



2015-16 Global Chief Procurement Officer Survey

Leveraging Supplier Relationships and Procurement Analytics for Growth





Table of Contents

| | |
|---|-----------|
| Procurement Trends Past & Future | 01 |
| Compliance Management | 07 |
| Advanced Analytics in Procurement | 13 |
| Total Supplier Experience | 21 |



Since our last CPO Survey, much has changed. During the darkest economic hours, Procurement was called upon in many troubled organizations to stem costs in new and creative ways. For many Procurement executives, there was no longer the need to sell the value of its standard services (cutting costs). Instead, Procurement was being called upon as a partner to drive cost out across the organization, thus elevating Procurement executives into a highly visible role in the organization.

Now times have changed. While organizations must still keep a watchful eye on costs, many areas of the world economy have stabilized - a few have even hammered out modest growth – and companies are turning to their procurement department for support in growing the business. The procurement organization must look for new and creative ways to cut costs, while continuing to hone their skills in growing the top line - enter three key tools into the arsenals of many Procurement groups:

- Compliance Management – A tried and tested means of ensuring costs are persistent and planned in the organization, yet a practice still not mastered by many organizations.
- Predictive Analytics – With all the data out there, Data Scientists are becoming a member of many organizations and an asset to be leveraged by cunning Procurement groups to help both on the cost as well as the growth front.
- Supplier Relationships – Once viewed only as an adversary at the negotiation table, many mature Procurement organizations are leveraging Supplier Partners as an avenue of growth.

As with our previous CPO publications we will explore current trends and strategies to harness these capabilities to deliver even greater bottom line impact and discuss why now the CPO is an integral part of a CEO's overall growth strategy.

In the Procurement Trends: Past and Future section, we explore high-level findings from the survey overall. This introductory section is followed by three focused pieces on this survey's "hot topics" – Compliance Management, Advanced Analytics, and Total Supplier Experience. Each section breaks down observations on these important topics supported by data and analysis from our over 100 responses from around the world.

We trust that you will enjoy our sixth CPO Survey publication and look forward to your input and commentary. We certainly hope to hear those comments through one of our many digital mediums such as the Capgemini Procurement Transformation Blog <http://www.capgemini-consulting.com/blog/procurement-transformation-blog>

Adrian Penka

Head of Global Procurement Transformation



Procurement Trends - Past & Future

Matthew Shull & Max Turner - Capgemini Consulting North America



In the 2015 CPO Survey we focused on a number of major themes within the Procurement function, as well as emerging trends and challenges that Procurement will face in the near future. For many years, we have explored the organization and operating model of Procurement - as well as its core focus and metrics - across numerous industries. Through our research, we have seen many trends rise or fall in terms of priority, with some completely fading away. However, during this period of stiff economic headwinds, we see that cost cutting and doing more with less continue to top the list of priorities in Procurement. No surprises here, but the way in which these savings are being generated and the tools that are being used may surprise some. We'll explore this in greater detail within several sections of the survey – Advanced Analytics, Total Supplier Experience and Compliance 360°. As we do, we'll highlight the external Procurement factors that are driving stakeholder requirements and behaviors, thereby changing in some degree the role and priorities for Procurement.

Since the 2013 survey, we've seen some new buzzwords emerge in marketing materials, procurement conferences and social media platforms – some of which have been driven by the need for new while others are quite unique. What will big data, analytics 3.0, data scientists, cloud and all things digital be doing next year? Will companies build out capabilities and processes to manage “experiences” for their suppliers? Perhaps a #hashtag is lurking somewhere waiting to be used.

Since our 2008 survey, a sustained economic downturn has influenced priorities and projects for our respondents globally. Recently, however, there are signs in some sectors that the clouds

of this global downturn may be parting, although gradually. The forecast remains uncertain. Procurement as a function, fortunately, continues to evolve and increase its profile in the organization, especially with the C-suite. Now, more than ever, Procurement leadership is part of - or heavily involved with - the CXO club. Leading global firms are investing in their Procurement organizations, developing capabilities in such areas as innovation, global supply networks, and analytics to drive and sustain performance in a highly dynamic global business environment.

The Global Landscape is Evolving

Emerging trends in technology and the global economy will have a major impact on businesses in the coming years, and leading Procurement organizations will need to reposition themselves to continue delivering maximum value to their stakeholders against this rapidly changing backdrop.

The sheer amount of data generated on a global scale is growing exponentially. According to several leading IT solutions firms, by the year 2020 data production (structured & unstructured) will be 44 times greater than it was in 2009¹. Much of this growth is attributable to the explosion of unstructured data, such as social media postings, images, videos, podcasts, etc. These new forms of data are increasingly interrelated and complex, requiring new types of databases and data science to store and analyze (e.g., creating a sentiment analysis model and identifying relevant customer satisfaction implications from Tweets). Petabytes and exabytes of data continue to stream in. In order to leverage this data to provide actionable insights, businesses are turning to sophisticated analytics methods and technologies, such as

non-relational databases and Hadoop algorithms.

The intersection of such technologies and methods with the rapidly expanding universe of Big Data has given rise to “Analytics 3.0” – an era in which, according to Harvard Business Review, businesses will begin applying cutting-edge analytics not only to their operations but also to the development of products and services².

So what are the implications for Procurement? There will be both direct and indirect impacts on sourcing organizations. More data will become available to Procurement groups, and leading organizations will develop the capabilities to perform sophisticated analysis and deliver valuable insights across the end-to-end process – from sourcing to contract and supplier management. Later on in this report we explore both the current and aspirational maturity levels of advanced analytics capabilities within the Procurement function. Indirectly, as business stakeholders from marketing to product development look to bolster their analytics capabilities, Procurement organizations will have to familiarize themselves with the vendors and solutions in the analytics space in order to deliver value when called upon to source them.

Concurrent with the rise of Analytics 3.0, the market share of Cloud technologies continues to grow. According to research firm Gartner, investment in Cloud solutions will account for the majority of IT spend by 2016³. Again, the impact on Procurement organizations will be multi-faceted. There is a proliferation of cloud solutions across all aspects of Source-to-Pay (e.g., Coupa, Ariba, BravoSolution, SynerTrade, Zycus and others), and leading organizations are

1 http://www.csc.com/insights/flxwd/78931-big_data_universe_beginning_to_explode

2 <https://hbr.org/2013/12/analytics-30>

3 <http://www.gartner.com/newsroom/id/2613015>

adopting these applications – ranging from eSourcing/RFx platforms to Contract Management tools to full P2P suites – for their time to value, agility and user experience. Additionally, there are a growing number of niche solutions that combine various data sources to provide insights that add great value to specific activities of the Procurement function, such as supply base analytics, risk management, materials management, and sustainability performance management. From the sourcing perspective, as business stakeholders increasingly look to source Cloud technologies, Procurement organizations need to develop and maintain a high level expertise in the category. The Procurement cloud will connect with other clouds in the future IT landscape.

From a macroeconomic perspective, the global outsourcing landscape is in the midst of a major shift. As growth in China slows and the Chinese economy transitions increasingly out of manufacturing and into services, labor costs in that country have steadily increased. According to Bloomberg, labor costs in China increased by over 10% in 2013, and a similar figure is expected for 2014⁴. This is pushing businesses to look elsewhere for outsourcing as they strive to contain costs and maintain value for shareholders. Countries such as the Philippines and Vietnam have emerged as new global manufacturing hubs, delivering quality at lower cost. For Direct Procurement in particular, this trend demands that sourcing managers adjust to the changing dynamics and familiarize themselves with new labor / supply markets and increased coordination with supply chain (e.g., TCO modeling, duty structures, freight implications and other factors).

Key Survey Findings

The role and profile of the Procurement function continues to grow and evolve within the organization, as evidenced by the significant increase in the percentage of Procurement groups reporting

directly to the C-Suite. Respondents in the 2015 survey indicated that 72% of Procurement groups report to the C-level, up from 59% in 2012/2013 survey (see figure 1). Furthermore, more than 16% of respondents indicated that Procurement reports directly to the CEO – similar to the figure reported in 2012/2013, indicating that Procurement remains a key area of focus for a sizeable proportion of chief executives despite top-line growth. Additionally, the trend towards centralization of the Procurement function continues, as observed in the last survey

– 67% of respondents currently describe their Procurement groups as centralized or center-led (see figure 2).

Surprisingly, outsourcing of tactical functions – such as spot buying and P2P support - has increased only modestly. In these two areas, we find that 14% of respondents outsource spot buying while 12% outsource P2P support. This is slightly up from the 2013 survey figures for both functions. However, in 2013, 87% of respondents did not utilize outsourcing at all. That figure dropped significantly

Figure 1: Percentage of Procurement Organizations Reporting to the C-Suite

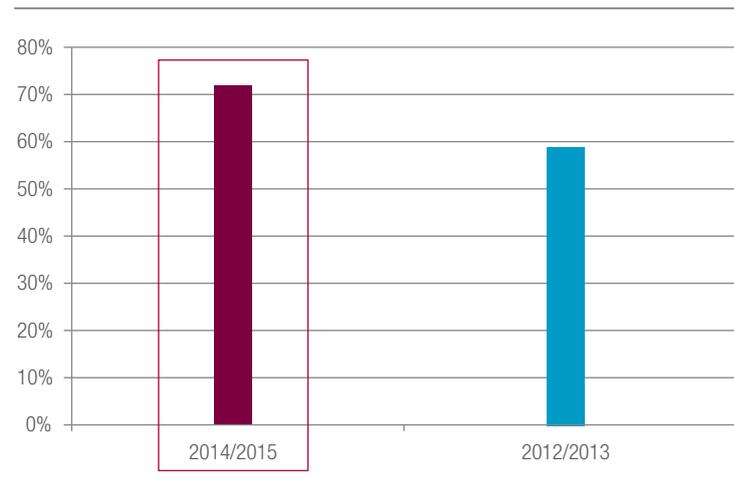
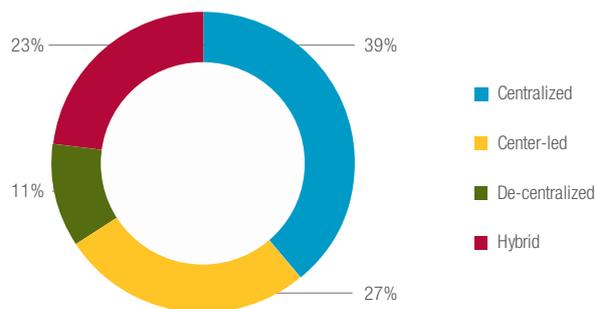


Figure 2: Organization of the Procurement Function

8. How is your procurement function organized currently?



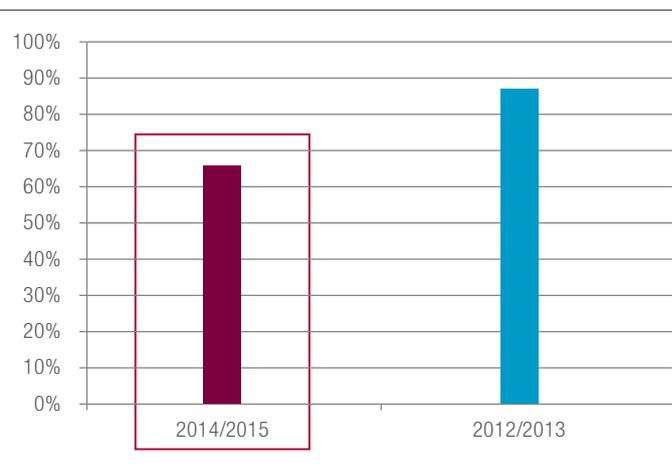
4 <http://www.bloomberg.com/news/2014-01-06/china-wages-seen-jumping-in-2014-amid-shift-to-services-.html>

to 68%, due to increased outsourcing of data management and reporting capabilities (see figure 3). Still, a majority of companies surveyed do not view outsourcing as a high-priority opportunity – only 35% of respondents identified P2P outsourcing as an area of current or future focus. However, improvement of the P2P process was viewed as an opportunity area by a striking majority of respondents. In fact, 68% indicated that it is a current area of focus, and a further 15% indicated that it will be an area of focus in the future. We expect that as organizations press forward with P2P process improvement efforts, outsourcing of the more tactical aspects will be increasingly implemented as a lever to drive additional value through improved performance (SLAs) and a reduced cost to serve.

