

# Ardent | Partners

RESEARCH WITH RESULTS



## CPO Rising 2019

### #ValueExpansion - "Strategies for Success"

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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.*



# Strategies for Success

“Success is not final; failure is not fatal. It is the courage to continue that counts.”

– Sir Winston Churchill, former British Prime Minister

Innovation is both a powerful word and a broad concept. Innovations can be complex; and they can also be simple. Some innovations are market-driven while others are engineering-led. Innovation can create new markets and innovation can create new dilemmas. Whether it results in an industry “game-changer” or a simple, incremental improvement, innovation is generally in the eye of the beholder.

Innovation is also a process, not an idea. Peter Drucker, the prolific management theory expert, defined innovation as “change that creates a new dimension of performance;” a positive change, something that creates new value or increases current value. Drucker’s definition is useful in explaining the real truth about innovations – that most are incremental in nature and build upon earlier work – most do not happen overnight.

*Procurement needs a reboot. To expand value creation in the decade ahead, the modern CPO will need an open and intellectually-curious mindset that has a capacity to thoughtfully consider new ideas and actively push them forward. CPOs must follow the courage of their convictions as they start to reframe the procurement function and how it engages and operates.*

For example, consider today’s iPhone XS – Apple’s flagship smart phone. It did not suddenly appear – it is the product of nearly two decades of incremental innovation by Apple, beginning with the development and introduction of the iPod Classic in October of 2001. Some developers have even argued that the idea of the iPod originated decades before, in the movie, *2001: A Space Odyssey*, and in patents. The point is that one of the world’s most innovative products may have originated 40+ years ago when only science fiction writers and enterprising techies could conceive of the technology and its impact on the business world and society more broadly.

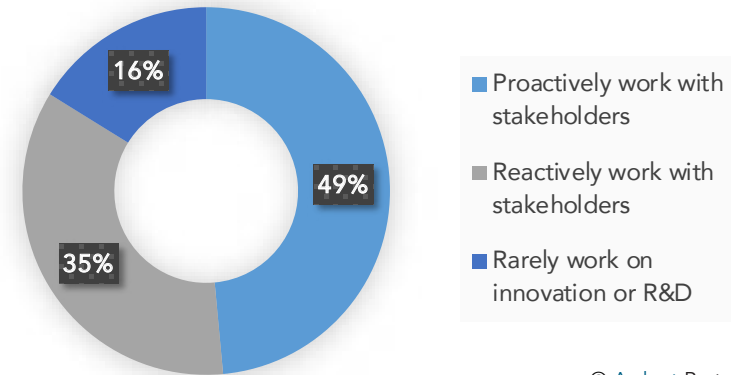


## House of Procurement: When Innovation Knocks, Answer the Door

Given the level of organizational maturity, it is no surprise that most procurement-led innovation today focuses on the incremental; but, the reality is that many of the enterprise's larger and longer-term opportunities will depend on how well procurement identifies and drives innovation within the enterprise and across the supply chain. In 2019, essentially half (49%) of all procurement teams report that they proactively work with their business stakeholders to understand innovation and their R&D needs (see Figure 1); and that they also work to bring relevant suppliers to the table to discuss innovative ideas. After all, procurement neither operates in a vacuum, nor has it cornered the market on innovation. Internal stakeholders and progressive suppliers all have innovative ideas to contribute to the larger discussion on driving more value through procurement and throughout the enterprise. Chief Procurement Officers not only have to reach across the hall to spark innovation, they also have to open their door when innovation knocks.

*In 2019, overall procurement performance has leveled off; and 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.*

Figure 1: Procurement's Approach to Innovation



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But as Figure 1 above illustrates, 35% of all procurement teams still reactively respond to changing business needs and only occasionally tap their relevant stakeholders for their advice and input. And 16% of all procurement teams rarely, if ever, work on innovation and R&D initiatives with the rest of the enterprise or their supplier base – a missed opportunity to innovate and incrementally improve performance.

