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CPO Rising 2019

#ValueExpansion – "The State of Procurement"

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On October 29 & 30, you're invited to join a select group of Chief Procurement Officers and other business leaders who will come together at the Harvard Club (Back Bay) in Boston for the annual CPO Rising 2019 Summit, an executive symposium brought to you by Ardent Partners.

This exclusive event promises valuable networking opportunities and the interactive exchange of ideas for CPOs and other procurement executives. Attendees can expect to return home with a collection of new and innovative ideas and strategies that will help improve the performance of their organizations and increase the impact their teams have on business results.

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CPO Rising 2019 is an event for CPOs by CPOs. The day and a half summit provides an intimate setting for delegates to connect, network, and share knowledge and experiences. Join an expected 125-150 CPOs and other procurement executives for this exclusive event.

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THE CPO IS RISING IN 2019!

CPO Rising 2019:
#ValueExpansion

In 2019, the procurement profession still has momentum and is more critical to business operations and results than ever before. But, a decade of Ardent Partners research shows that the profession is also approaching a performance plateau. The truth is that the average procurement department has already picked the low-hanging fruit and most of its easy work has been done. The teams that continue to do the same things over and over again will actually get different results (as in increasingly worse). In this context, procurement's new definition of insanity is for a CPO to stay the course and make no changes.

Breaking plateaus and launching into a new performance trajectory demands new and innovative ideas and approaches. It also requires a broad, multi-faceted approach since no single ingredient can alter the overall procurement recipe. To avoid a frustrating and momentum-killing plateau, CPOs must work to elevate their organization's capabilities and gain improvement across a host of areas in a deliberate attempt to rethink what is possible. They will also need catalysts to ignite a new sense of urgency and new sources of value so that their departments can work smarter, expand their mastery, and raise their commitment. Identifying these new catalysts and sources and framing the different ways that CPOs can leverage them is the focus of this CPO Rising 2019: #ValueExpansion report.

This fourteenth annual CPO-themed report is part of an ongoing dialogue that Ardent Partners' analysts have had with CPOs and other procurement leaders for more than a decade. The report examines the general competencies and capabilities of procurement organizations today and highlights the management strategies and tactics that leading CPOs leverage to get the most from their teams. It also presents a comprehensive, industry-wide view into what is happening in the world of procurement and captures the experience, performance, perspective, and intentions of 308 CPOs and other procurement executives. The report includes benchmark statistics, analysis, and recommendations that procurement teams can use to better understand the state of procurement today, gain insight into best practices, benchmark their performance against the Best-in-Class, and ultimately improve their operations and performance.

The State of Procurement

> " *Management is doing things right; leadership is doing the right things.* "
> – Peter Drucker, Consultant, Educator, Author, and the "Founder of Modern Management"

In 2019, Chief Procurement Officers and their teams are standing on the shoulders of giants, watching the Fourth Industrial Revolution disrupt global commerce and beginning to feel the effects. The business world is transforming itself through data-driven innovations and insights, but procurement has lagged behind many of its functional peers within the enterprise. But, as the average age of a procurement staff (and their leaders) has decreased over the last decade, more CPOs continue to view technology investments as a top strategy. In truth, most CPOs see room for immediate improvement and believe that their organizations should be performing better. What has worked in the past is no longer good enough in 2019; it will be even less so in the future. This means that CPOs must take new steps if they are to maintain their momentum or risk falling back. More specifically, procurement teams must continue doing what they have been doing, while also finding newer, more innovative, and more impactful ways to expand the value they create within their enterprise and across their supply chain.

Despite indicators that the procurement industry's overall performance is plateauing, Ardent Partners believes that the function's best and largest opportunities are ahead of it.

A decade ago, Ardent Partners wrote in depth about the need to stay ever vigilant and on the lookout for the new, game-changing ideas in *CPO Rising 2011: 1nnovative 1deas for the Decade Ahead*. A few years later, in *CPO Rising 2014: Convergence*, the growth of procurement's influence and its subsequent convergence with other business functions and units illustrated how innovative, effective, and widespread the procurement function had become. But as has been discussed, procurement's success in driving value – measured by the total spend under its management, the savings it realizes, and the addressable spend that it sources, among other ways – has started to slip. And although respondents to this year's survey feel quite assured with procurement's impact on the organization and the positive trend of that impact, they also provided indicators to the contrary.

Managing the Right Things

While procurement's overall performance metrics have been stagnant this past decade, their impact is being felt to a greater degree by their businesses. As Figure 1 shows (next page), a vast majority of CPOs believe that their procurement organizations either have their procurement resources tightly-aligned with the

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most important business projects and initiatives (27%) or that their procurement resources are generally-aligned and are usually working in unison with the business (52%). The total of those two groups is nearly double the number that was captured by these two groups in 2018. Additionally, 20% of CPOs believe that their procurement resources support the business, but are also strongly focused on its own goals. Almost no CPO considers their team as poorly-aligned and siloed off from the rest of the enterprise. These numbers strengthen the argument that procurement is as agile and impactful as its leaders collectively think it is.

