

2024 Procurement Agenda and Key Issues Study Results

January 2024



About this study

BACKGROUND AND METHODOLOGY

For the 2024 edition of The Hackett Group's Procurement Agenda and Key Issues Study, procurement leaders at a global set of midsized and large enterprises were asked in late 2023 about their strategic priorities and initiatives for the upcoming year, including:

- Driving business trends and strategic priorities of the enterprise that are expected to shape the procurement agenda for 2024
- 2024 key objectives, transformation plans and challenges for procurement organizations
- Projected changes in procurement workloads, staffing levels, operating budgets and technology spending
- Must-do procurement improvement initiatives for enabling success in 2024

In addition, cross-functional input was gathered from executive management and leaders of finance, human resources, information technology, procurement and global business services (GBS) organizations to understand the overall business context shaping priorities for 2024.

This report provides key insights into the following:

- Enterprise and business contexts
- 2024 procurement priorities and resources
- Technology adoption, growth and value
- Service placement, analytics and performance

PROCUREMENT RESPONDENT PROFILE

72% of respondents are at director level or above

56% of respondents have revenue greater than \$5B

46% of respondents are manufacturing companies

54% are services companies

63% of respondents are headquartered in North America

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

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Executive summary

Executive summary

Business environment and risks

- Entering 2024, the economic outlook remains uncertain, with projections that global economic growth could stall or slow in 2024. Executives across business services functions relayed concerns: 62% worry about the impact of interest rates on their ability to invest during 2024, while 57% fear a recession during the year. Nearly one-half (46%) expect labor and skill shortages to continue disrupting business during 2024.
- Margin improvement/protection and revenue growth top the enterprise priority list for 2024. To address this, businesses will emphasize strategies around process efficiency, process automation, working capital optimization and consolidation to shared services.
- Enterprises are starting to explore the potential transformative impact of generative artificial intelligence (Gen AI). While business functions are in the early stages of Gen AI, respondents expect mid-level enterprise funding for Gen AI to increase in 2024. A small but notable 16% of executives cited business transformation through Gen AI as a high priority for 2024.

2024 procurement priorities and resources

- Expectations indicate an 8% increase in procurement workload for 2024 with only modest increases of 1.4% and 1.6%, respectively, in procurement staff and operating budget. Procurement teams are also projecting higher levels of savings in 2024, compared to 2023. Technology spend is anticipated to grow by an estimated 4.6% in an effort to bridge the gap between higher increases in workload versus staffing and operating budget changes, as well as support expectations for higher savings levels.
- The top three priorities for procurement teams for 2024 include improving spend cost reduction, ensuring supply continuity and combatting inflationary price increases. While cost is king for 2024, procurement operating model transformation is a new entrant in the top five priorities.

Technology adoption, growth and value

- There is a high level of adoption of end-to-end core procurement technologies with continued growth projected for 2024.
- Current adoption of supporting and emerging technologies is not as extensive as it is for core technologies.
- Critical development areas for procurement analytics include cost optimization and/or cost modeling, supplier performance insights, supply risk analytics, supply market analysis, and sustainability and/or ESG reporting.
- Digital automation is still not widely adopted, with limited large-scale deployment, but with significant piloting of different technologies as organizations explore the best ways to adopt these tools. Despite the recent emergence of Gen AI, it has already been adopted by 28% of teams.
- Of those organizations evaluating Gen AI, the most promising opportunity areas are spend analytics and contract lifecycle management which are areas where easy access to accurate data can greatly enhance the effectiveness of procurement personnel.

Service placement and performance measurement

- More than half of the staff managing key procurement processes are based in the corporate procurement team for most processes, with the exception of more transactional processes, such as supplier information management, and PO processing and management. Business unit personnel play key roles in supplier relationship and supplier performance management.
- The most common performance elements to be included in dashboard reports to senior company management as well as procurement management teams' bonuses are year-over-year savings and cost avoidance.

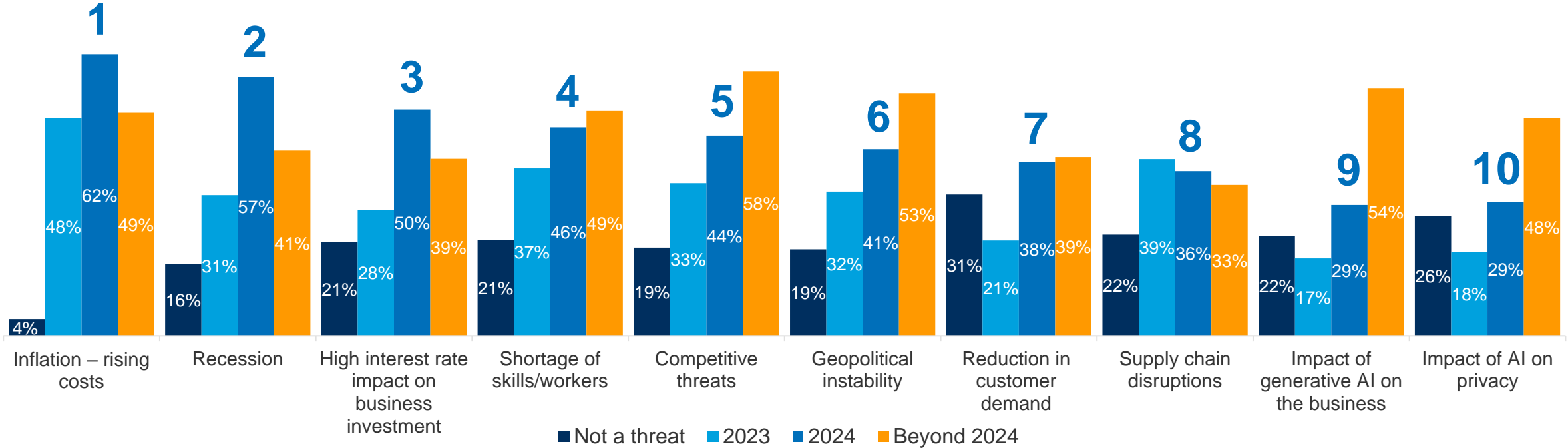
Source: The Hackett Group 2024 Key Issues Study

2024 enterprise perspective and business context

Economic, talent, competitive and geopolitical challenges are widely anticipated in 2024

Inflation, recession and interest rate worries are high for 2024, while shortages of skills/workers and competitive threats round out the top 5 concerns for business services leaders for the year. The impact of generative AI on the business, a technology development that was barely on the radar screen last year, is now cited by 29% of respondents as being a challenge. Beyond 2024, competitive threats, the impact of generative AI on the business and geopolitical instability are perceived to be major business disruptors.

KEY ENTERPRISE THREATS TO BUSINESS SUCCESS



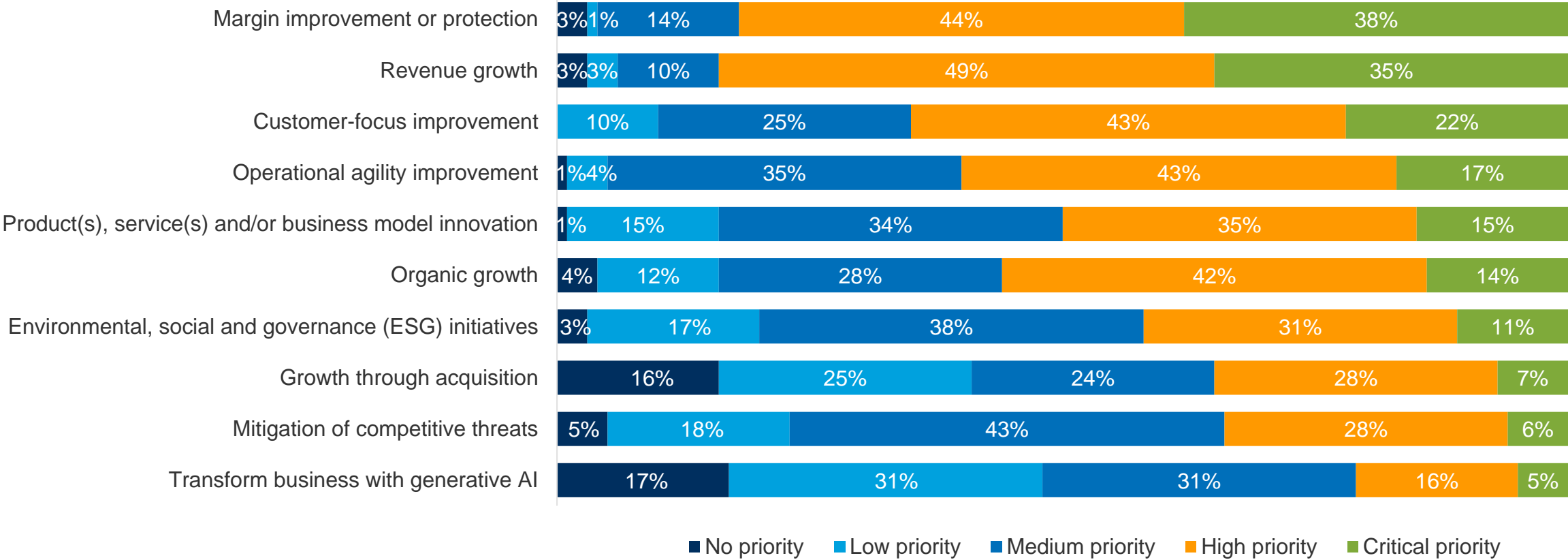
Q. Indicate how long the following threats will have a disruptive impact on your organization.

Source: The Hackett Group 2024 Enterprise Key Issues Study

Organizations continue to emphasize top- and bottom-line growth for 2024

The goals for margin improvement and revenue growth may as well be etched in stone for publicly held companies, as they vie for the top spot in our survey, year in and year out. What's a little different this year is the increased emphasis on customer-focus and operational agility. This speaks to the desire to nimbly respond to shifts in customer expectations and business requirements. Innovation of products, services and business models require investments of resources and leadership attention. New to the list this year is transforming the business with generative AI.

