



**ZYCUS**<sup>TM</sup>



**PULSE OF  
PROCUREMENT** **2019**

# INTRODUCTION

Dear Reader,

Here we present our annual **Pulse of Procurement 2019** study report. Each year since 2011 we have been reaching out to procurement professionals across the globe to:

- Ascertain their current objectives and concerns.
- Benchmark how procurement teams are driving business performance improvement.
- Document procurement's technology-enablement landscape.
- Gain a glimpse into how procurement professionals see their futures unfolding.

Over the last few years of the study – as global economic expansion has continued to deliver strong profits and to enable many corporations to pay down debt and otherwise improve their balance sheets – our study had been picking up signs that procurement's hard-won influence over enterprise spending might be starting to wane. This year, however, with storm clouds gathering on the economic horizon, we see signs that procurement is, once again, gearing up to take the reins on cost, risk, and other forms of procurement-led business performance improvement initiatives. We see this in strong executive support for the function, budgeting, in the objectives that procurement teams are prioritizing, and in how corporations are adding new enabling technologies for procurement and/or upgrading to improved second- and third-generation versions of procurement technologies.

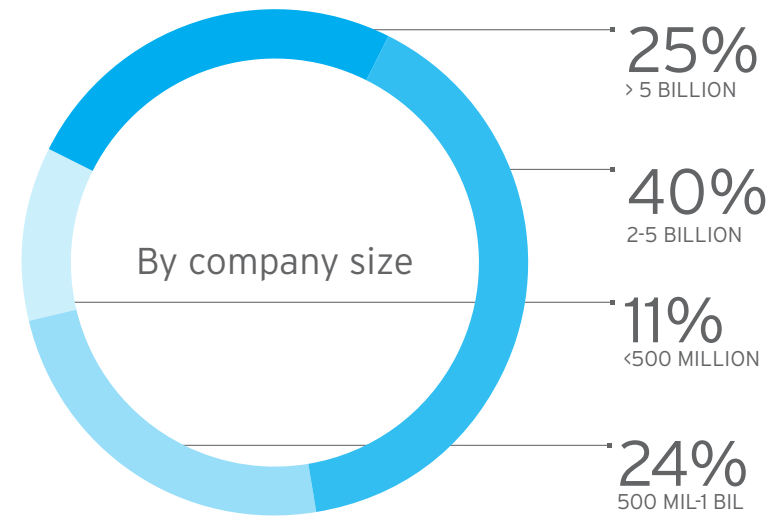
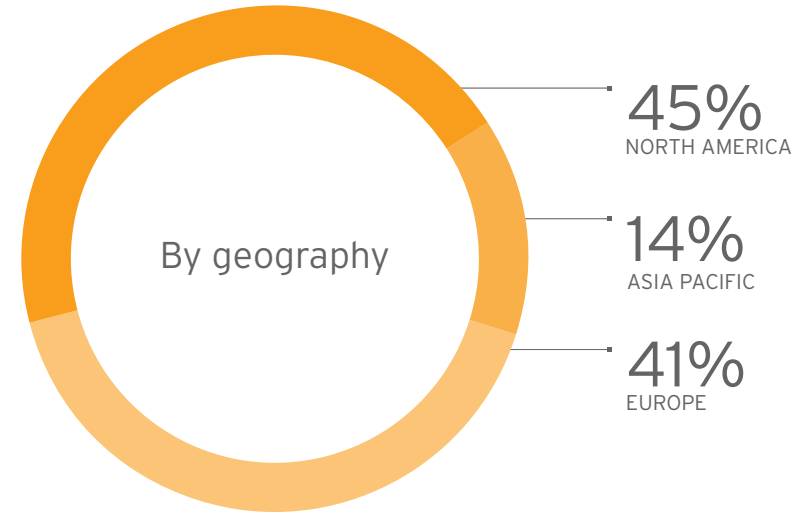
We sincerely thank all of the procurement professionals who took time to complete our in-depth annual **Pulse of Procurement** questionnaire. We hope you find the report useful and instructive as you assess your organization's progress and map your ongoing journey toward procurement-powered business performance improvement.

Aatish Dedhia  
CEO, Zycus Inc.

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Who participated in this year's study:



# Executive summary

- **Procurement continues to strengthen its strategic role** with nearly three in four study participants saying top corporate executives see the function as either important or critical to enterprise strategy.
- Eight in ten procurement groups report **stable to rising budgets** for the current year.
- **Process streamlining & automation** and **raising procurement's enterprise visibility** supplant bottom-line savings as top priorities for procurement teams this year.
- Procurement organizations are tasked with delivering an **average of 9% cost savings** this year (same as in 2018).
- Key procurement performance benchmarks such as **spend under management and contract compliance show continued erosion** this year – a function, perhaps, of robust economic expansion in which attention shifts naturally from cost control to more revenue-generating types of activities.
- **Poor data/information quality** is the number-one pain point for procurement this year, followed closely by **outdated technology**; for some, this is due to lack of investment, but, for others, it appears that standards for data and technology are rising.
- **Investment in procurement-enabling technologies has continued to rise** with most solution categories showing year-over-year gains of at least a few percentage points in terms of market saturation; solution upgrade plans, meanwhile, have turned markedly higher, which coincides with 'poor data/information quality' and 'outdated technology' ranking as top pain points for procurement.
- Two-thirds of procurement groups report **earning robust ROI on investments** in procurement-enabling technologies.
- Future visions see continued **massive investment** in automating and digitalizing procurement processes.



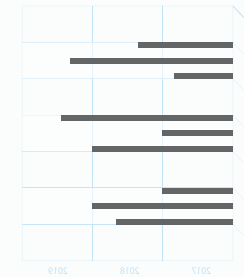
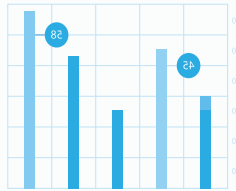
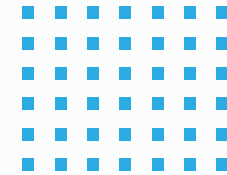
# Procurement as strategic contributor

**T**hree in four procurement executives participating in the **2019 Pulse of Procurement study** claim that top executives see procurement as important or critical to enterprise strategy and success. That perception is supported in most areas of the study, including:

- Stable to rising budgets for procurement operating, personnel, and capital expenses (p7).
- Emphasis in procurement objective setting on such things as process automation, visibility, spend under management, and compliance (p9-14).
- Strong levels of investment and upgrade planning for procurement-enabling technologies (p29-38).

# 73%

*C-suite sees procurement as either important or critical to enterprise strategy.*



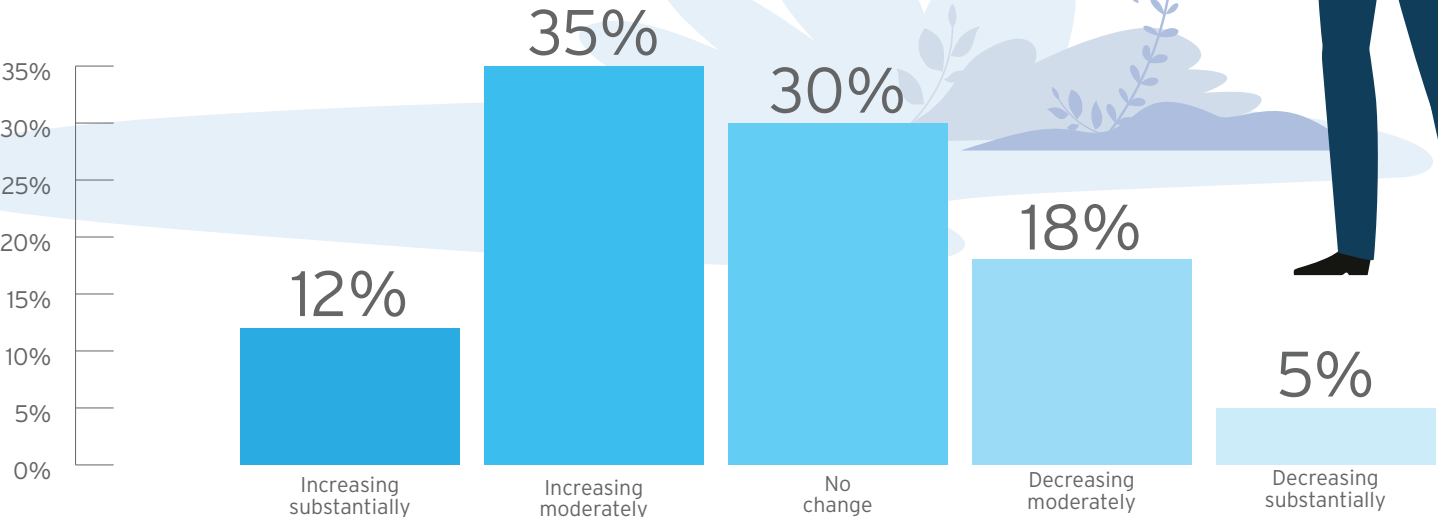
# Procurement budgets versus prior year

Nearly half (47%) of procurement groups participating in the **2019 Pulse of Procurement** study report rising budgets compared to prior year. Another 30% are experiencing at least stable budgets, and – among the 23% facing budget cuts – only a small number say the cuts are substantial.

There is also plenty of evidence to suggest that a good portion of those budget increases has been earmarked for either initial or upgrade investments in procurement-enabling technologies (p29-38).



