ACHIEVING TRUE collaboration across business functions is always an ambitious undertaking, but Philips’ Design for eXcellence (DfX) programme has placed procurement squarely at the centre of a project that’s not only delivering savings but also contributing to an entirely new way of working. Since its inception in 2013, DfX has played a fundamental role in procurement’s ability, in collaboration with other business functions, to address total end-to-end cost. Alongside decision makers from across the business, including marketing, product management, R&D, operations and finance, procurement has used its reach and influence to embrace innovation and unlock potential product cost reductions. By interrogating the way Philips designs, manufactures and delivers its products and solutions, procurement is perfectly placed to bring that influence to bear across the value chain. With ‘X’ representing the major variables that can impact on total cost over the product life cycle, procurement has set the standard for a company-wide optimisation tool and ensured that this holistic approach is about far more than simply delivering savings. It is, in short, bringing the X factor to procurement.

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