2024 PRIORITY OF ENTERPRISE BUSINESS OBJECTIVES



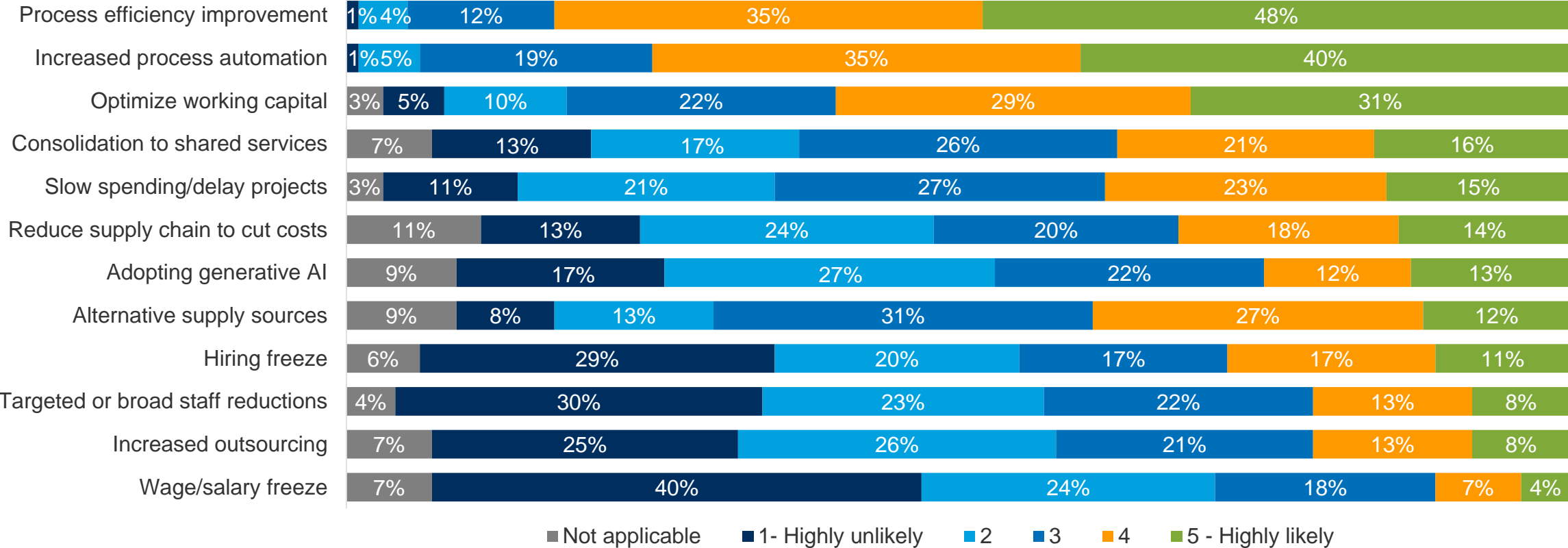
Q. Please rate the following business objectives for your enterprise in 2024.

Source: The Hackett Group 2024 Enterprise Key Issues Study

Cost and efficiency measures dominate the list of risk mitigation strategies planned for 2024

Eighty-three percent of respondents cite that it is likely or highly likely that they will focus on making processes more efficient, making it the top risk mitigation strategy planned for 2024. Close behind is increased process automation, both of which underscore the continued cost and productivity pressures experienced by business services functions. Working capital optimization is also a top risk mitigation strategy for organizations managing historically high interest rates.

ENTERPRISE TOP RISK MITIGATION STRATEGIES



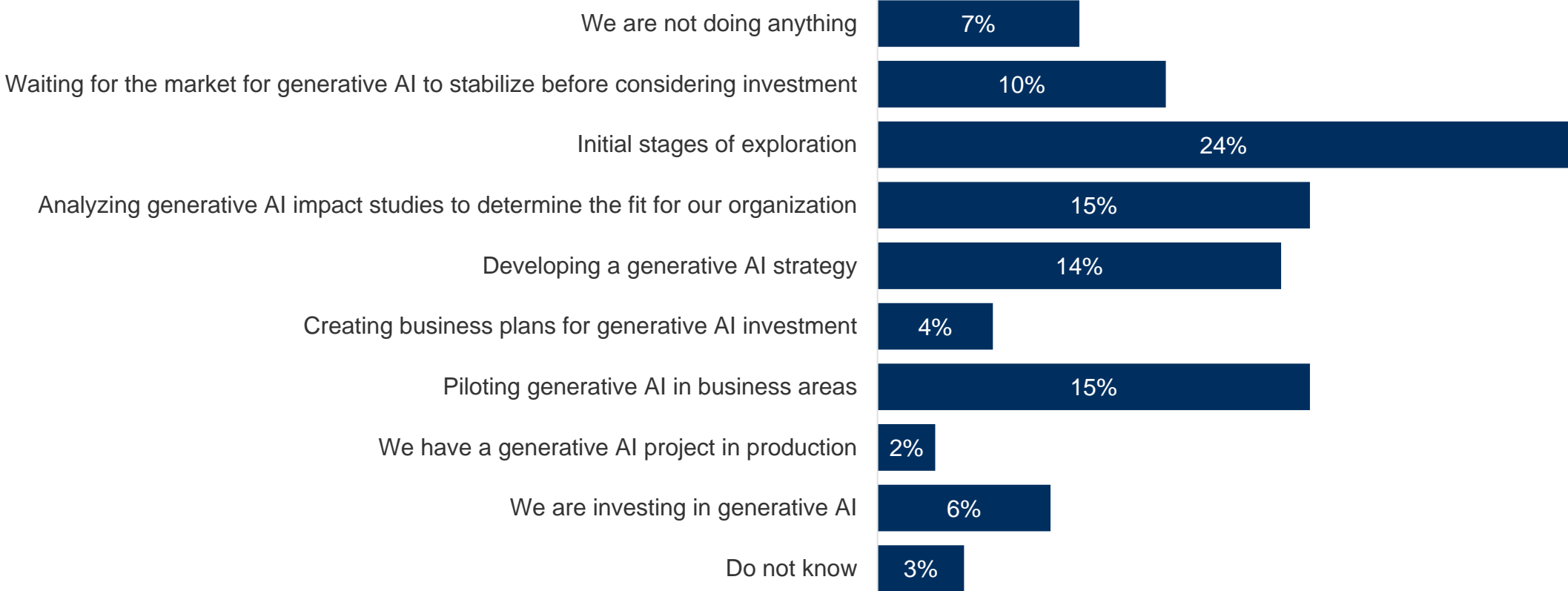
Q. Indicate the likelihood of your organization applying the following mitigation strategies in 2024.

Source: The Hackett Group 2024 Enterprise Key Issues Study

It is still early days for generative AI implementation in business services functions

Most business services organizations are taking a measured approach to generative AI technology. While some are piloting projects, few have pursued deployment, indicating experimentation rather than structured enterprise-level adoption plans. Approximately 17% of organizations are either not proactively doing anything at this time or are waiting for the generative AI market to stabilize before considering investment.

ENTERPRISE STATUS OF GENERATIVE AI ADOPTION



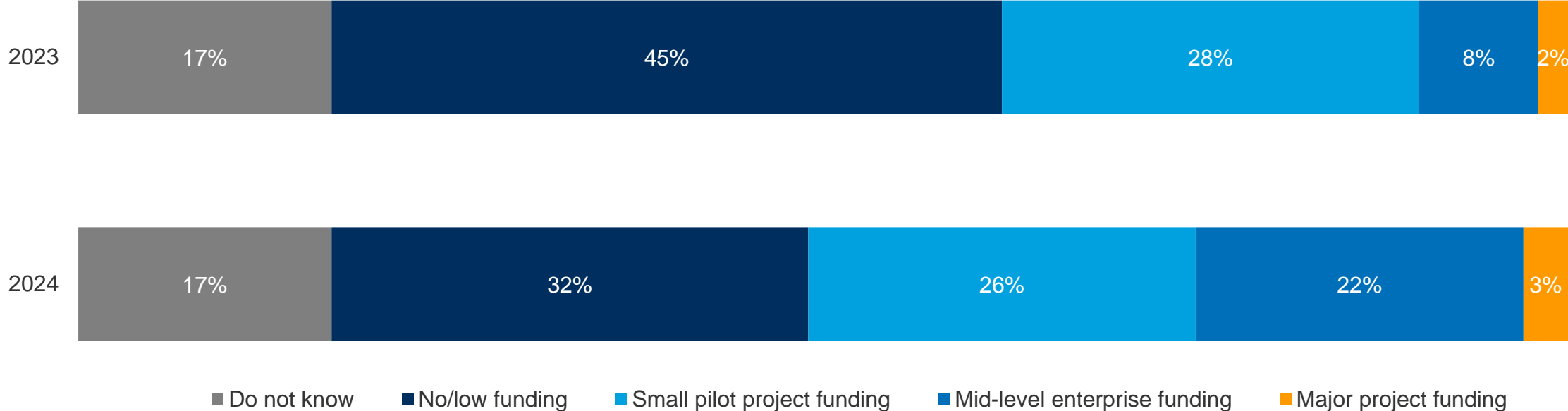
Q. Please describe the generative AI status for your enterprise.

Source: The Hackett Group 2024 Enterprise Key Issues Study

When will business leaders invest in generative AI?

Despite anticipated investment cuts, business leaders expect to gradually increase generative AI funding in 2024. Where current investment in generative AI is taking place, most funding appears tactical in nature with these outlays being characterized as small pilot and mid-level enterprise funded.