Spend under the management of Procurement has increased greatly since our last survey (see figure 4), when only 7% of respondents reported that slightly more than 50% of spend was managed. For direct categories, nearly 70% of respondents reported that 60% or more of total spend is managed by Procurement, with half reporting that over 80% of spend is managed. For indirect categories the figures were lower on average, but still significantly higher than our findings in 2013. Just over 45% of respondents indicated that 60% or more of total indirect spend falls under the purview of Procurement, with 28% reporting that over 80% is managed. This positive trend reinforces the notion that companies are increasingly recognizing the value that Procurement can provide to the organization as a partner.

Savings targets have remained largely stable. Across both direct and indirect categories, the vast majority of respondents who were aware of their savings targets indicated figures in the below-10% range, with 60% (direct) and 49% (indirect) reporting targets of less than 5%. Savings targets have changed little since the last survey, with over 80% of respondents reporting a year-over-year change of 5% or less for both direct and

Figure 3: Percentage of Procurement Organizations NOT Outsourcing any Functions

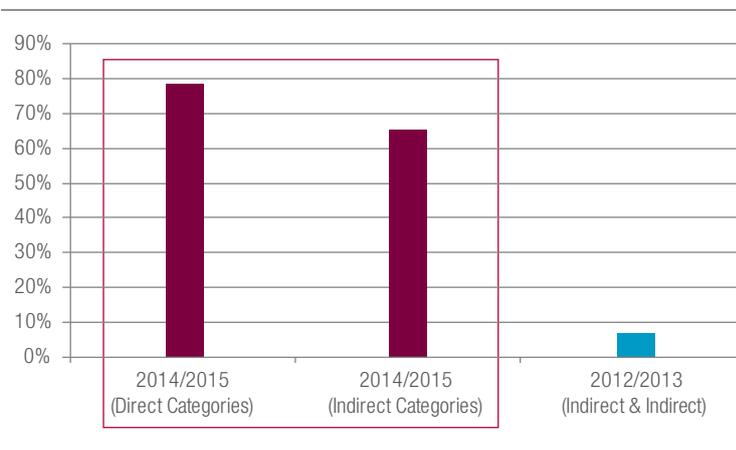


indirect categories. Across both direct and indirects, over 40% of respondents reported no YoY change. The relatively low savings targets—along with the lack of substantial YoY increases—indicate a generally high degree of maturity for sourcing organizations, implying that a majority of large savings opportunities have already been identified and addressed. But the notion of savings capture is still under debate, with new pressures from Finance to explain the identified-to-realized savings ratio and/or document savings booked at the P&L

level. Accordingly, Procurement needs to look beyond sourcing to deliver sustained savings and deliver value.

In terms of general focus areas for Procurement, cost cutting remains a top priority, with 91% of respondents identifying it as a current area of focus. However, only 2% identified it as a future area of focus, once again indicating that future initiatives must focus on different ways to add value beyond simple cost savings. High-ranking general topics for future focus included **Sustainable**

Figure 4: Percentage of Procurement Organizations Managing >50% of Total Spend



Procurement (43%) Strategic Supplier Relationship Management (37%), and Innovation within Procurement (34%). For the full breakdown, see figure 5.

In Sourcing, the top current priority is improving the quality and availability of spend data, with 78% of respondents citing this as an area of current focus. As Procurement organizations begin to collect and maintain higher-quality data, we anticipate that advanced analytics techniques will increasingly be utilized to drive decision-making and identify opportunities. An article in this report is dedicated to exploring the extent to which organizations are currently applying advanced analytics and data modeling techniques as well as opportunities to grow these capabilities in the future.

High priorities for future focus include supplier relationship management and performance measurement (37%) and supplier risk management (34%), supporting the notion that SRM is increasingly perceived as a key lever to drive Procurement performance. Later on in this report we delve into specific SRM capabilities and propose a framework for the Total Supplier Experience.

Within the P2P process, the top current priority is enforcement of compliance to contracts within the business, with 67% of respondents indicating it as an area of focus. As we discuss later in this report, poor compliance is a significant source of value leakage and inhibits the ability of Procurement to deliver the savings that it has identified through strategic sourcing. Compliance is multi-dimensional in nature, and we will elaborate on how organizations can define and measure these aspects to improve their compliance capabilities. Highly-ranked areas of future focus within P2P include the application of Lean Six Sigma principles (indicated by 37% of respondents), supplier tail management (32%) and implementation of cloud solutions for P2P support (25%). Over time, we expect to see a high degree of automation and streamlining of the P2P process and related compliance activities as firms outsource these functions to sophisticated BPO providers.

The Road Ahead

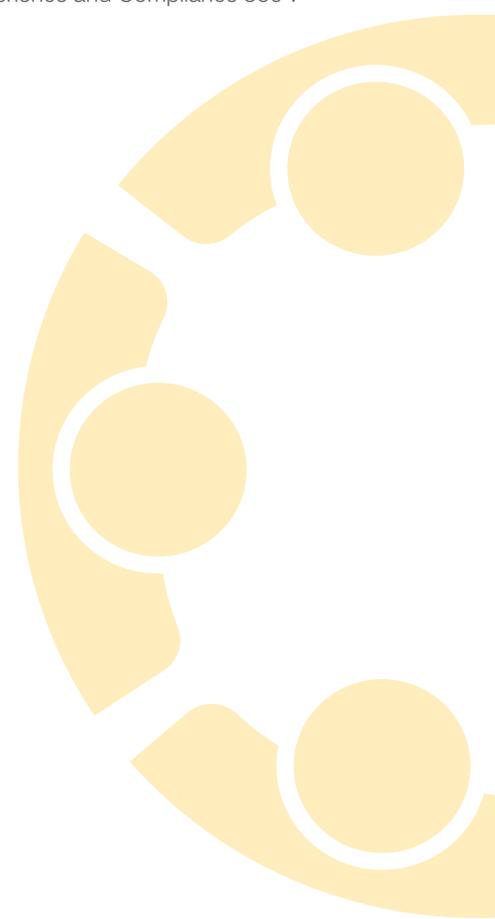
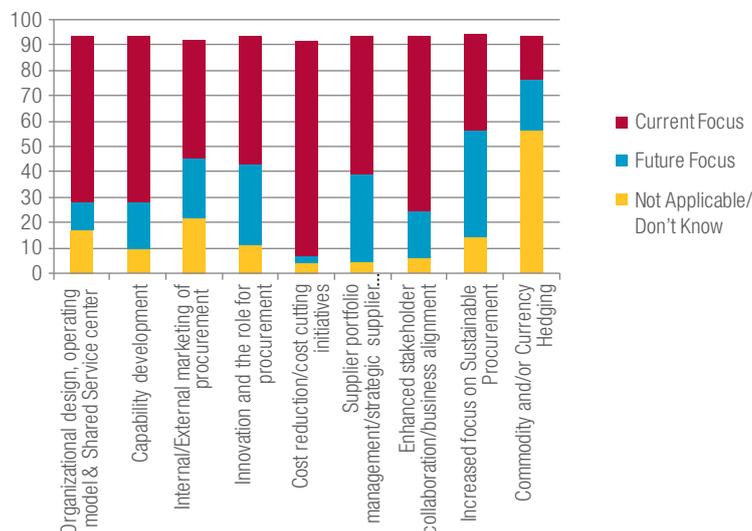
Going forward, we anticipate seeing continued investment in Procurement capabilities, given the visibility that the function now has at the C-Level. Consider several facets of this new role

and increased exposure – Procurement as a Partner, Differentiator, Innovator and Destination. All of these dimensions will require a change in emphasis and the development of new skill sets such as project management, analytics & modeling and relationship management. Furthermore, the tools of the trade will continue to evolve. Differentiators and Innovators in the space will transform their S2P data into projects with clearly defined goals and deliver against these objectives. Partners will strengthen alliances internally and perhaps forge new ones to drive greater insights and innovation in emerging markets. Increased collaboration with different stakeholder groups will create new opportunities for Procurement to become a Destination or career path for young, innovative minds.

The future opportunities for Procurement in the enterprise are very promising. The remainder of this report will delve more deeply into a number of emerging trends within Advanced Analytics, Total Supplier Experience and Compliance 360°.

Figure 5: Current and Future Areas of Focus (General)

15. Which of the following topics are current and/or future areas of focus?







Compliance Management

A Lever to Drive Procurement Strategy

Malin Mauleon Lundberg & Mattias Linderöth - Capgemini Consulting Sweden



Executive Summary

For years, Finance has been scratching its head trying to make the savings numbers reported by Procurement work. Curiously, they’ve come up short...and not for lack of trying. One need only look at the identified-to-realized savings ratio to understand that there’s a significant delta. Savings leakage due to compliance, or lack thereof, has been a significant problem for years. Recently, however, Procurement has started to take a closer look at how to close the gap and improve compliance— primarily at the direction of, and in collaboration with, embedded Finance personnel.

Auditing for compliance in terms of right supplier, right terms & conditions, right process & policy, etc. has been a significant challenge for Procurement for the following reasons:

- Undefined compliance guidelines
- Inadequate technology supporting compliance processes
- Insignificant consequences for non-compliant behaviour
- Lack of end-to-end visibility
- Difficulty developing compliance metrics

This, surprisingly, represents the majority of respondents and tracks with our client experiences as well. Only 30% of companies surveyed have consistent policies for most spend categories, processes and systems across the organization along with metrics to track performance. For this 30%, roles and responsibilities for compliance monitoring and management are well defined and executed regularly.

Most Procurement groups, however, are stuck at a lower level of operational maturity and struggle to capture the full value associated with compliant processes and systems. Why are some organizations able to do this while others are not? What are the fundamental differences between a highly compliant vs. a marginally compliant organization?

