



Sorgenia Builds a Unique Procurement Function

Vertical

Public Sector / Regulated Industries

Featured Product Families

- Spend Management
- Sourcing
- Contracts
- Supplier Intelligence
- JAGGAER One Platform

Location

Italy

About Sorgenia

Sorgenia Bioenergie, with its three renewable energy power plants, potential new future acquisitions and a plan to integrate and develop its bioenergy segment further, is the current Italian leader in the production of electricity through vegetable biomass. Now part of Sorgenia Group, it aims to achieve the most advanced innovation, reliability and sustainability in its market segment, in order to guarantee efficient and effective energy production.

Simona Izzo joined Sorgenia Bioenergie in September 2019. She was tasked with setting up a single procurement function after the F2i investment fund completed the acquisition of the three power plants from different owners. She first focused on introducing the processes necessary to provide a standardized way of working. Simona explains, “We had three different power plants, which did not speak a common language, so it was important to create one unique procurement function and department with a clear organization and its own global vision. We carried out an in-depth spend analysis to pinpoint the most predictable category groups, identifying the most suitable procurement strategy for each category group, and the most effective synergies arising from the management of all the power plants. I tried to make the processes leaner and simpler, while the importance of an ‘early involvement’ approach was also key, from the budget through to post-contract. I selected the right suppliers to work with us on supporting our internal clients, and in facilitating the change.”

Simona’s golden rule when creating any new function is to be consistent: “Consistency is extremely important, meaning that what you promise, you must deliver. To do so, you need to understand the priorities and that they are delivered according to the requirements and expectations of the internal clients. I have shaped the organization to meet this goal. The organization is composed of several buyers, each responsible for specific category groups, so the buyers have an in-depth knowledge of the market they are assigned and the category groups they are managing. In terms of procurement strategy, supporting internal clients from the start of the process, when the budget is defined, is vital. Needless to say, an in-depth knowledge of the suppliers is a key component of an effective procurement department.”

Why JAGGAER

JAGGAER One is an intelligent source-to-pay and supplier collaboration platform, and the catalyst for enhancing human decision-making to accelerate business outcomes. Sorgenia Bioenergie leveraged JAGGAER’s Supplier Intelligence, a comprehensive view of supplier performance that enhances relationships, seizes innovation opportunities, and proactively addresses risks with intuitive insights.

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Simona Izzo, CPO, Sorgenia

The Role of Technology

So, does technology play a key role in an effective procurement department? Simona answers, “Yes, the very first step is to start with the introduction of new tools to harmonize the process of assessing suppliers. In 2019, we selected the JAGGAER supplier management solution to facilitate more structured management of the approved suppliers list based on category groups. The tool is composed of two primary areas of assessment: vendor category assessment (ex-ante) and performance assessment (ex-post). We first select the best suppliers via a questionnaire containing 16 KPIs (e.g. financial data, sustainability, geographical perimeter, certifications, training, compliance etc.) We constantly monitor their profiles to anticipate any possible critical issues and guarantee the transparency of the entire process from supplier onboarding through its performance assessment. The tool is easily accessible. Any data and all assessments related to a specific supplier are shared internally to provide a comprehensive overview of its profile, moving from a subjective opinion to an objective assessment. A specific area of the assessment addresses sustainability. We want to collaborate with suppliers which are more responsive to this specific issue.

“The second area is the performance assessment. We assess, via a virtual team, the performance of the suppliers once a contract is awarded. Therefore, we encourage continuous improvement of our suppliers, identifying their strengths and their weaknesses to mitigate risks and possible non-compliances in the future. JAGGAER vendor management has thus proven to be extremely successful, enabling us to have an in-depth knowledge of our supplier lifecycle, which is constantly updated. When assessing and selecting suppliers, we do have in mind a few targets which are paramount: innovation, sustainability, flexibility, and speed.”

Sustainability & Gender Roles in Procurement

The vendor management system allows Sorgenia Bioenergie to select its suppliers based on a series of expectations. One such parameter is their approach towards sustainability. Simona says, “We have a strong focus on sustainability and, as a matter of fact, our portal has an area dedicated to it. As a group, we pay attention to sustainability, but this is not enough. You need to ensure your partners are sustainable too. In that respect, when we

work with a supplier, we want to know their sustainability strategy, incentivizing all those which are sustainable.”

In addition to this, Sorgenia Bioenergie has been consolidating strong partnerships with suppliers to guarantee as far as possible the recovery of the majority of its wood ashes, which are a residual of the burning process. The company has been exploring new alternative solutions that would be particularly innovative. Simona says, “Sustainability is a pillar for our company. As a consequence, we have been continuously adapting our strategy to avoid ‘the waste of the waste’ as far as possible.”

Aside from sustainability, another cause close to Simona's heart is her role in championing women in leadership positions, particularly in procurement. She says, “There are few women in procurement, which is a pity. I am surrounded by men, but I have never considered myself as any different. We are 51 percent of the population, but when you compare this representation with the participation in the labor market, there is a drastic reduction. We need to help bridge this gap with proper mentorship. In that respect, men must play a key role as a powerful change agent. In my opinion,

change is only possible if there is a full alignment of ideas and targets between the two genders, and equality between partners is an additional enabler for supporting women's careers. Women should also strengthen their networking to build up constructive relationships and support each other to eradicate the bias of disharmony amongst women. Finally, women should stop questioning their capabilities but learn to ask for new opportunities, being ambitious and visionary. I have recently worked with a group of friends, both men and women, currently in managerial roles. The idea is to launch a specific project ‘Even-out’ focused on the gender issue and on the necessity of changing the culture. Sorgenia is also actively working on this specific topic, which is an important signal to be pleased of.”

So, speaking of women in leadership roles, where does Simona see herself in the next five years? She concludes, “I want to continue taking on new roles where I can reinvent myself. I yearn for more challenging professional adventures, as I like to try new things. For me, I am hungry to learn, and I am not scared of new challenges. I just want to play my own game, which is what all women should strive to do.”