Figure 1: Procurement's Alignment with Enterprise Objectives

1% Tightly-aligned
27% Generally-aligned
20% Partially-aligned
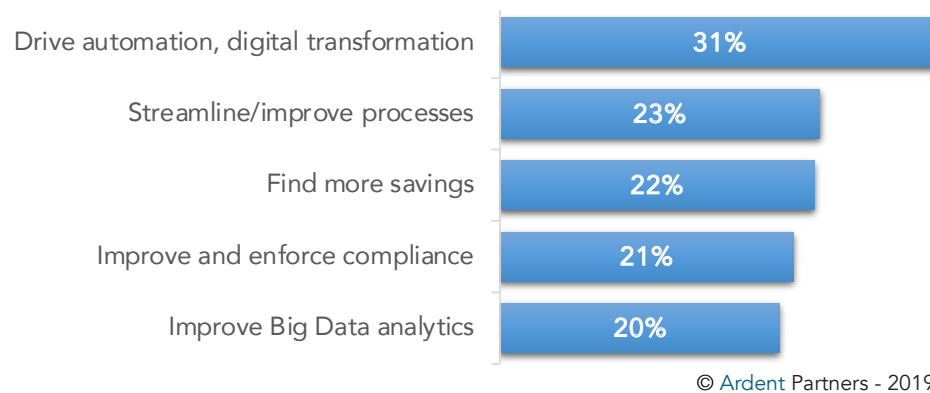52% Poorly-aligned
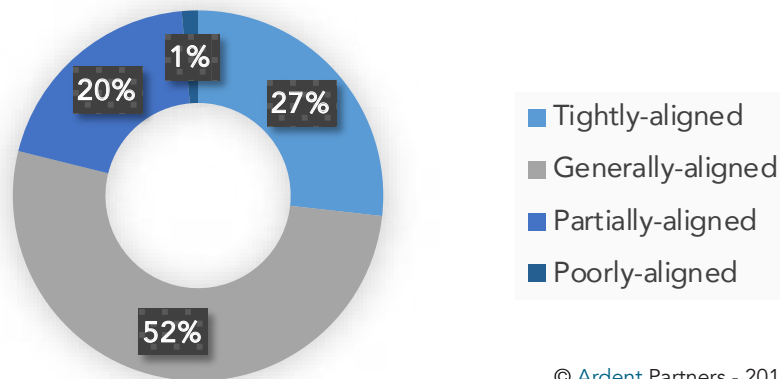
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Different Year – Different Pressures

The specific business pressures that procurement teams face this year suggest that many groups now feel the need to commence a digital transformation, automate and link processes to make them more efficient and effective, and mine Big Data. Unlike in 2018, when the top business pressure for procurement was to communicate its value and performance to the rest of the organization, 31% of respondents stated that they feel most pressured to drive digital transformation by increasing and or enhancing the level of automation (see Figure 2 on the next page). Digital transformation has morphed from a buzzword to a high-leverage strategy. As noted both earlier and below, procurement departments are not aggressive users of technology and by and large, struggle to keep pace with the level of innovation available in the solutions market.

Year after year, Ardent Partners sees sub-par adoption numbers for automated supply management solutions across the source-to-settle value chain; it is no wonder that CPOs and their teams feel downward pressure to automate, transform operations, and align themselves with the rest of the enterprise in the process.

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Figure 2: Top Business Pressures Facing Procurement in 2019

Drive automation, digital transformation	31%
Streamline/improve processes	23%
Find more savings	22%
Improve and enforce compliance	21%
Improve Big Data analytics	20%

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The pressure to automate processes and drive digital transformation for procurement is more urgent than any other business need in 2019. It tops the need to streamline and or improve processes for greater efficiency and effectiveness (23%, a new addition in 2019), and the need to identify more savings (22%), which has steadily declined year-over-year as a business pressure. In fact, the continued decline in procurement's need to identify more savings – from 91% in 2009, at the height of the Global Recession to where it is now – continues the decade's long story of the shift in priorities for CPOs and their teams. There is significantly more to driving value and making an impact than identifying (and realizing) more savings. It remains an important business pressure and a priority for CPOs and procurement at large. But clearly, driving automation and digital transformation, streamlining and improving processes, and

increasing efficiencies and overall effectiveness are the strategic drivers CPOs are focusing on this year to achieve results.
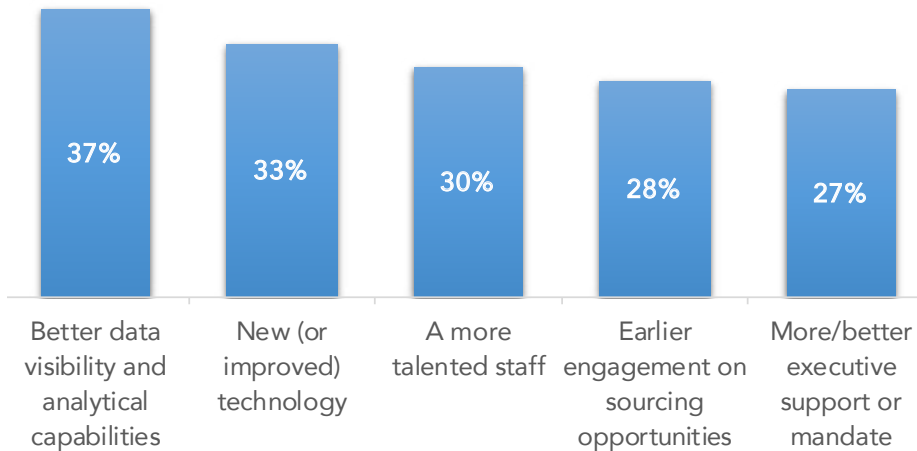
Achieving Next-Level Performance

A logical extension of the business pressures facing procurement in 2019 is an analysis of the resources and catalysts identified by CPOs to reach their next level of performance (or expanded value). The levers they believe are needed to drive their initiatives and improve performance; the strategies they intend to execute upon in order to achieve results; and the challenges or hurdles they encounter or expect to encounter along the way, are significant.