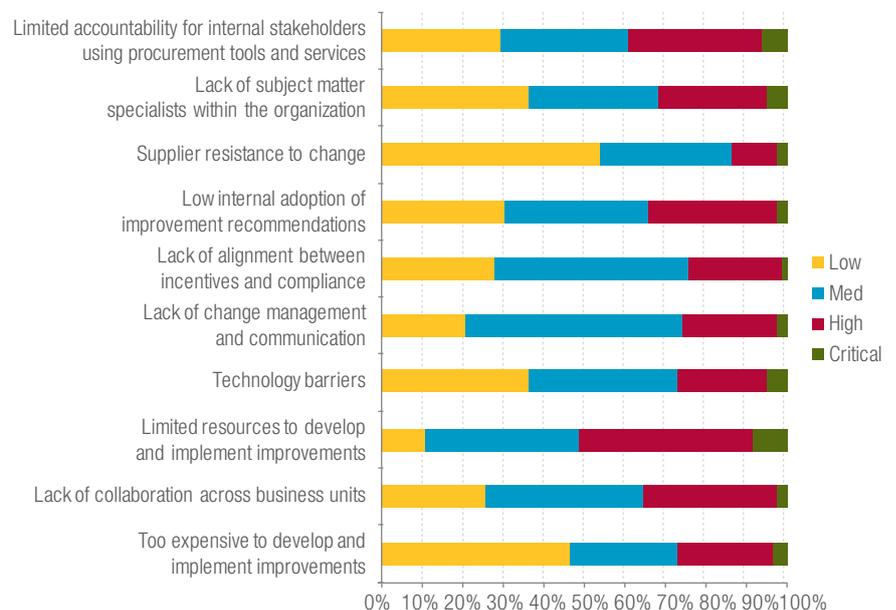
The Challenge

According to our research, there are several key factors that inhibit improving compliance across the organization. The top three identified by respondents were:

1. Limited resources to develop and implement improvements
2. Limited accountability for internal stakeholders using procurement tools & services
3. Lack of collaboration across the business units

Surprisingly, technology barriers was ranked as one of the least significant inhibiting factors. In that context, it appears to be a multi-dimensional people problem.

Figure 1: Potential Obstacles to Procurement Compliance, rated on importance



If we examine each compliance obstacle identified, we start to see some recurring themes – defining the KPIs, creating visibility, quantifying the value and getting out the message.

Obstacle 1: Limited Resources to Develop and Implement Improvements: A couple of ideas come to mind on this one. Firstly, how about a cross-functional team designed to size the prize as it relates to savings leakage due to compliance? Stakeholder groups need Procurement to put some numbers behind the message. When Procurement says compliance project, business unit leaders either tune out or hear their budget being cut. This issue could be addressed with project charters that incentivize stakeholders to participate - e.g., by allowing them to retain at least a substantial portion of any cost savings identified.

As an alternative, consider sizing the prize in conjunction with a 3rd party consulting firm on a gain-share arrangement that focuses on results and not the number of slides in the PowerPoint deck. Compliance requires creativity and a bag of carrots, not a big stick.

Obstacle 2: Limited Accountability for Internal Stakeholders Using Procurement Tools & Services: Visibility is the cornerstone of accountability, and a majority of our respondents indicated that they did not have end-to-end visibility as it relates to compliance. Instead of attempting to tackle this chronic issue head-on, start with a pilot program for a few selected categories. Statistical sampling across POs and Invoices with some crosschecking against contract terms should yield some excellent candidates for a pilot program. The pilot program is simply designed to identify and quantify compliance in a given area of spend. From that point, partnering with Finance will likely get the attention of the stakeholder teams that are on the

lower end of the compliance spectrum. COOs, CMOs and CIOs are generally interested in clawing back some savings to use for other projects within their teams. Additionally, none of them want to have their organizations called out for non-compliance by the CFO to the executive team on a quarterly basis. Sometimes, you've got to put a few rocks in the bottom of that bag of carrots.

Obstacle 3: Lack of Collaboration Across the Business Units: As we saw in the first two examples, it is incumbent upon Procurement to define the opportunity – i.e. financial impact, including risk to the organization. Without this, Procurement cannot expect collaboration at a meaningful level. Don't allow resource constraints and/or data challenges to impede the progress of compliance programs.

What We Know

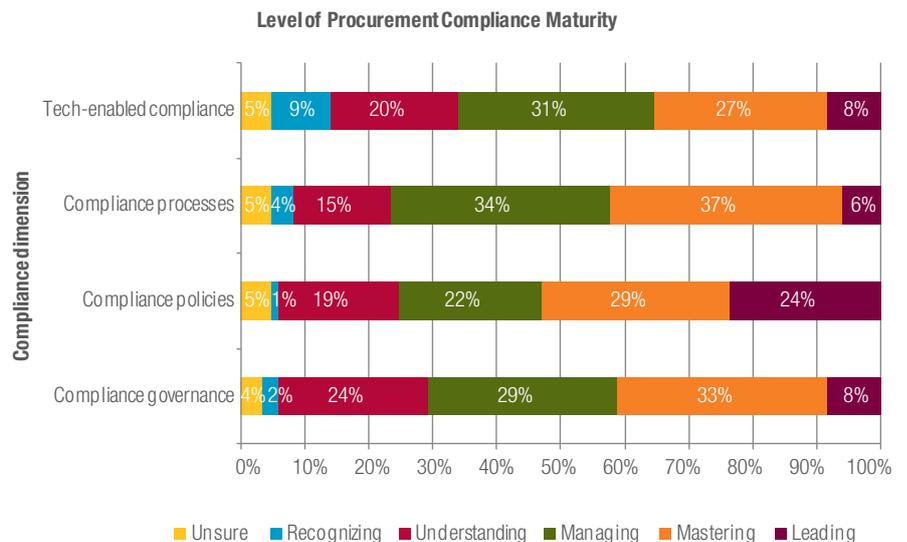
As with most areas of Procurement, maturity is a critical success factor that drives visibility, collaboration and results.

From the survey respondents, we see over 50% either Managing or Mastering each of the four compliance dimensions. If we include Leading in the scoring, then Compliance Policies is 75% and Compliance Process is 77%, respectively.

This would suggest that lots of time and effort has been put into crafting policies and processes. However, the level of adherence to these seems to be deficient in a number of areas, pointing to a lack of collaboration and accountability from internal stakeholders. Consider a few potential root causes:

- Policies and processes are not communicated effectively and awareness across the enterprise is insufficient
- Incentives to participate in the compliance program are unclear and fundamentally lack the appropriate levers to drive collaboration (e.g., what's in it for me messaging)
- The compliance program was designed and executed without meaningful input from the stakeholder teams

Figure 2: Level of Procurement Compliance Maturity



Over the past few years, several software providers, especially in the Procurement and T&E functional areas, have developed both active and passive compliance workflows that incentivize the user to do the right thing. Passive compliance focuses on defining the path of least resistance in conjunction with policies, along with providing an audit trail of transactions. This data can be reported and incorporated in quarterly compliance and opportunity scorecards provided by category managers to their business stakeholders. Active compliance, on the other hand, means monitoring transactions in real-time and re-directing the user and/or stopping the transaction based upon business rules enforced throughout the transaction workflow (e.g., material specification and certified supplier usage for a given project, and/or a real-time check on budget).

From a tech-enabled perspective, respondents indicated that only 8% had fully integrated their governance, policies and processes into their IT systems. This was surprisingly low given the extensive use of S2P systems across respondents this year. Potentially, this indicates that Procurement organizations are upgrading their IT solutions for features and functionality and not configuring these solutions to support compliance activities, such as monitoring and managing. Based upon our research, this represents one of the largest areas of opportunity for Procurement organizations going forward.

With that in mind, respondents were asked to assess the priority level of 10 activities to improve compliance. From this list, respondents identified the following as the top 3:

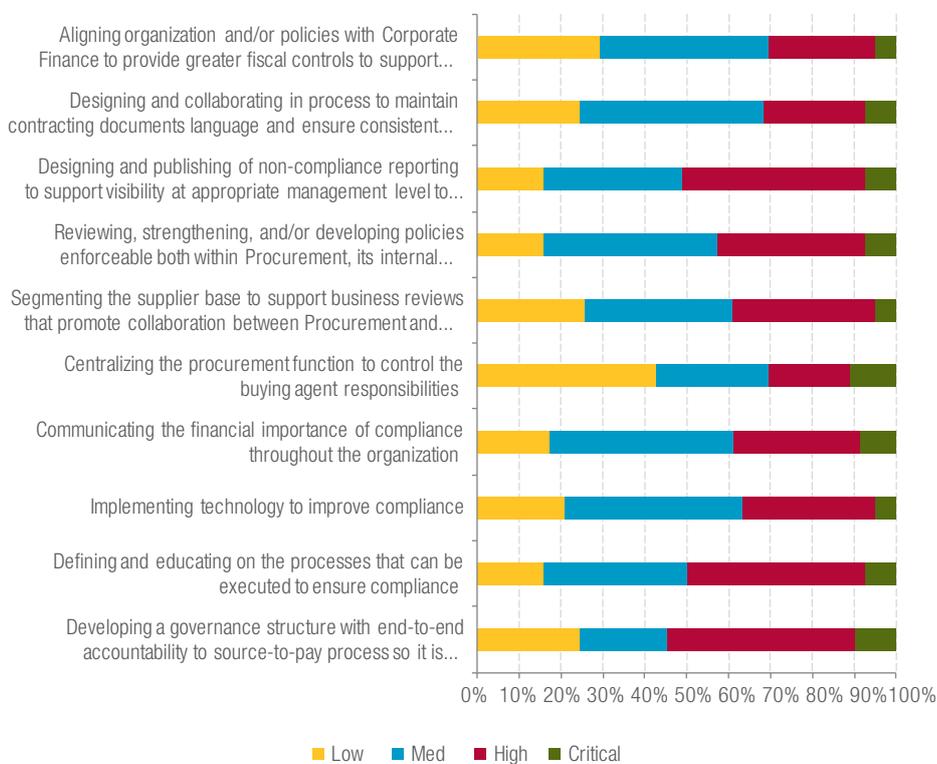
1. Developing a governance structure with end-to-end accountability to source-to-pay process that is monitored and adjusted to support business/purchasing changes
2. Designing and publishing of non-compliance reporting to support visibility at appropriate management level to support improvements
3. Defining and educating on the processes that can be executed to ensure compliance

Certainly, IT solutions can play a key role in addressing these top three priorities on a number of levels. Non-compliance reporting to support visibility and end-to-end accountability in S2P processes could be supported 100% with the right

configuration of S2P solutions. However, defining, enabling and enforcing these business rules (policies) must be done during the time of implementation.

Throughout our client experiences in the area of S2P solution evaluation and selection, we find a majority of clients gravitating towards the new features and functionality that have little to do with business rule / compliance support. Do you really need 12 different auction types in sourcing or would you drive more value from a compliance discussion? What key business scenarios with representative complexity, including closed-loop compliance, can we as a customer define? And at what level of confidence can the solution provider demonstrate this capability?

