

# THE FUTURE OF PROCUREMENT

## Procurement gets collaborative

Get insight into the procurement function and where it is headed. Oxford Economics and SAP Ariba surveyed more than 1,000 senior procurement executives and non-executive procurement practitioners around the world. Our research shows that procurement is increasingly focused on finding new, strategic ways to collaborate inside and outside the organization.



### Executives and practitioners are working with suppliers and partners on increasingly strategic projects that drive business performance.

Executives say...

**55%** Suppliers increasingly contribute new ideas for marketing and product design.

**51%** Suppliers increasingly offer innovative ideas without being prodded.

**51%** Suppliers are helping us transform our business model.

**50%** Suppliers providing more end-to-end solutions is changing the way procurement operates.

**65%** of practitioners say procurement at their company is becoming more collaborative with suppliers.

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### Collaboration is not just external—as procurement becomes more strategic, it is increasingly operating across functional boundaries within the enterprise.

Executives and practitioners say, at their company...

Procurement is becoming more collaborative with other parts of the business.

**68%** **70%**

Procurement data is being used strategically by other parts of the business.

**56%** **65%**

Procurement is playing a more strategic role in the organization.

**58%** **63%**

● Executives  
● Practitioners

*"We have common objectives, and our teams work very well together around things like supply chain financing. There are things we cannot do without them and they cannot do without us, so that collaboration is quite key."*

Dominique Gaillard, VP of financial operations, Verizon



Execs want the organization focused on working with suppliers in a strategic way, but over half of practitioners say it is difficult to find time for more strategic endeavors.

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### This collaboration takes time and effort—and may require some changes to the way business is done.

Executives and practitioners say...

Increased competition for high-performing suppliers is changing the way procurement operates.

**58%** **56%**

Procurement is using spend-category-level analytics to gain influence and bring more spend under management.

**45%** **56%**

Procurement managing accounts payable is changing the way the function operates.

**54%** **53%**

**63%** of executives say integrated supplier networks enable greater collaboration across the supply chain.

**52%** say increased mobility allows closer collaboration with suppliers.

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### Getting the most out of these relationships requires the right strategies, tools, and processes.

Executives say the following technologies are important to the progress of their procurement organization...

● Quite or very important  
● Moderately important



Social media

**58%**

**22%**



Knowledge exchange platforms

**54%**

**25%**



B2B commerce networks

**44%**

**32%**

Roughly half of respondents say their procurement function is using supplier quality and performance KPIs—second only to cost savings metrics.

*"[Collaborating across the company] is something that we need to do if we're going to continue to improve and drive the value that we should as an organization throughout the entire world."*

Tim Thomas, head of procurement, JBS

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### The payoff is real for those who get collaboration right.

Executives say these collaboration changes are having an impact on their ability to...

**86%** drive additional revenue.

**81%** better manage supply risk.

**76%** achieve competitive advantage.

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