



## Great procurement relentlessly **pursues measurable financial impacts**

High-performing procurement officers actively pursue every ounce of value, beyond just the lowest price, and strategically influence the vast majority of spend. There are four steps to transforming the image and impact of procurement through finance metrics:

### **Strategically influence vast majority of spend globally**

The more spend procurement touches, the bigger the benefits to both procurement and the entire business. Many procurement organizations touch less than 50% of spend, but the best reach 90%+ by bringing value to all direct and indirect spend categories.

**Procurement Benefits:** Prove yourself crucial to the business, transforming the internal perception of procurement from order-taker to strategic partner.

**Business Benefits:** The larger the spend managed, the greater the impact of any savings generated. For every 10% more spend influenced by procurement, 20% more value is generated.

### **Reduce demand**

Challenge the business to scrutinize every budget item and whether it will drive business results. Use skills such as zero-based budgeting to reduce demand and consumption before focussing on price.

**Procurement Benefits:** Move to analyzing and influencing spend at the most fundamental level. Use benchmarks to reduce demand and help shape the enterprise strategy.

**Business Benefits:** An optimized cost structure, where wasteful spending is reduced and focussed on only the most important areas.

### **Harness benchmarks and data**

Today, suppliers have a significant information advantage over buyers. Harness real-time market intelligence and benchmarks to achieve the best price/value balance.

**Procurement Benefits:** Procurement becomes the go-to source for market insights.

**Business Benefits:** Armed with intelligence, the enterprise can drive double the savings.

### **Drive sustainable results**

Create a continuous, closed-loop process that ensures that all identified and negotiated cost savings are captured.

**Procurement Benefits:** Reputation for delivering promised value means stakeholders will seek your help.

**Business Benefits:** Procurement helps ensure that more than 95% of negotiated savings are achieved.