Categorize this year's budget relative to prior year (operating, capital, FTEs).



# TOP PROCUREMENT OBJECTIVES FOR THE COMING YEAR



# 1

## Process streamlining & automation

# 67%

Percentage of procurement organizations making a top priority this year of streamlining and automating such processes as:

- Need identification and requisitioning.
- Supplier identification and onboarding.
- Supply market analysis, strategic sourcing.
- Supplier competitive bid, comparison, and selection.
- Contract authoring and management.
- Order placement.
- Supplier performance tracking and management.
- Savings and other procurement performance tracking.



# 2

## Procurement visibility

# 55%

Percentage of procurement groups who are focusing this year on getting out in front of business leaders – armed with great information – and raising the profile of how procurement delivers value. Beyond cost savings and strategic sourcing, such conversations may address major roles procurement can play in:

- Designing and integrating globally competitive supply chains.
- Identifying and mitigating risk.
- Enhancing and accelerating product design, introduction, and production ramp up.
- Improving cash flow, liquidity, and other key corporate financial metrics.



3

## Bottom-line savings

54%

While frequently occupying the top spot for procurement objectives, achieving bottom-line cost savings places number three this year among procurement top priorities. Overall, procurement teams are looking to deliver an average 9% in savings over the coming 12 months. With base commodity prices generally softening through much of 2019 so far and major global financial markets signalling greater concern over the potential for economic recession versus inflation, procurement teams appear well positioned to deliver on their goals.



# 4

## Risk management

# 50%



With global trade and political tensions proliferating, and alarm around climate change, cyberwarfare, and so forth growing, it is no surprise that risk management has become a top procurement priority for half of this year's study participants. Four key ways procurement can contribute to risk mitigation:

- Leverage spend analysis to identify situations where increased supplier diversification may be warranted.
- Monitor supplier performance for early warning signs of struggle or possible failure.
- Capture key supplier financial and risk profile data via supplier onboarding/network solutions.
- Utilize sophisticated contract authoring and management tools to ensure consistent use of legally protective clauses.

# 5

## Spend under management

# 45%

The average percentage of total spend under management by procurement has been eroding fairly steadily in recent years (p24) – a trend that is not entirely unexpected given the length and strength of the current global economic expansion. With storm clouds now gathering on the economic horizon, however, nearly half of procurement organizations surveyed appear to be gearing up to regain some of that lost ground.



# 6

## Compliance

# 43%

Compliance – for example, consistent use of procurement-approved and preferred spend workflows, suppliers, products, and services – also appears to be eroding as the benchmark metric for compliance falls four points this year (details on p26) and lack of compliance also surfaces as a major current pain point for procurement (p1). Four in ten procurement teams say they are making a priority of redressing that erosion in the coming year.



# LEADING PAIN POINTS FOR PROCUREMENT

# 1

## Data/information quality

# 69%

Nearly seven in ten participants in this year's **Pulse of Procurement** study cite poor data/information quality as a persistent and critical pain point for their procurement functions. For some, it is because their enterprises have yet to invest in state-of-the-art information solutions for procurement. Others continue to struggle with cleaning up dirty-data legacies. For high-performing procurement teams, however, there is also evidence to suggest that procurement's appetite for sophisticated data and information simply continues to evolve and expand.





## 2 Outdated technology

# 68%

Some 68% of study participants cite outdated technology as a significant pain point for procurement at this time. As with data/information quality, there appears to be several competing trends underpinning this result:

- Some 30% of enterprises have yet to invest in key procurement technologies (details to come in Part II of this report); even fewer have invested in best-of-breed or integrated procurement solutions.
- Younger, digital natives entering the procurement workforce find available technologies falling short of the design and usability standards to which they are accustomed.
- The procurement technology revolution began in the early 1990s; enterprises failing to move from first- to second- and third-gen solutions risk engendering frustration in their ranks.





## Lack of compliance

# 40%

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Across several compliance-related questions in this year's study, there appears to be a core group – roughly four in ten enterprises – that seem to be struggling mightily with issues of procurement-related compliance.

Looking internally, procurement is often tasked with compelling stakeholders to:

- Use approved/preferred spend methods (purchase orders, e-catalog/procurement systems, p-card, T&E card, etc) for specific types of spending.
- Make best-value (lowest total cost) decisions around which items or services to select.
- Purchase from strategic supply contracts, the failure of which potentially compromises negotiated volume, payment terms, and other types of discounts as well as supply-chain performance overall.
- Perform all critical procurement-process steps, for example clearly describing and or classifying spending, the failure of which can cascade into other problems for procurement, including poor data/information quality, demand forecasting inaccuracies, and so forth.

Procurement must also concern itself with compliance on the supply side, compelling goods and services providers to consistently:

- Provide and maintain thorough, accurate, and up-to-date supplier information.
- Use approved/preferred methods for submitting invoices and being paid.
- Deliver consistently on all terms and performance levels agreed to in contracts.

# 4

## Poor visibility into spending

# 39%

Subtract the 29% of study participants who say their organizations have yet to invest in dedicated spend analysis solutions for procurement and that leaves roughly 10% whose solutions are largely failing to get the job done. With roughly a third of all enterprises surveyed currently planning spend analysis technology upgrades (details to come in Part II of this report), it appears that procurement's standards for spend visibility may also be rising.



5

## Supplier onboarding/risk management

35%

The percentage of procurement organizations citing supplier onboarding and risk management among major procurement pain points corresponds almost exactly to the percentage of enterprises that have yet to invest in enabling solutions for supplier onboarding, performance management, and networking with suppliers (details coming in Part II). These are complex, often expensive processes for which tech-investment business cases can be difficult to make and sell especially when compared to spend analysis, e-sourcing, e-procurement, and contract management, which can be tied more directly to hard cost-savings delivery.



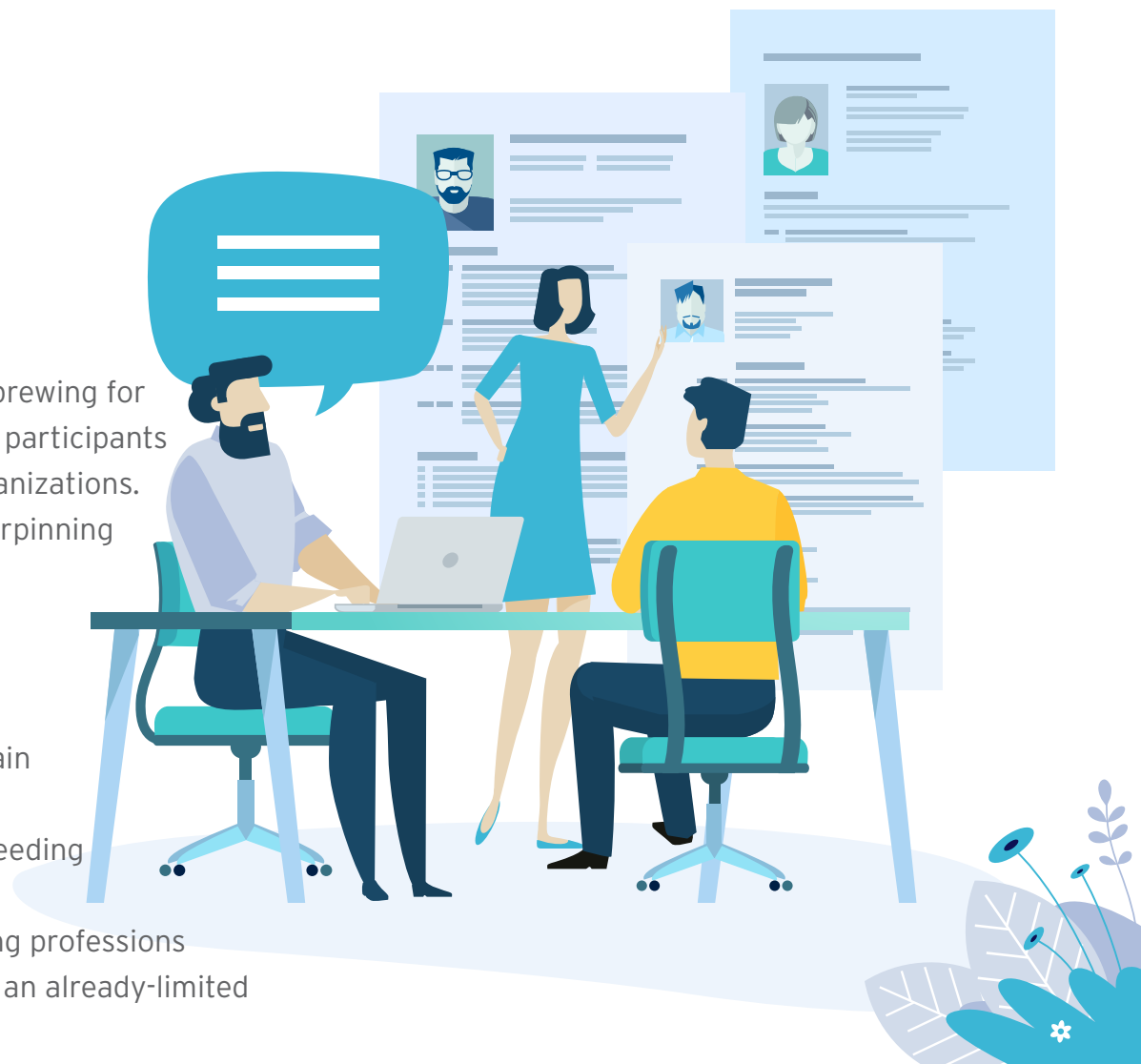
# 6

## Talent/skilled labor shortage

# 28%

The procurement talent/skilled labor issue has been brewing for several years; this year, more than one in four survey participants say it is a major pain point for their procurement organizations. Once again, there appears to be multiple trends underpinning the issue:

- Baby boomers are retiring – or cutting back to consulting roles – in record numbers.
- Unemployment rates are exceptionally low in certain industrialized economies.
- There is still no broad college/university pipeline feeding directly into procurement as a career.
- Acute talent shortages in other, often higher-paying professions such as high-tech are aggravating competition for an already-limited number of talented young workforce entrants.