Figure 3: Priority Levels of Compliance Improvement Activities



Once again, implementing technology was ranked low, along with collaborating with Finance to provide greater fiscal controls to support. These are perhaps two of the best cornerstones to support the top three identified by respondents. Consider the expertise Finance typically has in compliance and audit functions – not necessarily in Procurement itself but in the concepts. Knowledge sharing across these groups would be beneficial. Furthermore, supply chain and manufacturing typically have expertise in these areas as well, given the tremendous scrutiny placed on traceability over the past 5 to 10 years. This is especially relevant to CPG and Pharma firms.

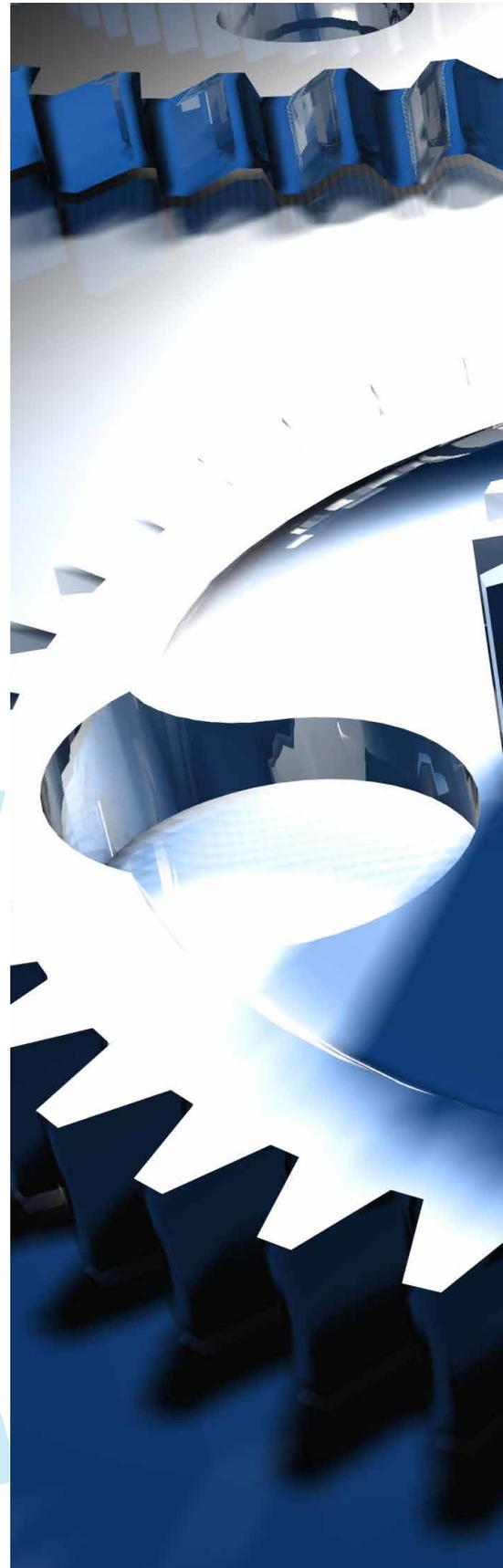
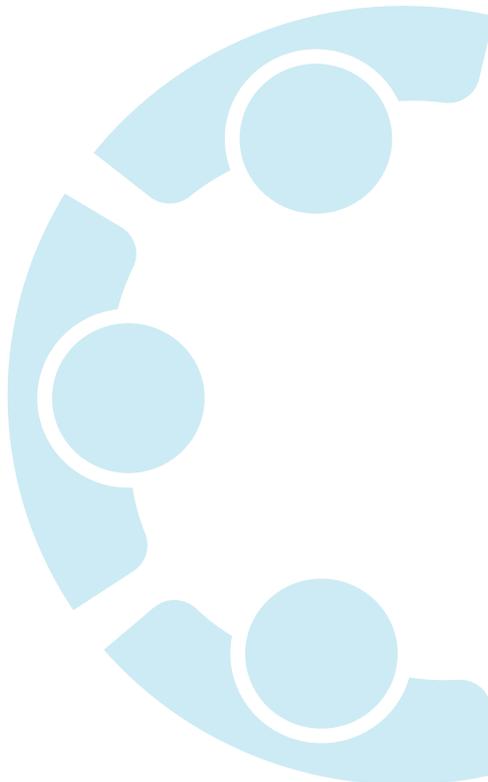
Conclusion

Slightly over 30% of respondents have consistent policies for most spend categories, processes and systems across the organization along with metrics to track performance. In the ideal future state for governance, only 55% identified compliance as an area of opportunity and focus moving forward. Root causes seem to vary but certainly the clear lack of process and policy enablement within S2P systems is a significant contributing factor. Furthermore, although quite a bit of policy and process definition has been done, compliance remains relatively low. Procurement needs to quantify the value proposition and articulate a compelling what's in it for me to key stakeholder groups – across both the business and suppliers.

Looking forward

In the coming years, Procurement organizations will rely more heavily on S2P solutions and 3rd party providers to support end-to-end compliance programs. These compliance programs will play an increasing role in the overall strategy of driving bottom-line results from operations. Additionally, the C-suite will expect greater monitoring and managing of enterprise-level compliance programs to mitigate risk and drive hard savings.

Gone are the days where a business unit leader approves non-compliant behavior with a simple email. A quarterly compliance scorecard along with the associated cost savings (loss) would shine such a bright light of accountability that no business unit leader would want to be in that position. However, it is incumbent upon Procurement to establish the policies, processes and governance model to monitor and manage compliance effectively – as a business partner rather than a mall cop.





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Advanced Analytics in Procurement

Matthew Shull & Patrick Williams - Capgemini Consulting North America



Executive Summary

Over the past several years, we have seen astonishing growth in the amount of data available and/or collected by enterprises across industries. Some of this data growth is being fueled by social media platforms (unstructured data) while others are generated from smart or embedded devices. Curiously though, a vast majority of the truly untapped data (structured) is within the enterprise itself. Why?

Across the source-to-pay functional spectrum, nearly 60% of respondents indicated that they have either full transactional data or better (e.g., additional internal / external data sources). This would indicate that, perhaps, data itself is no longer the core issue. However, when it comes to simple modeling and advanced analytics, less than 20% are doing this currently. In the Ideal Future State, modeling and advanced analytics as a capability climbs to nearly 70% in some functional areas, primarily sourcing and supply management.

Interestingly, over 75% of respondents noted that the primary barriers to performing modeling and advanced analytics are a lack of technical capabilities, procurement skill sets and leadership. Given that, it was surprising to see that only 27% leverage 3rd party support to help close the gap with technical and/or analytics support. It is also noteworthy that awareness of advanced analytics including modeling as a tool to drive insights and value creation was relatively low within the broader stakeholder teams.

In terms of applying advanced analytics and modeling, respondents identified three core areas of greatest potential – category management, supplier performance and compliance & risk management. Given that data may no longer be a central issue, it would stand to reason that the biggest gains will be made through improved procurement capabilities in analytics & modeling, greater use of BI / analytical tools and increased targeted support from 3rd party providers.

In short, Procurement's role continues to evolve and competitive advantage in some degree will come from developing greater capabilities in the area of advanced analytics & modeling. However, the key to this challenge will be the right tool for the right job with a clear view of ROI throughout the process.

The Challenge

In 1975, Frank Zappa released his most musically complex and critically acclaimed album, *One Size Fits All*. The album, however, was filled with innovation and unique musical styles. Nearly 40 years later, the one size fits all axiom unfortunately still holds true for a significant number of procurement groups in terms of their approach to reporting and analytics. How, then, can organizations leverage analytics to support stakeholder needs, drive real value for the organization and make targeted investments (e.g., solutions / tools and resource capability development – internal and external)?

Through our experience and research, we find few organizations stratifying their

workload by complexity across the S2P function and measuring ROI or cost to serve consistently and effectively. Further, the alignment of procurement capabilities and enterprise needs remains elusive or largely misunderstood. Very little attention or activity is focused on conducting annual VoC (voice of the customer) surveys to gauge stakeholder perceptions. There persists a seemingly singular focus on simply cost savings... the true cost of which is typically unknown. That is, how much value is left on the table annually? What is the identified-to-realized savings ratio? What is the cost to serve or ROI associated with specific procurement projects? What is your digital ROI? What procurement processes can be performed at a lower cost to serve and at the same or higher service level? How can we use statistical models to measure and set BPO performance targets?

Analytics can be used strategically to answer these questions and redirect / refocus procurement resources (i.e., time, budget, people) to unlock new sources of value. Analytics...not aggregates.

If You Build It, Will They Come?

Building a robust analytics capability with modeling requires a tailored, targeted approach. It goes well beyond just gathering a mountain of data and using proprietary algorithms to crunch through it hoping for some magical insights. So then, where is the point of diminishing returns for data collection and analysis? This is the question procurement leaders should be asking themselves when it comes to advanced analytics. In this section of Capgemini Consulting's CPO Survey Report, we'll explore the tenets of building an advanced analytics capability.

We asked which areas of S2P have the greatest potential to benefit from advanced analytics (figure 1). Respondents identified three key areas of focus – Category Management, Compliance & Risk Management and Supplier Performance.

Considering this, Procurement groups will be well served by understanding key questions such as:

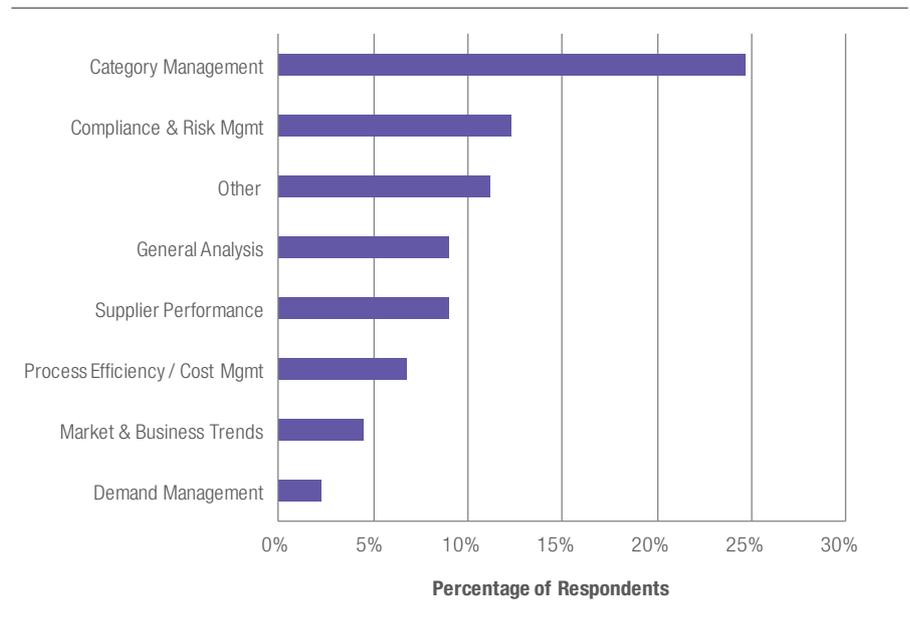
1. What are the top three factors that influence non-compliant buying behavior by category and what is the cost impact to the enterprise?
2. How can we use standard deviations and other statistical analysis for contract management – initiation through execution cycle time for a given complexity?
3. If we notice a change in skewness and/or kurtosis developing for a given procurement service, what implications does this have for procurement policies or BPO SLAs?
4. How can we model multiple variables to determine the optimal timing to buy specific commodities based upon supply and demand patterns internally and in the market?

