oder wann man selbstständig arbeiten könnte?

2: uhm ja ich glaube das würde schon helfen weil den Einkauf gibt es ja nicht ohne Grund, die haben ja auch eine gewisse Expertise die dann vielleicht andere nicht haben also das wäre auf jeden Fall glaube ich sinnvoll. Ich glaube es wäre grundsätzlich auch sinnvoll das man sich in den jeweiligen Themen dann aber auch gut abstimmt weil der Einkauf vielleicht auch mal anderen Ansichten hat als das Marketing weil beim Einkauf geht es natürlich auch darum möglichst günstig zu sein und so weiter und das ist dann manchmal vielleicht ein bisschen kontra produktiv sodass man da dann einen guten Mittelweg irgendwie findet.

1: du hast es gerade ja schon fast gesagt, glaubst du ihr habt dieselben Ziele und gleiche Vision aber du meinst ja gerade schon das der Einkauf eher auf Kosten fokussiert ist und ihr wollt eher die bessere Qualität. Also findest du das das ein bisschen gegeneinander ist?

2: ja grundsätzlich liegt das ein bisschen in der Natur der Sache das man da ein bisschen andere Ansichten oder Herangehensweisen hat. Was ich aber glaube ich schon bei uns sagen

würde ist das ehm wir haben da ja auch unsere Unternehmen-Philosophie sage ich mal die ja unter anderem auch beinhaltet das man so agieren soll als wenn man sein eigenes Geld ausgeben würde, „Owners mindset“ also das man sehr kostenbewusst vorgeht also das ist glaube ich auch normal in Marketing-Teams schon ein wichtiges Thema

1: Gibt es irgendwelche gemeinsamen KPI's, weißt du etwas dazu?

2: ne ehrlicherweise nicht wirklich, also ich weiß das zum Beispiel bei dem Media-Pitch, da war jetzt so das Ziel das wir uns von der Agentur her nicht verschlechtern sollten und das es nicht teurer wird als es vorher war und die die wir gewählt haben ist jetzt sogar ein bisschen günstiger geworden und das war jetzt so ein gemeinsames Ziel was wir auf jeden Fall hatten. Aber sonst ehm ich gehe mal davon aus das immer das Ziel ist im Einkauf möglichst Geld zu sparen

1: Ja das scheint irgendwie immer die allgemeine Denkweise von anderen zu sein. Uhm teilst du auch gewisse Information mit dem Einkauf, nach dem Motto den nächsten Quarterly Plan oder so oder wenn ein neues Projekt ansteht?

2: Ne also es gibt jetzt nichts wo ich jetzt sagen würde das es einen regelmäßigen Termin gibt oder regelmäßiges Datum wo ich jetzt irgendwie etwas teilen würde. Also das kann ich grundsätzlich gerne machen aber bis jetzt ist da keiner direkt auf mich zugekommen

1: aber wenn jetzt jemand vom Einkauf fragen würde würdest du jetzt nicht nein sagen, du würdest dann schon irgendwie Information teilen wollen?

2: ja klar!

1: Siehst du das eher der Marketing den Einkauf kontaktiert oder ist das eher andersrum? Wen ihr Hilfe oder Unterstützung braucht, würdet ihr da auf den Einkauf zugehen?

2: ja ja klar! Also das haben wir auch hier und da auch schon gemacht wenn es jetzt zum Beispiel um Abrechnungs-Themen ging, da waren die auch immer sehr hilfsbereit. Also es gab diverse Sachen wo es Abrechnungsthemen gab die ein bisschen komplizierte waren und da war der Kollege auf jeden Fall sehr hilfsbereit. Also da sind wir echt öfters auf den Einkauf zugegangen. Andersrum natürlich genauso da würde ich sagen sind wir auch hilfsbereit wenn die irgendwelche Daten brauchen

1: und hast du bestimmte Gründe warum du in manchen Situationen nicht den Einkauf involvieren wolle würdest? Also zum Beispiel weil der Einkauf irgendwie nur auf den Preis guckt oder so?

2: uhm ne eigentlich nicht also ich glaube das ist schon irgendwie der größte Aspekt. Also ich kenne das noch aus meiner Mediaagentur Zeit da haben wir ja auch immer mit dem Einkauf zu tun gehabt, also nicht ich unbedingt aber meine Kollegen hatten oft mit dem

Einkauf zu tun und dann natürlich auch mit den Brand Managern und da hat man dann schon gemerkt das teilweise dann die Ziele ein bisschen auseinander gegangen sind weil der Einkauf sehr auf die Kosten fokussiert war.

1: mh und hast du auch das Gefühl das es Prozesse in die Länge zieht wenn der Einkauf involviert ist?

2: ehm ne das habe ich bisher nicht

1: hast du eine Erfolgsgeschichte wo die Zusammenarbeit richtig gut lief oder auch ein Erlebnis wo es mal richtig schlecht lief? Was waren die Faktoren?

2: ja ich glaube da würde ich tatsächlich den Media-Pitch als gutes Beispiel nehmen, ja also das ist echt gut gelaufen, da hatten wir viel Abstimmung also einmal mit dem Brand-Team, dann aber auch mit dem Einkauf oder auch mit den globalen Mediaexperten und mit mir und mit der Agentur hat das alles super gelaufen. Wir hatten auch gut von global Unterstützung was die Transition anging.

1: hattest du in dem Projekt zufällig Kontakt mit X (Media-Einkäufer in der Firma)?

2: Ja, genau

1: und hattest du auch schon eine Erfahrung gemacht wo es richtig schlecht lief oder war das noch nicht der Fall?

2: ne dadurch das ich bis jetzt noch nicht so lange in der Firma bin war das noch nicht der Fall. Ja was jetzt zum Beispiel so ein Thema war und tatsächlich wo wir jetzt gerade über den Vertrag X gesprochen haben ehm da ist dann manchmal ein bisschen die Frage ob es wirklich nötig ist so einen Vertrag zu haben, ich war ja jetzt nicht die ganze Zeit dabei aber es war ja glaube ich so dass es keinen Vertrag gab und dann X glaube ich meinte das wenn wir über einen gewissen Betrag kommen wir auf jeden Fall einen Vertrag brauchen und da kommt dann hier glaube ich oft das Fragezeichen auf ob das wirklich nötig ist oder ob man da sich nicht ein bisschen flexibler bewegen kann.

1: wir sind jetzt schon bei der letzten Frage. Was sind deiner Meinung nach die drei wichtigsten Faktoren für gute Marketing und Einkauf Zusammenarbeit?

2: ehm ja ich glaube es ist einmal wichtig das man an dem gleichen Strang zieht also das hatten wir ja jetzt schon ein paar Mal das man ja also jeder hat seinen Fokus natürlich aber das man auch guckt das man so das gesamt Wohl der Firma im Auge hat und nicht nur auf sein Ziel schaut. Ehm dann ist glaube ich auch noch wichtig das man sich regelmäßig abstimmt und wirklich dann Information teilt und seinen Standpunkt erklärt mit wieso, weshalb, warum. Also was wichtig ist, ist das man dasselbe Ziel verfolgt, und also ein gesamt Ziel verfolgt und sich gegenseitig ins Boot holt und auch erklärt warum man eine bestimmte

Meinung hat und das man sich eher als ein Team sieht und nicht der Marketing gegen den Einkauf oder umgekehrt also eher das man zusammen das beste Ergebnis zusammen erreichen möchte.