# 7

## Political/economic uncertainty

# 23%

Considering the extent to which global political, economic, and trading landscapes have shifted in the past several years, it is somewhat surprising that so few – only about one in five – procurement professionals cite political/economic uncertainty as a significant pain point at this time. This speaks, perhaps, to the fact that business enterprises have spent several decades working to strengthen supplier relationships via increased transparency, communication, integration, and trust.



# PROCUREMENT PERFORMANCE BENCHMARKS

# Spend under management (SUM) by procurement

At a weighted average of 49%, the global benchmark for spend under management (SUM) by corporate procurement drops five points this year and stands eight points lower than the high recorded in 2014.

# 49%

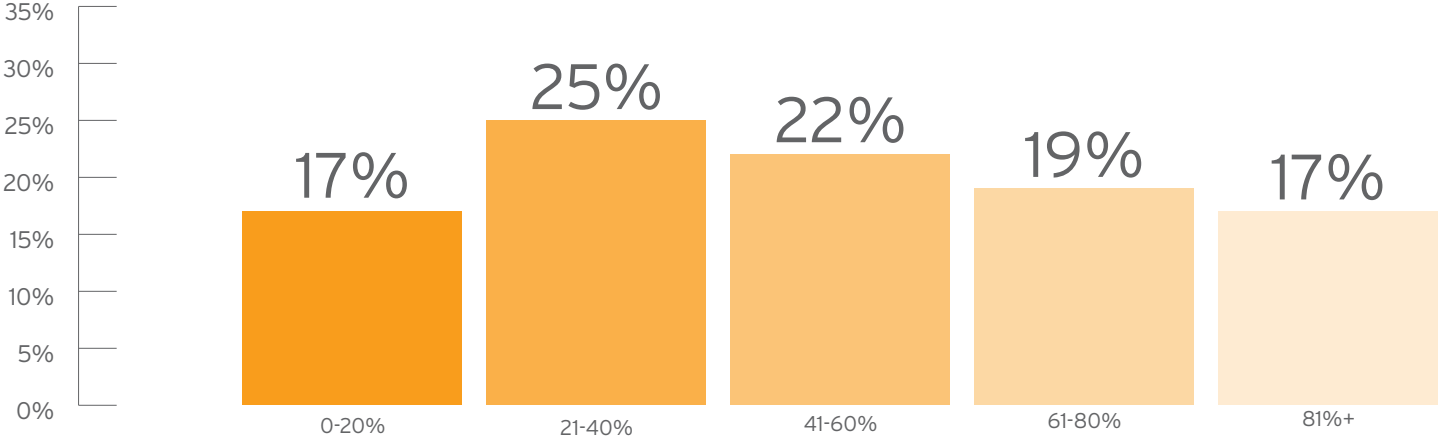
### Strategies for increasing SUM:

- Ensure spend analysis covers all direct, indirect, and even low-value categories.
- Revisit so-called nonaddressable spend categories.
- Consider utilizing AI-powered solutions to automatically mine spend data for less obvious types of strategic sourcing opportunities.



Weighted average for  
2019 Pulse of Procurement

Estimate the percentage of total corporate spending currently under management by procurement:





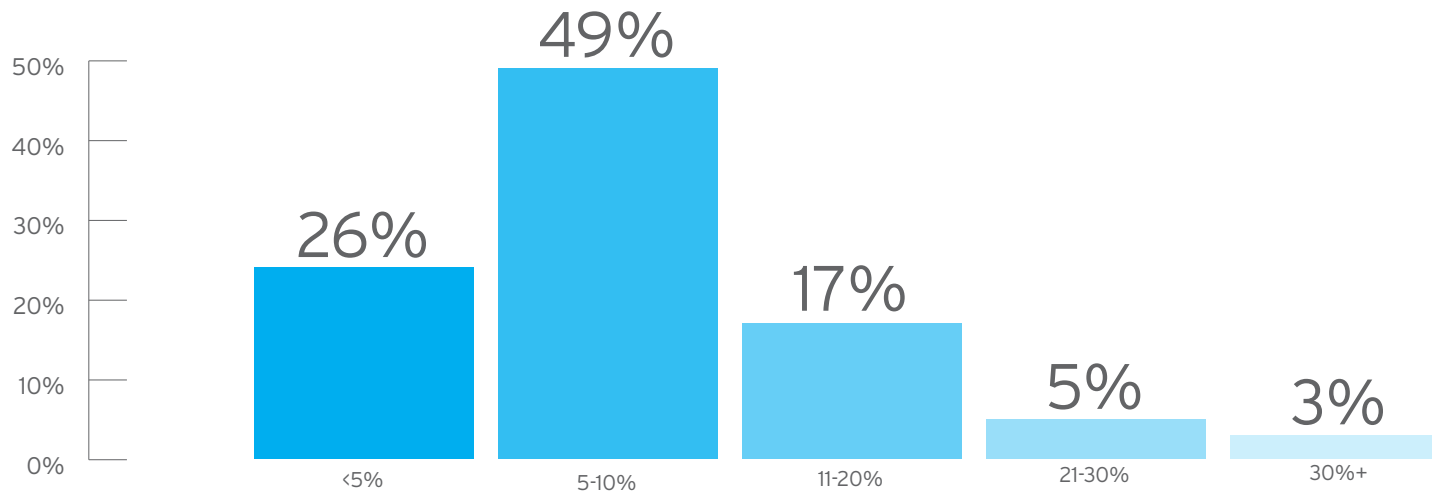
# Cost savings (prior year)

On a weighted average basis, procurement cost savings delivered in the prior year works out to 9% in the **2019 Pulse of Procurement** study. That is right on par with the average cost savings objective reported in last year's study, suggesting that procurement teams largely delivered on their goals despite market-based headwinds that included tightening labor markets, rising commodity prices, trade wars, and so forth. Indeed, one quarter of procurement organizations reporting for this year's study well exceeded the 9% benchmark savings objective.

# 9%

Weighted average for  
2019 Pulse of Procurement

*Estimate the percentage of total cost savings delivered over prior year.*



# Compliance to enterprise strategic supply contracts

This year, the weighted average global benchmark for compliance to procurement strategic supply contracts drops four points after gaining back some lost ground in 2018. As compliance is tagged among procurement top priorities this year, this number can reasonably be expected to rise in next year's survey.

# 51%

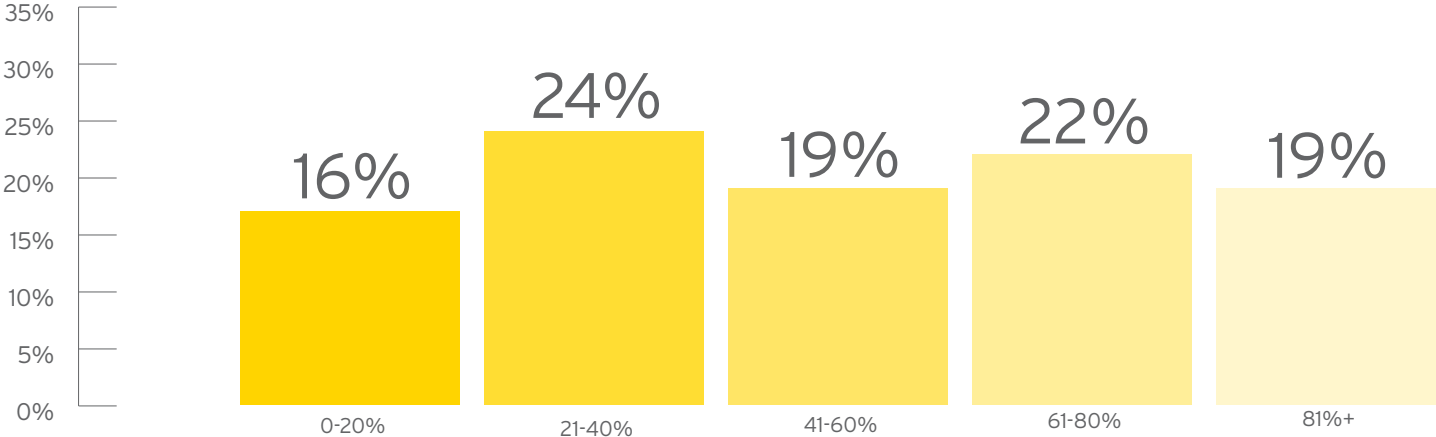
**Strategies for promoting contract compliance include:**

- Involving key stakeholders in sourcing and selection processes.
- Measuring and communicating benefits consistently throughout a contract's lifecycle.
- Tracking, validating, and reporting compliance statistics.