ENTERPRISE FUNDING FOR GENERATIVE AI



Q. Have you allocated spending to generative AI (e.g., ChatGPT) for 2023 and/or 2024?

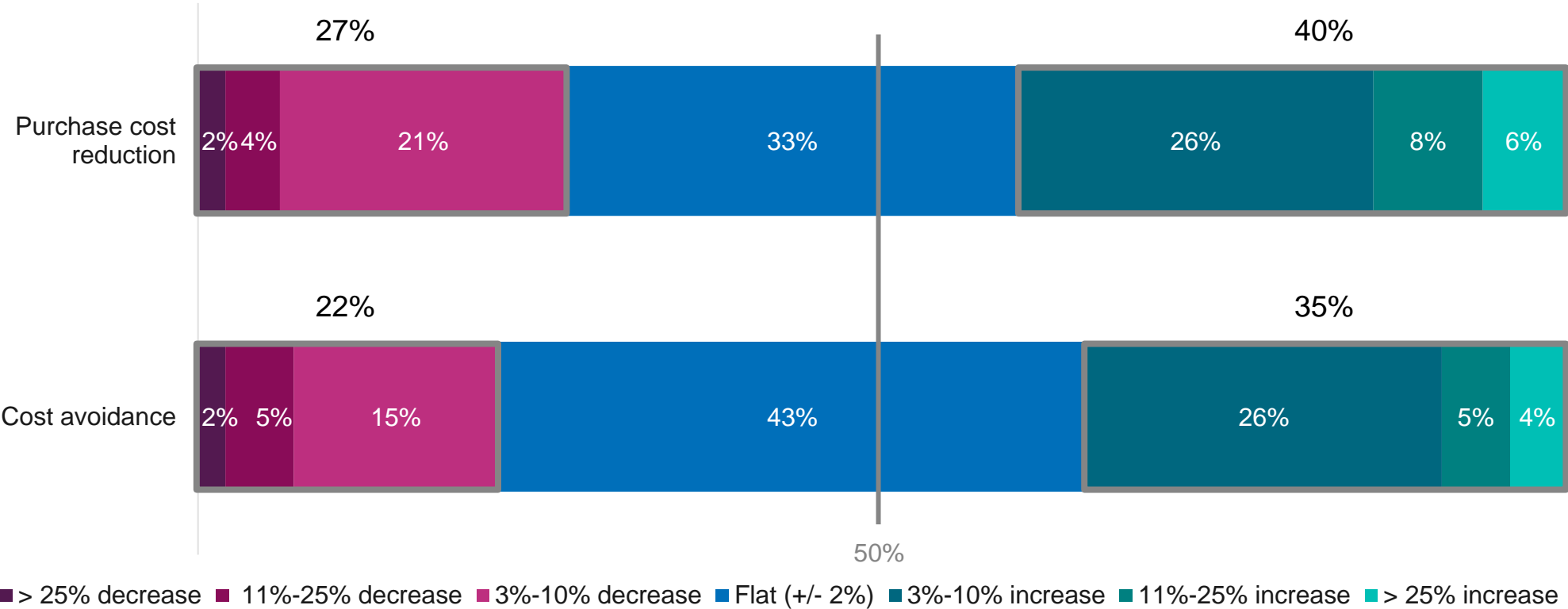
Source: The Hackett Group 2024 Enterprise Key Issues Study

2024 procurement priorities and resources

Projected change in procurement savings for 2024

Procurement teams are projecting higher levels of savings in 2024 compared to 2023 for both purchase cost reduction and cost avoidance. For purchase cost reduction, 27% of participants anticipate a decrease in savings versus 40% who projected an increase. For cost avoidance, 22% of respondents expect a decrease in savings compared to 35% who foresee an increase.

PROJECTED PERCENT CHANGE FROM 2023 TO 2024 FOR PROCUREMENT SAVINGS



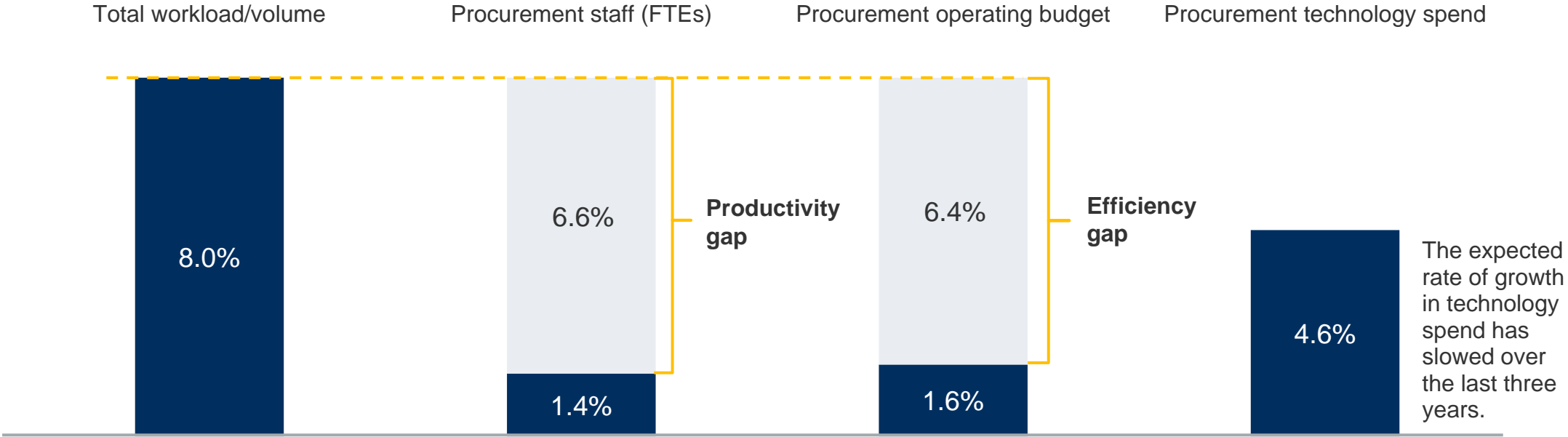
Q. What levels of savings are expected for 2024 compared to 2023?

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Procurement's workload is predicted to increase by 8% in 2024, but with lower increases in both headcount and operating budget

Expectations indicate a productivity gap of 6.6% coupled with an efficiency gap of 6.4%, implying high expectations for the performance of procurement technology. Technology spend is anticipated to grow by an estimated 4.6% in an effort to close productivity and efficiency gaps. Only small increases are expected in 2024 for both levels of staffing and operating budgets, both of which are projecting increases at lower levels than last year.

PROJECTED PERCENT CHANGE FROM 2023 TO 2024 FOR PROCUREMENT WORKLOAD, STAFFING, BUDGET AND TECHNOLOGY SPEND



Q. What is the estimated expected percentage change in workload, staffing levels, operating budget and technology spend in the procurement function in 2024 compared to 2023?

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

2024 top 10 priorities for procurement

1

IMPROVE SPEND COST REDUCTION

Reducing the cost of supplier spend remains a core priority. While the top three priorities remain the same for 2024, the criticality has shifted with spend cost reduction featuring as the primary objective for procurement organizations in 2024.

2

ENSURE SUPPLY CONTINUITY

Supply continuity has moved in second position after two years in the top position. Supply issues remain top of mind for many teams due to ongoing geo-political disruption. Reducing supply disruption is critical to protect revenue and profitability.

3

COMBAT INFLATIONARY PRICE INCREASES

Although rates of inflation have stabilized, and eased in some cases, the economic outlook remains uncertain. As a result, combatting inflationary price increases, high on the priority list. Teams need to use the capabilities developed in this area to manage price inflation closely with suppliers in 2024.

4

ACT AS A STRATEGIC ADVISOR TO THE BUSINESS

Expectations of procurement teams have been increasing as business stakeholders seek support on areas such as supply risk management, digital transformation, and corporate environmental, social and governance (ESG) objectives. Having a “seat at the table” is a key enabler of effectiveness.

5

TRANSFORM THE OPERATING MODEL

Transforming the operating model (e.g., process, technology, people) is a new entrant into the top 10 priorities for 2024. As teams consider factors, such as the need to simplify, increasing business expectations and potential generative AI impacts, the operating model should adapt to meet evolving requirements.

6

PURSUE PROCUREMENT DIGITAL TRANSFORMATION AND MODERNIZE LANDSCAPE

Digital transformation continues to be an essential enabler of procurement organizations’ ability to do more with less through better intelligence and increased speed, customer-centricity and competitive advantage.

7

STRENGTHEN THIRD-PARTY RISK MANAGEMENT VISIBILITY AND CAPABILITY

The focus on third-party risk management remains as procurement teams have struggled to have sufficient visibility to risk and capability to react quickly to the rapidly changing business environment over recent years.

8

IMPROVE ANALYTICS’ AND INSIGHTS’ CAPABILITIES

Procurement recognizes that success requires a data and insight-driven approach. A critical enabler is providing reliable and forward-looking data and intelligence to end users, including capabilities such as modeling and projecting the impact of inflation.

9

EMBED SUSTAINABILITY (E.G., ENVIRONMENT)

The expectations and demands of procurement’s stakeholders (e.g., employees, customers, governments) regarding supplier sustainability (e.g., environment) has maintained this priority in procurement’s top 10 priorities for 2024, up one position from 2023.

10

IMPROVE PROCUREMENT AGILITY (I.E., ADAPT QUICKLY)

Becoming an agile enterprise is increasingly important for businesses, but it requires developing agile behavior at the process level. Being able to pivot to support new stakeholder requirements is critical to effectively support business objectives and stakeholder satisfaction levels.

Q. Please select your organization’s top 10 procurement objectives for 2024. (Select up to 10.)

Q. Please rate the importance of the top 10 procurement objectives for 2024.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Spend cost reduction, supply continuity and inflationary price concerns feature as top priorities again for 2024. Operating model transformation is a new objective for 2024.

2020		2021		2022		2023		2024	
1	Improve cost-efficiency	1	Improve spend cost reduction	1	Reduce risk to ensure supply continuity	1	Ensure supply continuity	1	Improve spend cost reduction
2	Improve spend cost reduction	2	Reduce risk to ensure supply continuity	2	Improve spend cost reduction	2	Combat inflationary price increases	2	Ensure supply continuity
3	Act as a strategic business advisor	3	Act as a strategic business advisor	3	Act as a strategic business advisor	3	Improve spend cost reduction	3	Combat inflationary price increases
4	Accelerate procurement digital transformation	4	Accelerate procurement digital transformation	4	Corporate sustainability	4	Pursue digital transformation and modernize landscape	4	Act as a strategic business advisor
5	Increase spend influence with strategic sourcing	5	Improve procurement agility	5	Accelerate procurement digital transformation	5	Improve analytics' and insights' capabilities	5	Transform the operating model

Q. Please select your organization's top 10 procurement objectives for 2024. (Select up to 10.)
 Q. Please rate the importance of the top 10 procurement objectives for 2024.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

2024 procurement improvement initiatives

Data analytics and reporting is the most popular planned transformation initiative for procurement teams in 2024. This capability is vital to allow procurement teams to unlock the full value potential of supply-side commercial opportunities and fully support the requirements of business stakeholders. The remainder of the priorities are predominately focused on service design and delivery, or in other words core procurement capabilities.

