

# A Review of the Permanent Procurement Market in Victoria 2009-2011

By Chris Bray

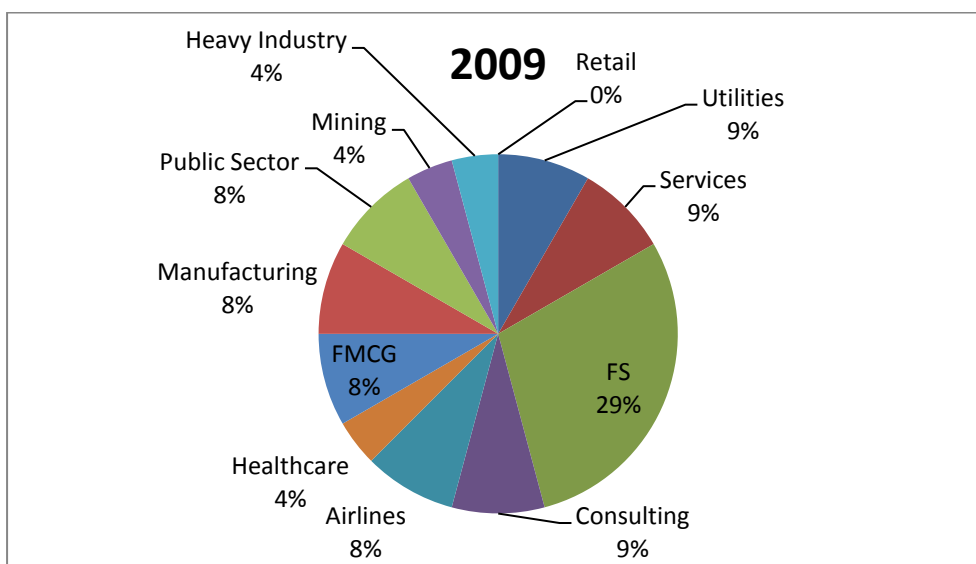
## Overview 2009

2009 tested both businesses and individuals to deliver much more than they had in previous years in a growing economy. Most organisations found 2009 to be a tough year with many forced on reducing permanent headcount across all functions including procurement and despite the perceived value strategic procurement can add. In an effort to reduce cost, freezes on permanent recruitment and promotions were common which resulted in a shortage of permanent opportunities for job seeking procurement professionals and many decided that 2009 was not the year to make a career move unless they were forced to.

With a major shortage of tier one talent on the market, businesses hired the best active or available candidates as the passive candidate pool was not able to be enticed into making a move during these uncertain times. The recruitment process became longer and frustrated the hirer and the candidates involved as decisions weren't often deferred and vacant positions were frequently put on hold indefinitely.