Transcript: Company 1 – Marketer 4

1 = Interviewer = Laura Frank

2 = Interviewee = Marketer 4

1: Can you tell me a bit about your job and responsibilities here at the company, such as what you do and since how many years you already work in the field and at this company?

2: I work as a shopper marketing specialist in the Dutch operating company of this firm and I am doing this job since 2 years. I am responsible for two brands which are the biggest brands for our firm in the Netherlands. My team has three members and we all have the same job responsibilities but we are responsible for different brands so we split all the brands between the three of us uhm and what we do on the one hand we work together with marketing to see what are the biggest campaigns or new products that they are planning and we start with them to find out how we want to translate that on the shop floor and then we sit together with sales how we can implement it in the different channels both retail and our out of home markets. But on the other hand we work together with sales a lot as well for instance if a big retailer has a specific topic or activation he would like to execute then we start with that and then we can go to marketing to see which brand fits most. So we are really in between marketing and sales.

1: ah interesting! And is it you first job here at the company?

2: I did an internship at another company before for 6 months and then I worked for 6 month after that on a specific topic and then I started within this company here as a commercial trainee and my first assignment was in the expert department but that was more a business development role and then the second assignment was in the shopper marketing team in which I am working now since two years.

1: do you feel like the structures here at the company make it easy to work together?

2: well for me especially in the beginning the structure within the specific operating company is very clear and you are all on the same floor and you know what the teams are and who you work with but for me especially in the beginning especially to reach out to other operating companies or persons, floors or departments. Ehm the building here has almost

2000 people so therefore sometimes beyond your department, especially at the beginning it can be difficult to know who is who and how to find people. But I think now I know the right people and how to find them but yea that was in the beginning difficult.

1: ehm you already said that you often work closely with marketing and sales. Is it like a team, like a set team or you just pick the people that you need for a certain project or so?

2: Yea so we are with three shopper marketing specialists and we are in the trade marketing team together with some category manager so that is our team but how I work with sales and marketing is yea I just go to the people I need or I plan a meeting with them. We don't have team meetings or my team is really just trade marketing.

1: do you feel like it is very formalized here, like are there many rules and guidelines?

2: I don't think so, no not at all. Everything is very open and especially I think in our team there are not many processes or ways of working. We as a team are also looking into these things to make it more structured and especially in the beginning when someone new starts in the team we don't have a lot of information on paper how the processes are structured but I like that on the one hand as well as it gives you lots of freedom how to work. I think within the marketing team there are more structures and processes, especially when introducing a new product or so, that is really fixed. But for us we have some but it is not documented that way

1: are you also someone who makes purchase orders?

2: yea

1: do you have any guidelines for that or you just do it because you know how it works or so?

2: yea, a colleague told me. That is also what I once discussed with a colleague that we did not receive any training or documentation how to do it so I had contact with a colleague who told me everything. Sometimes it is more that once something goes wrong you dive into the subject and call with SmartBuy support or IT support to try to find out what went wrong. But it is not like this is how it works it is more that you learn on the job or when something goes wrong.

1: would you wish that there is more information available or a training or so?

2: well I think for purchase orders it would be interesting because now people are often struggling with it so how is it working and you have to invest some time in the beginning to try and understand how it works but then you know it for the rest of the time that you are using it. Not investing time in the beginning and then just hearing you make some mistakes or things are not going right then it is difficult to dive into it again. So yea I think it would

be interesting, doesn't have to be a big training but just a small training I think that would be nice

1: and do you then also sometimes work with the procurement department?

2: yea, yea so I work with X (manager business procurement Netherlands) and also with Y (marketing-procurement).

1: and do you feel like when you sit together and talk that you speak the same language, meaning they understand the marketing terminology and marketing in general or do you feel like you have to explain marketing to them?

2: uhm I think that they have a lot of information on more the general topics like if you go more in marketing details they know what we are doing and understand it but I think there is a difference of really working together with them on the business vs the more high over agreements that they make. And I think that is sometimes very interesting to get in touch with them because then you can make sure that that will be aligned. Because of course it is different when you are ordering premiums and the whole process with them and the communication and making sure that everything is in time vs just having some conversation with them what they are doing, negotiating about prices and that is really different way of working when working with suppliers. But I think there is quite a good understanding from both sides

1: and how do you involve them like when you have a new project and you need premiums, will you involve them straight from the beginning?

2: well that depends, with X because she is responsible for the Netherlands and I think it differs and it is really, I think it is dependent on the size of the project. So for instance last year we ordered big amounts of mugs for a huge campaign and then in the early stage I included X as well and then we did the whole process of negotiating together and then it is really good to have her on your side. She is really good in the negotiation part and uhm but throughout the year there are also many orders that we do with smaller amounts and then we can just find them and it is easier to start.

1: Would that then be a reoccurring supplier?

2: yes

1: Do you feel like you have mutual goals and objectives?

2: uhm yes I think so of course I think there are some goals on price, quality or uhm yea there we have the same understanding but still I think there is a different. It can also be that we want something different that they want uhm

1: such as?

2: uhm yea I am just thinking. I think for instance on sustainability. I think that global procurement is already a step ahead and they already have some questions for the supplier how we can improve and I think that is just a topic for us. Of course we want to focus on sustainability but it is not so high on our agenda already.

1: ah okay! What I heard from other marketeers so far is that procurement can slow processes down, don't understand that marketing has to act quickly etc.. Do you perceive that sometimes as well?

2: yea I think it then differs per project and person. Uhm for instance when I work with X it goes very fast and then it doesn't slow it down but I think for us if you start with a project like this it is really important for me to understand whether I want to include procurement or not, what will the benefit for me or the job be. If it is a really big case and then I find it interesting to take them with me. Of course processes may be a little bit slower but there are a lot of benefits versus just smaller projects where you just think that you can manage it yourself and then I can have the same results as well. I am also having discussions now with supplier X and I think that is also very interesting because we are already because we do a lot of business together, we can really dive into the details and when procurement is aligned we can, you have to explain them more about the whole process and what you are doing and that is sometimes can slow you down instead of immediately going because you know what and we understand each other and can just go ahead.

1: and uhm do you update each other with information, or your next quarterly plan or something?

2: we don't have regular meetings or update meetings. I think it is more that if we have questions we reach out to each other, we don't have set routines or checkups. I think we don't have agreed on KPI's or things that we work on together or improve so therefore it is also not that you can check up on these things. I think they are improving on their part and we are doing the same and sometimes we meet in the middle and share results or what we are doing but it is not like we work together. But I think over the past two years I had some things with X for instance like what do you think about all premium supplier that we have, do you agree that these are still in place or how can that be improved so sometimes we have these kind of conversations but that is more ad hoc as opposed to on a regular basis

1: and when procurement needs some information from you like your planning, would you be willing to share that with them?

2: that is no problem I think, when they ask for information we can of course always help with sharing things.

1: I think it is very interesting that when you have a new project you always consider whether or not you should include procurement. And if you say you would include them early, what does early mean to you? Does it mean like you discovered your need and then you are looking for supplier or what?