Weighted average for  
2019 Pulse of Procurement

*Estimate the overall rate of compliance to enterprise strategic supply contracts in your enterprise:*



# Procurement technology utilization

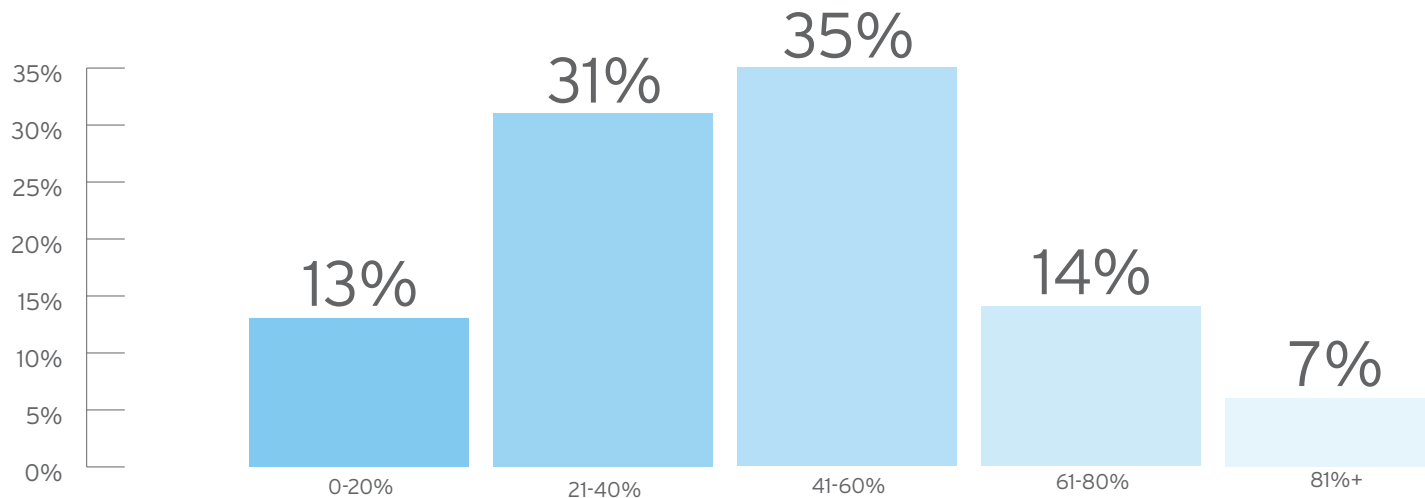
The weighted average estimate for procurement technology utilization falls to 44% this year, a significant drop from the 53% recorded in 2018. Of note is that more than one third (36%) of study participants rate their current procurement technology portfolio as either difficult or very difficult to adopt versus only 10% saying their solutions have been easy or very easy to adopt. Common hurdles are:

# 44%

Weighted average for  
2019 Pulse of Procurement

- Difficulty driving required change management (cited by 59%).
- Lack of training and learning (39%).
- Features not required in daily tasks (32%).
- Features are difficult to use (21%).

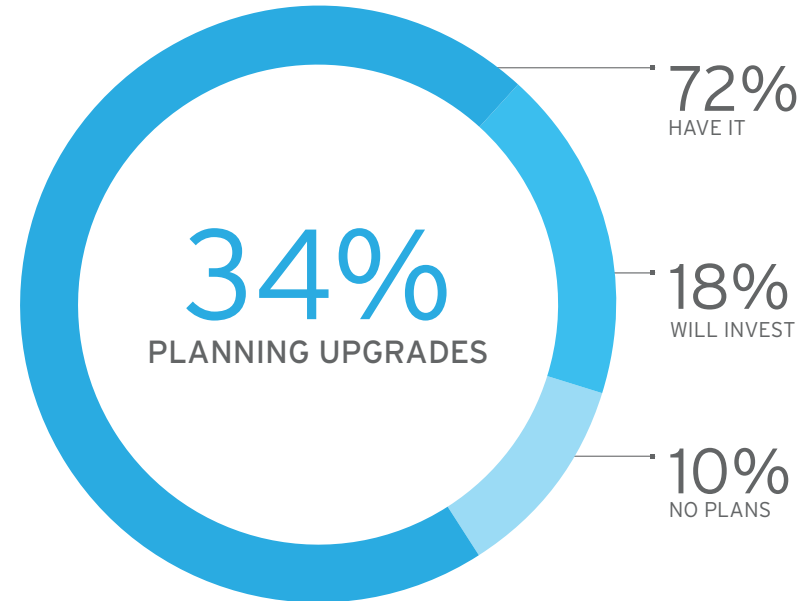
*When considering your company's total available procurement technology portfolio (standard and advanced functions), estimate the percentage of total available capabilities being actively utilized at this time.*



# PROCUREMENT TECHNOLOGY LANDSCAPE

# SPEND ANALYSIS

**N**early three in four procurement teams have some type of spend analysis solution in place, though 52% are still working with largely homegrown applications (often spreadsheet-based). Only 17% believe they are working with best-of-breed solutions, which offer such features as AI-powered data classification; real-time/frequent data refresh; easy intuitive report creation, and automated identification of savings opportunities. Of note is a rather large jump – from 21% in 2018 to 34% this year – in the percentage of procurement teams planning to upgrade their spend analysis tools in the near future.



## Key reasons to invest:

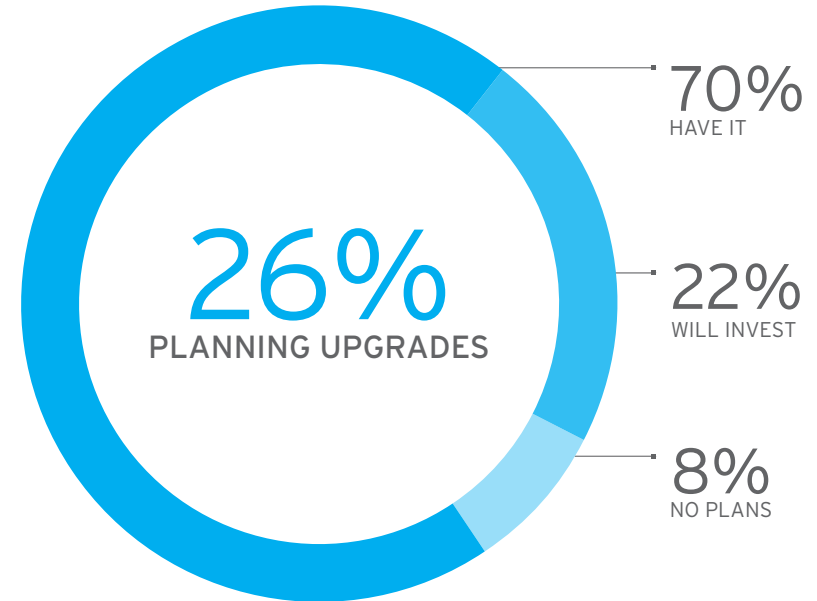
Empowers procurement organizations to:

- **Identify and prioritize** savings opportunities.
- **Strategize** and negotiate with suppliers based on market insights.
- **Track and promote compliance** to approved spend methods, contracts, approval workstreams, etc.
- **Create** understanding around how market trends influence movements in major corporate financial metrics.



# CONTRACT MANAGEMENT

The proportion of procurement organizations with some form of contract management solution in place remains unchanged at 70% this year. Of that group, some 40% are using proprietary/homegrown solutions. Only one in four see their contract management solutions as best of breed, meaning they fully support such activities as collaborative contract authoring, negotiation and revision of contract terms; customizable access control; automated expiry alerts; multidirectional workflow, and easy integration with spend analysis, procure-to-pay, and other procurement technology solutions.



## Key reasons to invest:

Enables procurement organizations to:

- **Centralize and control** contract/document record keeping.
- **Collaborate** with legal teams in minimizing contract risk.
- **Extract and structure** contract data for analysis and reporting.
- **Track and promote compliance** to negotiated contract terms – both commercial and performance related.
- **Reduce contracting cycle times**, ensuring capture of benefits negotiated in dynamic markets and enabling more spend to be linked to the contracts.



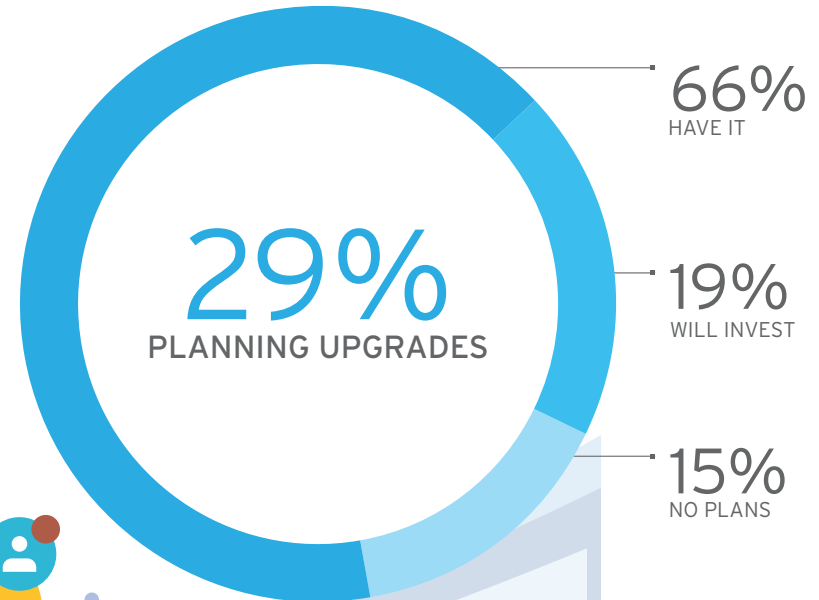
# eSOURCING

This year's study finds an 11-point jump in the proportion of procurement organizations that have invested in some type of electronic sourcing (eSourcing) solution for procurement. Thirty-one percent believe their current solution is best of breed, common features of which include: abilities to handle highly complex bidding events; coverage for all forms of eRFx; multiple bid formats; 24/7 web-based access; rigorous workflow and communications capabilities, and sophisticated, yet easy-to-use tools for bid analysis, comparison, and award.

