Procurement disruption

Change is coming, are you ready?

Dr Jonathan Betts – Market Development Director, 03 March 2016
The Big Five
Disruption #1: Squeeze Returns

- Training down by a third
- Recruitment down by a quarter
- Less than 1 in 20 prioritising talent acquisition/development

Poll – investment plans
- Increase
- Decrease
- Hold
Disruption #2: Sector Challenges

Which sector will face the biggest challenges in 2016?

- **No.1**: Local Authority - 45% up on 2015
- **No.2**: Manufacturing - 56% up on 2015
- **No.3**: Central Government - 21% down on 2015
- **No.4**: Healthcare - 46% down on 2015
Disruption #3: Strategic Advance

Strategy: Procurement steps up

- 83% increase in procurement strategists
- 76% decrease in lone wolves

![Chart showing business alignment]

- Strategic
  - Objectives set and measured
  - Business-focused procurement strategy
- Tactical
  - Ad hoc procurement objectives
  - Procurement does its own thing
Disruption #4: Data Focus

Up & Down: Spend analysis up, recruitment down

Change in procurement objectives from 2015 to 2016

Ease-of-use and data accuracy – the most important features for a successful procurement solution

Ease of use
Data accuracy
Customer service

53%

46% increase on analysing spend data effectively

21% decrease on recruitment plans

0% 10 20 30 40 50 60 70
Disrupted vs Disruptor
Collaboration: The buzz word for 2016
Key areas for development in 2016...

- Innovation through supply chain collaboration
- Collaborative procurement

- Other - 1%
- Decentralised procurement management - 4%
- Procurement outsourcing - 9%
- Centralised procurement - 10%
Missing the Point
Hard vs Soft Trends

Cost Reduction
Agile Future
Thank you

Pick up the PTS16 whitepaper at our stand

jonathan.betts@sci-ware.com