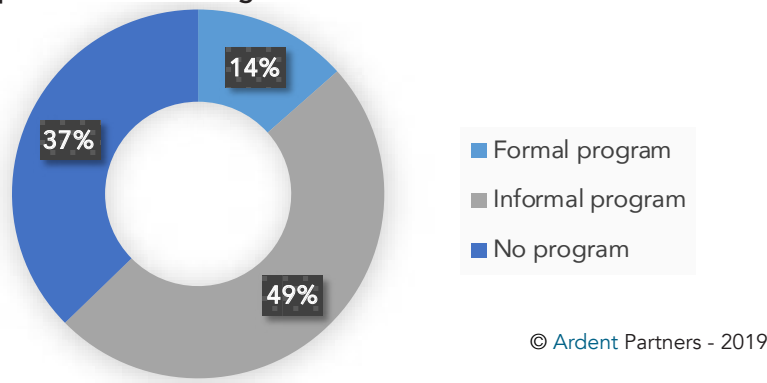
Procurement-led innovation is less of a formality in 2019 than it is dependent on organizational culture and business priority. Figure 2 (next page) shows that just 14% of all CPOs and procurement teams have a formal supplier innovation program wherein they prioritize working directly with their supplier base to develop and integrate innovative ideas and technologies. This is generally considered a Best-in-Class approach and a proven method to identify more





market opportunities and drive greater value. After all, supplier innovation does not simply “happen” – it is not a “light-bulb idea.” Rather, it takes continuous effort over an extended period to incrementally improve operations, processes, products, and services.

**Figure 2: Supplier Innovation Programs within All Procurement Teams**



Slightly less than a majority (49%) of procurement teams have only an informal supplier innovation program – meaning that these teams possibly drive supplier innovation, but it is accidental, ad hoc, or not by design. And an astonishing 37% of all procurement teams have no supplier innovation program at all – and practically shut the door on any innovation emanating from across their supply chain. Comparatively, Best-in-Class numbers are not much better; just 20% of high-performing teams report that they have a formal supplier innovation program, while another 53% have an informal plan, and 27% have no plan. What to make of these numbers?

One way to contextualize procurement’s overall lack of formal supplier innovation programs is that so few CPOs, procurement leaders, and practitioners consider focusing on innovation necessary to take them to the next level of performance. Indeed, just 15% of all procurement teams view innovation as a game-changing driver in 2019.

While having an informal supplier innovation program is better than having no program at all, this is nonetheless a missed opportunity for procurement to find and harvest innovation from the supply chain. Luckily, opportunities still exist today and will exist tomorrow for CPOs and their teams to open the proverbial doors to their supply base, which can share innovative ideas for products, processes, manufacturing methods, and even new market opportunities. This should also enable procurement to push line-of-business users and suppliers to continuously improve operations– in effect, to expand their value.

## General Recommendations

Best-in-Class procurement departments, on average, manage 89% of enterprise spend and they do it more efficiently and with greater impact than their competitors. They align themselves more closely with executives, adopt and utilize technology to a greater degree, and standardize their processes more consistently, which combine to drive better visibility and superior performance. Besides adopting the core strategies and tools of the Best-in-Class procurement teams, Ardent recommends the following strategies



and approaches for CPOs and procurement departments seeking to improve their performance:

- **Digital transformation (for beginners):** For the procurement teams that are stuck with predominantly manual and/or inefficient processes and systems, it is time to think holistically about introducing technology into the source-to-settle process. Adopt the mindset and approach required to achieve a digital transformation, then simplify processes before mapping them to technology. Make sure to prioritize supplier enablement to drive system throughput and the Cloud to more regularly and rapidly access innovations. Also prioritize visibility into data, processes, and suppliers; and above all else, remember to engage key stakeholders early and throughout the process.
- **Digital transformation (for continuing success):** While starting a digital transformation project has its unique challenges, continuing down this often long and winding road takes vision, determination, and patience. The most important thing to remember is that incremental change is better than no change; and that incremental change can in itself lead to innovative and game-changing results. If budgets, time, and staff/talent do not allow for rapid, large-scale investment in new technologies, adjust timelines and opt for a smaller, multi-phased initiative.
- **Digital transformation (for advanced procurement teams):** Progressive, innovative CPOs and procurement teams that are agile, data-driven, innovative, and proactive change agents and value drivers continue to lead the way using solutions to reimagine the possible in procurement and supply management. These procurement “rock stars” are playing a tune that should be copied.
- **Embrace agility as a strategy, and as a value driver:** The days of “command and control” procurement operations are waning. Markets shift too fast; news cycles are too short; and innovation moves too rapidly to spend months or even weeks deliberating over basic decisions. Procurement needs to respond faster to market dynamics and business challenges. Chief Procurement Officers need to hire smart, talented, and resourceful staffers whom they can trust, and then empower them to make snap decisions based on data, intelligence, and the opportunities they present.
- **Develop and implement a Big Data strategy:** Procurement organizations need a systematic approach to capture, process, analyze, and respond to the different internal, supplier, and third-party data streams that can impact their work and decisions. Without such a strategy, procurement teams will be hard-pressed to manage and monetize the steady streams of data that continue to pour into their units and remain unable to uncover hidden insights and maximize opportunities.