## Key reasons to invest:

Digitalizes and accelerates strategic sourcing process, enabling procurement to:

- **Involve stakeholders** in writing requirements and analyzing RFx.
- **Bid more categories across** more suppliers and larger geographies.
- **Expand analysis** to include non-price related and subjective factors.
- **Capture knowledge/business intelligence** over time.
- **Test and understand** commercial impacts of requirements.
- **Maintain transparency** through bid, analysis, and award.



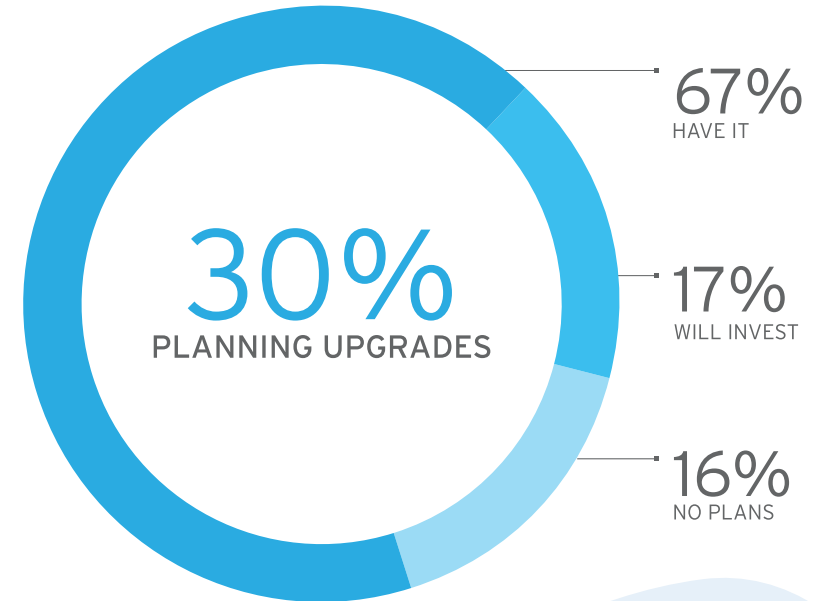
# PROCURE-TO-PAY (P2P)

The percentage of procurement organizations with P2P solutions in place gains two points in 2019, and the percentage planning upgrades jumps from 22% in 2018 to 30% this year. Some 24% are still working with homegrown/proprietary solutions. Only 18% view their current P2P solutions as best of breed, which are typically characterized as delivering a consumer-like experience, offering such features as active user guidance to best-cost/preferred product and service choices; AI-powered classification of spend transactions as they occur; easy handling of non-catalog and one-off types of purchases, and easy customization for varied requisition, PO, and invoice workflows.

## Key reasons to invest:

Enables procurement organizations to:

- **Improve visibility and transparency** with real-time, accurate data across every transaction.
- **Obtain high adoption** with Amazon-like user interface.
- **Promote supplier-side automation** using comprehensive and complementary supplier portal.
- **Achieve robust compliance** by linking contracts to transactions.
- **Improve approval management and efficiency** with multi-conditional, dynamic workflows.
- **Increase portal-based invoice generation** and capture.





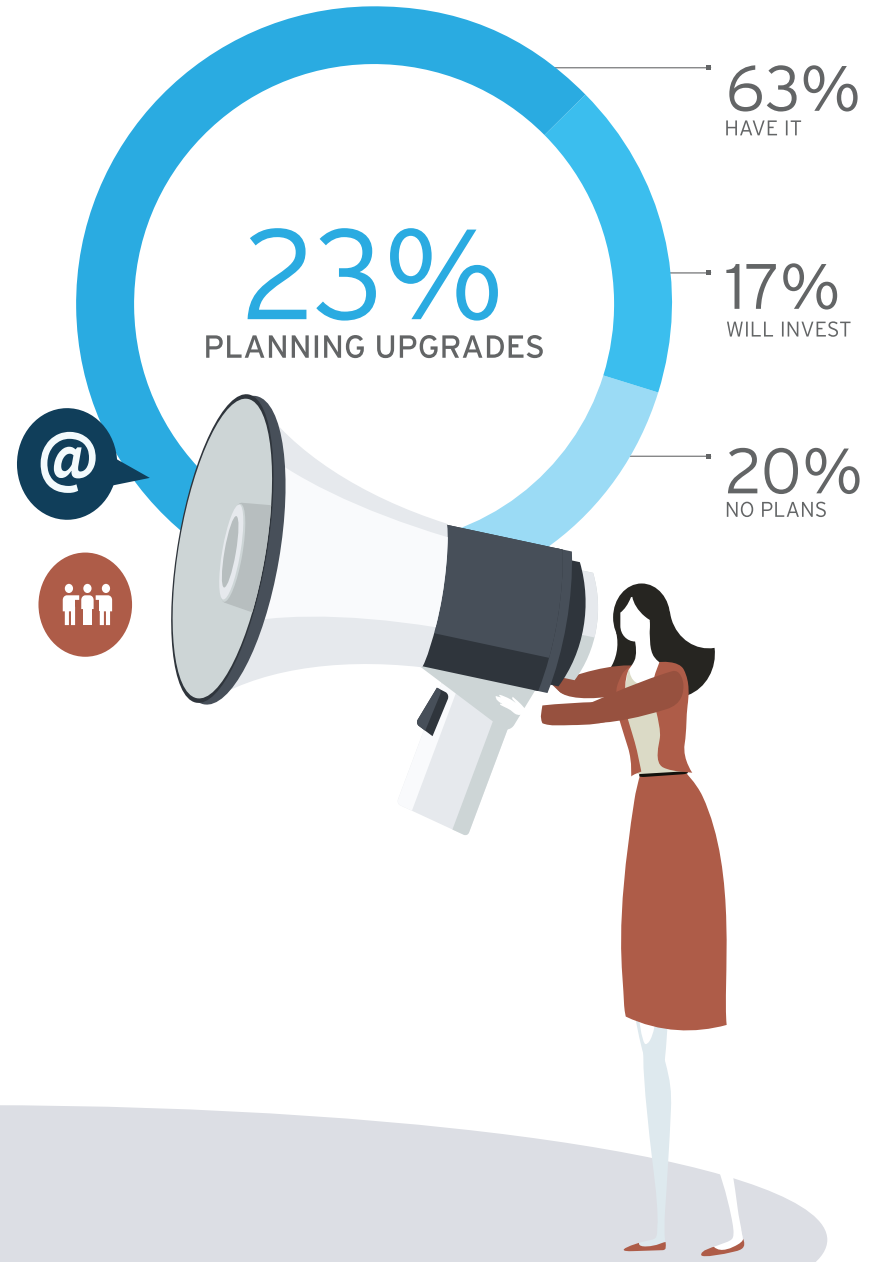
# PROJECT MANAGEMENT

The **2019 Pulse of Procurement** study records a five-point increase the proportion of enterprises that have invested in some type of procurement project management solution. Meanwhile, the percentage planning upgrades rises four points from 19% in 2018 to 23% this year. Some 20% say they now have best-of-breed procurement project management solutions in place, encompassing such features as: seamless flow of information from spend analysis/opportunity identification into evaluation/prioritization of sourcing projects and then onto sourcing, contracting, supplier onboarding, and procurement performance management applications; milestone tracking/alerts, and real-time 360 degree visibility for procurement leadership.

## Key reasons to invest:

Enables procurement leaders to:

- **Evaluate, prioritize, and assign** strategic sourcing opportunities.
- **Manage actively** to specific organizational objectives for cost savings and other value delivery.
- **Ensure compliance** of category managers to standard strategic sourcing process steps and organizational requirements for information and analytical rigor.
- **Identify and address** process bottlenecks if and when they occur.