Figure 3 on the next page identifies the primary game changers for procurement, as identified by more than 300 procurement leaders and practitioners in this year's CPO Rising 2019 survey. The research also tells a familiar, logical, and ultimately a reassuring story for procurement: better data visibility can be gained from enhanced analytic capabilities (37%), made possible with new or improved technology (33%), and employed by more talented and technically-capable staff (30%). When viewed this way, it is a simple and fairly straightforward formula for CPOs and their teams to enhance their performance and drive greater enterprise value.

Figure 3: What's Needed to Get Procurement to Next Level of Performance?

| 37% | 33% | 30% | 28% | 27% |

Better data visibility and analytical capabilities | New (or improved) technology | A more talented staff | Earlier engagement on sourcing opportunities | More/better executive support or mandate

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The Intelligence Dividend from Digital Transformation

Over the next few years, a new type procurement intelligence is going to enable CPOs to view their businesses differently and, by doing so, it is going to force these CPOs to manage it differently as well. For procurement, the real catalysts of this intelligence are hiding in plain sight: better data analytics capabilities for greater visibility, better technology, and a more tech-savvy roster of procurement professionals. Procurement does not need to completely transform the way it sources, purchases, and manages supplier relationships and risk for the enterprise in order to scale its next peak. After all, digital transformation is relative and specific

for each business function; what works well for sales and marketing probably could not, or should not, be replicated exactly as procurement's own digital transformation model. The focus should be on systems that increase intelligence and, in turn, identify the best opportunities, manage and support smarter decisions, and improve performance and agility across the value chain.

> *The digital transformation of a procurement department is an opportunity to use technology as a means to reimagine the organization's entire scope of operations and how it performs.*

It is unnecessary (and likely impractical) for CPOs and procurement teams to adopt a digital transformation model where its entire bench-strength is comprised of bots and virtual assistants that all but remove humans from the value chain. Procurement remains, and will remain, a people-driven, people-first function where knowledge workers leverage "smart" technologies to enhance business processes, user interfacing (UI), and user experiences (UX). Remember that the goal of a digital transformation extends beyond baseline efficiency and effectiveness gains to enable the workforce to discover and scale its intelligence. To this end, emerging innovations will allow procurement to:

- Execute on voice commands, like providing status updates on supply chain risk events.

- Overlay supplier, spend, risk, and category data onto video feeds, enabling procurement teams to remotely conduct supplier-site inspections (augmented reality).

- Automatically and intelligently aggregate, cleanse, categorize, and enrich spend data from internal and external sources to conduct a proper spend analysis; then pivot from historical spend and market analysis to predictive analysis and forecasting.

- Automatically transmit data between connected devices and platforms (e.g., from "smart" factory equipment to an ERP or MRO system), and enable procurement teams to proactively replenish stocks, schedule maintenance, or repair/replace equipment.

- Connect buyers and suppliers via Blockchain-distributed digital ledgers; enable them to sign "smart contracts;" attach trade documents to shipments; establish product provenance; and gain end-to-end, real-time supply chain visibility.

These examples of analytic and data-driven technologies are not radical; in fact, they are operational today and represent use cases for h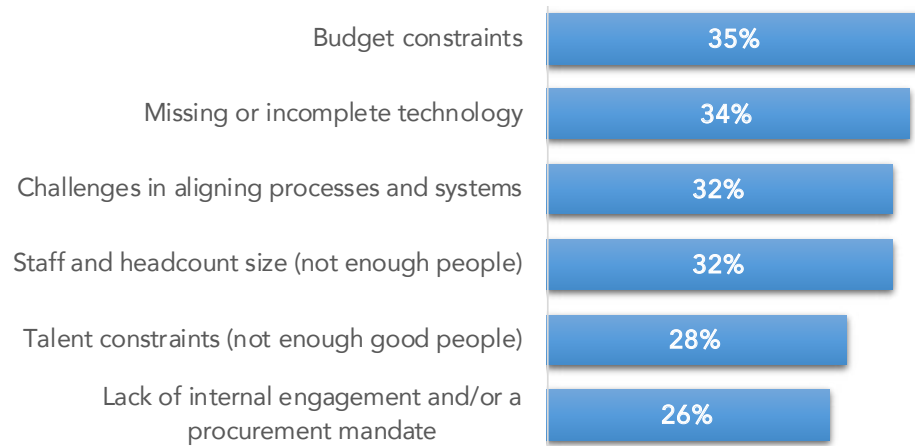ow procurement teams can adapt Industry 4.0 technologies to enhance operations. Some of these are even "plug-and-play" tools (like virtual assistants), and do not require lengthy training or special skillsets. And the truth is, these analytic technologies just scratch the surface; Ardent Partners anticipates a rash of procurement technology innovations will emerge in the next decade that will help the function ascend to the next level of performance.

Procurement's Underdog Story: Rewritten for 2019

Most good stories need balance in order to become great ones: heroes and villains, protagonists and antagonists, or a troubled protagonist that overcomes his/her own demons to achieve success (and redemption). That is the appeal of the underdog story. Most people can relate to the "Little Guy", and are pulling for him/her to cast off the invisible hand of adversity, get back on their feet, and have another go at it. Procurement's underdog story for 2019 casts itself opposite the proverbial usual suspects standing in its way (Figure 4 on the next page) as it strains to scale newer peaks, or perhaps retake lost ground. But, these obstacles are not insurmountable; there are plenty of opportunities for a Cinderella story to be told.

