

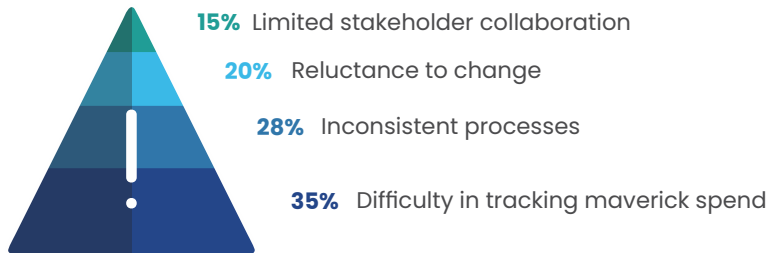
PROCUREMENT PRIMER IN PICTURES : 2023

Part 1/3 – Procurement Challenges in 2023

We surveyed ~2000 practitioners and analysts at Horizon 2023, and here are the results!

Coupled with increasing complexity, managing spend has become a complex challenge for procurement.

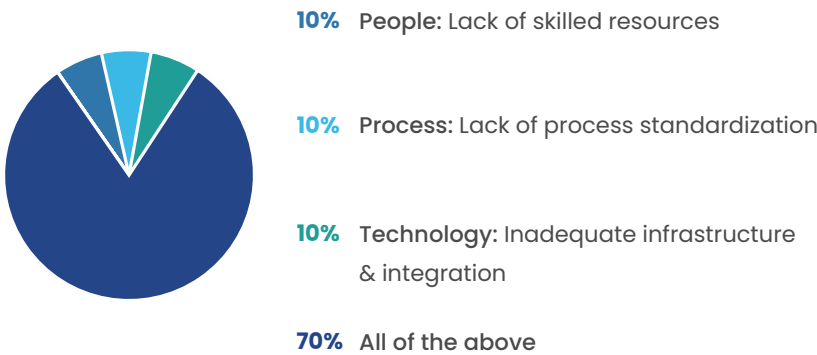
Challenges in bringing off-contract spend under control



Procurement teams need to establish a robust and standardized procurement process, and leverage advanced technologies such as spend analytics and e-Procurement.

The last few years saw a majority of procurement efforts being put towards mitigating and managing supplier risk. Yet, many orgs. struggled to establish an effective TPRM program.

Factors hindering an effective third-party risk management program



The fact that 70% of respondents selected "all of the above" suggests that these challenges are interrelated and cannot be addressed in isolation. Careful, considered investment is required.

Now that global economies are recovering from supply disruptions, the growth agenda is taking precedence. However, an impending recession requires teams to balance their expectations with ground reality.

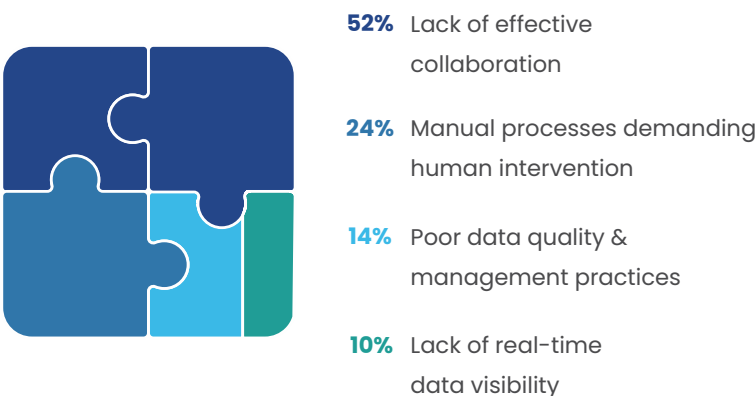
Challenges when rebalancing growth amidst price inflation



For procurement, the battle is ongoing. There is impetus to contribute to larger organizational goals of growth through cost savings, strategic contributions, etc. while also ensuring stakeholder satisfaction and managing risks effectively.

While procurement-AP synergy has several advantages, such as improved efficiency & decision making, and better financial management, organizations find it difficult to realize these benefits.

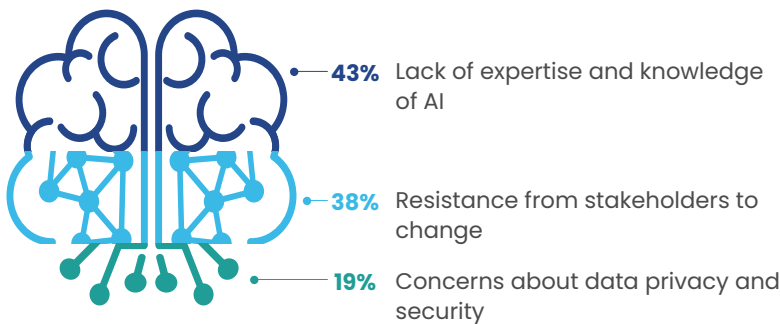
Challenges in achieving procurement and accounts payable synergy



The procurement and AP teams often suffer as a result of varying priorities and are unable to collaborate as a result of being siloed away from each other.

AI is no longer the future. It is the present. Procurement teams have already started realizing benefits from AI. However, not all organizations have been able to adopt AI to similar success.

Challenges your organization may face in adopting AI



At a time where competitive advantage is of paramount importance, AI offers the best route to outperformance.