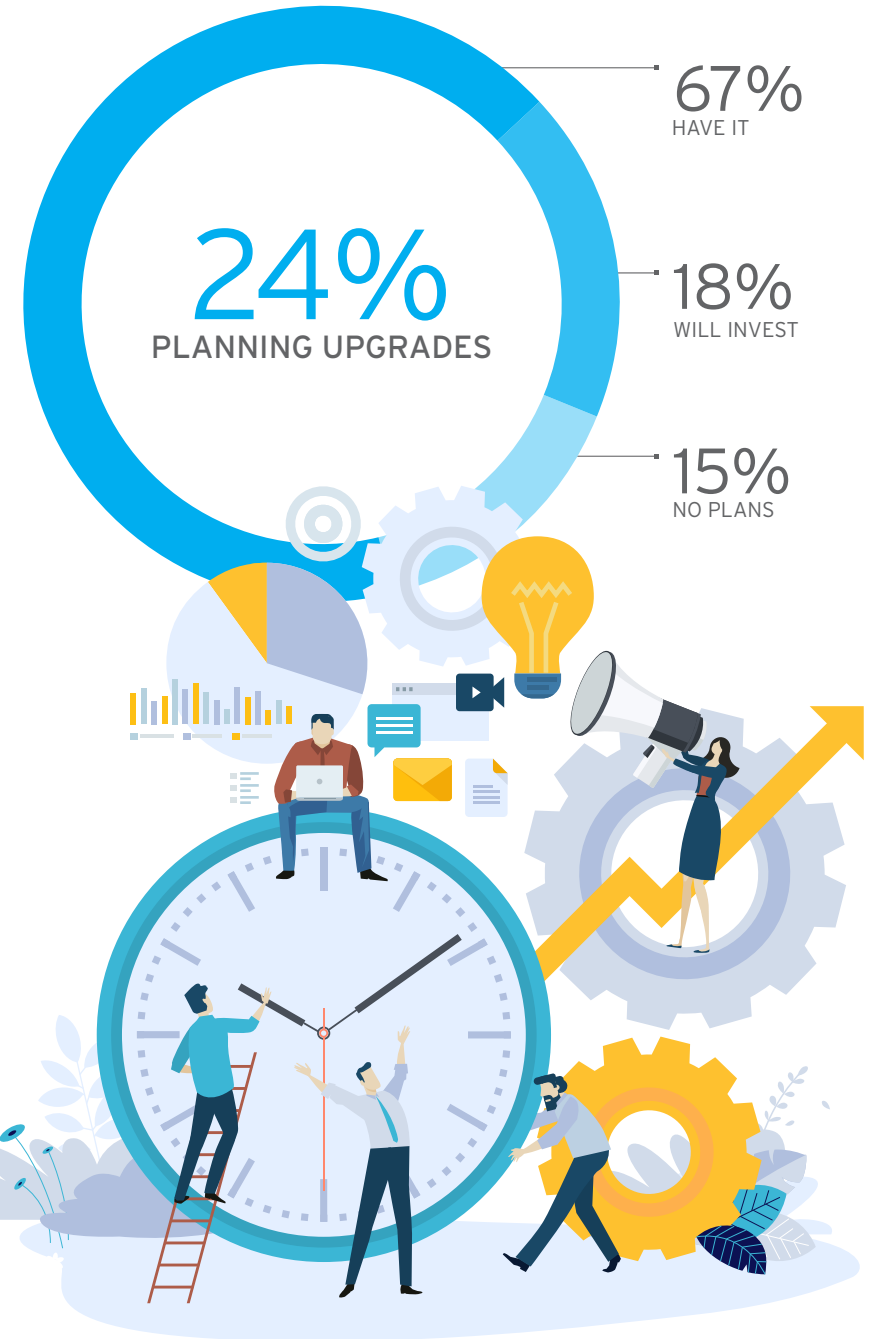
# REQUEST MANAGEMENT

The percentage of procurement groups with request/requisition management solutions in place rises five points to 67% with the 2019 study, and the percentage planning solution upgrades is up four points over year ago. Of the group that already has a request management solution in place, only 19% claim to have best-of-breed solutions, which can typically accommodate virtually any desired approval process, financial governance, or compliance workflow; offer multidirectional workflow capabilities (meaning requests can move forward, backward, or sideways as needed), and generate detailed process audit trails.

## Key reasons to invest:

Enables procurement organizations to:

- **Extend procurement influence and control** over one-time, off-contract, and other spending requirements that do not otherwise fit into standard eProcurement, p-card, or direct-sourcing workflows.
- **Improve service and satisfaction levels** among internal stakeholders by minimizing errors, making it fast and easy to engage procurement and to track request progress (ultimately increasing total spend under management by procurement).
- **Track and understand** request volumes and types; allocate procurement resources accordingly.



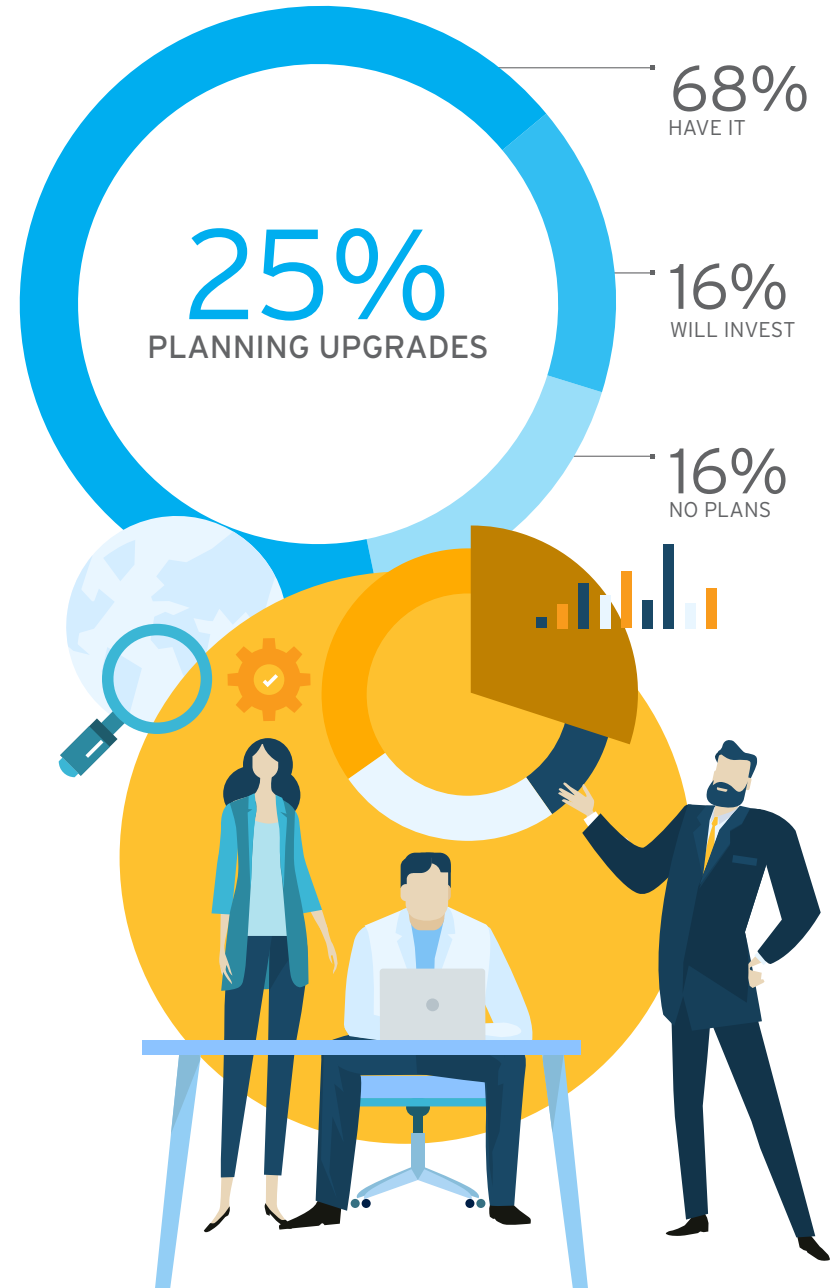
# SAVINGS TRACKING

**N**early seven in 10 procurement groups now have some type of solution in place for tracking and reporting cost savings; that is a three-point gain over 2018. What is more, nearly one in four have solution upgrade plans in the works (up four points from 2018). A mere 10%, however, classify their current solution as best of breed, signifying that it allows for high complexity and nuance in how savings can be defined; enables tracking by projected, realized, and actual savings; enables classification of savings by types (negotiated, market-based, hard/soft, avoidance, etc), and offers workflow capabilities for validating, dispositioning, and allocating savings across multiple budgets.

## Key reasons to invest:

With cost control being a lead objective for more than half of procurement organizations worldwide, savings tracking solutions:

- **Consistently define and control** measurement and validation of procurement cost savings.
- **Enable valid linking of procurement cost savings** to corporate financial metrics and balance sheets.
- **Measure and report on procurement performance** in ways that are accepted and respected by enterprise leadership.
- **Extend** procurement influence by documenting value delivery.



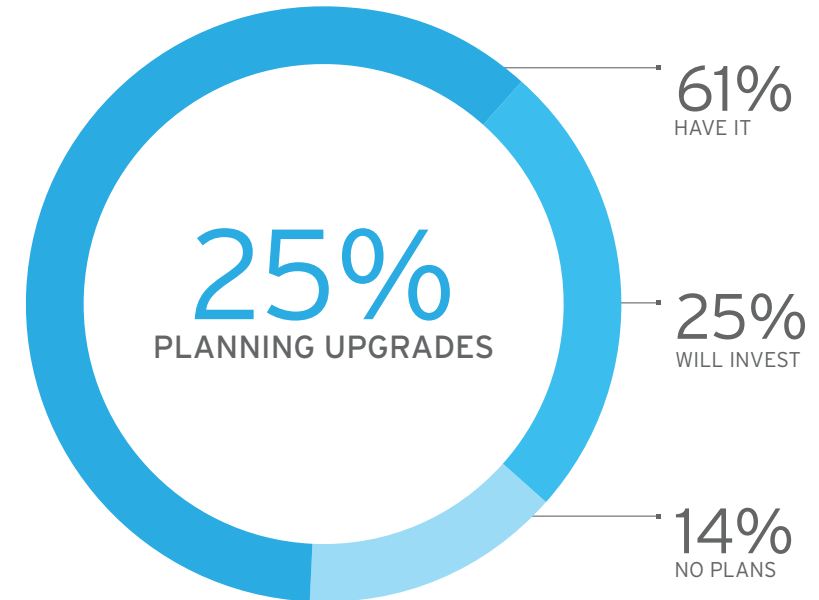
# SUPPLIER MANAGEMENT

**S**ix in ten procurement organizations reporting for the **2019 Pulse of Procurement** study say they have a supplier management (onboarding, performance tracking) application in place, representing no change from the 2018 report. Of that group, 14% believe their solution falls into the best-of-breed class, suggesting, for example, that it is capable of supporting all spend categories (direct/indirect); offers capabilities for flexible metrics design, consistent KPI weighting, and KPI rollup for comparability; workflow to solicit stakeholder input, and empowers suppliers to enter and maintain basic information and to have a voice in the supplier performance management process.