- **Stop, collaborate, and listen:** Perhaps the “poet,” Vanilla Ice was referencing the famed English poet, John Donne who wrote that “No man is an island.” The same can – and should – be said for business units: they are all in this together. Chief Procurement Officers and their lieutenants need to break down the four walls of their organizations, establish relationships across the enterprise, and develop those relationships to ensure alignment and focus on the things that matter most.
- **Stop, network, and listen:** On a related note, CPOs need to leverage peer relationships to share and learn best practices in overcoming (or ideally, avoiding) performance plateaus. This is pertinent for procurement leaders working within the same industry verticals, as they experience identical or similar challenges and may have unique strategies and solutions to overcome these challenges. But this is also true of all CPOs and why industry events, like Ardent Partners’ annual [CPO Rising Procurement Executive Summit](#), are so valuable.
- **Manage more spend AND manage it better:** While the average percentage of spend under management has stayed flat for the past seven years, Ardent Partners believes there is still value in expanding procurement’s influence on spend. Procurement should also actively attempt to improve its spend management by developing deeper category strategies and improving supplier relationship management.
- **To mitigate supply risk, first, manage supplier performance:** To stay ahead of supply risk and ideally avoid it, procurement needs to regard its suppliers as its biggest asset, its biggest liability, and one of its biggest stakeholders. Regularly monitor operations, assess performance, and do not shy away from terminating harmful supplier relationships that are not worth the risks they impose.
- **Draft data scientists onto a multi-disciplinary team:** The changing nature of procurement work brings with it changing workforce requirements. In today’s data-driven world, CPOs would be wise to have data science capabilities to begin to take greater advantage of advanced analytics.
- **Incrementally incorporate Industry 4.0:** Industry 4.0 business solutions are making it possible to remove human interfacing from a significant part of many processes. Procurement teams should begin to explore the solutions that can boost their teams’ user experience, situational awareness, and ability to rapidly respond to sudden events.
- **Take more (educated) risks that seek higher reward:** Given the relatively short procurement job tenures, CPOs (in place on average for less than 4 years) and their teams should feel emboldened to bring their most innovative ideas, practices, processes, and solutions to the table. While some of these ideas may fall flat (in that case, try to fail fast), they could also be the



catalysts that spawn a new business model or fundamentally change the department's operations. When no risks are taken, rewards are fleeting. Chief Procurement Officers need to start taking educated risks, plain and simple.

## Recommendations for #ValueExpansion

The following recommendations are tailored to help procurement expand the value they create and break through their performance plateaus. They contain more innovative and progressive ideas, and are meant to help CPOs and procurement teams that have been "doing the basics" step up their game and take it to the next level.

### Talent

- **Improve organizational intelligence by retaining staff longer:** Workers today want to have more control, independence, and ability to make more executive decisions. They are not content to merely "salute and execute," they crave empowerment. This is especially true for Millennial workers, who by virtue of market dynamics, practically demand more responsibility (or else they will leave). To keep workers and their knowledge around longer: trust them, enable them, challenge them, and make them feel part of the team's proverbial brain trust.
- **Focus on upskilling the team:** Another way to retain top talent and realize more of their inherent potential value is to help them become smarter and more productive. Establish in-

house "expert" meetings where subject-matter experts share best practices. Invest in resources that can help centralize and distribute institutional knowledge – like core supply management technology templates or SharePoint. Assign mentors and protégés. And help staff, in ways that are unique to each staff member, identify productivity traps, tasks that add minimal value, and roadblocks to taking on and completing more strategic, value-adding work.

