

# StrategicCFO360

## How Procurement Efficiencies Help Drive Growth

*Insights from the life sciences industry offer lessons for CFOs in all kinds of industries.*

By Katie Kuehner-Hebert



Efficiently managing procurement is vital for CFOs in the life sciences industry, says **Dave Stowe, senior procurement advisor at Tunnell Consulting** based in Berwyn, Pennsylvania, who works with rapidly growing life science companies to help harness supplier value.

Stowe spoke with StrategicCFO360 about optimizing cost structures, what kind of talent can help you get there and the impact of digital tools.

### **How does the role of a procurement leader impact financial outcomes in the life sciences industry?**

In the life sciences industry, the role of a procurement leader significantly impacts financial outcomes. By optimizing cost structures, mitigating supply chain risks and ensuring compliance with regulations, a skilled procurement leader can drive cost savings, enhance cash flow management, and enable strategic investments that accelerate innovation and growth in the highly regulated environment of the life sciences industry.

### **What is the financial significance of integrating digital technology into procurement processes in the life sciences sector?**

In the life sciences sector, integrating digital technology into procurement processes holds substantial financial significance. It enables efficient supplier management, streamlined compliance processes and enhanced data integrity.

By leveraging digital tools for supplier onboarding, collaboration and payment, CFOs can improve financial visibility, identify cost-saving opportunities and make informed decisions to optimize financial performance in the rapidly evolving life sciences landscape.

### **How does an efficient procure-to-pay process impact financial operations and supplier relationships in the life sciences industry?**

An efficient P2P process in the life sciences industry has a profound impact on financial operations and supplier relationships. It ensures accurate and timely payments, reducing the risk of payment delays or disputes that can strain supplier relationships.

By streamlining the P2P process, CFOs can optimize working capital management, maintain positive supplier partnerships and enable seamless financial operations critical for successful drug development, commercialization and regulatory compliance.

### **What kind of procurement talent should CFOs prioritize in the life sciences industry to drive financial alignment and efficiency?**

CFOs should prioritize procurement talent with a deep understanding of the industry's unique dynamics and regulatory requirements. Hiring individuals who possess a blend of financial acumen, industry knowledge and strategic thinking skills enables effective financial alignment and efficiency.

Procurement professionals with experience in navigating complex supplier networks, managing compliance and driving cost optimization within the life sciences sector will contribute significantly to financial success.

### **How can procurement teams in the life sciences industry optimize the buying process to drive financial value?**

By implementing robust strategic sourcing practices. This includes conducting comprehensive supplier evaluations, leveraging market intelligence, negotiating favorable contract terms and proactively managing supplier relationships.

Through driving cost efficiencies, ensuring quality supply and minimizing financial risks, CFOs can maximize the financial benefits of procurement activities in the life sciences sector.

### **How can procurement contribute to financial innovation and risk management in the life sciences industry?**

In the life sciences industry, procurement plays a critical role in financial innovation and risk management. By actively exploring emerging suppliers, innovative technologies and strategic partnerships, procurement can identify opportunities for cost optimization, operational efficiency and financial growth. Additionally, effective risk management practices, such as supplier risk assessment and contingency planning, allow CFOs to mitigate financial risks.