Figure 4: Top Hurdles to Achieving Procurement's 2-3 Year Objectives

Hurdle	Percentage
Budget constraints	35%
Missing or incomplete technology	34%
Challenges in aligning processes and systems	32%
Staff and headcount size (not enough people)	32%
Talent constraints (not enough good people)	28%
Lack of internal engagement and/or a procurement mandate	26%

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Once again in 2019, budget constraints continue to hamper procurement's efforts to achieve its two-to-three year objectives – yet only 35% of respondents rate them as the chief hurdle to success (down from 46% in 2018). At first glance, it appears to have gotten easier for CPOs to secure adequate funding for their teams to invest in new technologies or technology enhancements. However, nearly as many procurement teams are hamstrung by missing or incomplete technology (34%) – and as noted above, a similar number of CPOs feel pressured to drive a digital transformation.

Another challenge for procurement: it still struggles to align its processes and systems with the rest of the organization (32%) –

although less so in 2019 than in previous years. Remember that procurement transformation does not occur in a vacuum – it occurs in parallel with other business units' transformation projects. Thus, it is even more crucial for CPOs and their teams to communicate and collaborate early with their partners, particularly in accounts payable/finance, to ensure that their digital transformation efforts complement each other, or at minimum, are compatible. It is easier to plan and prepare for technology adoptions with internal partners and select a business solution or solutions that both partners can work with, than to adopt a solution that, in hindsight, is incompatible, and then develop and implement a custom integration or process workaround. Chief Procurement Officers and their teams need to engage earlier, seek input earlier, and better prepare for technology deployment projects in order to overcome the lack of process and systems alignment.

What is also interesting is that procurement teams are slightly more challenged by the lack of staff (32%) than by the talent constraints associated with not having enough good people (28%). Perhaps the "intelligent" nature of new Procurement 4.0 technologies, with their "turn-key," touchless, and self-service features, are making procurement software more accessible to a wider array of staff and end-users, which makes it less critical for CPOs to hire candidates with advanced or niche skill sets.

Lastly, roughly a quarter of respondents (26%) regard the lack of internal engagement and/or a procurement mandate to be a major

headache for the function – and understandably so. With little or no engagement with other internal stakeholders and nary a mandate, it can be difficult – if not impossible – to successfully implement a digital transformation effort for the reasons described above. Procurement has too many moving parts that need to connect to other business functions along the supply management value chain for it to not engage early and often with stakeholders. Procurement teams that continue to operate in business silos, have adversarial relationships with other internal business units (plus their supplier base), only respond to mandates, and only engage when they feel they need to, if at all, are setting themselves up for failure. There is simply too much innovation and market potential for procurement to not engage, communicate, and collaborate. Procurement must do all three.
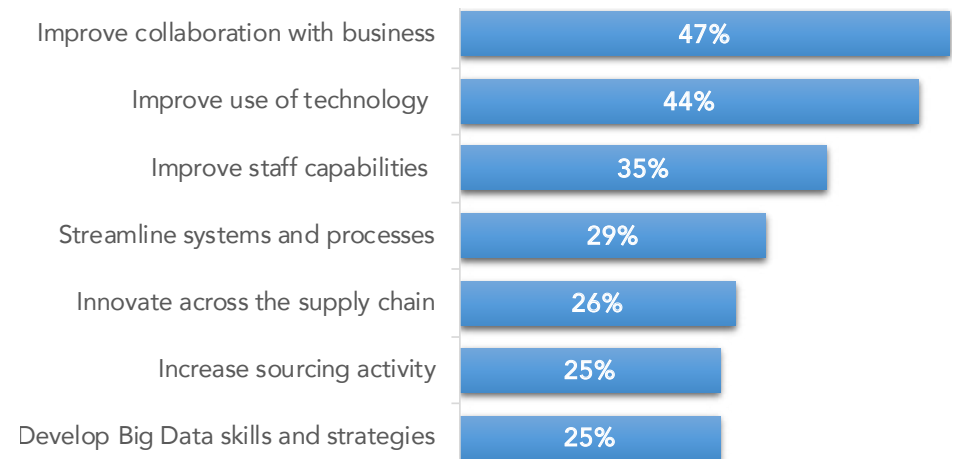
Procurement's Triumvirate: Strategies, Processes, and Technology Adoption

The subtitle of CPO Rising 2019 is #ValueExpansion in large part because it is Ardent Partners' view that the procurement function must increase both its influence and performance in order to stay relevant. Chief Procurement Officers and their teams simply cannot continue to execute as they have on strategies, goals, and objectives without adjusting them for the changing business world and the pressures that act upon them. The business world is different in 2019 than it was in 2009, when a whopping 90% of CPOs and procurement teams felt most pressured by the need to cut costs and increase savings. Today, that pressure barely hits the

radar screen (22% see Figure 2, page 7), as new pressures (e.g., the need to automate and drive digital transformation) coupled with legacy challenges (e.g., lacking data, good data, technology, and talent) are compelling CPOs to reexamine their business strategies for 2019 and beyond.