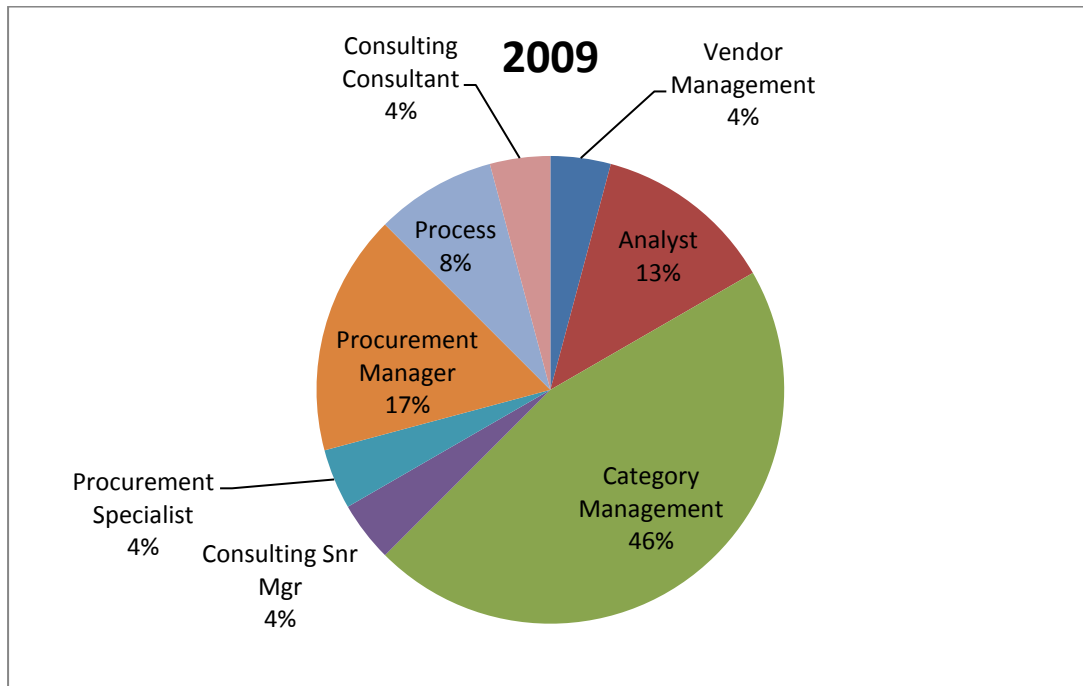
## Industry Stats 2009

Recruitment in Victoria showed especially strong growth in Financial Services with 29% of permanent placements coming from this sector, 9% in Utilities and 9% in Consulting. Retail was well down as was Property & Construction, Mining and Petrochemical who suffered from the lack of financial support to fund projects.



## Role Stats 2009

46% of roles were recruited at Category Management level, followed by Procurement Management at 17% and 13% at Analyst level which shows the appetite for high potential juniors. Process, Governance and Compliance roles outweighed the recruitment of Procurement Specialists and Vendor Managers which is a direct result of business having an increased focus on this area. Director level roles were scarce in 2009 as businesses were not prepared to invest at this level.



## 2010 Overview

As most of us in Victoria returned to work after a well earned break, Q1 2010 saw a rising Australian economy, create positive energy around recruitment and many freezes on headcount were removed and further recruitment forecasted for the up and coming year.

With cost reduction high up on the priority list, many businesses invested in procurement and functions grew in size and changed in structure. Centralised and centre led models were the preferred platforms as was global sourcing initiatives and an increase in support from management consultants.

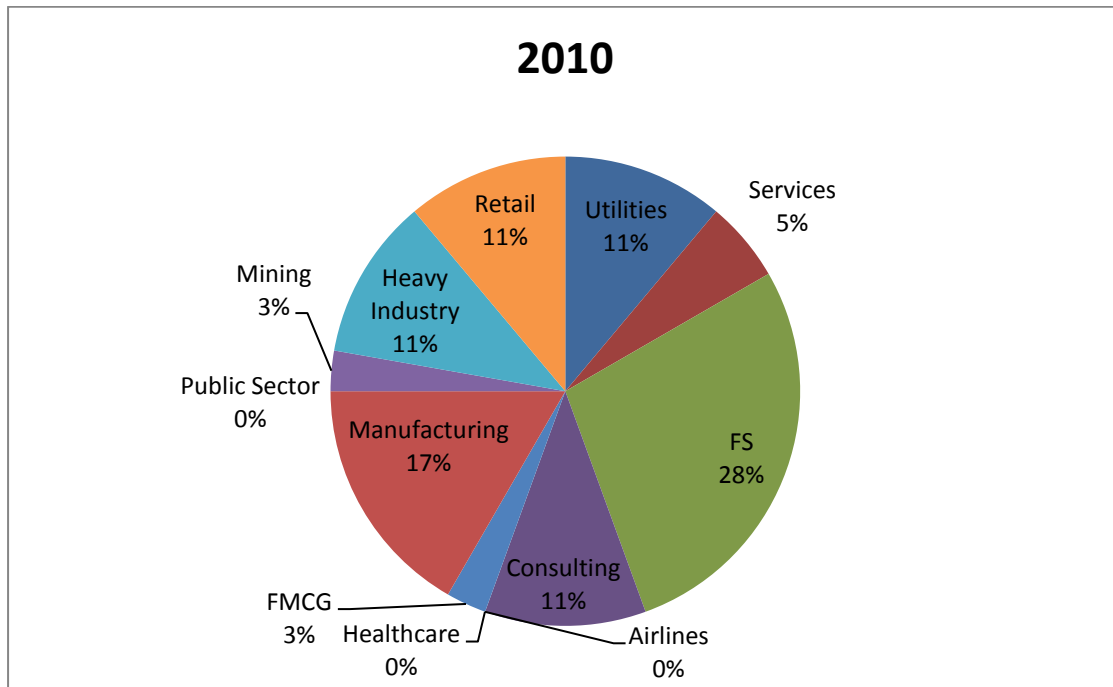
The volume of permanent procurement roles increased and the passive candidate pool started to move due to attractive transformation roles, an increase in salaries and a generally more optimistic outlook on the future.