TOP 10 IMPROVEMENT INITIATIVES ON PROCUREMENT'S 2024 TRANSFORMATION AGENDA

1	Data analytics and reporting	Digital transformation
2	Talent management	Human capital
3	Category management	Service design and delivery
4	Strategic sourcing	Service design and delivery
5	Supplier relationship management (SRM)	Service design and delivery
6	Core procurement technology	Digital transformation
7	Sustainable procurement (e.g., environment)	Service design and delivery
8	Third-party risk management	Service design and delivery
9	Contract management	Service design and delivery
10	Strategic business partnerships	Service design and delivery

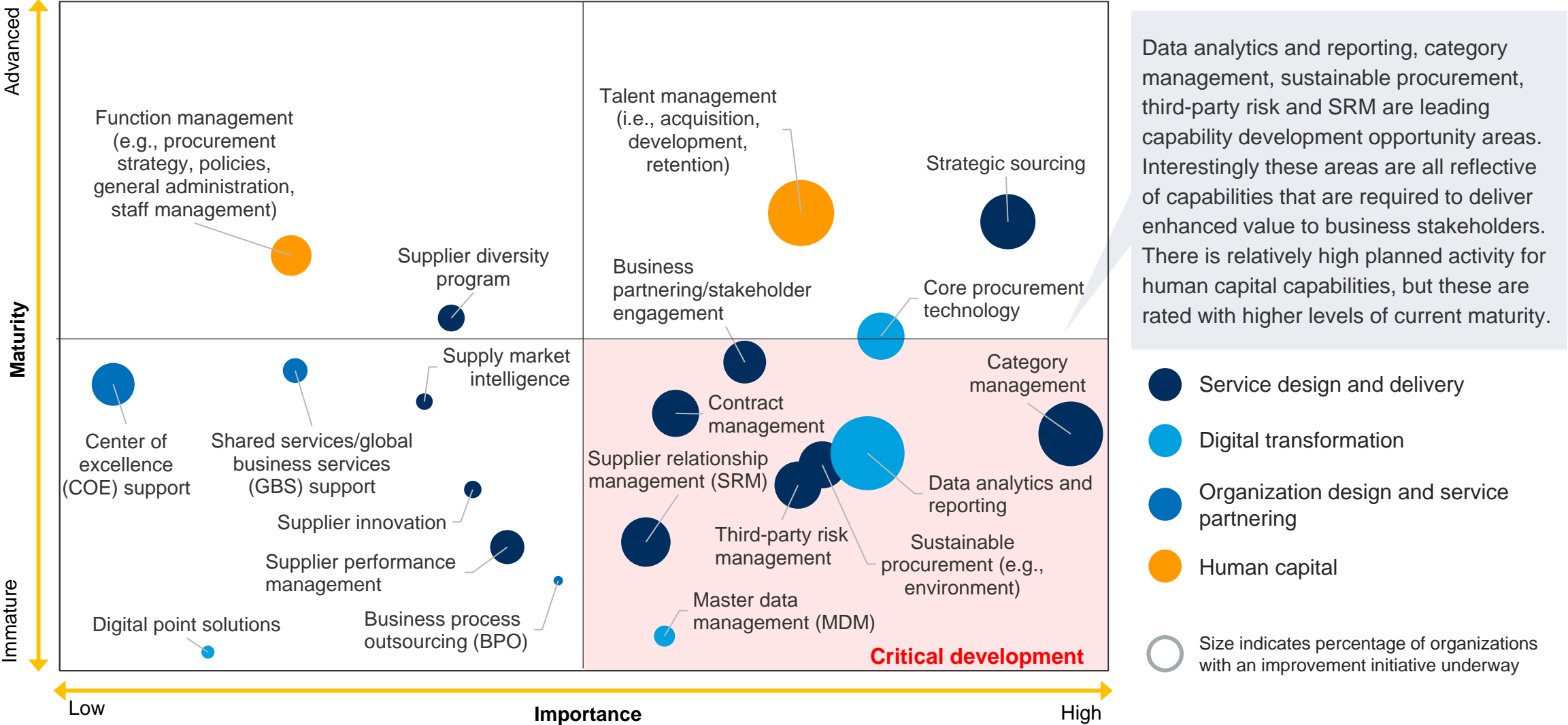
■ Service design and delivery ■ Digital transformation ■ Organization design and service partnering ■ Human capital

Q. Please select the top 10 improvement initiatives on your organization's 2024 procurement transformation agenda. (Select up to 10.)

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

2024 procurement improvement initiatives: Critical development areas

PROCUREMENT IMPROVEMENT INITIATIVES – IMPORTANCE VERSUS MATURITY



Q. Please select the top 10 improvement initiatives on your organization's 2024 procurement transformation agenda. (Select up to 10.)

Q. Please rate the importance and maturity level of the top 10 improvement initiatives on your organization's 2024 procurement transformation agenda.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Technology adoption, growth and value

A myriad of options exist for technology enablement across the source-to-pay landscape

SOURCE-TO-PAY TECHNOLOGY ECOSYSTEM

END-TO-END CORE PROCUREMENT TECHNOLOGIES

Upstream procurement tools			Downstream procurement tools				
Spend analytics	E-sourcing	Contract lifecycle management (CLM)	Services procurement	E-procurement	E-invoicing	E-payables	Supplier onboarding/portals
<ul style="list-style-type: none"> Identify category opportunities Aggregate and report on enterprise spend Cleanse and rationalize spend data 	<ul style="list-style-type: none"> Define requirements Conduct RFx Evaluate suppliers Optimize bids Conduct e-auctions 	<ul style="list-style-type: none"> Create and store contracts Maintain standard templates Manage negotiation workflow Milestone alerts 	<ul style="list-style-type: none"> Manage requisition workflow Benchmark rates Maintain service agreements Track time and approval workflow 	<ul style="list-style-type: none"> Maintain e-catalogs Search approved suppliers Punch-out to supplier catalogs Create requisitions 	<ul style="list-style-type: none"> Input/upload invoices Match invoices Manage discrepancy resolution Approve payments 	<ul style="list-style-type: none"> Electronic payments Third-party payment programs Dynamic discounting solutions 	<ul style="list-style-type: none"> Master data management (MDM) Supplier self-service Supplier registration Certification maintenance

Supporting and emerging procurement technologies

Supply risk management	Supplier performance management	Supplier collaboration and innovation	Category management	Project pipeline and savings tracking	Tail spend management and marketplaces	Sustainability/ESG	Advanced analytics	Data marketplace/data feeds
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Digital automation

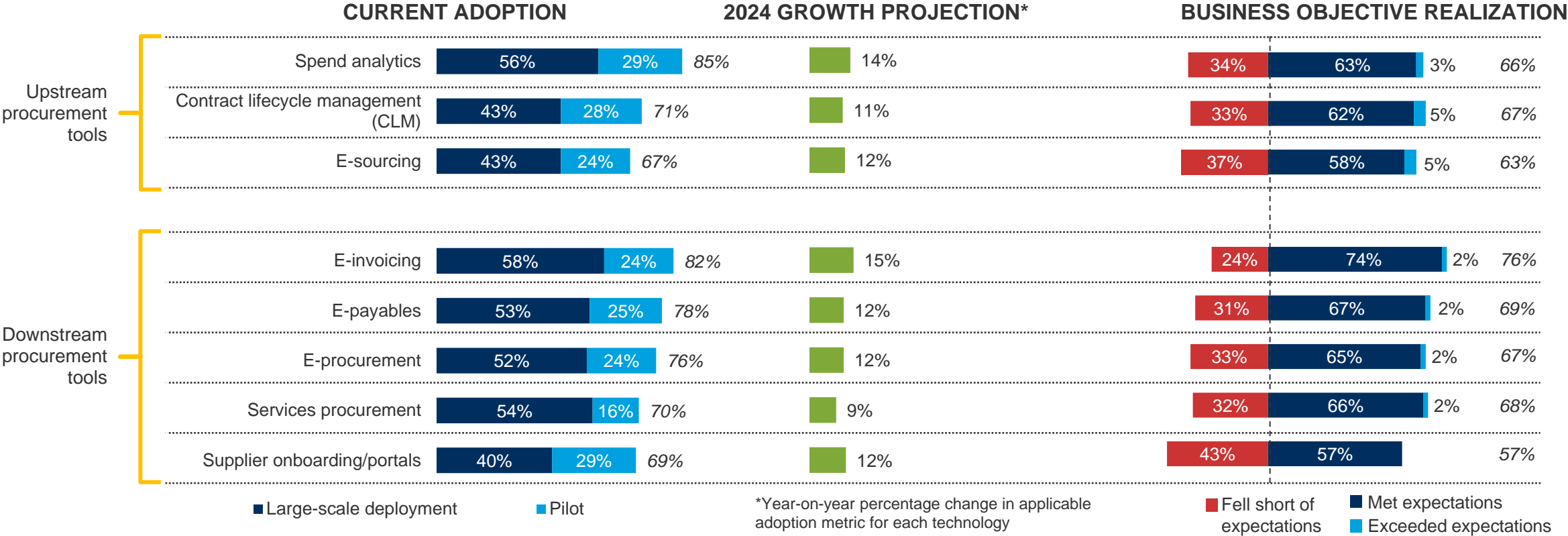
Generative artificial intelligence (Gen AI)	Cognitive automation/artificial intelligence (AI)	Robotic process automation (RPA)	Agile orchestration	Intelligent data capture	Conversational assistant/chatbot	Blockchain
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Source: The Hackett Group

Technology adoption and objective realization: End-to-end core procurement technologies

There is a high level of adoption of end-to-end core procurement technologies with continued growth projected for 2024, demonstrating the importance of technology enablement. Supplier portals and e-sourcing solutions fell short of expectations for more respondents. E-invoicing tools had the highest level of objective realization.