2: yea yea, that is for me really the beginning. For instance or via marketing or via sales we say that we want to do something via premiums we uh and then it is really for me trying to understand how big would it be and would it be interesting to include procurement for negotiation for the prices and then we also send a briefing to all the premium suppliers and then you start the process with RFP and RFQ. But sometimes we also have a small project where we just place the order at one of the agencies. And I think this is really focused on the premium suppliers. But if you look we also have a lot of shopper marketing agencies but I think therefore we especially at the beginning of the two years that I was here we especially worked together and everything was fine but now I did a whole effectiveness study with X to see how effective they are in the time that we have them on the shop floor so that is then a thing that we did together. And if you then look at our print supplier X I think in that one we work a bit more separately together with the agency, we on the business level and procurement more on the global level. So it also differs a little per type of agency

1: and what are your reasons for including procurement, you already mentioned that they could negotiate better prices, any further reasons?

2: yea that is for me, yea for me it is interesting to have them on board because if you are then working together and go to the market and negotiate prices. But for me quality is also very important, you have to ensure that everything is on time and I think that if you handle together you can ask different questions due to your backgrounds and uh what I already like with X is that she can be the bad cop good cop like setting the realistic prices and then for me it was like okay lets go we can do it. And because I then have to work with them the entire time after the start I think that is good when you work together.

1: ah interesting! Do you also join meetings with supplier?

2: uhm no and that is also an interesting thing. If you look at our premium supplier they share a lot of information that they have. I think once every few months they have this whole big meeting where they share all the new things that they have and innovations etc. and I also had some calls from certain premiums suppliers every months asking how I am doing and what we need and then I also had some conversations with Y and said that I don't have the time to be present at those meetings all the time and if I would need something I would know how to find them and I think that is also interesting that we said to each other, me and Y,

that if you have time to go to all these things great and let me know if you have any news or updates great. But from me if we have any topic or if we want to get information I know how to find them so yea we don't go to these sessions. So I think procurement really has these conversations with them but for us it is more focused on the business.

1: we have already made it to the last question. What do you think are the 3 most important factor for good marketing and procurement collaboration?

2: uhm I think understanding the perspectives of each other's, I think it is important because in some ways we have the same goals but sometimes we have different perspectives and I think it is really important to try and understand that. Because sometimes when you are in a meeting and running for your own goal and you try to find out what is the common goal that we have so that is I think a good way. But I also think it would be good to define the common goals that we have uhm I think also communication and sharing information should be the second one

1: on a more regular basis or just like a more open discussion?

2: yea I think it would be more the open discussion. I don't need a regular meeting all the time but if you need each other know how to find each other and I think it would be interesting for instance we could have it twice a year that we just say what are the thinks you are working on, how can we improve, what are the thinks you need from us and we from you and how can we work towards common topics. I think it would be nice to have this in place because if you look like at the whole strategies or what are the KPI's for your department this year. These things I don't even know from procurement so now for instance we had a meeting on how to improve our way of working with premium suppliers. X and Y just shared the entire presentation with us so information is shared

1: last thing, where you actually from the beginning that you started working here aware that we have marketing procurement

2: uhm yes we have but then that was all. I think it was organized per region, EMEA, but then I had some contact, ehm it was separated in e.g. premiums or activation agencies like the different types. But that is interesting if you start in this role I think it was a coincidence that I had a first meeting with marketing procurement, that was more that I did a certain topic and then one of procurement came and said can I help you, what do you need. That's I think also interesting if you start in this role it is not in your guidelines like lets drink coffee with procurement because you need them. It is really more that you find them if you need them but not set and structured. I think this is typical for our organization. If you have a new role

it is just here good luck and then through out you will learn what you need, I think that is something that could be improved a bit

1: when I interviewed another marketeer here in the firm she said that she just recently noticed after one year working here that we have marketing procurement

2: yea and that is the thing. I think it is often more that marketing does something and then procurement comes and says that that was not correct and then that is the moment when you get to know each other when something is not going right and especially so with making PO's if it is not going right you meet each other instead of in an earlier phase just to get to know each other

1: doesn't seem like a nice first introduction when procurement reaches out to marketing saying that they did something wrong?

2: yea yea. I think that was the first time I had contact with procurement because I ordered from a supplier who was not our preferred supplier and I have already ordered a lot of premiums and then in an later stage when I wanted to make the PO everything was blocked because they were not in our system. And then I learned that I would have to check with procurement and that they would need to be registered in our system. Like that whole story came and I think that would be good to explain in an earlier stage.

Transcript: Company 2 - Buyer

1= Interviewer = Laura Frank

2 = Interviewee = Buyer

1: Can you maybe tell me a bit about your job and experience here at the company?

2: I am head of a category which looks after marketing procurement which covers advertising content and partnerships. So I am basically, my team is on a strategic level is accountable so that marketing has all of the optimal resources that they need to uhm work successfully. So that means they have the best agencies, best content development agencies, digital production ehm whatever it is. Ehm and also we have a lot of processes in place to facilitate how we engage internally on projects but also with our partners, so here the agencies are our key point because you can do it in an efficient and an inefficient way and then you speed to market is fast or slow and it could cost you a lot of money. Ehm and also we look after partnerships so with traditional sponsorships, influencers, talent who we use in our ads and our content so that all fits together. It is creating marketing effectiveness

1: and are you more like the advisor for marketing like is marketing still making the final decision? Or is that you and procurement?

2: ehm we work in partnership. But in terms of ehm this is where. I think it is fair to say that in previous years it was more a transactional relationship where we were seen as coming from a cost cutting perspective, being very efficient, we would control the supplier lists you know you must chose one of these partners. There is much more collaboration now for example we just recently worked with the marketing leadership team to talk about the agencies that we were comfortable having on our roster to get us the best work. That's a joint conversations and joint decision. It depends how you look at it. There are certain things which ehm think about the decision rights with the agencies. There are certain things we have decision right on which a brand team wants to go out and select a supplier from the street that wouldn't be okay and they would have to talk to us. So we can call them on that. So yes ultimately we have decision right but we do it in a collaborative way. We never use a stick and beat them. I mean ultimately in terms of the creative output the brand teams are accountable for that you know we would never try and influence that you know for us it is all about keeping an eye on the output. Cost efficiency and process efficiency are all part of it. If the output is not generating an impact on sales then what is the point in doing that. It is a partnership.

1: Since how long are you in this function?

2: Uhm well, so this is a new role for me since a year but I am in the marketing procurement function for 7 years. So prior to this I had a global partnerships with a very small team and now it has been expanded to advertising

1: and the last 7 years were all here in the company?

2: I have actually been 3.5 years here at the company. So I initially joined 2006 as one of the global marketing director for one of our brands and spend about 5 years there and then the past 7 in procurement.

1: so you actually also have a marketing background. Do you think that is helpful in marketing procurement, because you then speak the same language, you know what they are talking about?

2: yea absolutely, I think it is very beneficial and particularly I sort of worked in one of our biggest global brand team as one of the directors so of course I was one of the people ooh bloody procurement. So when I then transferred into procurement it was very helpful because I had the inside knowledge of this is what is important to the brand team, this is how they think and actually this is how they plan so there wasn't even that basic knowledge of

how far ahead they were planning. So if marketing would approach them tomorrow with an initiative it may not be applicable and the timing might be completely wrong but that is a planning aspect. And actually we are trying to get more marketeers into marketing procurement everyday whenever we have a role that is open because then you just get a richness and understanding.

