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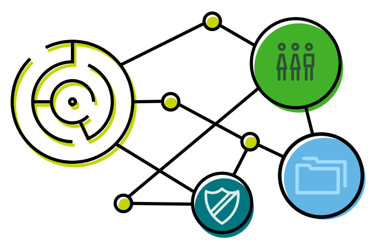
Global CPO survey 10-year lookback

2011–2021

Since 2011, Deloitte has published the annual Global Chief Procurement Officer Survey, highlighting key trends and action-oriented insights in the procurement industry. A precursor to our 2021 Global CPO Survey report, the 10-year lookback explores how the trends have evolved over the past decade.

THEME 1
PRIORITIES



The most successful procurement organizations have greater involvement in and **influence on key business topics** (e.g. M&A, product development).

Since 2011
Cost reduction has consistently been the No. 1 CPO priority.

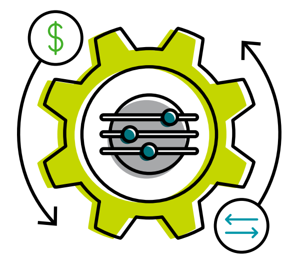
Reducing cost

2.0x
more important than other priorities *in 2011*

1.5x
more important than other priorities *in 2019*

Since 2011
Masters have had a far greater focus on expansion by acquisition (+94% vs. +12% for nonmasters) and an increased focus on new product development, service, and markets (+12% vs. a drop in focus of 11% for nonmasters).

THEME 2
PROCUREMENT LEVERS



The most successful organizations tend to be those that pull a wider variety of **more sophisticated, value-generating tactics.**

Since 2011
The average number of procurement tactics remained relatively constant for high performers, but low performers focused more heavily on a shorter list of less sophisticated tactics (e.g. spend consolidation).

Low performers saw:

15% Reduction in number of tactics used

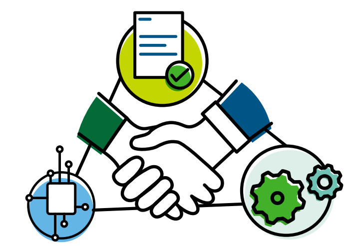
27% Reduction in focus on supplier collaboration

35% Reduction in restructuring existing supplier relationships

Since 2011
Some procurement tactics used to deliver value have changed significantly:

- ↑ **45%** Reducing transaction cost
- ↓ **27%** Restructuring supply base
- ↓ **45%** Reducing demand

THEME 3
BUSINESS ENGAGEMENT



Delivering on expectations is a critical component of effective business engagement and a foundation for **successful partnerships.**

Since 2011
High-performing organizations experienced **1.5x** more C-suite engagement relative to low performers.

Since 2014
High-performing organizations were **4.5x** more likely to be viewed as excellent strategic business partners relative to low performers.

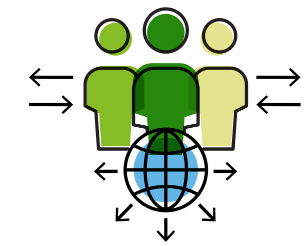
Since 2011
High-performing organizations consistently have strong relationships with Finance.

Expectations of the C-suite have increased

↑ High-performing masters of complexity met expectations and improved engagement scores by 7% *since 2011.*

↓ Those that have not addressed rising expectations experienced a significant drop-off (17% reduction).

THEME 4
MANAGED SERVICES



Organizations have **increasingly turned to managed services for strategic processes** to optimize the allocation of internal talent.

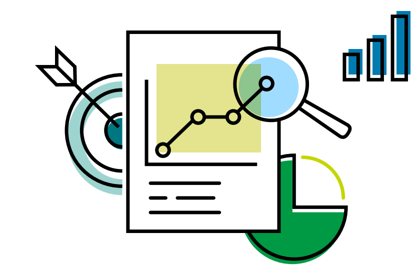
Since 2013
There has been increased managed services for strategic processes such as:
- Business planning and strategy development (increased by **184%**)
- Supplier relationship management (increased by **123%**)

Conversely, there has been decreased managed services for:
- Transactional processes (decreased by **23%**)

High-performing organizations reported that they leverage managed services for key processes such as requisition, operational buying, and supplier relationship management **1.6x** more frequently relative to low-performing organizations.

Since 2013
Expectations for managed services have increased for strategic processes like supplier relationship management (13%) and business planning and strategy development (7%).

THEME 5
RISK



The volatile risk landscape drives the need for procurement organizations to **bolster risk-sensing and scenario-modeling** capabilities.

Since 2011
The procurement-related risk landscape has increased:

7% across all organization types

10% for high-performing masters of complexity

Since 2014
Top-ranked focus areas to manage risk:

1. Supplier collaboration
2. Spend consolidation

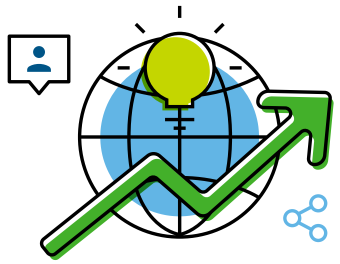
assisted organizations in reducing cost, improving efficiency, and navigating complexity.

However, due to the pandemic, these focus areas are shifting to:

- Cost reduction strategies – **66%**
- Supplier expansion – **47%**
- Digital infrastructure – **25%**

THEME 6

GLOBAL TRENDS



Unprecedented **geopolitical and macroeconomic events** are multiplying the complexity and pace of change CPOs have to manage.