TECHNOLOGY ADOPTION AND BUSINESS OBJECTIVE REALIZATION



Q. What is the current level of adoption and projected change in adoption of system functionality for 2024 to support your procurement function?

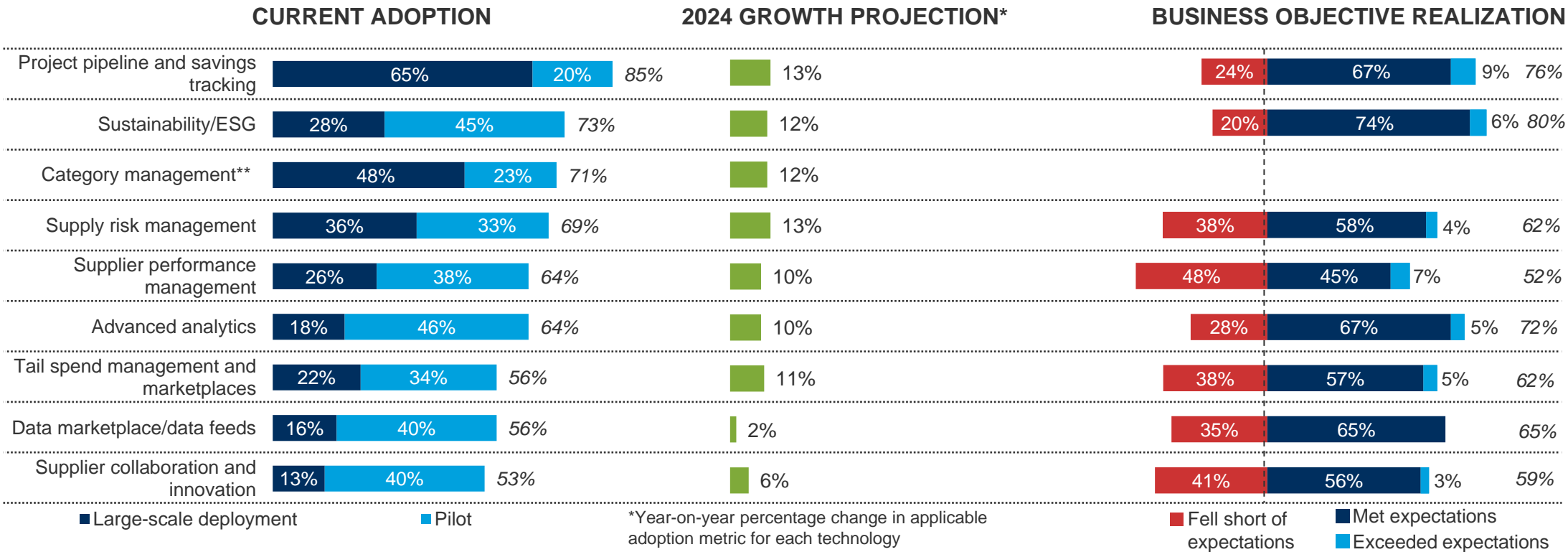
Q. Select the type of solution deployed and the extent to which realization of business objectives met expectations for the following technology projects executed in the procurement function over the last two years.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Technology adoption and objective realization: Supporting and emerging procurement technologies

The adoption of supporting and emerging technologies is not as extensive as the adoption of core technologies. Growth projections for 2024 are modest as well, ranging from 2% to 13%. All fell short of expectations to a certain degree, especially supplier performance management solutions.

TECHNOLOGY ADOPTION AND BUSINESS OBJECTIVE REALIZATION



**Note: No business objective realization results are shown for category management due to insufficient data being collected.

Q. What is the current level of adoption and projected change in adoption of system functionality for 2024 to support your procurement function?

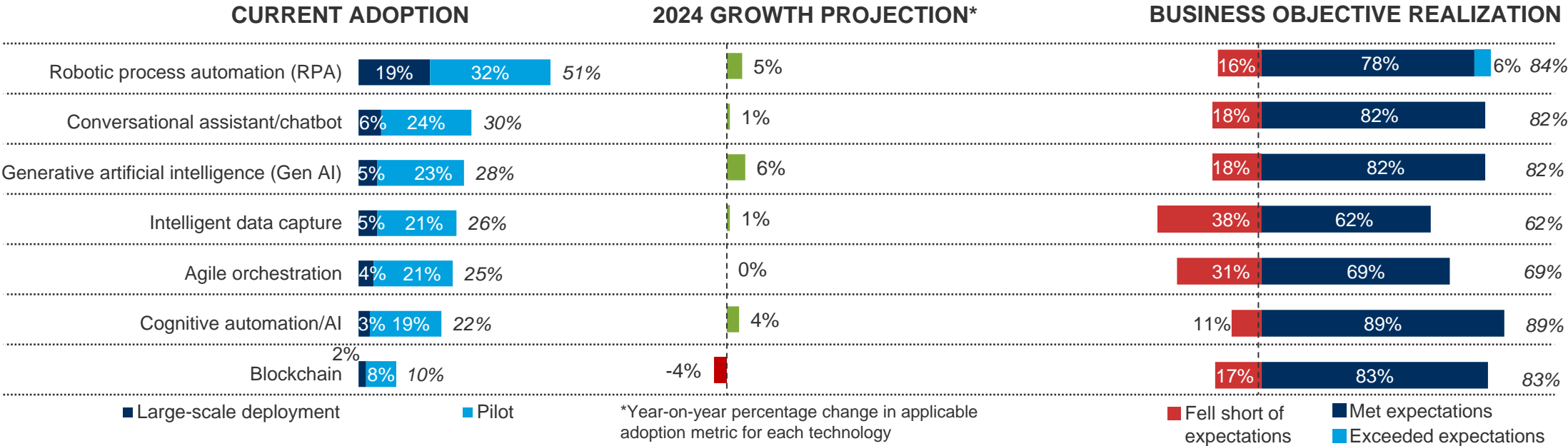
Q. Select the type of solution deployed and the extent to which realization of business objectives met expectations for the following technology projects executed in the procurement function over the last two years.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Technology adoption and objective realization: Digital automation

Digital automation is still not widely adopted, with limited large-scale deployments but with significant piloting of different technologies as organizations explore the best ways to adopt these tools. Despite its relatively recent emergence on the scene, generative artificial intelligence has already been adopted by 28% of teams.

TECHNOLOGY ADOPTION AND BUSINESS OBJECTIVE REALIZATION

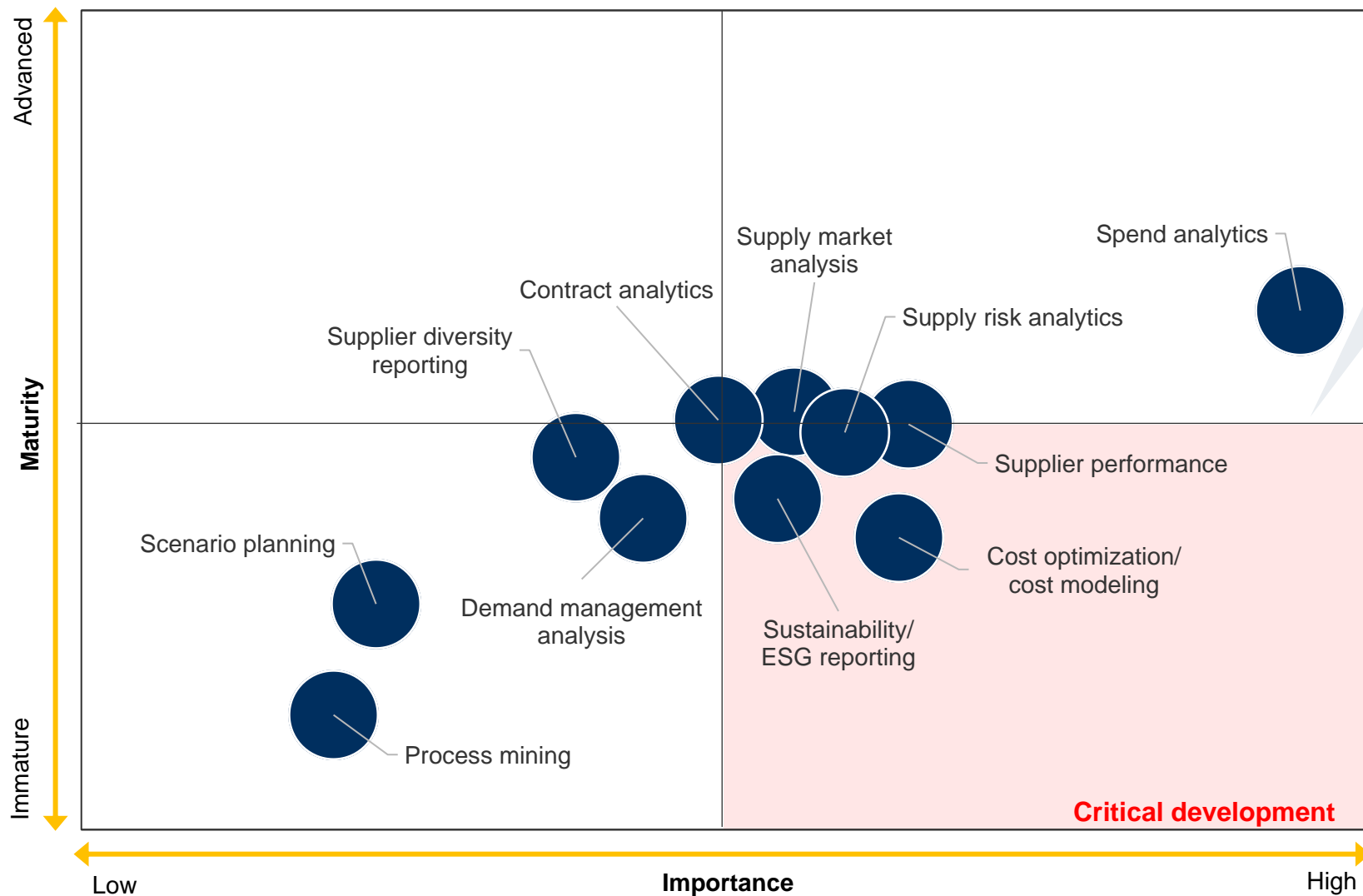


Q. What is the current level of adoption and projected change in adoption of system functionality for 2024 to support your procurement function?
 Q. Select the type of solution deployed and the extent to which realization of business objectives met expectations for the following technology projects executed in the procurement function over the last two years.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Procurement analytics: What insights are required?