So, before you enroll in a Stats class or hire a team of data scientists, consider the central question. What is the value and cost of building robust capabilities in analytics and statistical modeling? If we build, will they come?

The Right Tool for the Right Job

There is a spectrum of data to use in procurement – procurement systems transactional data, internal systems data, and external data (e.g., commodity markets, indices, etc.). When it comes to data and analytics, there is no one size

Figure 1: Functional Areas to Leverage Advanced Analytics



fits all model. Depending on the type of category managed (direct vs. indirect) or functional area, stratification is essential. Let's consider the following scenarios to begin setting some guide posts for Procurement. That is, when is there value in taking data and analytics to a higher level?

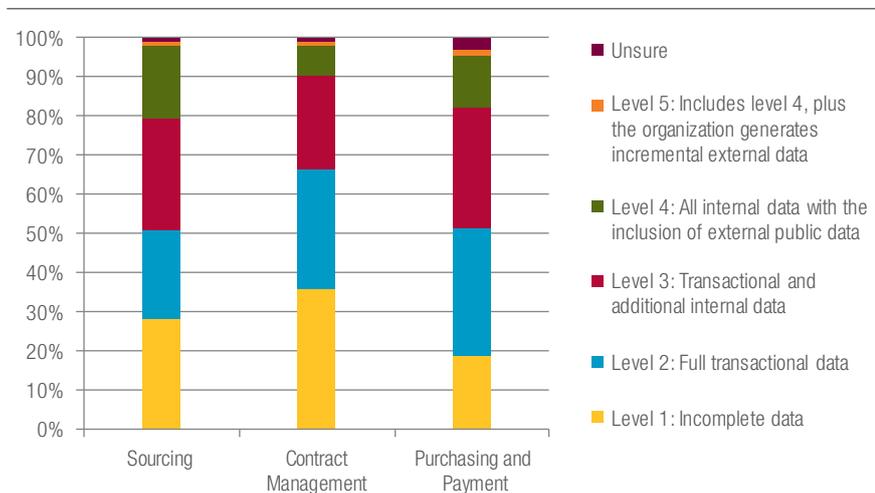
SCENARIO A: DIRECT MATERIALS ENERGY INDUSTRY CLIENT

Focus: Wire & Cable

Characteristics: High spend category; heavily tied to commodities – copper and aluminum; OpEx and CapEx spending is seasonal; significant external data – market research and analysis available; external specialists available but can be difficult to find the right level of experience

In Scenario A, there is a case to be made for the usage of several levels of data. In managing this category from S2P, we would include internal transaction data, internal demand forecasting and external copper and aluminum commodity price indices / research. For sourcing, complete transactional data will be used to leverage spend and consolidate the supply base. This exercise should yield a significant cost reduction benefit upfront. However, given the heavily reliance of suppliers on these commodities, we could incorporate a monthly pricing schedule into the contract that is pegged to copper and aluminum commodity indices. For these types of direct materials, developing a hedging core competency may be appropriate – either internally or externally as a service. In figure 2, we see the current state of data availability by function for survey respondents.

Figure 2: Current State of Data Availability & Usage



Beyond pricing trends or market data, we can incorporate the addition of internal demand forecasting data for CapEx and OpEx projects. As such, we can employ simple modeling to set triggers around the price of commodities and consider when the bulk of purchasing should occur. If we purchase ahead of demand (stockpiling) and warehouse it, then what is the impact to TCO? Modeling this data creates an opportunity for the Procurement organization to perform what if analysis and provide the other key stakeholder teams (e.g., field operations, finance) with informed options.

In Scenario B, we look at an indirect category, print marketing. This category typically occupies the Leverage quadrant of a sourcing strategy matrix (higher spend and low criticality). However, for Scenario B, Print Marketing is functioning closer to a direct category than an indirect category. It is an integral part of Big Box retailing. Here again, the use of additional internal and external data has tremendous added value. Typically, we find that raw materials account for 45% or more

of the delivered cost in this category. Understanding the market through external research will enable category management to identify the right cost structure and contract terms to manage risk effectively. Monitoring the paper pulp market through a subscription to Pulp and Paper Products Council for example would enable buyers to collaborate with marketing in an effort to minimize annual costs. However, for most companies, this level of data and modeling is not necessary. This is often true for most indirect categories with some exceptions.

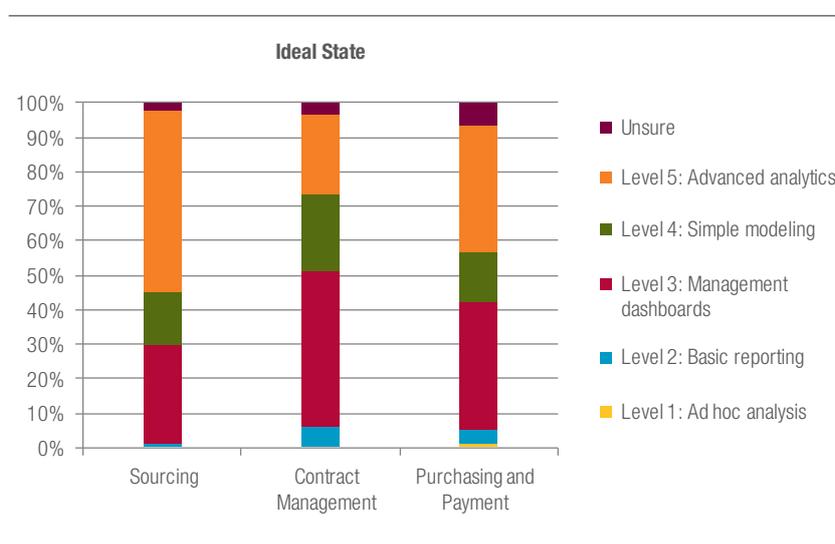
In the Ideal State, respondents noted an increased desire to have an advanced analytics capability in Sourcing and P2P activities but more management dashboards for Contract Management (figure 3). Interestingly, a significant percentage of respondents noted that management dashboards were appropriate in terms of data analysis capabilities.

SCENARIO B: INDIRECT MATERIALS, BIG BOX RETAILER CLIENT

Focus: Print Marketing

Characteristics: High spend category; heavily tied to other globally traded commodities; regular price fluctuations of 25% or more over the course of 12 months; extremely large volumes; seasonal buying of print marketing does not necessarily align to best commodity pricing (wood pulp); recycled paper can be substituted; significant external data – market research and analysis available; external specialists readily available

Figure 3: Ideal State of Reporting & Analytics



Based upon our research and experience, the hype of big data and analytics 3.0 has been influencing the discussion in this area towards building a capability beyond the true need of the organization with a potential to have significant diminishing returns. Consider the following:

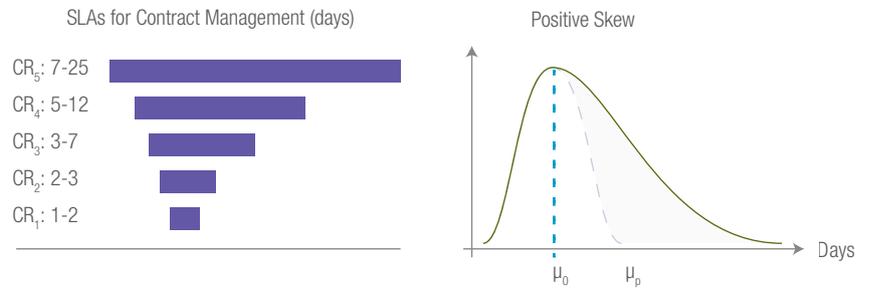
1. Is a predictive analytics model generally needed in the S2P function?
2. Is there a significant amount of unstructured data that may influence procurement strategy?
3. Is complex modeling with multivariate analysis necessary to manage P2P transactions and/or understand non-compliant buying behavior?

For a majority of cases, internal transaction data across S2P is rich with information and conventional statistical analysis of this data is more than sufficient (e.g., confidence intervals, distributions, density, skewness, correlation and others). However, this skill set is generally low within existing Procurement groups. Increasing knowledge of basic statistics and light modeling techniques (e.g., clean-sheet cost and total cost of ownership modeling) will help refine the discussion in this area and serve as a mechanism to cut through the hype of big data and over-engineered modeling tools.

Analytics not Aggregates

Aggregates in isolation provide very little actionable information. Analytics, on the other hand, can tell you what’s happening in the business and how well you or your BPO are servicing it.

Figure 4: Contract Management SLAs and Skew



An increase in Complexity Rating (CR) translates into more time (days) for processing.

We assume and expect non-linearity in the SLAs (days) and find positive skew. That is, a majority of the events are occurring to the right of the mean of normal (μ_0). The new mean of positive skew is represented by the yellow line (μ_p).

Consider Scenario C. Through quarter-over-quarter analysis, it was noted that a particular service commitment had exceeded its defined SLA. Figure 4 above is provided for the purposes of illustration only.

Due to the nature of these specific SLAs, we expect asymmetry and positive skew in the distribution. That is, for increasing levels of complexity in the contract management process, we have a broader range in terms of days. We also expect the probability of events outside of the SLAs bounds to increase as complexity increases. This not only contributes to skew, but can also be seen in kurtosis - please refer to figure 5 for an illustrative example. In our analysis, we found a combination of factors occurring.

- The regularity of events for any given CRn (Complexity Rating) occurring to the right of the bound was increasing – the event exceeded the maximum number of days
- Although the tail to the right of μ_p was not getting longer, it was getting thicker indicating kurtosis

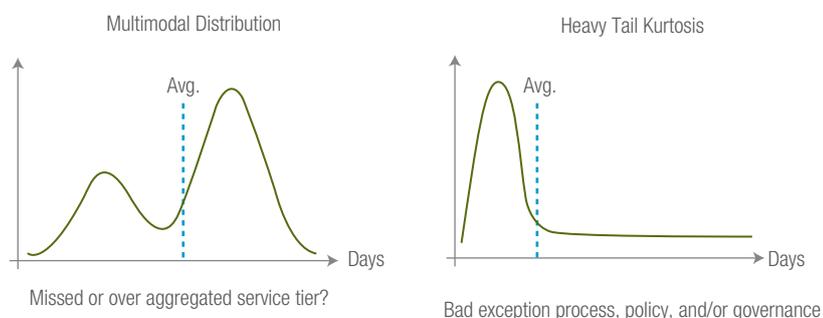
In this case, the frequency and number of events exceeding specified lead times was increasing but was also exhibiting a trend or pattern. Based upon this information, we were able to determine that the cause of the kurtosis was a spike in the number of agreements being processed at CR4 and CR5. Upon further analysis, it was discovered that a recent federal regulatory change in the life sciences industry necessitated a modification to language contained in several master agreements. This modification affected other clauses in the agreements as well. Due to the volume of changes, this work carried on across several quarters, thus creating a pattern in our analysis.