- **Adopt a total workforce management approach to bolster procurement strength:** Chief Procurement Officers should develop a Future of Work-type network to tap into non-employee talent (e.g., independent contractors, consultants, etc.) before, during, and even after critical projects. This could include planning for digital and executing transformation projects, enterprise software installations, staff augmentation, and after-action assessments and reports.

### Systems

- **Expand the basic usage of current tools:** Procurement teams should capitalize on existing investments in source-to-settle business tools and seek to drive more throughput via these applications, since research shows that the more throughput that is processed through digital, automated tools, the greater benefits are created.



- **Close gaps between existing processes and technologies:** Business tools like spend analysis, eSourcing, and contract management systems do more than perform their intended functions; they can and should be used to close any process gaps between them. For example, link spend analysis with eSourcing to ensure that sourcing teams have actionable spend intelligence before launching a large sourcing project. Link eSourcing tools with contract management systems (pre- and post-execution) to ensure that sourcing awards are captured in a legally-binding document.
- **Augment current technology with new, innovative capabilities:** Remember that digital/procurement transformation does not have to be radical or total; incremental improvements via technological innovation can add significant value. For example, updating spend analysis software with intelligent automation and machine learning algorithms can significantly boost spend analytics capabilities in the form of automatic data collection, categorization, cleansing, enriching, and analysis.

### Operations

- **To drive agility, cut, streamline, and repeat:** Being agile is more than just acting on current intelligence and quickly making informed decisions vis-à-vis sudden opportunities. It means working within an organization that has simplified its

processes, streamlined its reporting lines, and encourages its staff to make executive decisions and take educated risks. Bureaucracy, red tape, and duplicative management layers do not encourage agility – they discourage it, while also creating risk aversion. Simplify processes, reward initiative and ingenuity, and forgive mistakes.

- **Foster a holistic procurement culture:** Like a race car, high-performing procurement teams will find it difficult, if not impossible, to reach next-level performance if one part of its organization is grossly out of alignment. Chief Procurement Officers need to ensure that their staff, leaders, processes, strategies, and technologies are all aligned and working in unison to propel organizations forward and upward.
- **Go beyond basic collaboration – strive for total alignment:** Procurement teams need to align themselves with outside departments and budget holders, including: product departments, contract management teams, AP, finance, legal/general counsel, enterprise risk management, and other business units. Close alignment allows for processes to flow fluidly through all stakeholder departments, preserve quality and savings, and unite enterprise stakeholders behind a common mission.



## Data Management and Analysis

- **Create a data-driven culture that values objective analysis:** Procurement teams, like other business units, are awash in Big Data. If organizations have the skills and tools at hand to analyze it, there are significant opportunities to find hidden value. Resist the urge to continue making decisions based on anecdotal evidence, past experience, or “gut feel,” and foster an environment in which decisions are made based on empirical analysis of the data available.
- **Enable procurement data fusion and analysis:** Work to aggregate the procurement and supply chain data from all relevant sources into centralized dashboards (e.g., supplier, spend, risk, contracts, etc.) for faster and better analysis. These dashboards collect, categorize, cleanse, and enrich structured and unstructured data together under headers, provide drill-down capability for more in-depth information, visualize data, and automate alerting and reporting to present procurement leaders and practitioners with an end-to-end, real-time look at operations.
- **Tap into new technologies for global, real-time data:** For procurement teams that require real-time supply chain monitoring, consider employing connected devices (Internet of Things) and possibly even drones to gather and transmit critical supply chain intelligence from virtually anywhere and at any

time. When dispatched to sites around the world, drones can transmit real-time, multi-source intelligence to procurement teams to better understand what is happening along the supply chain during risk events. Sensors embedded within shipping containers, pallets, and parcels can ping Blockchain distributed digital ledgers to provide end-to-end track-and-trace capability. And commercial or industrial equipment embedded with sensors and transmitters can ping and update MRO and ERP databases to help procurement teams stay ahead of regular product replenishment and equipment repair or replacement.