## Key reasons to invest:

Empowers strategic procurement organizations to:

- **Ensure consistently clean, up-to-date information** around supplier capabilities, certifications, regulatory compliance, etc.
- **Identify top-performing suppliers** for long-term contracts, process/technology integration, and collaborative relationships.
- **Identify and address supply risk** before it manifests in crisis.
- **Enhance supplier relationships** by collaborating on problems, driving continuous improvement, and ensuring that commercial transactions are executed accurately and on time.
- **Award business** on total cost of ownership versus price only.



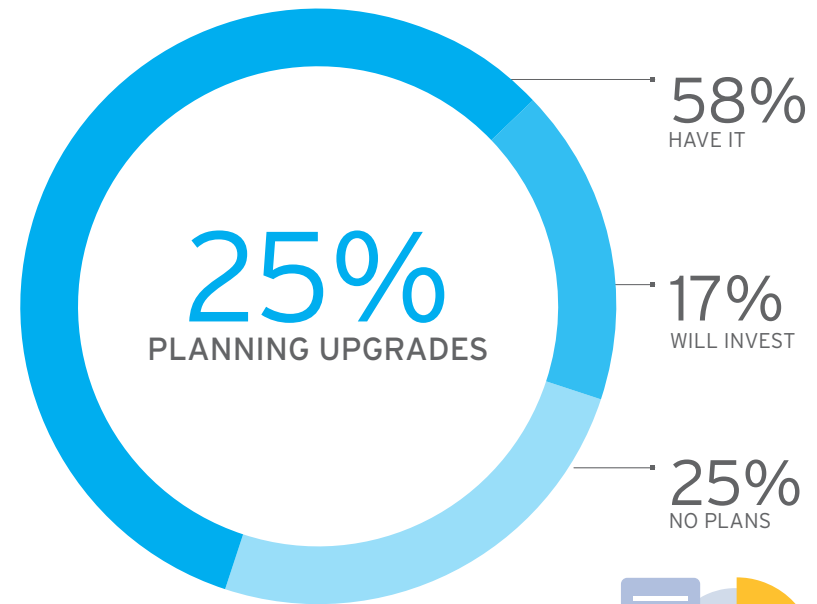
# SUPPLIER NETWORK

The proportion of procurement organizations utilizing supplier network solutions rises to 58% in 2019, a three-point gain over 2018. One in four are actively planning solution upgrades, while 17% say they already have in place a best-of-breed supplier network solution, meaning it typically acts as a seamless extension of eSourcing, P2P, and SIM/SPM solutions for supplier discovery; enables suppliers worldwide to document capabilities and demonstrate eligibility/interest in participating in sourcing/competitive bid events, and enables rapid new-supplier onboarding.

## Key reasons to invest:

Enables procurement organizations to:

- **Rapidly discover suppliers** for new-product competitive bids.
- **Build** local supplier networks in expansion regions or markets.
- **Improve service levels** on one-time or unique requests.
- **Rapidly onboard new suppliers** by automatically pulling supplier maintained and/or third-party data (such as DUNS numbers) into eSourcing, SIM/SPM, and financial transaction systems.
- **Keep a pulse on innovation** taking place in global marketplace.
- **Offer affordable means of interacting digitally** for receiving POs, submitting invoices, etc.



# UPGRADE MOTIVATIONS/LONG-TERM VISIONS

**A**sked why they are planning to upgrade procurement technology solutions at this time, here is a sampling of what the 2019 study participants had to say:

*"[To obtain] better analytics, less manual processes, and increased visibility."*

*"...to build a consistent foundation across the corporation."*

*"...to modernize and obtain best of breed."*

*"[We are] digitalizing to the core."*

*"Business transformation."*

*"...to automate and increase compliance."*

*"...to gain efficiency through automation."*

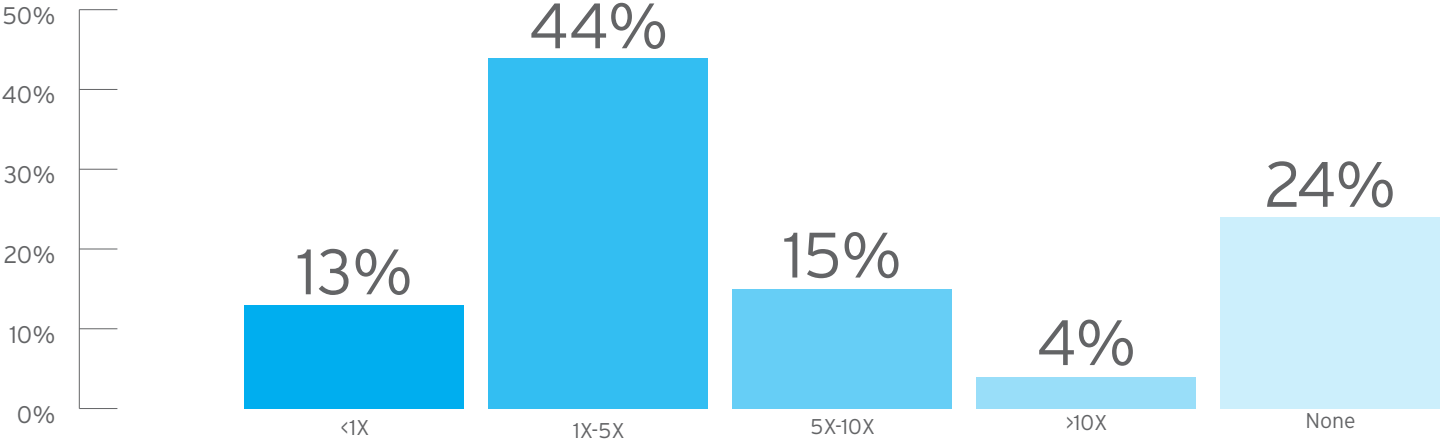


# ROI FROM PROCUREMENT TECHNOLOGY

Nearly two thirds (63%) of procurement organizations reporting for the 2019 study say they have seen robust (from at least 1X – up to greater than 10X) returns on investments in enabling technologies for procurement. But that still leaves slightly over one third achieving less-than-stellar returns. With adoption, use, and utilization being keys to driving high ROI on technology investments, key recommendations for boosting and/or ensuring rapid/high initial ROI include:

- Throughout solution due diligence and selection, be sure to evaluate and emphasize provider responsiveness and after-sales support. For example, how rapidly and thoroughly do they respond to requests for information and followup questions? And do they routinely dedicate customer success personnel to guide your organization through solution setup, pilot, rollout, and launch processes? At present, just 40% of procurement teams emphasize these criteria in solution provider selection (p21).
- For implementation, use certified project management personnel who are highly trained to control 'scope creep' and to ensure solution setup, pilot, rollout, and launch processes are completed as per schedule.
- Engage professional internal communications, training, HR, and other relevant enterprise teams (if available) to assist with change management.

Please classify the ROI that you are obtaining from existing procurement technology solutions:



# TOP EVALUATION CRITERIA FOR PROCUREMENT TECHNOLOGY PROVIDERS

**P**ricing/value and solution features continue to rank as the number one and two criteria for evaluating procurement technology providers in the 2019 study. Solution ease of use rounds out the top three, a direct outgrowth, perhaps of persistent difficulties (documented on p27 of this report) with driving high rates of solution adoption, use, and utilization.

