Purchasing 2015
A Global Survey by SAP and the Economist Intelligence Unit

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The EIU-SAP Survey on Purchasing

Survey and interviews

358 respondents, 45 countries
- 56% from Europe
- 26% from Americas
- 18% from Asia

Procurement & supply focus
- 45% in procurement
- 81% with influence on supplier management strategies

Broad representation
- 15+ industry sectors
- Mix of small, medium and large enterprises

Interviews with thought leaders in industry, services, and academia

Source: Economist Intelligence Unit, April 2005
“Which business drivers are likely to have the most influence on your company’s purchasing strategies in the next 10 years?”

- **Globalization**: 49%
  - Low-cost country sourcing
  - Growth markets

- **Cost leadership**: 41%
  - A bid qualifier, not an order winner
  - Even the high-end

- **Innovation**: 29%
  - Shorter product lifecycles
  - Technology / R&D

- **Outsourcing**: 25%
  - Core competency
  - Faster time to market

Source: Economist Intelligence Unit data, April 2005
Criticality of Procurement

“How important a role do procurement executives play in establishing your company’s strategic objectives?”

- Acknowledgement of procurement’s role in establishing corporate strategic objectives
  - 90% within procurement believe procurement will be important or vital

- More respect from outside of procurement
  - 65% outside of procurement think purchasing will be important or vital

“We need a different type of manager ... not a purchaser but an Executive Supply Manager”

– CPO

Source: Economist Intelligence Unit, April 2005
The New Face of Purchasing

Enlarging the Scope of Procurement
- From Procurement to Supply Chain
- CRM-SRM Linkage: Hard-Wiring
- Early Supplier Involvement in Design
- “Lean-ing” into the Suppliers

Restructuring the Supplier Relationship
- Supplier Consolidation & Partnering
- Supply Networks: Trust-Building
- Cost Over Price

Revolutionizing the Function
- Redefining the Mission
- Acquiring New Skill Sets: Shifting the Paradigm
- Building the Center-Led Organization
Getting Ahead of the Curve

1. Where Will Your Company Fit in a 2-Tier Supply Base?
2. What Systems Will Bond Your Supply Network?
3. How Much Should You Invest in People Skills?
4. Will Procurement Own the Supply Chain?
5. Will Suppliers Truly Commit?
6. Will Partnering Trade Cost for Risk?

7. How Fast Can We Get There!??