

2018 PROCUREMENT TRENDS

(Sourced from Levvel Research's 2018 Procurement Insight Report)

PROCUREMENT PROCESS PAIN POINTS (WITHOUT EPROCUREMENT)

"What are the greatest pain points you experience in your procurement process?"

16%

The procurement process differs across locations/ other departments

16%

Our current technology is outdated/inadequate

10%

Frequent off-contract and/or off-budget spend

9%

Too much paper

9%

We are using several disjointed systems through the procurement process

9%

Requisition and approval process and hierarchy is unclear/too long

8%

A lack of visibility/limited control over spend

7%

Poor communication/transparency between procurement and AP

5%

Inaccuracies in date (e.g. supplier, order, payment, ect.)

4%

High maverick spend

4%

Difficulty matching POs to invoices

3%

Difficulty on-boarding vendors

PROCUREMENT PROCESS STRUCTURE

"How would you best describe your current procurement process structure?"

56%

We have one main procurement department and centralized purchasing processes throughout our organization

27%

We have different procurement departments for different company locations and our process is mostly decentralized

15%

We do not have a procurement department; each location and department handles their own purchasing

2%

We have a mixture of centralized and decentralized procurement departments

ORGANIZATIONS' METHODS FOR MANAGING PROCUREMENT BUDGETS

"How does your procurement department monitor and comply with indirect spend budgets?"

29%

Each purchaser is responsible for checking their requisition/PO against budgets

28%

We use an internal budget software to monitor budgets

25%

We do not have a formal process for monitoring and managing budgets

18%

We have an internal budget manager that approves all requisitions/POs against budgets

METHODS FOR SUBMITTING PURCHASE REQUESTS

"How are purchase requests typically submitted?"

46%

Purchase requests are submitted to a manager in individual departments

40%

Purchase requests are filled out and submitted to a manager in procurement

14%

Any employee can submit a PO directly to a supplier

METHODS FOR SENDING POs TO SUPPLIERS

"How do you send the majority of your POs to suppliers?"

0-\$100 MILLION

\$100 MILLION - \$2 BILLION

59%

We email POs to suppliers

59%

14%

We have an eProcurement solution

24%

10%

We order most products from online sources / do not typically use standard POs

12%

10%

We call suppliers and place orders

4%

6%

We mail paper POs to suppliers

1%

ORGANIZATIONS' METHODS FOR MANAGING SUPPLIER CONTRACTS

"Describe your procurement department's relationships with supplier contracts."

41%

A good portion of our suppliers have a purchasing contract/agreement with us, but we rarely check requisitions or POs against them

36%

We have a strict policy of checking requisitions or POs against supplier contracts

23%

We have very few supplier contracts and make most of our purchasing ad hoc

PROCUREMENT SOFTWARE ADOPTION BY TOOL

"What type of procurement automation tool do you use?"

41%

We use a procurement tool that is part of our accounting software/ERP

22%

We do not use one

20%

We use a cloud-based eProcurement solution

17%

We have a home-grown procurement management solution

IMPROVEMENTS SEEN FROM EPROCUREMENT ADOPTION

"Which of the following improvements have you seen in your procurement process since implementing a solution?"

56%

Reduce time-to-fill cycle times

52%

Better visibility and transparency across procurement

50%

Improved control and security

41%

Optimization of supplier base

33%

Consolidated invoicing

33%

Availability of vendor performance metrics

23%

Cost control over maverick spend

20%

More competitive pricing from improved supplier negotiations

BARRIERS TO EPROCUREMENT ADOPTION

"What is the greatest barrier to procurement automation implementation in your organization?"

22%

No executive sponsorship

19%

Current processes work

17%

Lack of understanding of current solutions

16%

Business process re-engineering is too difficult

16%

Lack of budget

12%

Do not expect ROI from automation



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The data in this infographic was sourced from Levvel Research's 2018 Procurement Insight Report. www.levvel.io