1: and do you feel like the structures here in the company facilitate working together? Like is it easy to collaborate with other people and departments?

2: yes, we have as an overview we have our operating model as such that we empower the markets, the countries if you like to get on with the business of selling. And then we have global functions, procurement is one of those that act pretty much as the advisors and the strategists so we are servicing the market to help them do a better job on the front line. And as part of that we are empowered to make a global brand category strategy so marketing procurement being part of one of the global strategies. So we look at global sourcing, regional sourcing to deliver them to most efficient optimal supplier base and services so that they can go on with their job doing what they do. So we have a matrix structure and it works pretty well. And the key to assess it is to look at how the business is doing. We are pretty consistent with growing our sales so it must be going good. But I think also in terms of marketing procurement and marketing. What we did about 3 or 4 years ago we embedded our people into the marketing organization so for example here in Amsterdam one of my guys actually sat with the biggest brand team and there was a group and he was invited to all their meetings, the global brand team meetings. Then all of the sudden people get adopted and consider us part of the team. And we did the same thing in Dublin who are the other center of excellence as well as New York and London. And that works really well. It just blew my mind how much it transforms our relationship and you know because then you have people on the inside.

1: do you also sit together, like are co-located in the office?

2: yea, yea. So in about 2 years ago in the London office we got a lot of procurement people in London. I think we have about 30. Globally just about 400 but they are in every market in the country. And in London there is probably also around a dozen marketing buyer and 2 years ago the decision was made to sit them on the marketing floor. It may sound like a really small thing but the head of marketing procurement at that time said I want our guys sitting with the marketing team. Just that little change made a big difference. By just sitting together it is easy to just walk over and say hi, can I ask you a question, you know give me some advice rather than out of sight out of mind. I think the culture you set up is probably the most

important thing you can do to improve the partnership between marketing and procurement. So what else do we do. Actually it starts with the very top so if you have got a CMO, a chief marketing officer that values procurement is the best thing that can happen. And then so we have got our current CMO who has always valued what we do. Our global head of marketing procurement so my boss sits on the marketing leadership team so with the most senior marketeers so she has a seat at the top table with that senior marketing group. Ehm so you know our agenda is on the table all the time in terms of what we are trying to achieve. And the other thing is aligning agendas, you know and objectives because marketing would you know their agenda is to be the best marketing organization in the world. So I can see that so how can we support it. Well traditionally procurement is about savings, so there are KPI's on that we want to save a certain percentage. But unless you bring those together and you align on the fit, if you don't have that you go into different directions. So you need some at the top table, aligned objectives because coming out of marketing we know the strategy and know how to support that. And of course parts of that will have a savings number and being as efficient as we can be and we have productivity targets and how can we do partnerships. And then you know every global address of the CMO, again she talks about the supporting functions, she is always talking about marketing procurement. We run the annually budgeting process with finance so we are front, center and back. So I mean having that culture is amazing and you know if we get a new CMO we have to be very careful so that we get someone who reinforces that. Because otherwise the whole thing will likely fall apart

1: and who made this initiative, that you want to collaborate more, was it a certain person or department or something?

2: yes we ehm this is probably going back to around 5 years ago so the person who was running marketing procurement then and this is interesting actually so they deliberately took on someone who was from a marketing field that didn't come from a pure procurement so the CMO said I want someone who has great marketing knowledge so they went out, head hunters and they tracked someone down and that started to change the dialog. And then the leadership team sat with us to drive the agenda so what relationship we want to have with marketing and that became our script and formed our strategy. And then she sat down with the CMO and said lets change this in terms of the partnership.

1: so at that time it was recognized that it can no longer go on as it currently was, they saw a problem?

2: to be honest with you it wasn't like anything was broken. But obviously when we were ehm when the position became vacant ehm the CMO was asked for her opinion when we

told her that we were looking for someone else and she then said if we have thought about getting someone from the marketing area and we said no didn't as it would be a procurement role. It was just a suggestion from her that if we would get someone with a strong marketing background it might be a benefit but it has taken us to a new level.

1: you said earlier that you have joint objectives. Do you also have set KPI's together?

2: we looked at our mission if you like, our vision and mission, our objective and this is for global procurement and is resonates with all categories, is to become the best business partner, driving value and fueling growth everyday and everywhere. So you wont see cost savings in there. It talks about partnership, being the best business partner. And then it is about driving value, so value yes part of that can be doing things more efficiently and cost savings but also getting more value added in the contracts that we have, having innovative ideas and helping marketing and then fueling growth is really important which is were the saving money then is a massive opportunity then for marketing. On the one hand they then get the best suppliers and the best resources in the most efficient way so at the end of the day the money that we save can be reinvested. And we make it clear that that is our focus. So we don't take away all the savings from the bottom line we give it back to marketing to make a reinvestment so as joint KPI we have a whole range of metrics going down to compliance and what have you but there is a reinvestment target that gives the marketing leadership team the ability to fund other projects that they would otherwise not be able to fund. So in the end we can say we did these things which were not planned which then had an impact on our business. So and in the past we were then actually able to launch new products which is quite significant. So we know have the funding to launch a new product in the UK market which then generates sales, creates a buzz and then we are happy so I think a key part for me is that you tell the story in the right way. So cause in some marketeers heads in the past it has been you are the guys who only focus on savings and you are the ones who cut my budget or you are trying to make me go with the cheapest agency. So a big part of how we went to the next level in our partnership was creating a story which we would repeat back. And the story is all about investment and being able to do other brand activities that you would not have had the funds for. And that for me is a massive part of resetting the relationship and having the right narrative

1: we also hear sometimes that procurement that we become investment manager so it fits what you just said

2: yea, and actually we have our CMO runs a pitch process a bit like Dragons Den which we do with our internal marketing team. So every year we commit that we will find a pot of

money for new projects so that is one of our big KPI's and then we have to deliver it and it is like millions, I can't say the exact number but it is a big pot. And then 4 times a year the marketing leadership team runs a pitch process and then all the marketing teams come and pitch for some money and tell us about their project. They need a lot of data to show the projected return for the investment so if we would give them 1 million they need to show us the return that they would generate and then we allocate the money. So we enable that for them and that is a very big value for them.

1: nice project! About communication and information sharing, do you have set meetings every week or how does that look like here?

2: yea so ehm we in procurement have what is called a codified reporting structure so all of our key KPI's meetings are codified at different levels of the organization so when we have our month close for reporting purposes and then a few days later the markets will have their own performance meetings with their KPI tracking's to see what is on track and what is off track and that then after a few days comes to a regional tier codified meeting and that rolls up to a global meeting. So we are then looking at all of the markets through a regional lens of the KPI's are going. And that then rolls further up to global procurement level at which marketing procurement is one of the categories. So it rolls up to category procurement. It is very structured and these meetings will happen every month on that day and they are in all our diaries. and we have an intervention mechanism when something is working or not working so we call that Rum meetings and we have improved processes as well which is also codified monthly so projects where we can improve our performance and marketing's performance so we run that monthly. And then we have transform meetings which are more about how we can transform the business. Ehm and as part of that process we so our global brands we treat as one market, the global brand team, because most of our marketing spend that we create is with our global brand team, so we sit with them every month. Every month we go through the projects, KPI's, but it is not just about the numbers it is also about the workplan so what kind of campaigns are developed and what is happening in the next 90 days. We develop an annual work plan with all the activities for each brand and where they would need our support that could be we are thinking of pitching a creative agency in November so then we can help them get organized to do that

1: so from what you say I assume that you are always involved from the beginning in new projects? And not at the end in the contract stage when they just need a signature or so?