Procurement Operations: Strategies

Figure 5: Top Strategies to Drive Initiatives and Improve Performance

Strategy	Percent
Improve collaboration with business	47%
Improve use of technology	44%
Improve staff capabilities	35%
Streamline systems and processes	29%
Innovate across the supply chain	26%
Increase sourcing activity	25%
Develop Big Data skills and strategies	25%

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Mindful of where the function is in 2019 and where it needs to go, 47% of respondents to Ardent's survey indicated that improving internal collaboration and communication is their top strategy for expanding procurement's value (Figure 5 above). Procurement leaders are placing their first bet on people – not on processes or

technologies. This should reassure those wary readers that they will, in all likelihood, not be automated out of their jobs. Procurement is, and will remain, a people-first business function that relies on strong and consistent communication and collaboration across and outside of procurement's four walls.

Greater communication and collaboration rated slightly higher than pursuing a digital transformation by adopting new technologies or enhancing existing ones (44%), suggesting that although procurement remains a people-first function, practitioners need new or improved tools in order to maximize their potential. Business platforms and applications are to procurement as tool boxes and tools are to tradesmen: they enable skilled people to execute on strategies, goals, and objectives, and transform raw materials into something tangible, practical, and even artistic.

Moreover, 35% of CPOs regard improving staff capabilities with more or better training, and better hiring and retention practices as their third top strategy. Like all tradesmen, procurement practitioners need solid training, continuous refinement of their skills, an exposure to new and innovative techniques and tools, and a career ladder that incentivizes them to continue their climb up the ranks. This is especially true as the "War for Talent" rages with 4% unemployment in the U.S.: hiring and retaining experienced, skilled, and talented staff is harder today than it was ten years ago when the unemployment rate topped 10%.
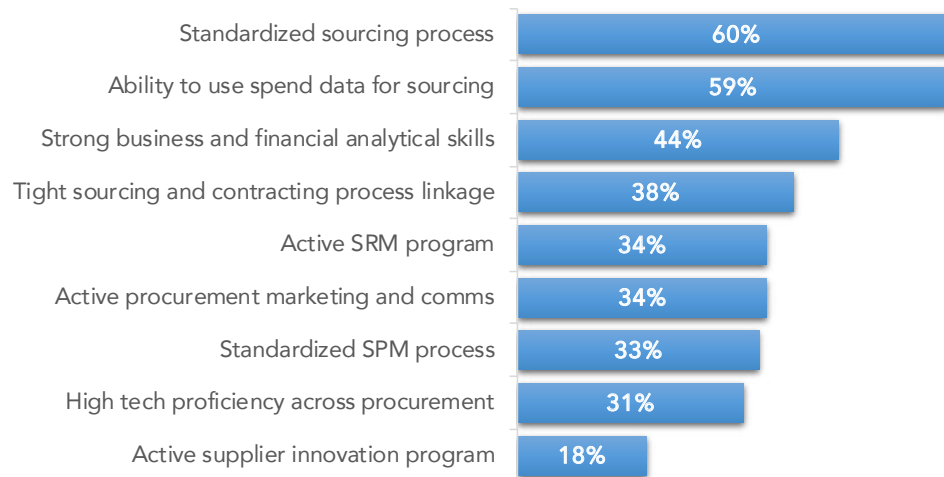
Procurement leaders, like all business leaders, need to think strategically about their staff and their staffing needs – both short-term and long-term. Take for example finished carpenters. They did not wake up one day, pick up a hammer and nails, and go to work; they began, probably, by helping their parents make repairs or build structures on or around their own homes. Maybe they took a shining to wood shop in high school, or went to a technical or trade school, graduated and became an apprentice carpenter. Maybe they stuck with the trade for a few years, worked and learned under a mentor, and became a full-fledged carpenter themselves. From there, they might have went on to become a master carpenter or a finished carpenter, mentoring young apprentices of their own. The point is that continuous learning and training, and opportunities for growth in the role and in the profession, are necessary in order to reach the next level-step in many different careers – not the least of which is procurement.

Procurement Operations: Process Capabilities

The majority of procurement teams today have a standardized sourcing process (60%) and also have the ability to leverage spend data for their sourcing events (59%). These two complementary capabilities are the runaway leaders of a group of process capabilities polled by Ardent Partners this year. The fact that a majority of procurement teams can leverage their spend data to drive sourcing events through a standardized sourcing process is a net positive for this cohort.

Figure 6: Procurement's Top Process Capabilities

Capability	%
Standardized sourcing process	60%
Ability to use spend data for sourcing	59%
Strong business and financial analytical skills	44%
Tight sourcing and contracting process linkage	38%
Active SRM program	34%
Active procurement marketing and comms	34%
Standardized SPM process	33%
High tech proficiency across procurement	31%
Active supplier innovation program	18%

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Unfortunately, the levels of process capabilities drop off sharply from there (see Figure 6 above).

- Less than half of respondents (44%) indicated that their teams have strong business and financial analytical skills. This calls into question how well they can leverage spend data for sourcing and how well they can engage new stakeholders.

- 38% of procurement teams have tightly linked their sourcing and contracting processes in order to plug savings leakage and drive compliance.

- 34% of teams have an active supply risk management ("SRM") program, which is worrisome considering the wide range of risks facing most businesses.

- 34% of CPOs have an active marketing or communications plan for procurement to spread awareness of its mission, mandate, and success. This gap can constrain future efforts to win a bigger slice of the budgetary pie.

