

Influence of procurement departments on marketers

 By [Johanna McDowell](#)

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Agencies working - or hoping to work - on major corporate accounts in the advertising, marketing and communications industry can no longer ignore or misunderstand procurement departments and their importance in winning both government and corporate clients.



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It is particularly important to note the National Treasury's amendment to the Public Preferential Procurement Framework Act, which aims to secure at least 30% of procurement from black-owned SMMEs from previously disadvantaged constituencies.

While agencies are generally aware of this amendment, its importance in the procurement process cannot be overstated. Procurement's influence within corporate structures is growing to the point that financial decisions once part of the marketing process now fall under the procurement department. Importantly, major marketers understand their constitutional and legal obligations, and require their agencies to be compliant.

Vital for marketers to know how procurement processes work

As a business sector that works on long-term growth strategies and building essential brand loyalty through the creative processes with agencies, marketing has increasingly been required to work alongside procurement experts over the past decade in South Africa and new systems implemented by corporates have eaten into the area of marketers' control.

It is vital that marketers equip themselves with knowledge on how procurement processes work to ensure that their strategies for brand growth do not become victims of rigorous cost cutting measures aimed at ensuring maximum profits. For both procurement and marketing, getting exposure to a wide range of agencies is crucial to ensure the best value return on marketing investment.

Long-term sustainability of service providers is pivotal in the agency selection processes made by procurement. Decisions can no longer be driven only by price and even service, but a combination of these and the need to procure from black-owned agencies. Agencies that understand the fundamentals of the entire procurement process are best placed to succeed and create high-value relationships with their clients.

ABOUT JOHANNA MCDOWELL

MD of the Independent Agency Search and Selection Company (IAS), and partner in Scopen Africa, with a background that includes being on both the agency and the client side of the fence, Johanna McDowell is well-placed to offer commentary on marketing and advertising in the South African and international contexts. She built her career in marketing and advertising since 1974, holding directorship in both SA and British advertising agencies. She was MD of Grey Phillips Advertising in 1988.

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