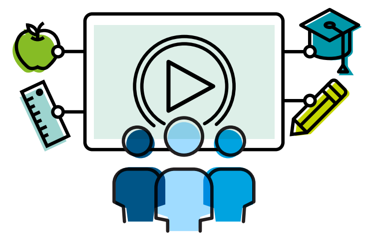
Brexit, 2016–2019
In the EMEA region during the Brexit years, the overall perception of procurement-related risk increased **14%**, versus **8%** globally.

Additionally, the number of procurement organizations in EMEA that exceeded their savings plan decreased by **24%**, while below-plan increased by **43%**.

US-China trade war, 2018 - 2019
Unlike Brexit, the trade war mainly involved changes to tariff thresholds. This seems to have affected the overall perception of risk differently in APAC and North America (increasing only **0.5%** and **2%** respectively) compared to the global average (**6%** increase). In addition, organizations in APAC and North America 'exceeding their savings plans' decreased **47%** and **20%** respectively, while those in North America 'below plan' increased by **108%**.

THEME 7

TALENT DEVELOPMENT



High-performing organizations invest in their talent strategy early, viewing **training and development of employees** as a necessary foundation for success.

Since 2011
High-performing organizations were **2x** more likely to spend **>4%** of their budgets on training than low performers.

Low-performing organizations were **3x** more likely to spend **<1%** of their budgets on training than high performers.

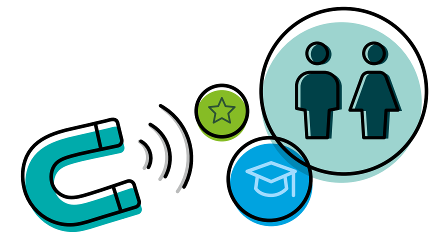
Since 2011
Training budgets have been falling across the board.

This drop has been, on average, **3x** greater for low performers than high performers.

This is a particularly interesting trend, given that procurement organizations are facing talent gaps due to increased difficulty recruiting top talent.

THEME 8

TALENT ACQUISITION



Attracting talent has remained a consistent issue across all types of organizations over the past decade.

Since 2011
High-compexity organizations found it **2.1x** more difficult to attract talent, suggesting that talent necessary to succeed in these environments is increasingly challenging to acquire.

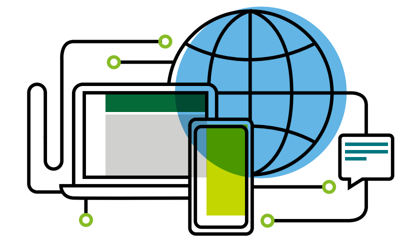
Since 2011
Regarding difficulty attracting talent, procurement organizations have cited

↑ 8%	↑ 45%
for high-performing organizations	for low-performing organizations

This talent trend suggests that as complexity decreases, difficulty attracting talent increases. In other words, top talent is looking to secure roles in top organizations that are pushing the boundaries and driving leading practices.

THEME 9

DIGITAL



Increased **adoption of next-gen digital technologies** enables agility to navigate increasing complexity and enhances ability to deliver value.

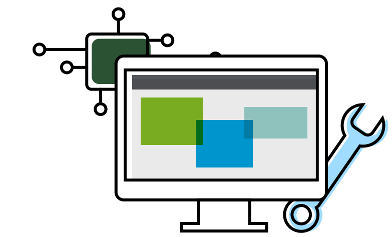
Since 2018
High-performing masters of complexity have higher adoption rates (**~1.5x**) for key enabling technologies such as:

1	Blockchain	↑ 145%
2	Visualization	↑ 122%
3	Robotic process automation	↑ 63%
4	AI and cognitive	↑ 44%
5	Intelligent contract extraction	↑ 40%
6	Predictive analytics	↑ 5%

Since 2018
Across all organization types, our survey found a **98%** increase in the use of five "next-gen" technologies, namely blockchain, visualization, robotics, AI and cognitive, and intelligent contract extraction.

THEME 10

TECHNOLOGY ADOPTION



Remove barriers to allow widespread technological adoption among all procurement organizations. Modernize the procurement organization to be ready for 2030 and beyond.

Since 2013
Quality of data has been cited **2.5x** more frequently than the average of all other barriers.

Adopting digital technologies was cited as the number one challenge for procurement organizations.

Since 2013
Organizations found the following variables to be more or less important as barriers to digital technology:

↑ 67%	Limited senior stakeholder endorsement
↓ 49%	Availability of analytics resources
↓ 33%	Availability of data

2019 Global CPO Survey

The 2019 Global Chief Procurement Officer Survey was conducted in association with Odgers Berndtson and with input from procurement technology analyst firm Spend Matters. The survey gathered input from 481 procurement leaders across 38 countries, representing organizations with a combined annual turnover of $5 trillion USD. The associated survey report highlights a theme of increased complexity across internal and external environments, talent, and digital technologies.

2020 CPO Flash Survey

The 2020 Chief Procurement Officer Flash Survey was conducted between May and June 2020, with a sample of nearly 100 procurement executives from primarily large global organizations headquartered in North America. The Flash Survey report outlines 11 key themes evident in survey results, highlighting trends in procurement leaders' response to COVID-19, both adapting to supply chain disruption and shaping their strategies to thrive in the long term.

2021 marks the 10th anniversary of Deloitte's Global Chief Procurement Officer Survey!

In celebration of this milestone, together with the written report, Deloitte will publish the 2021 Global CPO Survey results in an online Tableau dashboard, available to those who complete the survey in its entirety. For exclusive access to this data, click the button to the right to participate in our CPO Survey.

Participate today

Definitions of organization types

Master of complexity: Identified by assessing the ways in which top-performing procurement organizations handled high degrees of complexity.

High-performing organization: Identified using key performance metrics composed of three indexes: savings plan index, decision-making index, and strategic business partner index.

Let's connect

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