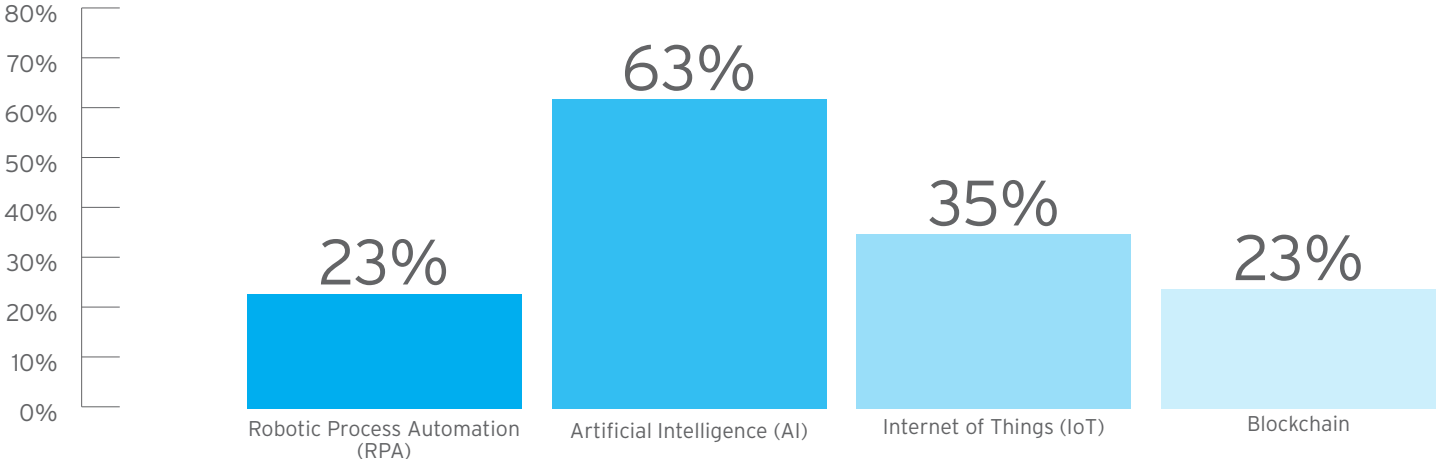
Pricing/value	82%
Solution features/technology	80%
Ease of use	67%
After-sales support	40%
Provider responsiveness	40%
Customer references	21%
Perceived brand value of provider	10%





# GLOBAL TECHNOLOGY TRENDS

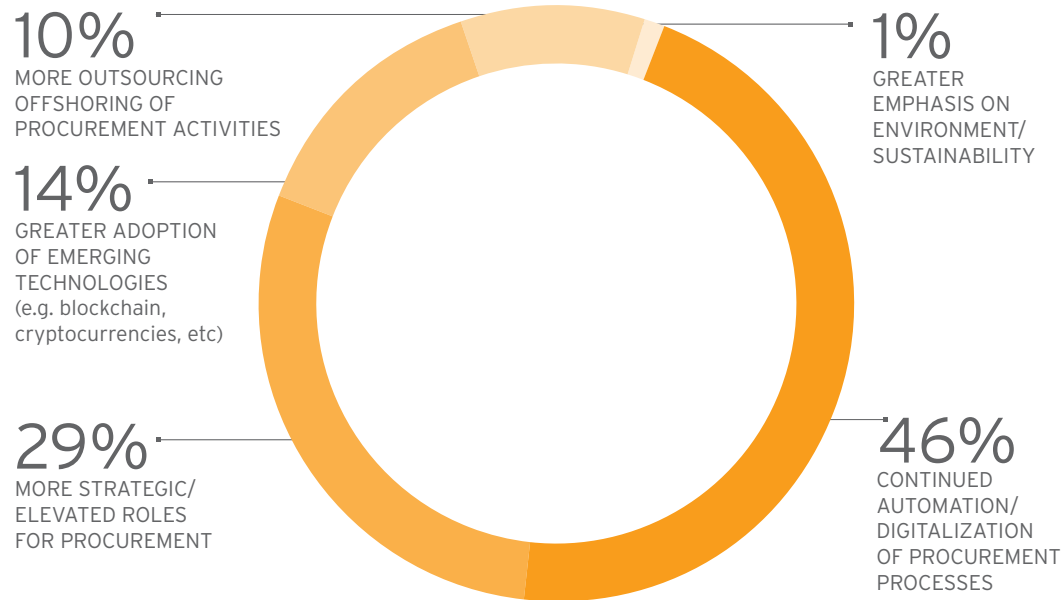
Of the following global trends, which do you believe will have the greatest influence (positive or negative) on the procurement function in the near future? (multiple responses permitted)



How do you expect the above-mentioned technologies to affect the procurement function? (verbatim samples)

RPA	AI	IoT	Blockchain
<p><i>"Automate the more labor-intensive aspects of the procurement function, allowing team members to focus on truly value added, strategic activities."</i></p> <p><i>"Increase speed and reduce errors."</i></p> <p><i>"Automate simple day-to-day tasks for both procurement and accounts payable."</i></p>	<p><i>"Guided by contracts and previous history, will help end users to make better choices and ensure they are purchasing on contract and from preferred suppliers."</i></p> <p><i>"Assist us in obtaining new insights."</i></p> <p><i>"Automate processes and gather and process data from places where we can not do so today."</i></p>	<p><i>"Improve reliability; speed up processes and provide a constant stream of new insights."</i></p> <p><i>"Will enable fully automated source-to-settle systems."</i></p> <p><i>"Allow more visibility to markets and ways to adapt to change."</i></p>	<p><i>"From payments and audits to tracking inventory and assets, blockchain technology could deliver a new level of trust and transparency to procurement while enabling procure-to-pay process to realize huge operational benefits."</i></p> <p><i>"Enlarge supply bases and simplify activities, especially for companies that operate in many countries."</i></p>

# BIG FIVE-YEAR CHANGES EXPECTED FOR PROCUREMENT



Asked to predict big changes coming over the next five years for procurement, continued automation and digitalization of procurement processes clearly dominates as nearly half of survey respondents see a continuation of the current “massive shift to automation.” That shift to digitalized and automated processes, meantime, clears the way for a continuing shift in procurement activities from tactical to strategic (cited by 29%), with at least one study participant expecting to see CPOs to gain more boardroom seats as well as a valid career pathway to CEO. Next on the top predictions list comes continued and expanding adoption of such emerging technologies as blockchain, cryptocurrencies, etc (14%) and greater outsourcing and offshoring of procurement activities that are not easily automated. While relatively few in number, there are also a few mentions of expected changes relating to climate/environmental/sustainability concerns.

Zycus is a leading global provider of complete Source-to-Pay suite of procurement performance solutions. Our comprehensive product portfolio includes applications for both the operational and the strategic aspects of procurement – eProcurement, eInvoicing, Spend Analysis, eSourcing, Contract Management, Supplier Management, Financial Savings Management, Request Management and Project Management. Our spirit of innovation and our passion to help procurement create greater business impact are reflected among the hundreds of procurement solution deployments that we have undertaken over the years. We are proud to have as our clients, some of the best-of-breed companies across verticals like Manufacturing, Automotive, Banking and Finance, Oil and Gas, Food Processing, Electronics, Telecommunications, Chemicals, Health and Pharma, Education and more.

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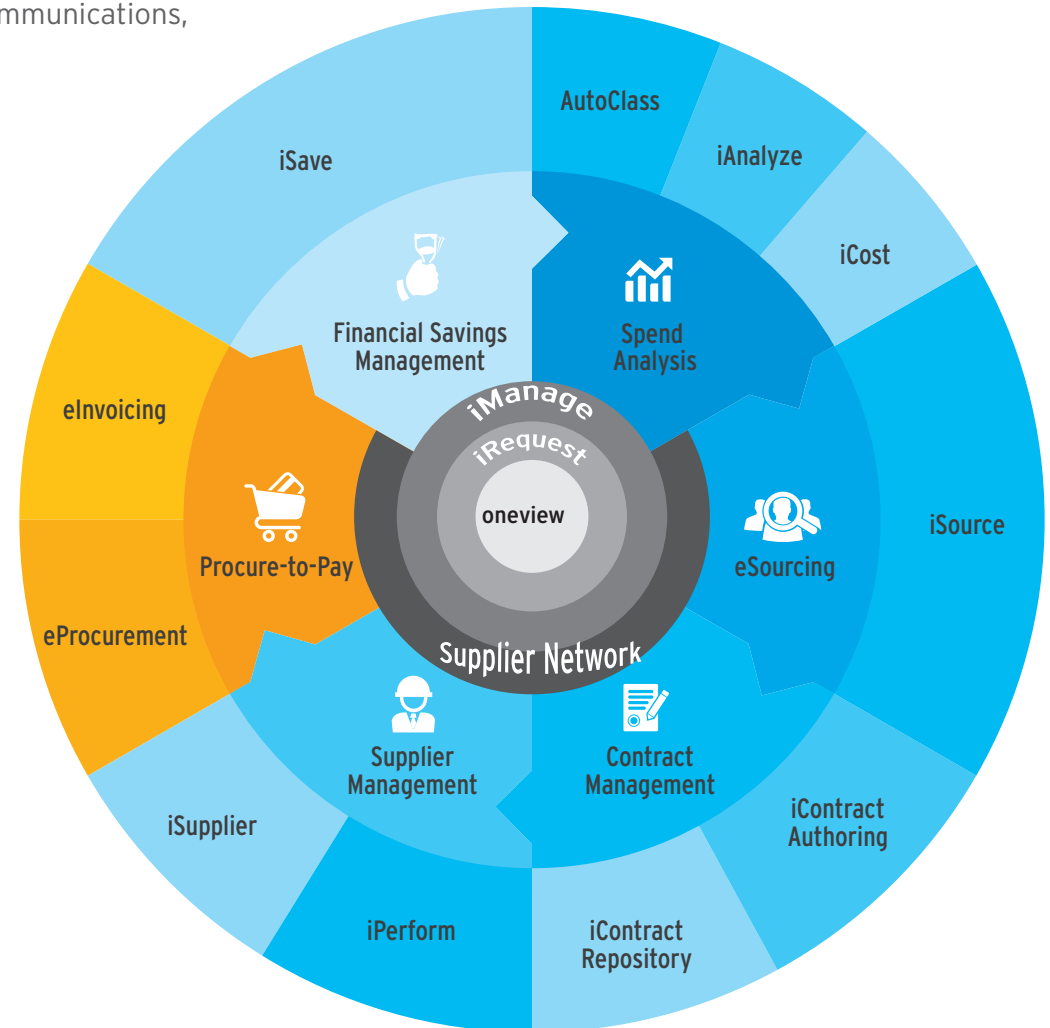
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