- Only a third of respondents (33%) have a standardized supplier performance management ("SPM") program, which exposes the enterprise to additional financial, operational, and public relations risk vis-à-vis their supplier base.

- 31% of procurement teams reportedly have a high degree of technological proficiency across their operations, which is another proof point that a minority of procurement departments have achieved a real digital transformation.

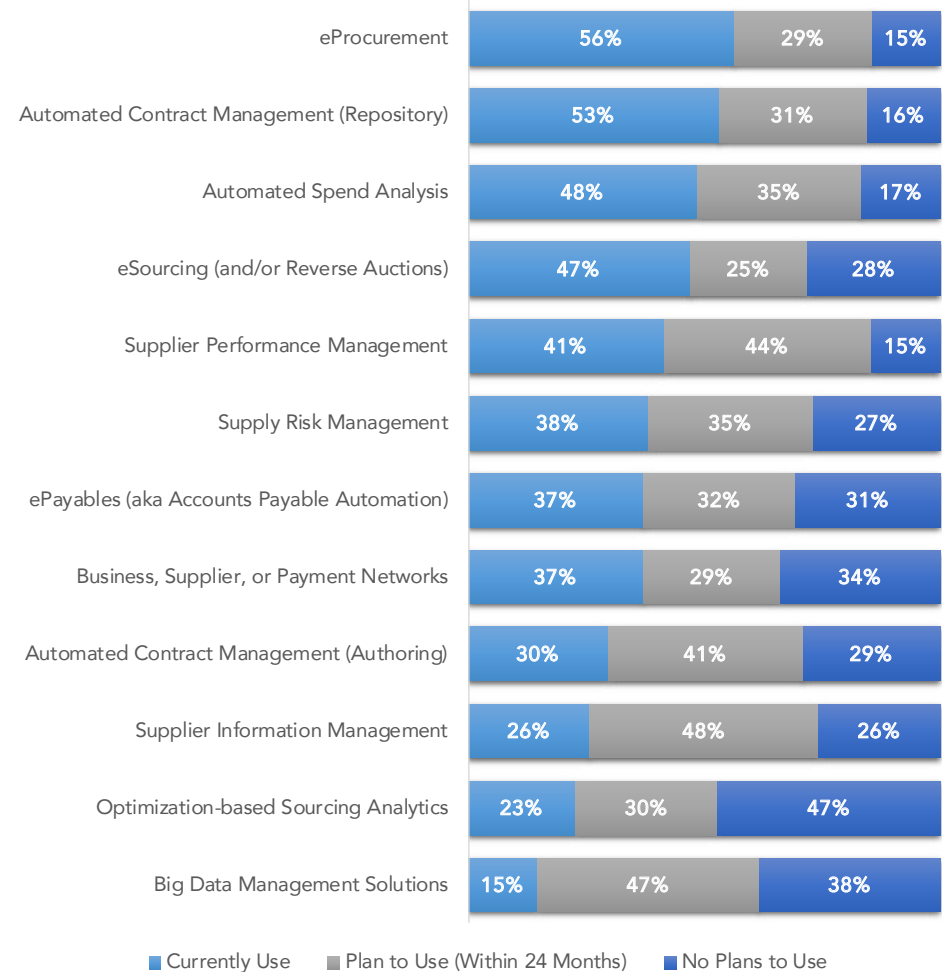## Procurement Operations: Technology Adoption

Process capabilities are always a prelude to a discussion on technology adoption across the supply management spectrum – either as a year-over-year comparison, or current versus planned adoption (or no plans to adopt). Process capabilities tend to mirror the corresponding technology that digitizes and automates the process; and so it can be fairly easy to identify where the gaps are in the market's technology adoption trends.

Figure 7 compares the adoption of automated supply management business solutions in 2019 with respondent's plans to either adopt or not adopt them in the next two years. Looking at Figure 7, the greatest opportunities for procurement to deploy automated business tools and expand its value beyond its four walls lies within supplier performance management, which relies on both human and machine applications to do its job effectively. Big Data Management Solutions, although still low on current adoption, reportedly have 47% of respondents indicating their plans to acquire these technologies. Another future adoption trend to watch: automated contract authoring tools, which are steadily growing in popularity, are up a few percentage points from last year.

In looking at one of the top strategies for procurement in 2019, technology investments and enhancements, it is clear that the average CPO and its team are currently extracting value from a range of "standard" supply management solutions that have driven an impact, historically. "Standby" solutions like eProcurement, eSourcing, and automated contract lifecycle management have long been the platforms that eased the tactical burden faced by many a procurement executive; thus, it is no surprise to see strong adoption of these technologies. However, when analyzing the relative, short-term future of procurement technology utilization, there is something that reveals just how the function plans its next era of value-driven success: harnessing the power of spend and supplier intelligence.

Figure 7: Supply Management Technology Adoption in 2019: Current Status

	Currently Use	Plan to Use (Within 24 Months)	No Plans to Use
eProcurement	56%	29%	15%
Automated Contract Management (Repository)	53%	31%	16%
Automated Spend Analysis	48%	35%	17%
eSourcing (and/or Reverse Auctions)	47%	25%	28%
Supplier Performance Management	41%	44%	15%
Supply Risk Management	38%	35%	27%
ePayables (aka Accounts Payable Automation)	37%	32%	31%
Business, Supplier, or Payment Networks	37%	29%	34%
Automated Contract Management (Authoring)	30%	41%	29%
Supplier Information Management	26%	48%	26%
Optimization-based Sourcing Analytics	23%	30%	47%
Big Data Management Solutions	15%	47%	38%

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Ardent Partners anticipates a rash of procurement technology innovations will emerge in the next decade that will help the function ascend to the next level of performance.