## Innovation

- **Make procurement a collaboration and innovation hub:** Collaboration is not simply the reason to call a meeting; it can become an operating principle. While innovative ideas need time to incubate, they also benefit from a collision of perspectives and expertise. With an ability to support and impact the lines of business and most business functions, procurement is uniquely positioned to bring interdisciplinary groups together on collaborative projects. And from that collaboration, procurement will emerge a more innovative business unit.
- **Proactively work with the business and supply base to define innovation and R&D requirements:** Procurement teams of all shapes, sizes, and maturity classes need to work



proactively with their internal stakeholders and their supply base to understand innovation from each perspective; and then use that knowledge to inform how procurement can expand the most value for its constituents. Procurement teams should not wait for business partners and suppliers to approach them; CPOs and procurement teams should make the first move.

- **Establish a formal supplier innovation program:** Define (or redefine) “Supplier Innovation” for your team and to your suppliers – how it is defined will largely define what types of innovations will be realized. Establish trust and open communication with key suppliers. Provide clear and unambiguous incentives and rewards to suppliers for their innovations. Develop separate project teams for supplier innovation. Develop a deliberate and robust process to source, vet, and drive supplier innovation ideas. Vary the approach based upon type of supplier and potential opportunity. And, develop a set of supplier innovation metrics to help track program performance.

## Conclusion

Procurement, in the new millennium, has been on a remarkable winning streak. But, truth be told, a good number of CPOs gained their acclaim by simply entering the competition. More recently, the stakes have started to rise, while a new set of rules and parameters are redefining the game.

In 2019, overall procurement performance has leveled off; and the teams that do the same things over and over again, will get different (as in increasingly worse) results. In this context, standing idly by is the new procurement definition of insanity. Even those that more broadly adopt today’s best practices will eventually start to lose ground while their best competitors race to build both a bridge to the future and the means to transport everyone across it. Their vehicles will be fueled by agility, data-driven intelligence, and innovations both game-changing and incremental; but they will need savvy stewardship and steady guidance to reach their destination.

Procurement needs a reboot. To expand value creation in the decade ahead, the modern CPO will need an open and intellectually-curious mindset that has a capacity to thoughtfully consider new ideas and actively push them forward. CPOs must follow the courage of their convictions as they start to reframe the procurement function and how it engages and operates. Where courage does not exist, it must be manufactured. Remember that in business, the meek inherit nothing. Tomorrow’s best CPOs must develop new ways to break through inertia and drive better outcomes. They must inspire change, even as they execute it. Above all, they must unflinchingly see procurement as a competitive advantage and then work relentlessly to realize their vision.



## CPO Counterpoint: What Plateau?

While Ardent Partners believes that the market data it has captured in its CPO Rising series indicates that the procurement profession is starting to plateau, many of the CPOs and procurement executives interviewed for the 2019 report disagree. No matter their answer, there is universal agreement that procurement can create more value and that its best days are ahead of it – #ValueExpansion.

Below are the answers received to the following questions “Do you believe that the procurement profession has plateaued in its quest for higher performance? Are you now seeing diminishing returns for the same level of effort invested by you and your staff?”

“I do not believe the procurement profession has plateaued in its quest for higher performance. Continued global economic expansion, regulatory complexities such as tariffs and IP, increased focus on social/ethical corporate initiatives, and strategic imperatives to outsource more and more non-core competencies are all becoming increasingly complex. As such, Procurement has the opportunity to leverage their expertise and lead in creating increased returns for their organizations.” -- **Christopher Silva, Vice President, Procurement & Strategic Sourcing**

“I do not believe that the profession has plateaued. It has changed quite a bit over the last two decades, however that evolution has been in response to meeting the needs of the organization. The next “golden age” of procurement, in my view, is moving the profession to a strategic leadership role utilizing AI and technology to run the transactional activities allowing procurement leaders to address other aspects and challenges.” -- **Dennis Silva Chief Procurement Officer BCNET**

“No, but performance is a never-ending story... what is a saving, etc.? As long as the overall approach, effort, and out-of-the-box thinking is there, I am satisfied. There is always room for improvement but we shouldn't hunt the savings 'ghost' too much.” -- **Eric van der List, Senior Director, Global Procurement & Sourcing**

“No. Continuous improvement is everyday and everywhere. You take it and run with it.” -- **CPO, Higher Education**