SCENARIO C: SLAs for Contract Management

Focus: Managing SLAs for contract types of various complexities

Characteristics: Life Sciences company, central contract organization, in-house and contract employees, highly regulated environment, contract categories and complexities defined, SLAs established by level of complexity or Complexity Rating (CR), material changes in the number of data points outside of the expected SLA for a defined CR.

Figure 5: Leveraging Statistical Analysis to Shape Service Levels, Policies and Governance



This type of change, however, could have been due to a variety of issues or challenges.

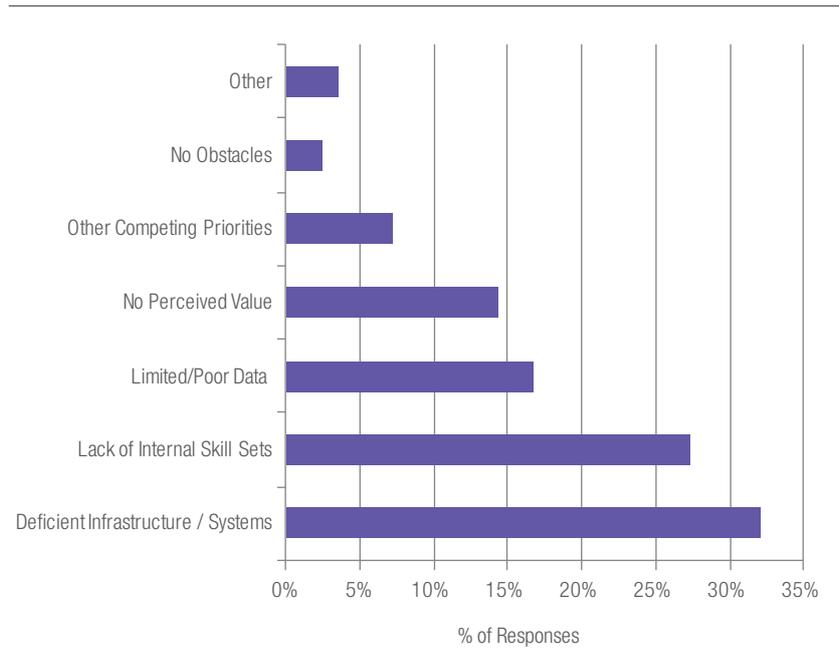
- Post-merger, contract volume increased
- New services not previously contracted increased
- Key resources were not available (e.g., transferred, quit or out on leave)
- Original SLAs were too tight and needed adjustment to some or all

Although multiple factors are most certainly in play, it is important to monitor SLAs periodically and be mindful of trends that may impact service delivery. Further, it represents an opportunity to tune service delivery as stakeholders' needs change. Consider using this approach in setting and managing SLAs with BPOs in all aspects of your business services portfolio.

Removing Barriers to Better Analysis

What is holding organizations back from achieving their ideal state of Procurement Advanced Analytics? From survey respondents, there was no single clear impediment to deploying analytics to the organization. However, the two top responses were **lack of infrastructure** and **lack of analytical skills** (figure 6).

Figure 6: Primary Challenges in Deploying Advanced Analytics



It's encouraging to see that poor data was not identified as the primary barrier to success. This was the main culprit five to ten years ago. This indicates that there has been a concerted effort over the years to improve data collection and management processes / governance.

Certainly, the increased usage of S2P solutions has greatly impacted this. Consequently, this increased ability to capture, manage and report on data enables Procurement to perform deeper levels of analysis such as should-cost modeling, statistical analysis and others.

In many cases, we see a patchwork of solutions (not necessarily best of breed) and/or older solutions that have been extensively customized over the years. This can negatively impact data collection and reporting efforts thereby potentially compromising data quality. Given these internal challenges, are companies leveraging external providers to support these capabilities? The answer is a resounding no. That is, 73% of respondents are not making use of 3rd parties to support their analytical aspirations (figure 7).

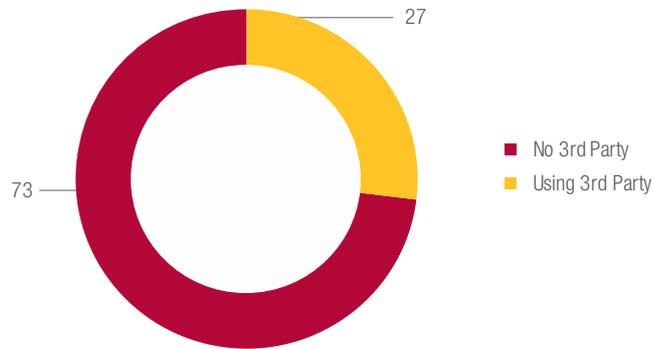
Does procurement need a dedicated team of data scientists to build models? Unlikely. Focus 3rd parties on specific projects with clearly defined value statements (e.g., build a should-cost model for a specific sourcing category with a gain share engagement model for fees). If specific projects have yet to be defined, engage a consulting partner to help brainstorm these projects or programs – strategic sourcing, supplier excellence, compliance 360°, service level management, innovation and other programs).

As we explored in the previous section, various functional areas of S2P need a right-sized approach to data analysis – The Right Tool for the Right Job. Whether it's Gartner, Forrester, IBIS or others, there is a plethora of market research out there for Procurement professionals to tap into. Leverage these sources appropriately and look for opportunities where sharing data with a 3rd party research firm can yield insights for the S2P process.

Conclusions

Across the S2P functional areas, respondents indicated a desire to incorporate more internal non-procurement data as well as external data into their analysis. Interestingly, respondents were evenly split when it came to defining the reporting & analytics needs for the Ideal State. On average,

Figure 7: Use of 3rd Party Support for Analytics in Procurement



there was a 50/50 split between Advanced Analytics and Management Dashboards + Simple Modeling. Based upon our research and experience, we would recommend building robust management dashboards that incorporate the use of conventional statistical analysis techniques such as standard deviation, confidence intervals, skewness, correlation and others along with light modeling (e.g., clean-sheet, risk-reward, activity-based costing, linear performance pricing, TCO and others).

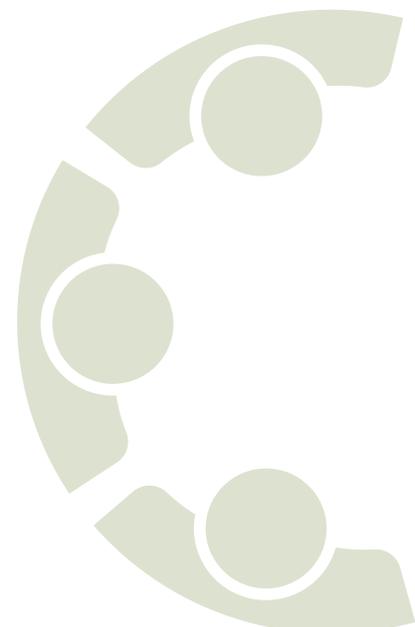
In terms of greatest potential value for analytics, respondents identified three main areas – Category Management, Compliance & Risk Management and Supplier Performance. We propose one addition - Service Level Management. This is relevant for both internally and externally (e.g., BPO) delivered procurement services. Monitoring and analysis in this area can have a material impact on cost to serve, customer satisfaction (internal stakeholder groups) and Procurement ROI.

In the final analysis, we found that the law of diminishing marginal returns quickly sets in for Big Data and Advanced Analytics programs. As such, we would recommend a measured approach that uses the following axiom: The right tool for the right job.

Looking Forward

We recognize that the analytics capability should be right-sized for the task at hand and not uniformly applied across S2P. As such, we recommend engaging 3rd parties to help define, develop and focus analytics programs, especially for those that have identified tools and/or skill set gaps. Third parties can be instrumental in bridging these gaps while the capability is being built internally. Consider a hybrid approach with a gain share model to accelerate ROI.

On a final note, consider a pilot program with limited scope and clearly defined goals. Start small, capture lessons learned and replicate where there's a need and ROI.





4

Total Supplier Experience

Erick Haag & Leon Fleuren - Capgemini Consulting Netherlands



Executive Summary

Over the past several years, we have seen savings from strategic sourcing activities begin to diminish. As Procurement organizations continue to mature, they will need to pull new levers in order to identify, realize and sustain value for their business stakeholders. Supplier Relationship Management is one such lever that has become increasingly prominent on the global CPO agenda. Leading Procurement executives recognize that managing vendors strategically and developing partnerships with key suppliers can deliver substantial benefits on both sides of the relationship – such as shared innovation programs, reduced Total Cost of Ownership (TCO), and other advantages. The key challenges here are designing a program that is business strategy-driven, delivers on innovation & sustainability, and drives value creation across all supplier segments.

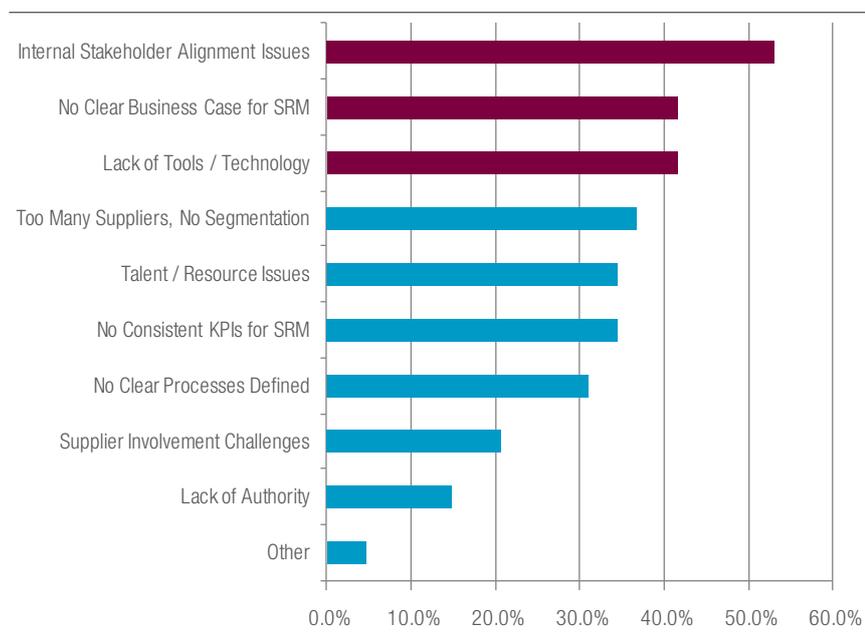
Our survey found that Supplier Relationship Management is a key priority for 97% of respondents – for 60%, it is a current area of focus within their organizations, while 37% plan to focus on it in the future. And yet despite the focus on SRM and awareness of the value that it can deliver, only 15% of respondents had a unified corporate SRM strategy and associated processes in place. For 27% of respondents, SRM was applied only selectively and focused primarily on contract management, while 30% of respondents had no SRM processes in place at all.

So what is holding the vast majority of organizations back from implementing successful and sustainable Supplier Relationship Management in order to deliver on the total supplier experience?