2: yes, uhm it is very rare that we get involved late but in the past it happened a lot. So when I think back to when I first came into marketing procurement 7 years ago that was happening. Ehm it doesn't happen now. And I think part of that is just setting the rules of the game

1: so like guidelines?

2: yea so it is like every year we issue the guidelines as a one pager with these are the do's and don't's. So nobody signs a contract. There are only a dozen people in the company who can sign a contract and you are not empowered to sign a contract it has to go through our company secretarial and a board member has to sign it if it is negotiated over a certain level. Nobody goes against these guidelines and if it happens then maybe once a year and it might be a new person that came in from another company. That one pager is all we do because we don't want to control them, that is not the relationship that we want. We want a strong partnership where we are trying to achieve joint objectives but there are also some non-negotiable things

1: so when new marketing people join they get shown the guidelines and learn how it works here?

2: yes so we have an onboarding program and the company in general also has one. So the first day is just reading the global policies, business conduct, anti-money laundering, health and safety etc. and a few of those would be the procurement guidelines, supplier policy and then we follow it up with a one pager. So that people can not claim that they didn't read it because it was 60 pages

1: a question in general, do you perceive marketing as very collaborative?

2: yea

1: like one team?

2: yea so we are fully integrated in the business, we understand where they are heading, their brandings and their strategy and then we sit together to discuss how we can best support them. Very collaborative

1: we have reached the last question now. What do you think are the 3 most important aspects for good marketing procurement collaboration?

2: nr 1 I would say is getting support from top management, so in this case from the chief marketing officer. If they don't buy in what you are trying to do you have got no chance. So sitting down, aligning on objectives from the very start and not going in like this is what procurement wants to achieve this is my KPI deck. Ehm if you have a conversation rather than just outlining what you need and the conversation is around how can we align our objectives and then you align with the marketing leadership team and it becomes part of the

daily talk to your friends in marketing procurement. So the constant messaging of support and our partners then react and that is part of our culture by putting our guys into prime meetings and making sure that we are in the key locations with the marketing team is massive because then they are on each other's mind and feel more connected. So that is a huge thing and then I think it will build on itself and all of a sudden you get invited to the key marketing meetings, the dragons den pitch process that I talked about we sit on that as a judge of the committee. It just builds upon itself as the time passes if you get it right

Transcript: Company 3 - Buyer

1 = Interviewer = Laura Frank

2= Interviewee = *Buyer*

1: Can you tell me a bit about your job and experience here at the company?

2: yes, so I am working here at my company for about 2,5 years and you know my role is for EMEA, marketing and sales procurement. So what does this essentially entitle is supporting marketing teams across EMEA which are preliminary in 7 major countries in Europe, plus giving strategic advice on Russia, Middle East and Africa. But that is more on strategy and less on execution. When it comes to Europe it is execution along with strategy. Ehm that is what I do and im looking into all the spend that marketing and sales does, how do we make that more efficient, make it more sustainable for the business

1: perfect, and is your function then more like an advisory role for marketing or are you the one making the decision, like which supplier they will have to work with?

2: so this is a million dollar question, you know there is no one straight answer. It depends on the category that we are talking about. So within marketing we have different sub-categories. But if I have to give you a general answer it is always a joint discussion. So what does that mean is that applicability assessment where the feedback of the stakeholders is taken. And then you also have situations where procurement is in lead. And if you bring those factors together you arrive at a decision. So I would never say that procurement takes a certain decision in silos, nor would I say that marketing is making decision in silos because then it would be a recipe for disaster. A recipe for success is when both of them collaborate

1: ah okay so you are more like partners?

2: yes

1: do you feel like the structures at your company make it easy to work together or collaborate?

2: uhm I think uhm I cant answer that question in the sense that mh compared to what? And what I have seen is that the structures that we have in my company is an industry standard because I have worked in other companies as well and the structure is pretty much the same across industry so I would not be able to give you a reference like how it is different in other companies

1: but for example, ehm do you sit close by to marketing, maybe in the same office?

2: well because I work for entire EMEA it is impossible so I cannot sit with everyone. But what I do is I am based in the Netherlands so I am very close with the Netherlands business like we are in the same building. And when it comes to the big market for us so one of the big markets is the United Kingdom so I travel there at least once in a while, that is what I try to do.

1: does the company stimulate you to collaborate and share information internally? Or is that up to you?

2: uh it depends on. Ehm so what I was just trying to tell you is that it depends. It is a very idealistic case. There are some stakeholders that depend on me on every step and then there are stakeholders who understand how to work and only involve me when it is really needed. Or sometimes I need to get involved because I see somebody. So it depends on the projects. It depends on the categories, depends on the people. So pick an example, if I see this new marketeer who comes in the job but that person is not doing big projects, and the person doesn't know how the companies way of working is looking, then at that point you know I will get involved. Like hands on explaining them the processes, explaining them what needs to be done and how it needs to be done. But then if there are regular marketeers with big projects and they already know the process and then I would be less involved. And then I have trust that they will do the right thing. But then if it is a big project I would be involved in terms of everything that would be related with procurement.

1: And do you have regular meetings with marketing?

2: yes, so ehm when you say regular meetings what do you mean?

1: ehm for updates for example, once a month, once a week?

2: well I don't do it in a way that I create a agenda of a weekly call or monthly call but it's always because I stay in touch with them on their day to day projects it is more about a project based way that I work with them

1: So marketing always keep you up to date how things and projects are going?

2: yea so that would be on a daily basis so I want the important stakeholder who are the decision maker and it is important to know what these are. I wouldn't do a weekly meeting with them because of the time constraints. They are busy and I am busy. So they will let me know what is happening, what is your opinion. If I hear something about what is happening like a new trend or a new supplier or anything I will forward that to them. So it is more an ad hoc business but it is continuing.

1: Ah nice, so it seems like you really work as a team and they trust your opinion?

2: yes, so because we have so many people within EMEA I can not do that with everyone so I work as a team only with some of these people, but those are the stakeholders that are important, for you know they are the decision makers, they are the ones who control the budget. So for those stakeholder I am very much connected

1: do you feel like you have mutual understanding with marketing because maybe you also have a marketing background or so?

2: I don't have a marketing background but since I work a lot in marketing procurement so that is why I have also learned some things by working with them. So my way of looking at things is more from the commercial side.

1: let me see the next questions. Do you have joint objectives and goals?

2: yes, that is one part that is missing. The objective of marketing is more towards creating sales and my objective is to make that more efficient. So in that sense this way it is difficult to have joint KPI's as they would not really match. You know I know that you have to work as a team and your priorities should be the same but what happens is if I work on their priorities then I don't work on what I am supposed to do. And other way around they would not be able to deliver on their KPI's. so you know and then it becomes less a question of KPI's. what comes more important is how you work together. From objective perspective we have the same objectives because I am looking for efficiencies, I am looking for you know bringing them the best value with respect to the money that they want to spend. While their priorities are whatever money they spend they should get maximum attention, maximum awareness in the market. So in that sense our goals do not match. Because we work together that's were there is always the discussion where you facilitates discussions and that is how you facilitate synergies because you have to respect their goals and my goals in order to make a good decision

1: often marketing perceives procurement as just focusing on savings and costs. How did you achieve that they see you as added value?

