

CHALLENGES AND BEST PRACTICES:

Insights from Industry Leaders on Indirect Procurement

CHALLENGES:

PERCEPTION OF PROCUREMENT NOT BEING STRATEGIC

“Procurement is more focused on day-to-day affairs”

“Lack of understanding of top management priorities”

NEED FOR PROCUREMENT INNOVATION

“Not enough of a digital mindset”

“Not always obvious what is procurement’s role in innovation”

LACK OF DATA INSIGHTS TO DRIVE DECISION-MAKING

“Mistrust in data due to inaccuracies and a lack of insights”

“Hard to analyze massive amounts of data dispersed across different systems”

INEFFECTIVE CHANGE MANAGEMENT

“Resistant to change when introducing new technologies”

“No clear ownership to manage change”

UNENGAGED STAKEHOLDERS

“Lack of cross-functional collaboration”

“Procurement is a pull function, and there’s not always early engagement from stakeholders”

ISSUES WITH PRECISELY SCOPING PROJECTS

“It’s tough to source good suppliers because projects usually have unclear specifications”

“Lack of category expertise”

BEST PRACTICES:

ALIGN PROCUREMENT OBJECTIVES WITH COMPANY STRATEGY

“Make a clear connection between company strategy and procurement value proposition”

“Have regular internal communications using smart KPIs linked to company objectives”

LEVERAGE AI TECHNOLOGY

“Use AI for better decision-making”

“Drive self-serve procurement by using AI to automate processes”

GAIN INSIGHTS WITH ADVANCED ANALYTICS

“Employ data analysts”

“Use tools that enable procurement to quantify cost savings and efficiency metrics”

BE THE CHANGE AGENT

“Work on a clear executive mandate to drive change”

“Develop change-management skills”

BUILD A COLLABORATIVE RELATIONSHIP WITH STAKEHOLDERS

“Work closely with stakeholders on a formalized process to better understand sourcing needs”

“Have a procurement team member sit in the stakeholder’s org to build strong relationships”

TAKE A SMARTER APPROACH TO SCOPING PROJECTS

“Deepen category expertise using technology to increase specificity of project requirements”

“Find tools and processes that easily enable multiple users to collaborate on scoping”