



Press release

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POSSIBLE NEW EURO CURRENCY DEMANDS FOCUS ON PROCUREMENT, SAYS ADR INTERNATIONAL

Speculation that Germany and other northern European nations may launch a new breakaway euro means businesses must focus on how they buy goods and services, say procurement experts ADR International.

Robin Jackson, CEO of ADR International, says exchange rate movements present risks and opportunities for procurement professionals.

In the latest issue of the ADR International eBulletin, he says changes in exchange rates can mean huge differences in the prices paid for goods and services from abroad -- in favour of the purchaser or the supplier.

He says: "Recently the markets have focused on the debt of the eurozone and UK with the resulting weakening of those two currencies.

"But as we move forward more attention may be focused on the debts and associated default risk of other nations such as Japan and the US. The result will be more volatility and more challenges for procurement. And with potentially massive implications of a new currency in Europe, it's essential to be prepared."

Fred Parkinson, senior consultant at ADR North America, says companies should examine their internal relationships in the wake of the world recession.

He writes: "Engaging stakeholders is not that complicated, but in practice steps are often overlooked, or derailed when they hit an obstacle. So it is worthwhile to review a few key ideas and look for solutions to potential trouble spots."

Parkinson suggests a systematic process for reviewing stakeholder involvement including identifying a leader for the project, establishing clear roles for team members, deciding on a timeline and setting up a communication system within the organisation.

Rebecca Howard, Director of ADR Learning, the training and development division of ADR International, says asking suppliers to suggest ways they could improve their performance - rather than setting targets for them - can produce good results.

Drawing on the work of motivation guru Dan Pink, she admits that giving suppliers a sense of autonomy by asking them to say how they should be measured may be a radical concept in contract management.

She says: "Ultimately performance metrics must be based on what matters to you in your organisation's category plan. But suppliers can provide innovative approaches to how our goals can be achieved."

Ends

Please view the ADR International's July 2010 eBulletin "A pause for thought" at

www.adr-international.com/newsletter/

About ADR International

ADR International is one of the world's longest-standing global procurement consultancies, helping clients improve every aspect of their procurement activity. Its main areas of expertise include procurement transformation, training and development, sourcing, permanent and interim recruitment, technology and audit.

Clients include GE, Pfizer, Nokia, CRH, Raiffeisen Bank, TNT Express, Tiger Brands and Eskom. ADR International also works with public sector organisations in local government, policing and the UK's National Health Service.

ADR International is headquartered in London, UK and ADR North America is based in Ann Arbor, Michigan. ADR International also has offices in Australia, South Africa and Czech Republic.

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