2: right so that is a very good question. How you make that work is first of all that you build a relationship. So you get in touch with them, work as a team, you explain them why you are needed, and how you explain that to them is not only via cost savings, so some marketers value cost savings because then they have more money, especially when they get lots of budget cuts they appreciate the fact that someone is helping them maintain their budget. That is how you prove your value, your core competence. The second thing is that you are bringing value through your skills set which is needed as the marketers don't have it such as how do we work with agencies, how do we contract them, what kind of proposition you need to have in the relationship and how do you build those contracts. So marketers know that contracting is important but they are not in the position to do it. And they are not in the position to negotiate with suppliers on those contractual frameworks. That's where procurement adds value.

1: And how does it look like in projects? Do you always get involved straight from the beginning or more in a later stage?

2: well, that depends on the project. So if it is a big value project then I be me involved before any KPI's are designed or anything happens. Because you need to put the pricing, you need to put contracts in place. So that is when my involvement with marketing is very very.. It is me who is involving marketing into those discussions. But when that is in place I don't necessarily get involved in their campaigns day to day. So I am involving them in big projects and then you know it is my job to get the procurement side done and done its part, then we leave the campaigns on their own. But one of the things that we are not doing is in my company which we used to do in the past was we would do quarterly supplier reviews or we would do a scaling or rating of those suppliers and then you know measuring their quality and all of that so this is something which is missing here which we could do better

1: ah okay! So you don't evaluate your suppliers every now and then?

2: well we do that with a few of them but we do not have a proper like a team whose job is just to assess supplier all year on, which is what used to happen in my previous organization

1: next, to what kind of meetings does marketing invite you to join? Like are you also involved when they have for example supplier meetings or so planning, strategy meetings?

2: yes, that happens. When it comes to quarterly meetings or when it comes to decisions on what the plan for 2020 would be then yes I get involved. But it also depends on the supplier. If the supplier is not big or the market is not huge then we might not take part

1: and ehm about involvement, who approaches who first, are you making the first step or is it marketing?

2: I would say about 60% of the time it is marketing who approaches me and 40% of the time it would be me approaching marketing.

1: And what tend to be the reasons for marketing asking you questions or involving you? Maybe they have questions about contracts or how to proceed?

2: yes, exactly you just answered it. They have questions on how to proceed or get a relationship with a supplier to the next step or when they have plans for the next year. For all of that they need my advice

1: does marketing actually have to follow any purchasing guidelines that they would need to follow? Like a purchasing policy or so?

2: yes, so uhm we have a procurement playbook and marketing is supposed to work with that. And we monitor based on you know certain KPI's on which we measure what is the contract compliance on all the PO's and similar and we do that on a monthly basis.

1: interesting! And do you feel like you have top management support? Like by the CPO or CMO?

2: yea absolutely so I would say in this company on a higher level they encourage strong collaboration. So in my company the chief procurement officer actually reports to the CEO himself. So there is a very strong collaboration at the top management.

1: could you maybe tell me about a case where the collaboration with marketing was very bad or a success story where it was going very well, what were the reasons?

2: a story where things went pretty well was when you know there was a time when we were ruling out a global vendor and convincing everyone in marketing why we are doing it, how we are doing it and then creating a proposition plan on that, changing vendor. And then it happened and it was successful in 2018 so that was a success project. Not so successful projects are the ones where communication was not good, people didn't understand it and didn't ask questions accordingly and then in a later stage they say that they were not aware of the things that were happening. So failure is more about understanding the priorities for others and how do we get a clear advance. So if they are not willing to do that the project will fail

1: ah okay. So we are actually already at the last question now. What do you think are the three most important factors for good marketing procurement collaboration?

2: right, so I think the first most important thing is communication so ehm keeping very open communication would mean that it makes it really successful. The second one is I would say for this collaboration to work is understanding each other's priorities and way of work together as a team. That is very important. So you may say that you have differences and

different priorities but if you can work as a team to you know while keeping the other priorities in mind and then trying to see how these internal negotiations can go together and that would deliver clear successful business. So ehm working as a team with clear priorities, respecting each other is very important. The third thing that I feel which makes a huge difference is openness on the plans. There is always the case that ehm when the plans are created by a marketer they stick to that. So let's say there is this plan for 2020 and they say we want to do this and that in 2020. We want to do RFP's and invite suppliers, we do introductions and then we end up making contracts. So and we can create a contract which is open ended but what happens is if marketing changes their commitment to the supplier based on which the agreement to the supplier was made and this creates problems later on with suppliers. So if there are changes in plans, changes in you know commitments, then procurement and marketing need to work very closely to let the suppliers know. So I think the third one that I am coming to is I would say how do you collaborate not only with marketing, it is like a triangle so marketing, procurement and the supplier. You need to create a partnership approach on these 3 pillars because then it is a success.

1: perfect, do you have any last remarks or questions or statements you would like to add?

2: oh well I think I have covered the points that you were looking for based on our conversation. But what I see is that you, ehm how do you achieve success in the job and I think that is what requires those 3 key competences that I talked about already. So communication, openness and clarity on priorities. This is what I would say when we are doing that we are doing a good job.

1: and in general, do you feel like at your company that is currently on a good level the way it is, are you happy with it?

2: mh when you see the iceberg, yea you see 10% of the iceberg and 90% is below the water. So on that 10% the things that you see, this is where things are really good but on the 90% there is a lot of work to be done. Which essentially means that how do we look beyond long term, how do we look beyond short term, how do we look beyond savings, how do we look beyond plans. This is one example where I think improvements can be made in my company. Where we could think of long term and planning towards suppliers

Transcript: Company 4 - Buyer

1 = Interviewer = Laura Frank

2 = Interviewee = *Buyer 4*

1: Can you tell me a bit about your job and experience here at the company?

2: Here we have a unique position and we are actually more like a brand holder and we are responsible for the brand, for the local one. And here in marketing it is also quite a unique position since we do the marketing for inside the store so it is probably a bit different to other FMCG companies.

1: And since how long are you in this job?

2: I am here at this company in marketing procurement since 1 year

1: Ah okay. And do you feel like the structures here in the company make it easy to work together and to collaborate?

2: Uh yes I think so, we have very good collaborations and now we are currently building the strategy for next year because our fiscal year is from September to the end of August and since now it is October now is the time where we build the strategy for the future. We made a draft in July and now we are still working on some additional things that still pop up. So basically how it works is that we have a marketing team here and in the end of the fiscal year and the beginning of the new one we have a meeting together and we will explain what we will do in the future, how do we want to look like and what is in their pipeline in marketing. And we are also trying to combine it with our resources and what we have in our portfolio and how we treat our suppliers so that we don't over law them, we have to think from the beginning how it will work best for them and for us. And ehm I think 2 years ago we also build a preferred supplier pool together with marketing and this pool is like a search card so we already have their rates and contracts and if something less than a certain amount of money is planned we can go straight with them because we have the contract and know their prices.

1: Does marketing also like to work with your preferred suppliers because I have heard in other interviews that they sometimes like to go around it?