PROCUREMENT ANALYTICS INSIGHTS – IMPORTANCE VERSUS MATURITY



Spend analytics was rated as the most important insight, but also has the highest level of current maturity. Other areas with relatively high importance but lower maturity include cost optimization and/or cost modeling, supplier performance insights, supply risk analytics, supply market analysis, and sustainability and/or ESG reporting.

Insights on many of these topic are required to enable the procurement organization to deliver enhanced value to business stakeholders.

Interestingly, process mining and scenario planning, which both support predictive analytics, are given a lower level of relative importance.

Q. Please rate the importance and maturity level of insights currently generated by procurement's data and analytics processes.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Type of solutions deployed

Procurement teams are using suites and point solutions more than ERP systems. Suites are more heavily used for upstream and downstream procurement functionality with point solutions being favored for specialty functionality, such as project pipeline and savings tracking.

System functionality		ERP	Suite	Point solution
Upstream procurement tools	Spend analytics	21%	27%	56%
	E-sourcing	10%	61%	32%
	Contract lifecycle management (CLM)	10%	51%	39%
Downstream procurement tools	Services procurement	27%	46%	29%
	E-procurement	28%	61%	20%
	E-invoicing	33%	45%	23%
	E-payables	43%	38%	22%
	Supplier onboarding/portals	23%	48%	35%
Supporting and emerging procurement technologies	Supply risk management	6%	40%	55%
	Supplier performance management	16%	38%	47%
	Supplier collaboration and innovation	18%	30%	55%
	Project pipeline and savings tracking	6%	10%	86%
	Tail spend management and marketplaces	11%	29%	66%
	Sustainability/ESG	6%	30%	64%
	Advanced analytics	15%	33%	60%
	Data marketplace/data feeds	18%	29%	62%



Note: No solution type results are shown for category management due to insufficient data being collected.


Q. Select the type of solution deployed (multiple selection) and the extent to which realization of business objectives met expectations for the following technology projects executed in the procurement function over the last two years.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Type of solutions deployed (cont.)

Digital automation functionality is primarily being acquired by procurement teams through point solutions. There is opportunity for ERP and suite solution providers to enhance their functionality with the use of digital automation technology.

System functionality		ERP	Suite	Point solution
Digital automation	Generative artificial intelligence (Gen AI)	18%	9%	73%
	Robotic process automation (RPA)	9%	16%	81%
	Agile orchestration	15%	8%	77%
	Intelligent data capture	25%	19%	63%
	Conversational assistant/chatbot	6%	18%	76%

Low ←

→ High

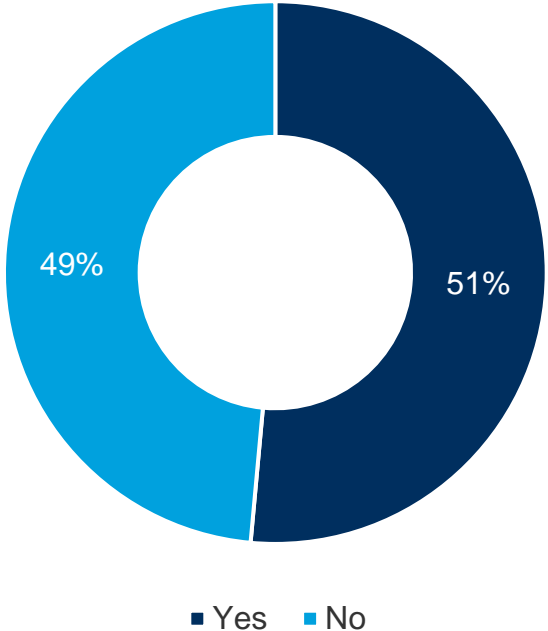
Q. Select the type of solution deployed (multiple selection) and the extent to which realization of business objectives met expectations for the following technology projects executed in the procurement function over the last two years.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Generative artificial intelligence (Gen AI) use opportunity areas

Just over half of procurement teams have started evaluating the use of generative AI in procurement which reflects the still early stages of development of this technology. Of those organizations evaluating generative AI, the most promising opportunity areas are spend analytics and contract lifecycle management which are areas where easy access to accurate data can greatly enhance the effectiveness of procurement personnel.

EVALUATING THE USE OF GENERATIVE AI IN PROCUREMENT



OPPORTUNITY AREAS FOR USING GENERATIVE AI IN PROCUREMENT



Q. Is your organization evaluating the use of generative AI in procurement?
 Q. Which parts of procurement do you think are opportunity areas for generative AI?

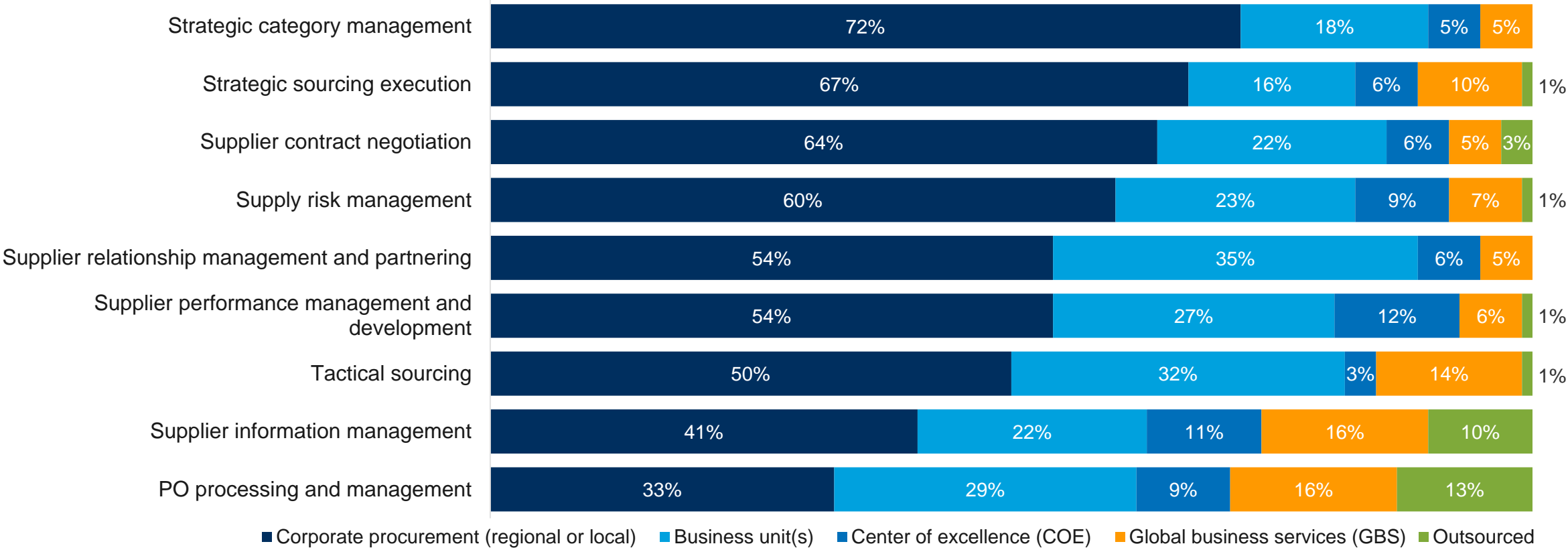
Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Service placement and performance measurement

Service placement for key procurement processes

More than half of the staff managing key procurement processes are based in the corporate procurement team for most processes, with the exception of more transactional processes, such as supplier information management, and PO processing and management. Business unit personnel play a key role in supplier relationship management and supplier performance management. GBS and outsourcing are more likely to play a role in transactional rather than strategic processes.

PROCUREMENT PROCESS SERVICE PLACEMENT



Q. Please enter the percentage of total full-time equivalents (FTEs) supporting the processes below by the different service placement options.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

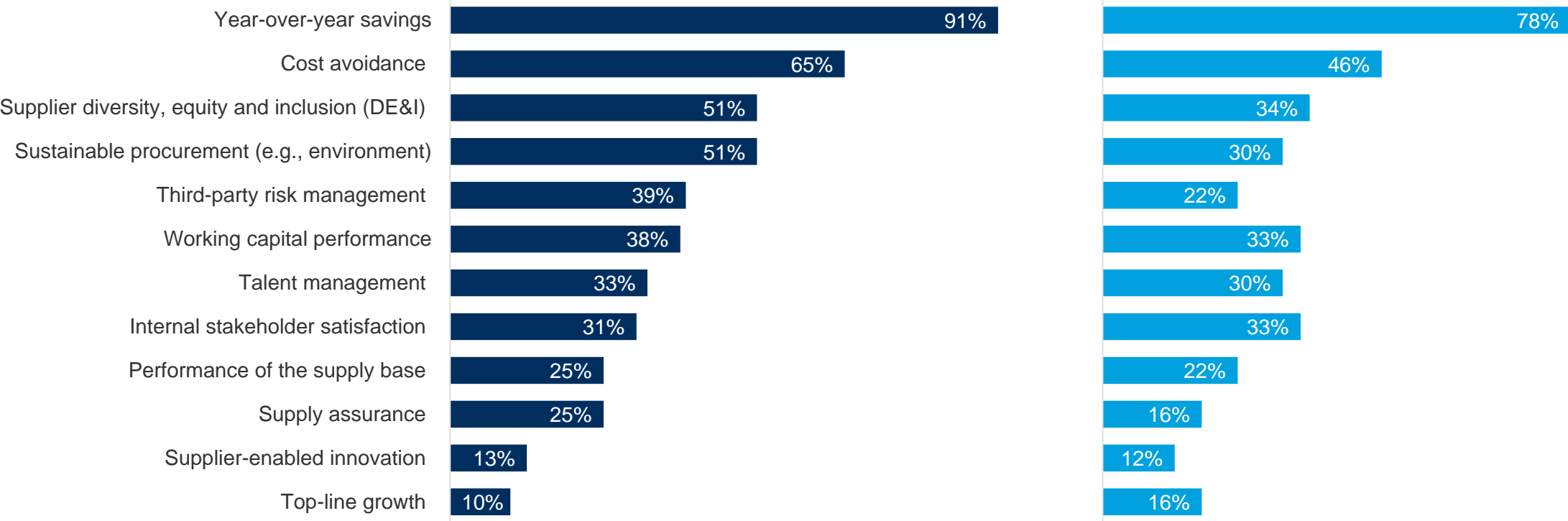
Procurement performance reporting and management team bonuses