Nearly 50% of enterprises plan to adopt deeper, information-led platforms like supplier information management and Big Data management over the next two years. This factor speaks volumes about the headspace of the modern Chief Procurement Officer: in order to drive a new era of value for its stakeholders and peers (and the greater organization at-large), the relative power of data and intelligence must be a long-term strategy. The "next generation" of spend and supplier data will not merely provide the procurement world with insights into current financial patterns and spending trends, but rather the necessary, action-led intelligence to make more informed business decisions about tomorrow based on the data of today. In essence, it is this realm of predictive analytics and scenario-building which will allow the 2019 procurement function one of its strongest paths to #ValueExpansion.

The State of Procurement is...

Despite the pressures and challenges that procurement continues to face, and the lackluster technology adoption numbers it reports, the state of the CPO and of the procurement function is strong,

and it will continue to strengthen in 2019 and beyond. A robust set of strategies and game-changing elements (not just technology, but also people and processes), hitched to procurement's existing processes and technology capabilities will enable the function as a whole to overcome its plateau and ascend to new performance levels.

Supply Risk Management: A Best-in-Class Value Driver

While cutting costs, increasing savings, and pulling more spend under management is, collectively, a well-worn path for procurement to drive performance, a road less-traveled is through effective supply risk management (SRM). Risk is prevalent in procurement and supply management – economic factors; political and geopolitical events; man-made or natural disasters; acts of war, terrorism, or piracy; environmental, social, and governance issues; contract/legal compliance; and supplier-related risks. Standardizing an SRM program and outfitting it with ultra-modern analytics and reporting tools can help procurement teams gain greater visibility into the different types of supply risk. And with greater visibility comes earlier warning, greater control, and more agility in managing, minimizing, or ideally avoiding performance issues and risks with suppliers or within markets.

Procurement teams that deliberately and proactively manage supply risks uniformly outperform teams that manage risks incidentally and or reactively. Unfortunately, most procurement teams today are neither focused enough on managing supply risk, nor are they equipped with modern business tools to effectively and proactively manage supply risk. This year's CPO Rising survey research bears this out such that:

* Thirty-four percent (34%) of procurement teams have an active SRM program, while

* Thirty-eight percent (38%) of teams boost their programs with a digital or automated SRM system

For perspective, these numbers lag most other process standardization and automation levels (e.g., 60% of all procurement organizations use a standardized sourcing process across their organizations; 56% of all procurement teams use eProcurement tools).

Best-in-Class Supply Risk Management

When broken down by maturity class, Best-in-Class procurement teams report comparatively greater process standardization capabilities, but only marginally better technology adoption rates than their peers.

* Forty-seven percent (47%) of Best-in-Class teams have an active SRM program, while

* only 40% of these teams have a digital, automated SRM solution.

Clearly, there is significant opportunity for even Best-in-Class procurement teams to enhance their supply risk management programs and take them to the next level — with good reason. The data shows that even modest adoption of SRM solutions correlates with having slightly more visibility into supplier performance and risk. Compared to all other procurement teams, the Best-in-Class report:

* 30% greater visibility into supplier performance and risk

* 66% greater spend under management

* 16% greater savings realized last year

Final Thoughts

As Chief Procurement Officers and other procurement leaders seek to overcome an overall performance plateau, they can look to supply risk management as a lever to advance to the next level. They can also begin to explore other supply risk management technologies that provide greater downrange visibility and situational awareness, enabling better supply risk identification, mitigation, and management.

Appendix

About the Authors

Andrew Bartolini, Founder & Chief Research Officer, Ardent Partners

With 20 years in the industry and 10 years leading the charge at Ardent, Andrew Bartolini is a globally-recognized expert in sourcing, procurement, supply management, and accounts payable. Andrew focuses his research and efforts on helping enterprises develop and execute strategies to achieve operational excellence within their finance and procurement departments. Andrew is also the publisher of CPO Rising, the news and research site for Chief Procurement Officers and other procurement leaders (www.cporising.com).

Advisor to corporate executives and leading solution providers alike, Andrew is a sought-after presenter, having lectured and presented more than 350 times in eight different countries. Over the past decade, Andrew has benchmarked thousands of enterprises across all facets of their sourcing, procurement, supply management, and accounts payable operations and his research is currently part of the Supply Chain/Management curriculum at several US universities. He actively covers the technology marketplace as well as trends in sourcing, procurement, supply management, and accounts payable and has been published or quoted in leading business publications including The Wall Street Journal, Business Week, Investor's Business Daily, Forbes, and Fortune, as well as the major trade publications focused on accounts payable and supply management.

Prior to becoming an industry analyst, Andrew developed, packaged, deployed, and used supply management solutions on behalf of enterprises in the Global 2000 while working for Ariba and Commerce One. Additionally, his experience in strategic sourcing (where he managed sourcing projects totaling more than $500 million in aggregate client spend), business process transformation, and software implementation provides a "real-world" context for his research and writing.

Andrew has been named a "Pro to Know" by Supply and Demand Chain Executive multiple times and holds a B.A. in Economics from The College of the Holy Cross and an M.B.A in Finance from Indiana University. He welcomes your comments at abartolini@ardentpartners.com or 617.752.1620.

