



Press release

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PROCUREMENT LEADERS FACE CHALLENGE ON INFLATION, SAYS ROBIN JACKSON

Procurement professionals face a major challenge to keep prices low while inflation rises, one of the world's leading specialist consultancies has warned.

Robin Jackson, chief executive officer of ADR International, says good procurement practice has helped lower prices in the West partly by sourcing from low-cost regions in the Far East and elsewhere.

But he warns that such sourcing opportunities are often a "one-off" and the cost of products and services in countries including China and India are already rising.

Writing in *European Leaders in Procurement* magazine, Jackson says the efforts of individuals working in procurement who have delivered the benefits of globalisation are often ignored.

"Without the adoption of best practice procurement in firms of all sizes in the developed world, even the best macro-economic framework created by the institutions and politicians would have failed.

"But in this success lies our future challenge. The huge reductions in cost and, as a consequence, in prices to Western consumers, cannot be replicated. They are a one-off. The DVD player, clothing and all the other products and services that are now sourced in the developing countries will start to increase in price. Often at high rates with, for example, Indian wages rising, albeit from a low base, at 10 per cent or more a year."

He adds: "It is only a matter of time before these increases start to feed through to consumer prices in the West. So the challenge for procurement in the coming years will be twofold – first to maintain current prices for already globalised products and services, and second to seek ever more opportunities for further sourcing from low-cost countries."

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About ADR

ADR International is one of the longest-standing global procurement consultancies, established in 1986. It applies its knowledge and expertise to help its clients improve every aspect of their procurement activity. Its main areas of expertise are procurement consultancy, training and development, sourcing and interim management services.

ADR International works with several global corporations to improve their procurement effectiveness. Clients include GE, the world's biggest non-oil company by market value, Genentech, Pfizer and Alcan. For more information please visit www.adr-international.com

About Robin Jackson

Robin Jackson chief executive officer of ADR International, held senior management positions in procurement with the Ford Motor Company, Philips Electronics and Nissan. Since joining ADR International in 1988 he has amassed a wealth of hands-on purchasing experience with clients worldwide in the Europe, USA, South Africa, APAC and Australasia. He holds an honours degree in economics from Manchester University.

For more information

Please contact Mark Whitehead at Headline Media on 0208 348 3103 or 07906 720141 (mobile) or on markwhitehead@headlinemedia.co.uk

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