2: Yea it depends, we have many different entities here in the firm and some have their own preferred suppliers that they are used to working with. And sometimes we of course expand our pool of preferred suppliers and sometimes it is relevant because they have lots of knowledge and very good prices in the market. Yea but sometimes it doesn't make sense

1: And you are also located in the same building with marketing?

2: Yes we sit together. We have some people here in our office in the Netherlands but we also have many people sitting in our central office in Sweden.

1: Do you then also sit on the same floor?

2: Yea with a part of the team we sit on the same floor

1: Does the company encourage you to work together or does it come more from your side?

2: Do you mean that they have any kind of agreement by management?

1: Yea for example is there any incentive to work together?

2: Here in the firm procurement is part of finance so we report to our CFO. And of course when I think management helps us a lot to promote us and to push marketing to work with us so but that is the organizational part. Here we are part of finance and that helps us a lot.

1: You said earlier that you are now setting out the strategy for the new fiscal year, ehm does that come from the marketing side or from the procurement side or from the management?

2: Uhm I think here it initially came from procurements side, because this way we can already see our workload of the year so it is basically to our advantage to have the strategy

1: Ah okay and do you feel like you have top management support for marketing procurement so maybe by the CMO?

2: Yes I think so of course, we have a lot of meetings around that and they are also sharing their pipeline and information. Sometimes it can something suddenly arise and pop up that they didn't expect. But that is usually smaller things or projects

1: And do you feel like that you get straight from the beginning involved in marketing projects? Or more like in the end stage such as the contracting stage?

2: Uhm sometimes, also depends, sometimes we are involved in the end and that is often because someone came from another entity and is not used to procurement and didn't know and then they only come when they need to sign a contract but this is getting less and less because management knows that we are strategic and knows what we are doing. This is more like an exception.

1: And does marketing have any guidelines when they would need to include procurement or are they free to act?

2: Yes we have our own purchase systems

1: But can marketing make decision on with who they work with or so themselves?

2: Procurement has the last word because we have to approve purchase orders, otherwise marketing could not pay

1: But ehm do they have any set guidelines such as if the value of a contract is above x amount, would they then need to involve procurement?

2: Yea we have an authorization procedure and policy and threshold and rules how it works and when to include procurement. We also have a training for all our co-workers with that there are 8 steps of procurement, when to do what and they know how that works exactly.

1: Perfect, and they have this in their onboarding when new people join the firm?

2: So now it is for new co-workers when you join the firm and also sometimes I think 1 year ago we restructured and we also did this training again for multiple departments.

1: And do you feel like you have mutual understanding with marketing, maybe you have a marketing background yourself?

2: I don't have a marketing background from my university but I did have experience from my previous company where I worked in marketing and here at my company I get more and more used to marketing, I can ask them questions and they are happy to explain and we try to collaborate and train each other and share our expertise in our field which is very helpful

1: Do you think it is necessary to have a marketing background when working in marketing procurement?

2: Mh personally I think that that is very important because it helps and you feel more confident when you talk with marketing or supplier about the topic and not only about the figures and you understand when it is relevant information and when it is not.

1: And when you work together with marketing on projects, do you feel like a team?

2: Yea

1: And you also perceive them as collaborative?

2: Yes I think so I think in the beginning of the journey since procurement exists here since only two years so we are quite young and the first steps were quite difficult because we had to promote us and show our added value. Now we have showed it and passed this step and it is much better. They really like us and involve us from the beginning.

1: Nice, and how did you achieve that they perceive you as added value?

2: From the first step it was like a low hanging fruit to understand when we can save money for them and really show them the best quality and supplier in the market so we struggled a lot with those things, sometimes it wasn't the best thing but we were really trying to show them that we save money and how we can save their time and that it will be less risk to work with us rather than to solve the problem afterwards. Legal and finance also supported us with that and that was really good when we had to promote ourselves in the company.

1: Do you have any joint KPI's or joint objectives with marketing?

2: That is a good questions because now we are in the restructuring and now so there are other entities as well and 3 entities in our firm are combined and now we have a big boss on top of us and this person will be responsible for these entities and we will have joint KPI's for those entities. And it is kind of a new structure and KPI's. Now we don't have them written on the paper. Right now it is still to early in our journey but it will come

1: The purpose of that is also to align with other entities or so?

2: Yes to align with other entities which is not just other departments

1: Do you have a set meeting schedule with marketing like every week or every months or so to see what is going on or is there just the yearly planning meeting?

2: Unfortunately just the yearly planning meeting is set but I can always go to them and ask them to see what they plan in 2 months. But in the yearly plan I can see and split and see when it will start and they also come to knock on our door when it starts. For now we don't have plans for monthly meetings or so unfortunately.

1: Who tends to approach each other first, is it more marketing or procurement?

2: It is usually marketing who comes to us. Marketing's project manager know that they have to approach from the beginning so they are knocking on our doors.

1: Do you think marketing has any specific reasons why they might be hesitant sometimes for including you?

2: Uh I think in their heads in might be that we just focus on costs or slow down processes and I can also understand it but that is why we tried to promote ourselves from the beginning from the hanging fruits and ehm it might be sometimes that people who are new and came from other firms don't know how to work with procurement

1: Just a little random question, was the collaboration working better in your previous company or is it now better at your firm?

2: I think it was better in my previous job because it was an Amercian company and they had a strict policy and the whole management has to sign it. There was lots of pressure from top to bottom. Here we are quite young and in the process of setting up some rules.

1: So it is a bit less formalized here right now but formalization is slowly coming?

2: Yes, we are working on it and we can already see that it is improving between the first year and now third year.

1: We are already kind of at the last question now. What are in your opinion the three most important factors for good marketing and procurement collaboration?

2: We have to show our added value, we have to be collaborative so not only think about cost, we also need to know what they want and what they want to achieve and sometimes

we need to balance. The desire to work together and collaborate should also come from both sides. Two parts should be involved in this.

Transcript: Company 5 - Buyer

1 = Interviewer = Laura Frank

2 = Interviewee = Buyer

1: Can you tell me a bit about your job and experience at your company?

2: Yea sure so I am sitting in the global procurement team taking care of all the marketing category so my scope is pretty wide in terms of suppliers and stakeholders that I am engaging with so the categories that I am looking at is mostly everything related to BTL so the creative agencies, design agencies, digital, market research, POS material, premiums, and I think this is it.

1: seems like quite a lot though!

2: yea it is quite a lot and at my firm we don't have local procurement in the countries so ah with the exception of countries like France, Germany and Brazil for example. But it means that for most of the market we are organized from the center so it means a lot of stakeholders and a lot of markets, many different challenges so ehm yea that is a big challenge sometimes to manage all those categories.

1: I can imagine. And since how long are you doing this job?

2: eh actually I started as an intern back in France because I am French, I was working for the French procurement team and I stayed there so starting my career and now it has been almost 8 years that I am doing marketing procurement

1: nice so you probably have lots of experience that you can share. Do you feel like the structures at your firm make it easy to work together with other people or other departments?