The most common elements to be included in dashboards reported to senior company management as well as procurement management team bonuses are year-over-year savings and cost avoidance, which align well with procurement’s primary commercial focus. Supplier diversity and sustainable procurement are also commonly included in senior company management dashboards but are less likely to be a component of procurement management team bonuses.

PROCUREMENT PERFORMANCE ELEMENTS

Included in dashboards reported to senior company management

Component of procurement management team bonuses



Q. What performance elements are included on procurement’s scorecard that are reported to senior company leadership and which are considered when determining procurement’s management team bonuses? (Multiple selections allowed.)

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Conclusion

Conclusion

At the beginning of 2023, most organizations were focused on ensuring supply continuity and combatting inflationary price increases. As the year progressed, headline inflation levels decelerated and many supply markets stabilized to more pre-pandemic norms. The end of 2023 has, once more, seen a flare up in geopolitical concerns with volatility in the Middle East due to the outbreak of the Israel-Hamas war. This has the potential to cause significant economic shock if the region becomes further embroiled in the hostilities. Entering 2024, the economic outlook is, once again, uncertain – with projections for global economic growth to stall or even slow down in 2024. Against this backdrop, it is not surprising that procurement teams are shifting their primary focus to improving spend cost reduction for 2024.

LOOKING AHEAD

As economic disruption and potential geopolitical risk remains a feature of the outlook for 2024, procurement teams will need to adjust their priorities to ensure that they are able to support their business stakeholders to be successful. How will you do more with less? How will you use technology to seamlessly enable your procurement processes? How will you transform your operating model to better support strategic business outcomes?

Ensure to fully consider the following aspects as you chart the course for success for your procurement team in 2024:

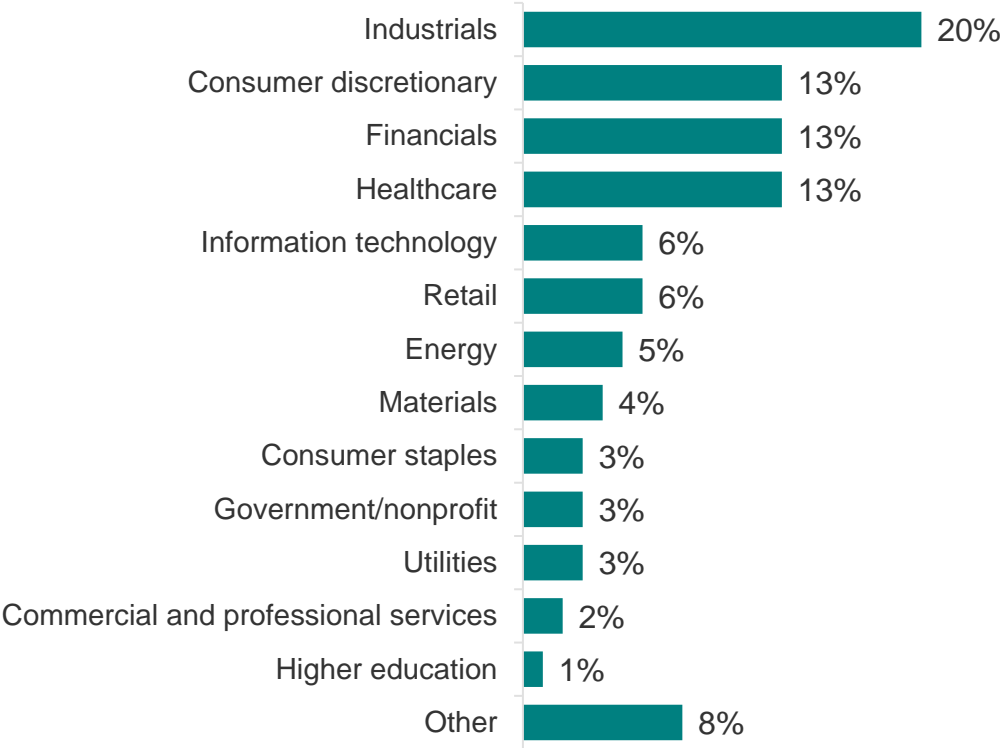
- Enhance capabilities in the team to unlock the full value potential of supply side commercial opportunities and fully support the requirements of business stakeholders. Ensure the ability to support the higher expectations that are being placed on procurement by the wider organization with development of capabilities, such as data analytics and reporting, category management, sustainable procurement, supply risk management and SRM.
- Invest in developing the data analytics capability, especially to drive insights for cost optimization/cost modeling, supplier performance, supply risk analytics, supply market analysis, and sustainability and/or ESG reporting.
- Purposefully architect your technology landscape to get the right balance of the integration provided by ERP and suite solutions, versus the more specialized functionality available from point solutions. Explore opportunities to harness the potential of generative AI, especially in areas such as spend analytics, contract lifecycle management and category management.
- Evaluate how to transform the procurement operating model to reflect the changing nature of work that will be driven by the dual forces of generative AI deployment and the expanding expectations of business partners.

Source: The Hackett Group

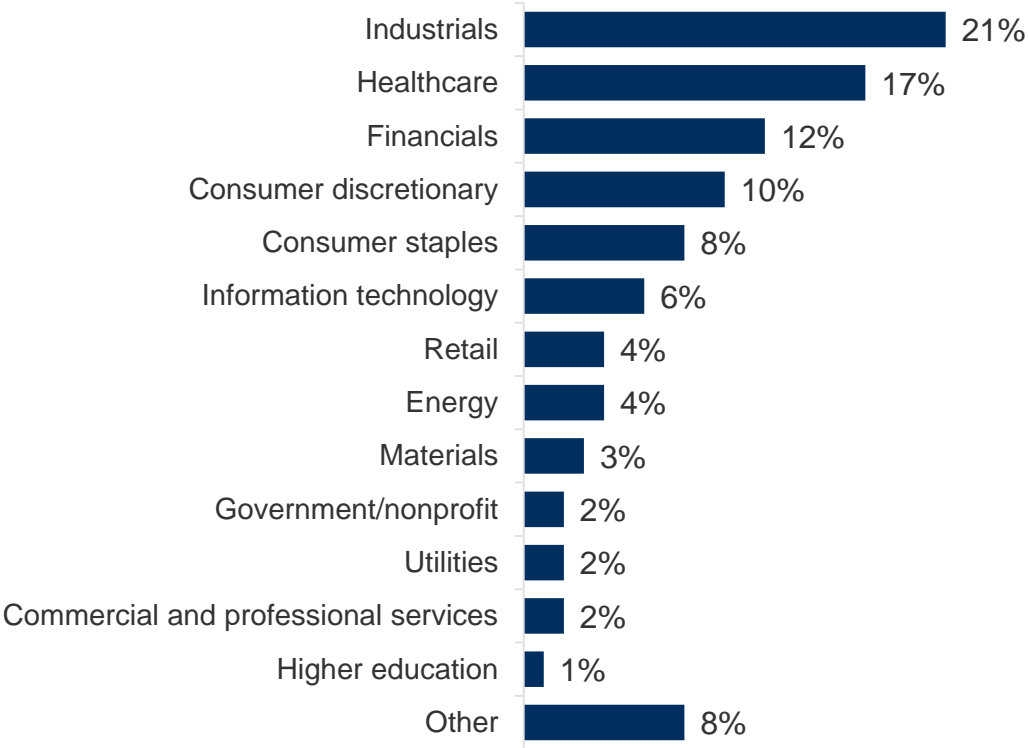
Appendix: Participant profile

Participant profile: Industry sector

PROCUREMENT RESPONDENTS – INDUSTRY SECTOR



OVERALL RESPONDENTS – INDUSTRY SECTOR

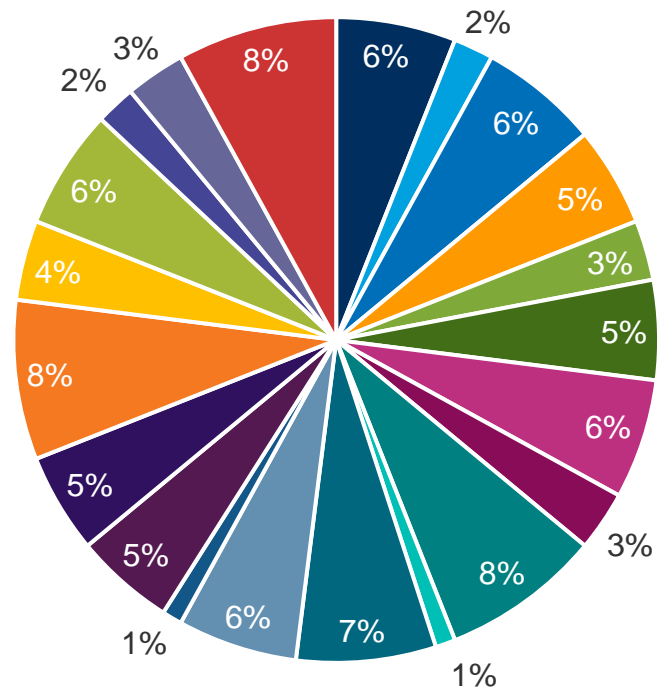


Q. What industry classification(s) best represents your organization? If your organization is diversified and materially operating in multiple industries, select all that apply.