## Industry Stats 2010

Financial services yet again stood out as the strongest sector for permanent recruitment in Victoria with 28% of the roles Jigsaw Search placed being within this sector. Our view is that this is due to the personal drive of the Procurement leaders in this industry selling and delivering value to the wider business through tighter and quicker processes, greater cost transparency and control and the increased and vital focus in this sector on governance.

Manufacturing experienced substantial growth with an increase from 8% to 17%, but with a distinct shift towards the management of outsourced procurement providers as opposed to in-house teams.

Other sectors that showed strong growth included Utilities, Heavy Industry, Retail and Consulting, all achieving 11% of the total amount of roles recruited during 2010. All of these are core sectors to the Australian economy and their increase shows the general economic growth in confidence of the country post GFC.



### Role Stats 2010

There is often confusion amongst practitioners surrounding the definition and terminology around different roles in procurement which is exacerbated by the additional variety of job titles used by different organisations. At Jigsaw Search we have defined all of the roles the company recruits for in order to allow us to provide consistency of services these definitions are the ones used for the role types included in the diagrams below.

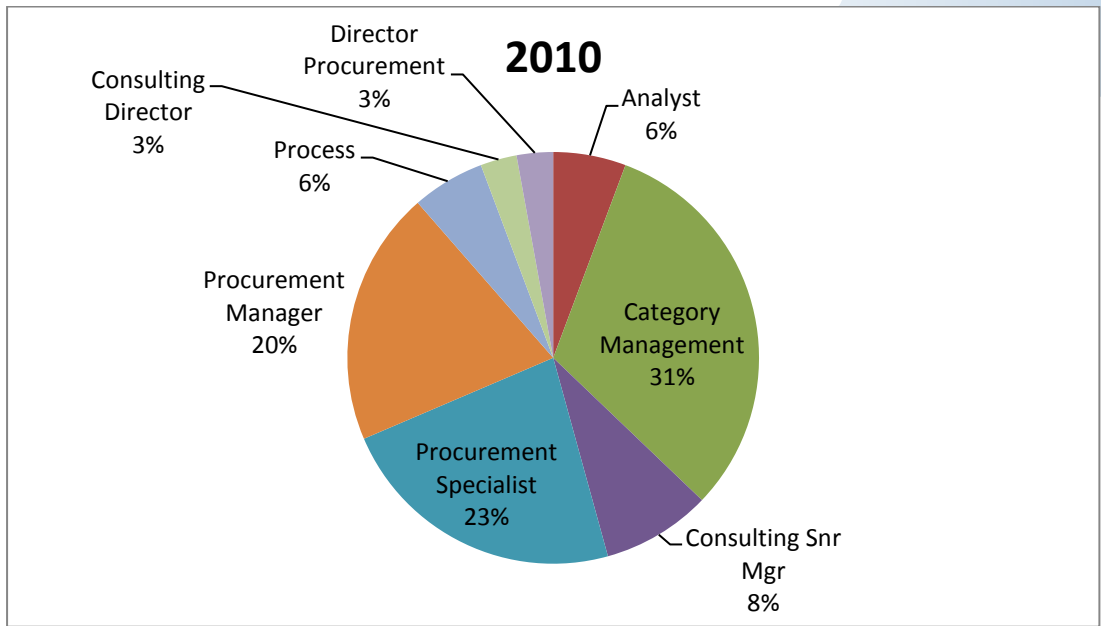
Three of the most common as the diagram below shows are:

**Procurement Specialist** – An experienced multi-skilled procurement executive that can act as an auxiliary resource to a procurement department or project.