The Challenge

According to our research, the biggest impediment is a lack of cross-organizational alignment and coordination. Over half of the survey respondents indicated that difficulty building consensus and aligning with key internal stakeholders (i.e., Finance, Marketing and the C-Suite) is a top challenge to effective execution of SRM strategies. A related hurdle, cited by 41%, is that procurement groups are having trouble demonstrating and quantifying the business case for SRM. In the absence of a clearly articulated value proposition for these programs, it is difficult to secure the necessary cross-functional collaboration and pull-through at the C-level that are essential for maximizing their success.

Figure 1: Top Three Obstacles for Effective SRM



Many organizations also lack the necessary tools and methods to maximize SRM effectiveness. Nearly one in three of the companies that we surveyed did not have defined SRM processes, and 40% of respondents indicated that they lacked the appropriate technology. Additionally, 38% did not have an established methodology for supplier segmentation. Stratification of suppliers is a foundational element of any SRM strategy, and implementing tactics without an established and validated process for differentiating suppliers is unlikely to deliver any significant value over a sustained period of time. Further, it was clear that a vast majority of respondents lacked alignment between business goals and a basic SRM strategy.

For the most part, organizations are using tactics to manage the supply base in the absence of a unified SRM strategy. These tactics are not coordinated or deployed holistically across the supplier portfolio, and they vary in sophistication. Solid majorities of respondents employ relatively basic tactics such as structuring the supply base and supplier assessment, while fewer have adopted more advanced practices such as Supplier Development and Supplier Integration. In fact, only 16% of respondents indicated that they have an SRM program that is aligned with the enterprise strategy and differentiated by supplier segment (i.e., supplier partners, preferred suppliers, commodity suppliers, etc.).

To be sure, categorizing suppliers and assessing them against performance and risk metrics are key building blocks of any effective SRM strategy, but stopping there leaves unrealized value on the table. When an organization makes the jump to actual collaboration with key vendors by engaging in Supplier Development – which entails working with the suppliers to improve their processes and manufacturing capabilities – it stands to reap benefits in the form of higher quality products or services and, consequently, lower total cost of ownership. Taking

Figure 2: Approach to Supplier Relations



this a step further to Supplier Integration – namely, working to involve strategic suppliers in the development of the organization’s own products and services – carries the potential to increase top-line revenue and profitability.

5- S Framework for Strategic SRM

Holistic supplier relationship management programs that are consistently aligned with the enterprise goals, and managed effectively with the proper tools and resources, are difficult to achieve...but not impossible. Our research indicates that having a consistent framework & methodology to guide SRM is a critical and often overlooked element of these programs. We leverage the 5S Framework for end-to-end supplier management programs.

S1 – Structuring the Supply Base:

Involves traditional procurement spend analysis, classification-driven commodity /service profiling and a robust supplier segmentation methodology. The outputs of the structuring process should be an optimized number of suppliers, as well as a clear supplier relationship strategy per supplier segment. Two-thirds of the organizations that we surveyed reported that they implemented this tactic in some form.

S2 – Supplier Assessment:

Refers to the development and definition of consistent criteria and processes for the assessment of suppliers. The output of this step is a methodology that can be applied across the supply base in a uniform manner but tailored to specific supplier segments. Similar to S1, 66% of respondents reported that they apply this tactic.

S3 – Supplier Development:

Bridges the gap between the organization and select suppliers, and marks the shift of SRM efforts from internally focused to supplier-facing. The output of this step is a more robust and involved program designed with collaboration in mind. We will explore this more in the Supplier Innovation & Excellence section of this article. On a related note, our survey found a significant drop-off at this point – while around two thirds of respondents practiced both **S1** and **S2**, only 46% make the jump to **S3**.

S4 – Supplier Integration:

Entails working with suppliers to form joint value propositions to bring to the market – e.g. product innovation, cost reduction, collaboration tools, etc. The output of this step is significantly increased SRM ROI through collaboration from spec-to-shelf. We found further drop-off here, with only 40% of respondents operating at this level.

S5 – Supplier Auditing: Involves implementing metrics and tools such as supplier scorecards to monitor and quantify the effectiveness of SRM programs. The output of this step is a clear understanding of the value delivered by SRM across the enterprise. Effective supplier auditing reveals weaknesses present in SRM initiatives and allows for recalibration of strategies as needed. Interestingly, 52% of organizations surveyed have supplier auditing programs in place, indicating that some respondents audit their suppliers but are not actively engaged with them in the form of meaningful development, integration and innovation.

Client experience and research indicate that Supplier Development & Integration activities, although more difficult to implement, deliver a majority of the ROI from SRM programs. Furthermore, they act as a key mechanism by which to secure and maintain active stakeholder involvement.

Supplier Innovation & Excellence

Not all supplier segments warrant development and/or collaboration. In fact, only a select few should be classified as Supply Partners – a supplier segment designated for critical suppliers who provide essential products & services and are often involved in co-development or co-branding activities. This is where specialized supplier innovation programs can yield significant increase in both top-line revenue and profits for the enterprise. These programs go beyond the core activities performed in S3 and S4 of the 5S Framework.

In the survey, we asked participants to characterize the dimensions of their most integrated strategic suppliers (figure 4). From the responses, we see the most development in the areas of communication and data sharing. However, as we move up the collaboration ladder, we see a precipitous drop in the areas of collaborative research & training, joint product / product development

Figure 3: Activities Leveraged for Supplier Management

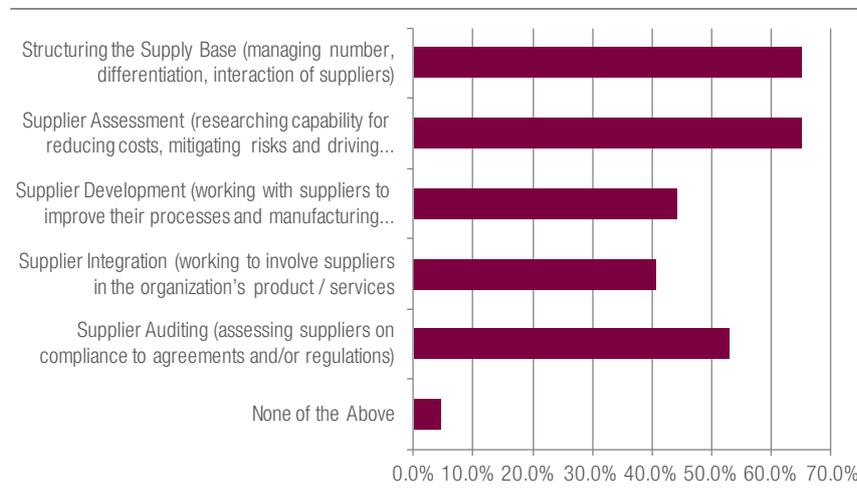
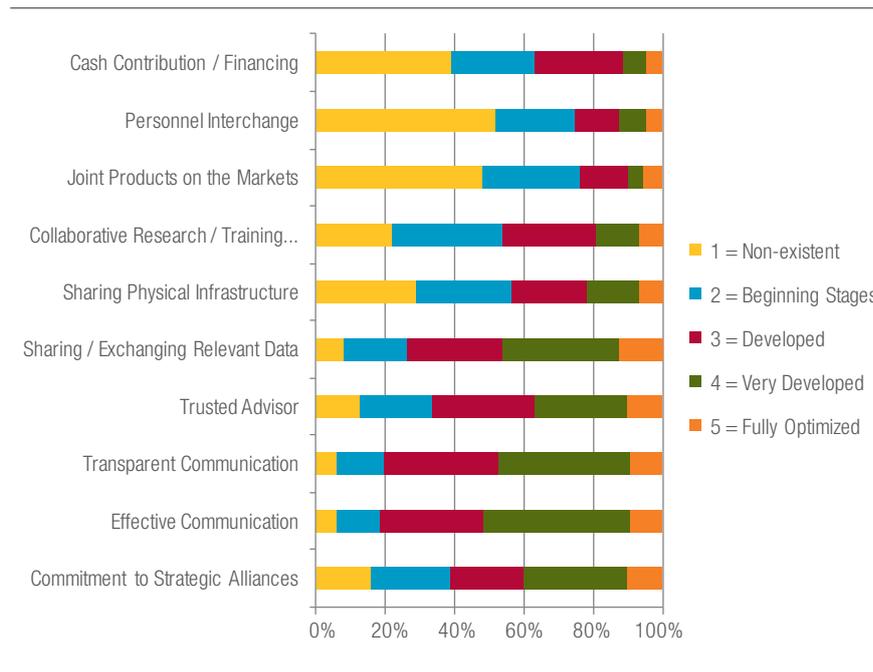


Figure 4: Dimensions of Strategic Supplier Relationships



and personnel interchange. We see a tremendous opportunity to increase the level of participation and commitment in these areas. Organizations can benefit greatly through open innovation pilot programs in targeted areas with supply partners.

In designing these programs for the Supply Partner segment, we start with an in-depth understanding of specific enterprise needs for this product / service category and critical supplier performance characteristics (e.g., innovation capabilities).

This in-depth understanding is derived from both an outside-in and inside-out perspective. Accordingly, it identifies the necessary capabilities and performance requirements for the supplier to differentiate itself during crucial moments of supplier interaction. We use advanced social network analysis and tools to map the entire supply network based on its innovation potential around specific technologies and areas of expertise. This gives the organization deep market insights into supplier, technology and innovator / inventor capabilities. These market insights are complemented with business and supplier views and then mapped in supplier journeys. This exercise is designed to visually represent all touch points (e.g., social media, industry events, face-to-face, academic conferences, and others) and key activities with Supply Partners.

With this information, business leaders, Procurement and supply partners can jointly define a results-focused strategy with a clear set of co-managed activities and performance goals. Ongoing supplier collaboration sessions and innovation workshops are critical in driving sustained value for this supplier segment.

Supplier Performance Management

In our survey, we examined four key areas of supplier performance management – strategic, financial, relationship quality, and operational performance. Given the levels of supplier collaboration and integration noted by respondents, it came as no surprise that **Strategic KPIs** were not used by a majority of Procurement groups (see figure 6). This also correlates with the challenges to implementing end-to-end SRM programs, since strategic KPIs often involve greater participation from the business teams.