2: to be honest yes I think so and I think that we are pretty lucky because me as marketing of course I am working a lot with marketing ehm we are really connected with the stakeholders. I have the chance to sit in Amsterdam so I am sitting with the central marketing team and the global marketing teams so I am really sitting with them everyday so it feels like I am a little bit part of their team and they don't just see me as a procurement person and I have also many kinds of stakeholder for example for POS material it is more sales related so different kind of people within the organization. But then again I am pretty well connected to them, attending a lot of their meetings. I think yea the communication and

engagement with the stakeholder are good and not only for marketing but if I look at media it is more or less the same.

1: nice, and the engagement comes from both sides like it is not just you approaching marketing but also marketing approaching you?

2: yea that is related to what I said before. Since I am sitting with them they come to me all the time which is really a thing also for solving things that are just nothing but maybe if I would not be sitting with them it would be different. We have a really open and transparent conversation and share what we are doing etcetera so that is really lucky for me as a procurement person.

1: nice sounds good! Do you have any joint KPI's or objectives with marketing?

2: no that is a really good point, we don't have it for marketing. For media some of them are joint but with marketing not and that is something that potentially we are looking at to make it even more efficient the way we are working together and so that everyone is accountable for what is happening so yea indeed joint KPI's could take the relationship to even the next level I would say so I think that would be interesting.

1: and do you feel like at your company in general, is it very formalized with many guidelines and processes that are set or is it more flexible?

2: you mean in general?

1: yes

2: we have quite a lot of processes and sometimes things are taking a lot of time because of those processes but I think it is more or less the same in many big FMCG companies. We need this structure, otherwise it could go a bit wild and everyone would do their own thing. So we have structures and compliance with policies and the ways of working and that is something we are really looking at to make sure that we work in the right way.

1: great, and does marketing have to follow some procurement guidelines?

2: yes, yes and they are trained in that, we spend quite some time onboarding new people so that they understand the role of procurement because that is always a bit of a challenge so that they understand what procurement is doing and why they have to work with procurement. Ehm so that is something that we do and of course we are also training them on the procurement rules because in the end they are the budget owners so they have to follow some rules.

1: does marketing then also have the final word when e.g selecting a supplier?

2: ehm actually we do that really together and when we are selecting a new supplier usually we work again with a fair process, usually with rate cards so scoring cards where everyone

has a say and of course depending of what we are looking at sometimes marketing's vote is going to be higher in terms of the final decision and sometimes it is procurement so we are part of this decision process

1: great, and do you perceive marketing as very collaborative? Like do you really feel as one team when you work together?

2: uhm I would say yes, but of course you have the central team and also all the teams in the market where sometimes it works a bit different because unfortunately we don't sit with all of them and we don't see them. But overall I would say yes it is pretty good in terms of collaboration.

1: and do you then also sometimes go to the other locations in for example Germany to talk to them? Like do you also regularly catch up with the marketeers there?

2: eh yes we are trying to visit our key markets from time to time but that is not happening too often to be honest. But we see each other quite some time during the year because also the people in marketing functions are coming to our office in Amsterdam so we always find the opportunity or time to connect and have a chat but yea we don't see each other on a regular basis but at least once per year we see at least our key marketing directors.

1: so you basically always know the next years planning and what is in the pipeline for campaigns and projects?

2: yea okay I would not say I know that about everything, at least not me, but that is also something that we do together by working together on that and for us for example this is happening now as a company everybody is looking at the next year and sees what do we need etcetera so that we can also have those discussions and negotiations with supplier based on the future needs and I think we work quite well on that so I think that it is already going pretty ok.

1: and in projects you are then always involved straight from the beginning or does it also sometimes happen that you just have to put your signature on the contract or something like that?

2: uhm actually depends, of course we have preferred suppliers with whom we discuss the annual negotiation and scope and once this is done the teams are somehow free to go with that supplier and run their projects. Yea I am getting some updates from time to time but I am not really involved into all the details. And when it comes to new suppliers then yea as procurement we are involved a bit longer in the process and somehow also work with the marketing teams to make sure that things are happening as expected with the new supplier

1: and do the most marketing buyer in your team have a marketing background?

2: actually I have never worked in marketing before so I would say not specifically to be honest

1: ah okay because I heard from other companies that they specifically hire marketeers into marketing procurement

2: yea I think that is very clever to be honest because you need this knowledge to do your job. To be honest I think that also depends how you are organized. For me I sitting with them and I am attending sessions, I am attending a lot of the things that they are doing so I have also the marketing knowhow and basics to have discussions with the agencies. I can understand that for people it is quite a different type of procurement, marketing is quite specific, you don't have your specs, you don't know exactly what you need. In marketing there are many aspects that can impact the final decision and indeed a bit of this knowledge is beneficial but this is not the key requirement when I see people in marketing procurement

1: ah okay. And do you feel like you have top management support so maybe support by the chief marketing officer or something?

2: yes, yes we are really well connected as well. Again I think it comes from the fact that we are all in the same office, we see each other every day. So yea it is working well, not saying that me as a procurement category manager I am really in contact with that person but if I look at my boss of course they have quite a lot of interaction. And yes so we are connected to C-level people yes

1: and do you feel like marketing fully understand the value of procurement? Because what you often hear is that procurement only focusses on saving costs or slows down processes?

2: I would say yes and interestingly we did a stakeholder survey in Germany and what came out is indeed quite a high percentage saying okay we understand what procurement is doing but it is not 100% that clear so uhm I think that is something that needs to happen. But again I think it also depends on the projects that you are running because of course if you show that procurement is not only cost and cash but that you can bring more value then people will remember but sometimes it is really just a discussion about costs and cash and then people might only remember that. But I guess that is a challenge that many companies have and you see that in many articles on LinkedIn. The value of procurement is not always that easy to explain to be honest. And what I am doing every day is not easy to explain

1: true, what I often hear now is that procurement can be seen as investment manager and I think that is also a nice term, then marketing might also see the value

2: yea it is also towards the supplier, usually we are seen as the ones squeezing them and cutting budgets and costs whatever. This was maybe the case 10-15 years ago but now I

think all organizations are more shifting towards more partnership, innovation etc, it is more long term rather than short term which also changes a bit the perception of people what procurement is doing.

1: we are going quite quickly and are already at the last question. What are in your opinion the three most important factor for good marketing and procurement collaboration?

2: uhm that is a good question. I think stakeholder engagement so that is really important especially with marketing, we all know marketing people, they like to be a bit more the center of attention. But I think investing in this stakeholder relationship is really important and can then really deliver great projects. So I think it is transparent on what procurement is doing, make them feel confident that procurement is a strong partner within the organization and that they can rely on procurement so trust I think is very key. And yea just go beyond just costs and cash vision so that they see us as a real key partner and as part of their team actually and not just there to negotiate costs and signing a contract so that they are involving us really from the start of a project which is really interesting and not just coming in the end when indeed it is just time to discuss the costs. So I think within my firm we are really making this change and people involve us from the start to deliver value. So for me stakeholder relation, trust, communication are really key when working with marketing people.

1: how do you think trust could be established?

2: just by demonstrating that first you know what you are talking about and this comes from your comment that some companies are mainly hiring marketing buyer with a marketing background, I think that is not mandatory but you need to know what you are negotiating about so I think that is important that marketeers feel that they are talking to someone who knows something about the topic. But also by showing the real value, cost is one thing because they rely on that but also by being quite strategic in the conversations with the agencies, yea just go out a bit from your usual procurement role and show some interest etc in what they are doing.