Matthew York, Senior Research Analyst, Ardent Partners

Matthew York is a Senior Research Analyst at Ardent Partners who for more than a decade has been fascinated by emerging technologies like artificial intelligence, Blockchain, and connected devices, and how they can enrich business operations. At Ardent Partners, Matt researches, analyzes, and writes about the intersection of people, processes, strategies, and technologies in supply management and how they are changing the business landscape of tomorrow. He has been lead author on data-driven, thought leadership reports ranging from advanced analytics to contract management to strategic sourcing to supply risk management. Matt has twice been named a "Pro to Know" by Supply and Demand Chain Executive magazine and is a sought-after speaker. Previously, Matt served as an analyst with the U.S. Department of Justice and the U.S. Intelligence Community. He earned a B.A. in Political Science/International Relations from Stonehill College and an M.A. in Political Science/ International Politics from the University of New Hampshire. Matt can be reached via Twitter (@MattYork_Ardent), LinkedIn, and at myork@ardentpartners.com.

About Ardent Partners

Ardent Partners is a Boston-based research and advisory firm focused on defining and advancing the supply management strategies, processes, and technologies that drive business value and accelerate organizational transformation within the enterprise. Ardent also publishes the CPO Rising and Payables Place websites. Register for exclusive access to Ardent Partners research at ardentpartners.com/newsletter-registration/

Research Methodology

Ardent Partners follows a rigorous research process developed over years spent researching the supply management market. The research in this report represents the web-based survey responses of 308 CPOs and other procurement and business leaders captured from January to March, 2019 as well as direct interviews with 11 CPOs and procurement leaders (all of whom took the survey). These 308 participants shared their strategies and intentions, as well as their operational and performance results to help us define Best-in-Class procurement performance and understand what levers the leading groups pull to obtain their advantage. One hundred and eighty seven (187) of the total participants shared some personal insight and commentary to help provide greater context to the results. This primary research effort was also informed by the experience and analysis of the report author and the entire Ardent Partners research team. Complete respondent demographics are included below.

Report Demographics

The research in this report is drawn from 308 respondents representing the following demographics:

Job Function: 89% procurement; 3% supply chain; 3% operations; 2% finance; 3% other

Job Role: 41% VP-level or higher; 27% director-level; 23% manager-level; 3% staff-level, 3% consultant, 2% other

Company Revenue: 50% Large (revenue > $1 billion); 24% Mid-market (revenue between $250 million and $1 billion); 26% Small (revenue < $250 million)

Region: 64% North America; 27% EMEA; 7% Asia-Pacific; 2% South and Central America

Industry: More than 20 distinct industries are represented. Manufacturing, Oil and Energy, Pharmaceutical, Higher Ed, Financial Services, and Hi-Tech are the largest industries in the survey pool; no industry represents more than 11% of the overall survey respondents.

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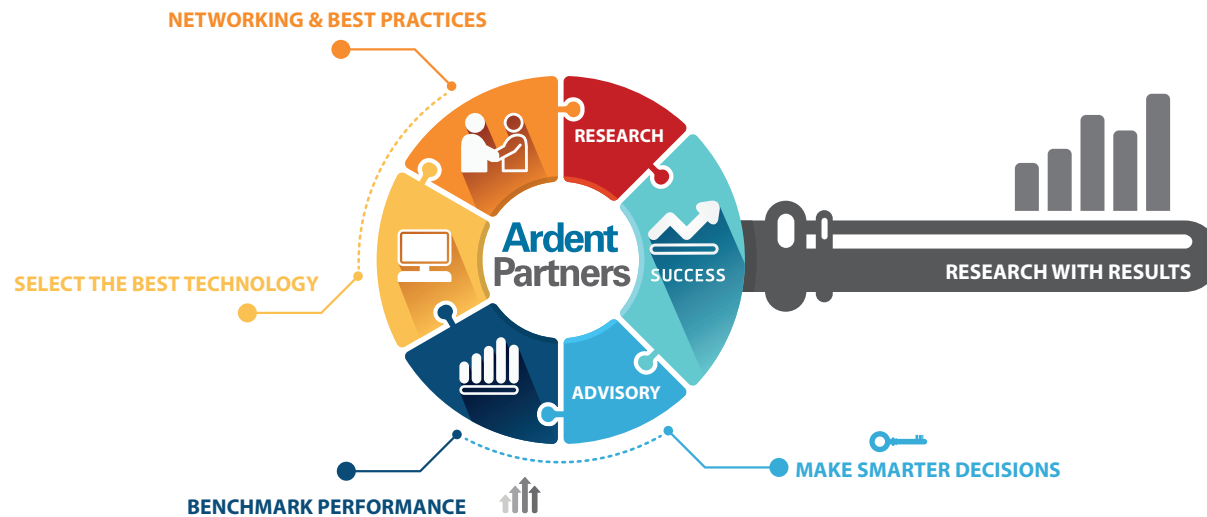
Ardent Partners is a research and advisory firm focused on defining, and advancing the supply management strategies, processes, and technologies that drive business value and accelerate organizational transformation within the enterprise. Ardent Partners was founded by Andrew Bartolini.

Ardent Partners actively covers the supply management marketplace and produces research to help business decision-makers understand (1) industry best practices and how to improve performance & (2) the technology landscape and how to identify the best-fit solution(s) for their specific budget and requirements.

Contact research@ardentpartners.com if you have any questions about this report or our research in general.

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