Figure 5: Supplier Networks Visualization for Innovation Capabilities

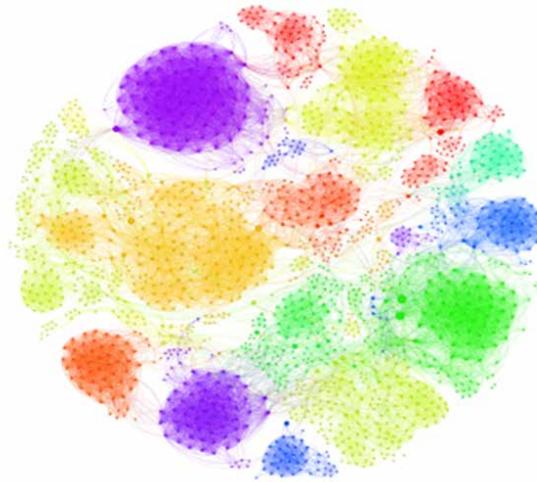
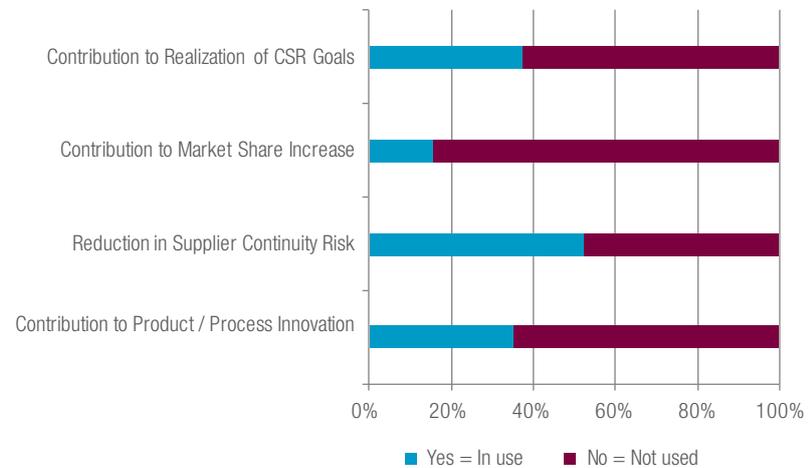


Image credit: Kenedict Innovation Analytics - www.kenedict.com

Figure 6: Strategic KPIs



In the area of **Financial KPIs**, we saw a stark contrast between tactical and strategic financial metrics – ROI vs. TCO. Although TCO and cost avoidance are extremely important to the enterprise, it indicates that the majority of attention and perhaps thinking is still centered on YoY cost reduction goals (see figure 7). It is important to note that simple cost avoidance and TCO metrics are not sufficient to measure the financial performance of Supply Partners. Procurement groups must work

hard to quantify contributions to top-line growth as well, not to mention ROI on co-managed programs.

At first blush, one might consider **Relationship Quality KPIs** to be perhaps a bit fluffy. However, they are vitally important, especially for supplier segments such as Preferred and Supply Partners. There has been a significant amount of research in the area of relationship management and its

importance in driving value creation and innovation. It is surprising to see that adoption of elements such as Problem Solving and Strategic Alignment is still less than 50% in some cases (see figure 8).

Finally, we examined **Operational Performance KPIs** – the stalwarts of supplier performance scorecards. As expected, metrics such as OTD and Quality got top marks. However, it is interesting to note that Administrative Processing was only measured by 55% of the group (see figure 9). This metric can be vital in determining which suppliers to eliminate in a supplier rationalization exercise. Furthermore, it can be correlated with those suppliers often found in Tail Spend analysis.

As SRM programs continue to mature, so too will the sophistication and usage of a more robust supplier performance dashboard. Clear correlations exist between the two and represent another area of opportunity for SRM programs.

Figure 7: Financial KPIs

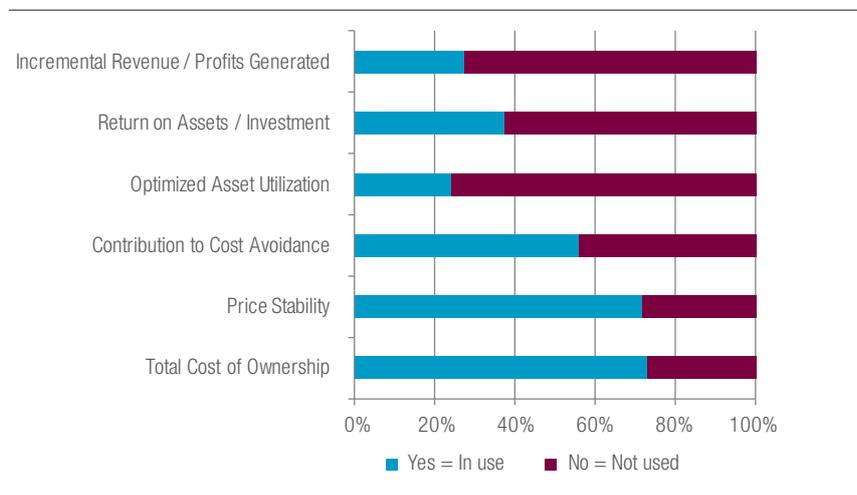


Figure 8: Relationship Quality

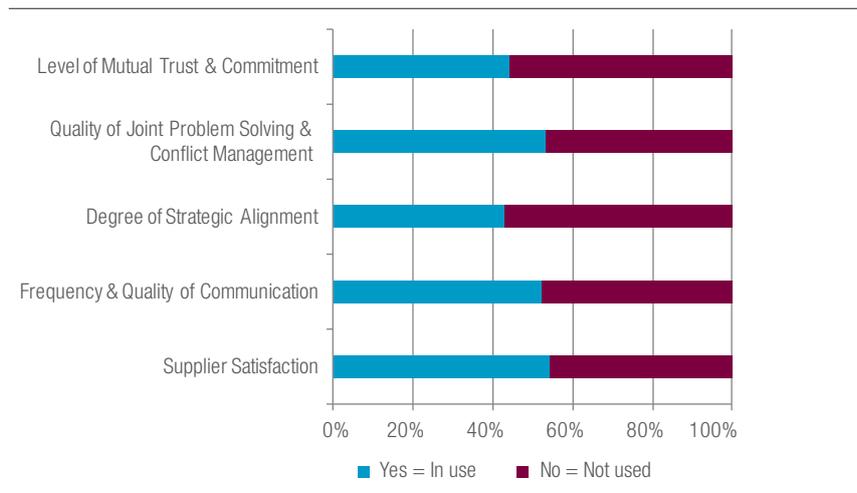
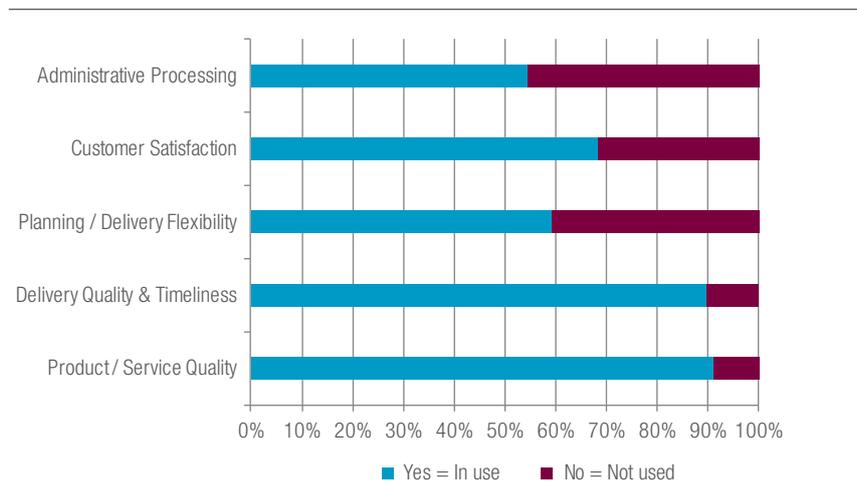


Figure 9: Operational Performance KPIs



Conclusion

Although nearly 70% of our survey respondents indicated that they have SRM programs in place, only a small percentage (~16%) have deployed a program such as the 5S Framework. For most, inconsistency and a lack of stakeholder engagement represent the major road blocks for advancement. However, the root cause is essentially the absence of a real business case and, likely, insufficient Procurement resources to manage a robust SRM program and quantify its impact. In most cases, SRM consists of supplier auditing through scorecards with a focus on contract management. These tactics do not constitute a strategy that will yield any appreciable and sustainable ROI. Procurement needs to quantify the value proposition and articulate a compelling “what’s in it for me” to key stakeholder groups – both business and suppliers.

Looking Forward

In the coming years, savings that mature procurement organizations can expect to derive from strategic sourcing will continue to decline. Across both direct and indirect categories, nearly 70% of respondents reported that their savings targets had increased by 5% or less year-over-year. Of these, almost 40% reported no YoY change at all. Value captured from Supplier Relationship Management is on track to eclipse that provided by traditional savings in the coming years, and leading organizations will need to implement robust strategies such as the 5S Framework in order to stay ahead of the curve.

Given Procurement’s increasing prominence at the C-level, the function is in a better position than ever before to lobby for the resources and organizational alignment needed from senior leadership in order to implement comprehensive

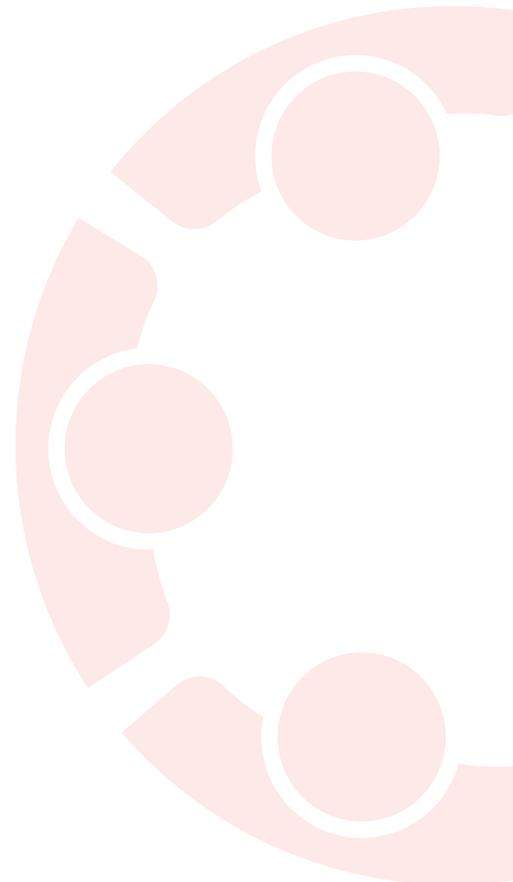
SRM strategies. For SRM strategies to be successful, however, it also is imperative that Procurement organizations develop the requisite skillsets within their ranks. As with other trends that are increasingly impacting procurement – such as the rise of Advanced Analytics – future-state SRM will require Procurement personnel that are well-versed in areas such as project & relationship management, data analysis & modeling, and SRM technologies.

Statement on Methodology

Every 2 years, Capgemini Consulting conducts a comprehensive survey of Chief Procurement Officers and other senior Supply Chain executives from large firms across the globe. The overall objective of the survey is to identify key trends in procurement and assess how the role of the procurement function is evolving in a rapidly changing global business landscape.

Unless otherwise stated, all of the figures and conclusions cited in this study are derived from our analysis of the survey results. The survey was administered online or face-to-face over a 4-month period to over 100 executives, each responding on behalf of a different firm. Geographical regions represented in the study included North America (U.S.A.), Europe (Belgium, France, Luxembourg, The Netherlands, Sweden), and Asia-Pacific (Australia, New Zealand, Singapore). Respondents represented a wide range of industries, including Consumer Products and Retail, Healthcare and Life Sciences, High Tech, Financial Services, Media and Entertainment, and Government/Public Sector, among others.

The survey itself was primarily multiple-choice format with some written response and consisted of four sections. The first section asked respondents about year-over-year trends and general procurement-related topics, while the subsequent three sections each centered on a specific focus area. Respondents did not receive any compensation for participating in this survey.



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With almost 145,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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