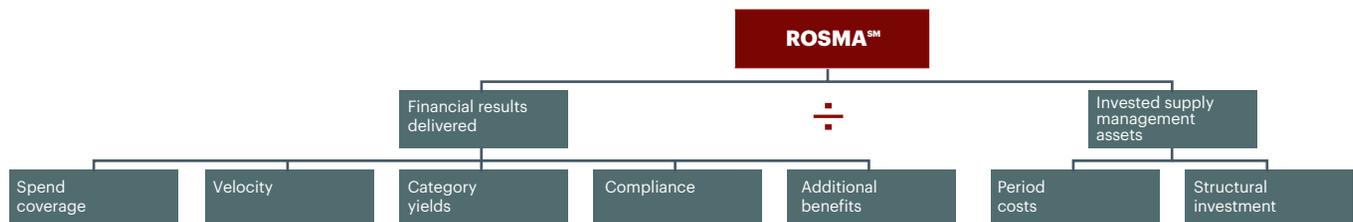




Procurement Performance Management, powered by ROSMASM

An essential component to success in any organization is having holistic insight into activities and drivers that define the organization's mission. This level of insight helps with accurately assessing the organization's performance and more importantly, identifying areas for improvement. The procurement organization is not exempt from this concept. Supply management leaders continue to seek a formidable solution for measuring their organization's contributions and that provides insight into the drivers of sustainable success.

ROSMASM (Return on Supply Management Assets) Framework



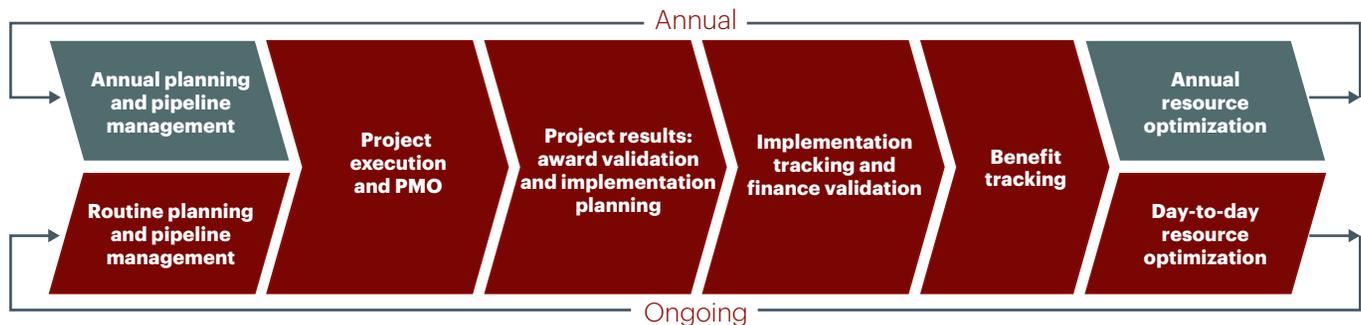
Key Attributes

- Provides a sustainable framework to assess Procurement Performance Management
- Offers insight into supply management value drivers, enabling CPOs to set their agendas and optimize performance
- Offers a platform for a holistic discussion with stakeholders
- Illustrates value in "CFO resonating language" (metrics accepted in the financial community)
- Benchmarks performance on a peer-to-peer basis or among industries

Source: A.T. Kearney analysis

A.T. Kearney has identified the drivers required for procurement leaders to achieve sustainable success through better performance management. We are developing an advanced Procurement Performance Management (PPM) solution that incorporates these drivers. The solution provides the means to measure and assess elements such as sourcing excellence, benefits tracking methodology, value-driven metrics, breadth and depth of procurement engagement into the enterprise, and strategic resource management. It also incorporates the new Return on Supply Management Assets measurement, ROSMASM, a revolutionary financial indicator that translates procurement's created value and required investments into a metric that captures the CFO's attention and allows supply managers to continuously compare and improve performance. The PPM solution not only helps procurement leaders gain insight into the key components of their organization, but drives higher efficiency and effectiveness.

Procurement Performance Management Workflow



Key Attributes

- Powered by ROSMASM, provides visibility into supply management value drivers
- Manages the hard financial metrics; improves identification and validation of critical intangibles
- Improves work methods, reporting, measurement tracking and resource management
- Provides visibility into potential projects pipeline, facilitates clarity in roles between procurement and stakeholders, and enables financial validation of benefits
- Built on a universally available low-cost platform (e.g., SharePoint)

Source: A.T. Kearney analysis

How A.T. Kearney Uses ROSMASM and Our PPM Solution to Improve Business Performance

A.T. Kearney uses the ROSMASM toolset and framework to help companies improve their Procurement Performance Management. We assess current capabilities, determine critical gaps against desired state and best practices, and build an improvement initiatives roadmap.

We also are gathering ROSMASM benchmark information from our latest Assessment of Excellence in ProcurementTM Survey (AEP)—an industry-leading survey that benchmarks procurement best practices and projects future trends across industries and geographies. Survey insights will be leveraged in our Procurement Performance Management assessments to provide companies with game changing strategies.

In support of advancing Procurement Performance Management, A.T. Kearney is developing an advanced PPM solution driven by the ROSMASM framework. The PPM solution not only manages the hard financial metrics streamlined by ROSMASM, but also identifies and validates critical intangibles, such as risk management and supplier diversity initiatives, addressed by procurement to drive business objectives. A.T. Kearney uses the PPM solution to help clients drive key initiatives, such as project pipeline management, velocity improvement, benefits validation and overall business performance.