



PRACTICAL PROCUREMENT

Added Value Sourcing



SERIES 7 OF 9 · PROCUREMENT & SUPPLY CHAIN OUTLOOK 2026

Regulatory Control Tower Setup Guide

Building continuous compliance capability in a world of regulatory whiplash

A practical tool from the Practical Procurement resource library.

Use it standalone, or alongside the nine domains of the Collaborative Procurement Operating Model.

THE END OF ANNUAL COMPLIANCE

For most of modern business history, compliance was a calendar event: a checklist completed once a year. That rhythm has vanished. Climate disclosure rules, data sovereignty requirements, and trade regulations are changing quarterly — sometimes monthly. Executives call it “regulatory whiplash.”

PHASE 1: SET UP YOUR CONTROL TOWER

1	Form the cross-functional team: legal experts + procurement specialists + data engineers.
2	Map all active regulatory frameworks by product category and geography.
3	Deploy AI monitoring tools: scan government registers, trade databases, and legal publishers for relevant changes.
4	Define classification criteria: impact level (High/Medium/Low), affected categories, compliance deadline.
5	Build escalation protocol: who is notified for High impact changes, within what timeframe, and who owns the response.
6	Create response playbook: standard templates for supplier communications, contract amendments, and system updates.

PHASE 2: RESPOND TO REGULATORY CHANGES

Impact level	Response protocol
HIGH IMPACT	Escalate within 24 hours. Executive notification. Draft supplier communication within 48 hours. System and contract updates within 5 business days.
MEDIUM IMPACT	Assign to procurement specialist. Assessment within 5 business days. Supplier notification within 10 days. System updates within 20 days.
LOW IMPACT	Log in regulatory tracker. Review at monthly control tower meeting. Flag if status changes.

PHASE 3: EMBED FLEXIBILITY INTO CONTRACTS

- 1 Audit existing contracts: identify which lack regulatory adjustment clauses.
- 2 Add price/sourcing adjustment clauses: allow changes when regulations shift the cost structure.
- 3 Add notification obligations: require suppliers to notify you of regulatory changes within 30 days.
- 4 Add audit rights: ensure you can verify supplier compliance with applicable regulations.
- 5 Prioritise: start with highest-spend and highest-risk-geography suppliers.

REGULATORY CONTROL TOWER HEALTH CHECK

Control element	Status
Cross-functional team formed (legal + procurement + data)	☐ Yes ☐ No ☐ In progress
Regulatory map completed by category and geography	☐ Yes ☐ No ☐ In progress
AI monitoring tools configured and active	☐ Yes ☐ No ☐ In progress
Impact classification criteria defined	☐ Yes ☐ No ☐ In progress
Escalation protocol documented and tested	☐ Yes ☐ No ☐ In progress
Response templates created	☐ Yes ☐ No ☐ In progress
Contracts updated with flexibility clauses (top 20% by spend)	☐ Yes ☐ No ☐ In progress
Monthly control tower review meeting scheduled	☐ Yes ☐ No ☐ In progress

KEY PRINCIPLE

Companies that thrive in 2026 will treat regulation not as background noise but as an early signal of market change. Agility in compliance is a form of strategic speed. In a world where the law itself can change by the quarter, the ability to adapt quickly is the next source of competitive advantage.

Warwick Shaw

Practical Procurement®

Insights drawn from the GEP Procurement & Supply Chain Outlook Report 2026

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