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

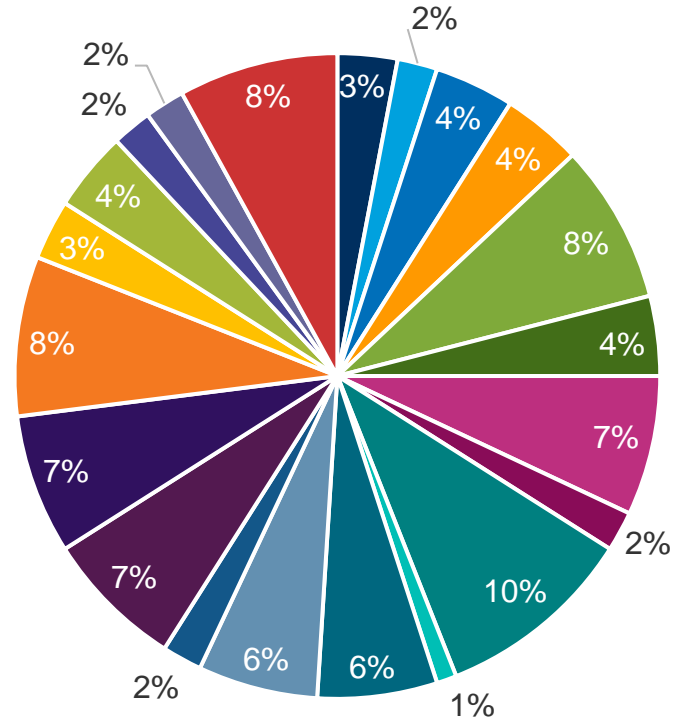
Participant profile: Industry

PROCUREMENT RESPONDENTS – INDUSTRY



- Banks
- Energy
- Industrial
- Manufacturing – process
- Other
- Commercial and professional services
- Financial services
- Information technology
- Materials
- Communications and media
- Government/nonprofit
- Insurance
- Retail

OVERALL RESPONDENTS – INDUSTRY



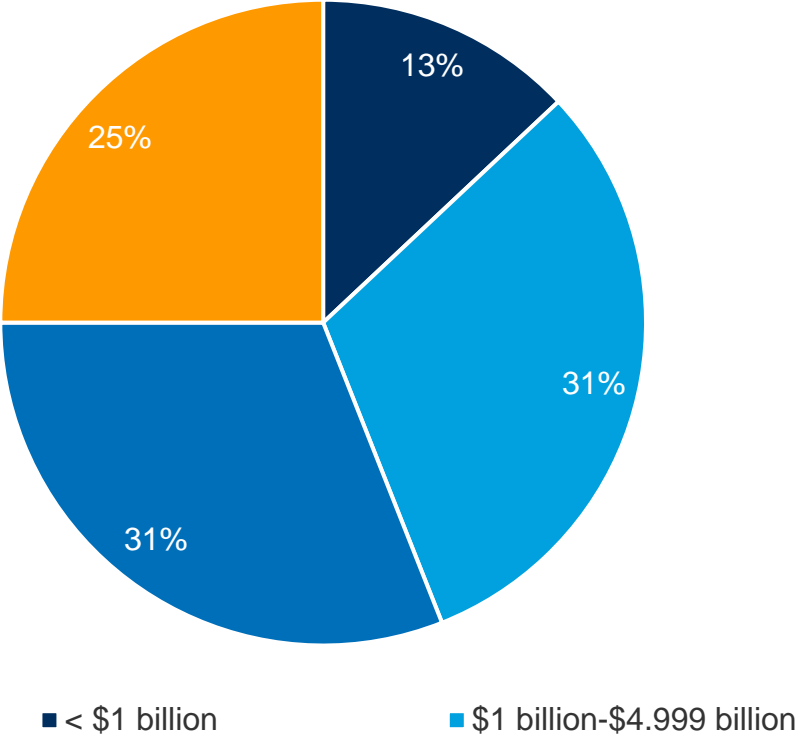
- Consumer discretionary
- Healthcare
- Life sciences
- Travel, transportation and hospitality
- Utilities
- Consumer staples
- Higher education
- Manufacturing – discrete

Q. What industry classification(s) best represents your organization? If your organization is diversified and materially operating in multiple industries, select all that apply.

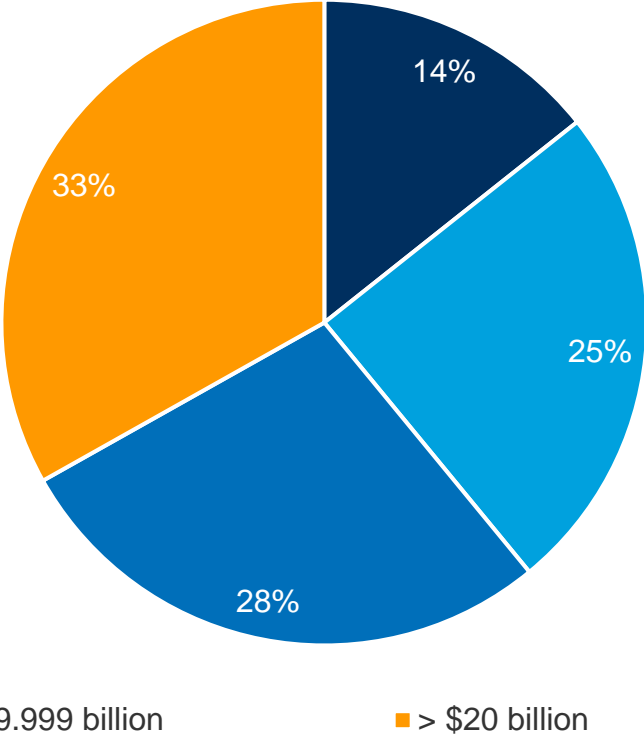
Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Participant profile: Company revenue

PROCUREMENT RESPONDENTS – COMPANY REVENUE



OVERALL RESPONDENTS – COMPANY REVENUE

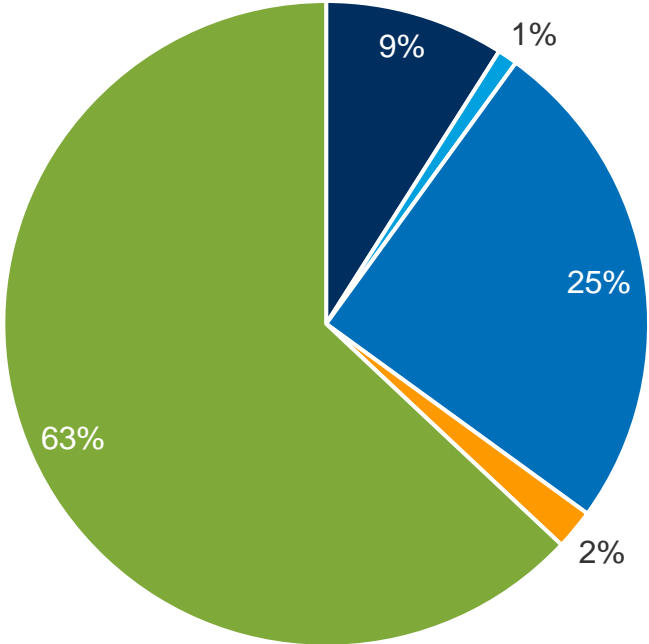


Q. What is the level of revenue of your company?

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

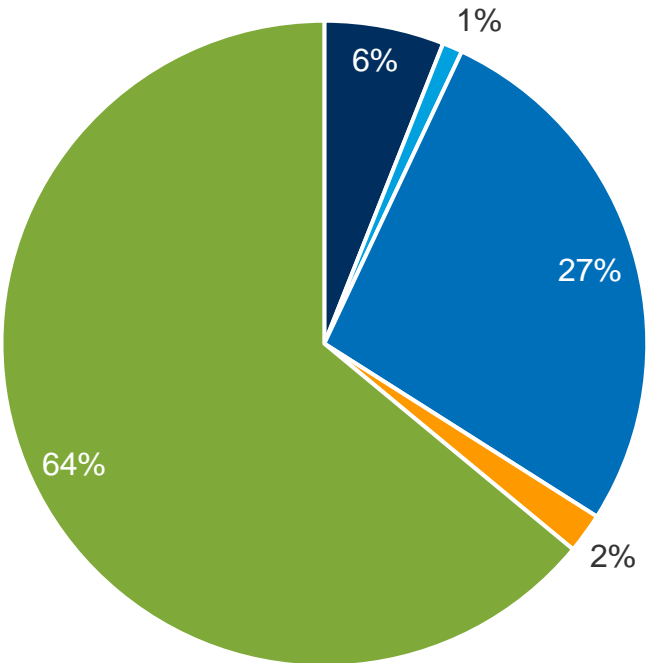
Participant profile: Company headquarters

PROCUREMENT RESPONDENTS – COMPANY HEADQUARTERS



■ Asia-Pacific ■ Central or South America ■ Europe

OVERALL RESPONDENTS – COMPANY HEADQUARTERS



■ Middle East or Africa ■ North America

Q. In which geography is your company headquartered?

Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

AUTHORS

Amy Hillcox

Senior Research Director
Procurement & Purchase-to-Pay Advisory
ahillcox@thehackettgroup.com

Chris Sawchuk

Principal and Global Procurement Advisory
Practice Leader
csawchuk@thehackettgroup.com

Atlanta

1000 Abernathy Road NE
Suite 1400
Atlanta, GA 30328
T. +1 770 225 3600
T. 1 888 842 2538 (toll-free)

London

20 St Dunstan's Hill
London, EC3R 8HL
United Kingdom
T. +44 20 7398 9100

W. www.thehackettgroup.com

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