“I believe we are going through a generational shift. Old school, slow moving purchasing leaders are retiring and the next generation is taking the reins.” -- **CPO, Utilities Industry**

“[I] don't believe it has plateaued, just picking fruit takes more effort and better approaches. Traditional cost reductions are primarily based on material changes. We are investing our efforts in eliminating waste and sharing cost benefits, with a focus on improvements within our suppliers' four walls. When savings are shared, there is motivation for the supplier. Plus, if we can help them improve their processes, they recoup additional savings from the improvements with other customers that they don't have to share.” -- **Jim Klotz, Vice President Global Supply/GM Asia Douglas Dynamics, L.L.C.**

“No, digital opportunities offer improvements in getting the basics right, and a solid foundation to improve sourcing and buying activities. Plus, reducing supply chain risks and better data insights. No diminishing returns in the near-term.” **Mat Langley, Vice President and Global Head of Operations and Technology**

“On the contrary, I am seeing renewed interest from most procurement professionals to further their knowledge and skills in the field, especially as we – as procurement professionals – are facing major challenges in transforming our organizations to cope up with the digital transformation revolution. I think there will be no place for low-performing procurement organizations in the very near future.” -- **Khalid Mohamed Abdel Wahab Strategic Sourcing & Supply Executive Director, Savola Foods**

Wise words from wise leaders. To be sure, none of the answers above are wrong. Nonetheless, Ardent Partners stands by its analysis of the overall market and hopes that this report serves as a call to action for CPOs and other procurement leaders to start developing a new series of plans that will unlock greater value.





# 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](http://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](mailto: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](mailto: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/](https://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)

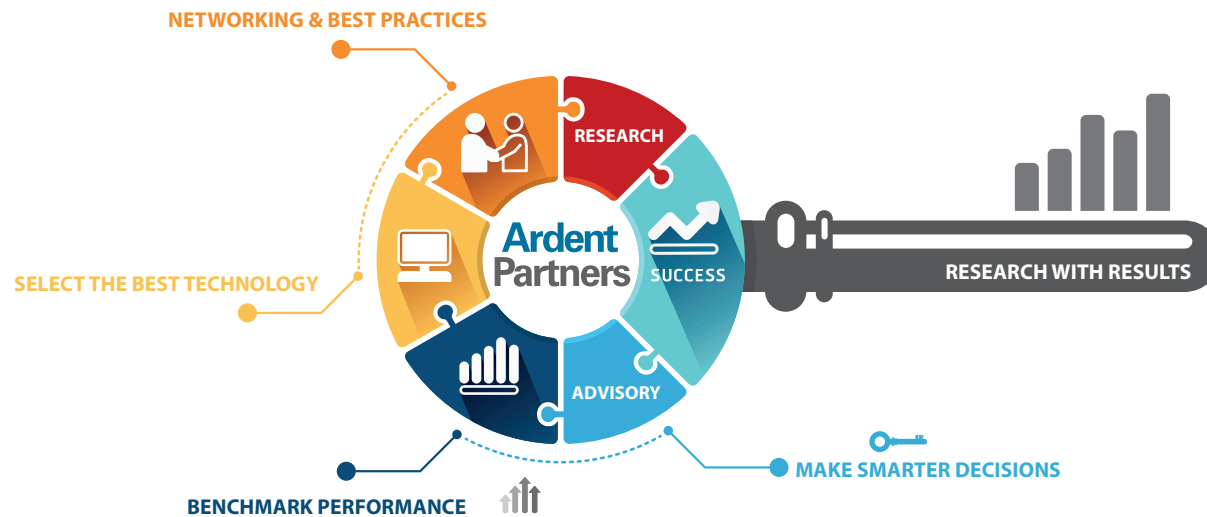
**Region:** 64% North America; 27% EMEA; 7% Asia-Pacific; 2% South and Central America

**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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## RESEARCH WITH RESULTS



**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.

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An aerial photograph of a coastal town, likely San Francisco, with a bay in the foreground and mountains in the background. The image is overlaid with a semi-transparent blue filter. The town features several buildings and a marina with sailboats. The mountains in the background are rugged and appear to be covered in snow or light-colored rock.

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