**Category Manager** - The management of end-to-end procurement for a given portfolio of spend. This end-to-end process incorporates stakeholder engagement, business diagnostic, strategy development, strategy implementation, contract management, vendor management, supplier development and strategic review.

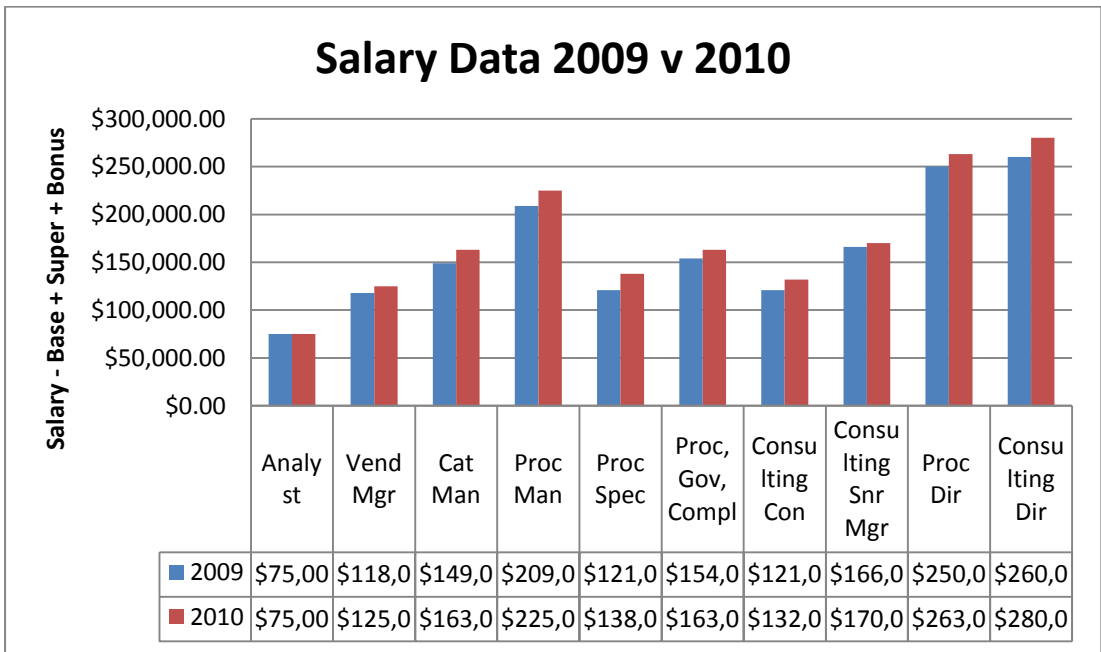
**Procurement Manager** - Leads the procurement team (category management and sourcing) and the execution of all procurement initiatives. Responsible for the deliverables on a national basis.

Category Management and Procurement Management roles remained consistently strong whilst Procurement Specialist positions increased from 4% to 23% as procurement functions and more specifically the leaders of those functions invested in high potential mid level talent.



**Salary Movement 2009 V 2010**

Salaries within the Victorian Procurement market had steady growth across the board in 2010 with the average salary increasing by 6.8% when changing jobs. The average salary achieved by a placed candidate was \$162,300 in 2009 which increased to \$173,400 in 2010.



If you would like to discuss this article further or would like additional information please contact Chris Bray on 03 9225 5206 or [chris@jigsawsearch.com](mailto:chris@jigsawsearch.com)



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