



# Procurement and Technology

## Technology as a procurement enabler

Most of the world is still experiencing the disruption of supply chains initially caused by the Covid pandemic and then exacerbated by global economic factors and the war in Ukraine.

Apart from forces outside of our control, procurement remains an area of business ripe for reform. There is much that can be done with the aid of technology to add innovation, reduce risk and increase resilience.

## Do you have the expertise and capital to do it yourself?

### Outsourcing as an enabler

As digitisation progresses, the chance of most companies having the in-house technical skills and experience to build the digital solutions they need grows more remote.

Some companies are responding by aiming to shorten their sales supply chains by adopting third-party, direct-to-consumer (D2C) sales platforms. These models can reduce the need for middle-men wholesalers, distributors and partners who would otherwise capture some of the margins.

[Outsourcing](#) to 'as-a-service' sales providers is one way to boost margins by reducing costs and simplifying inventory management.

This trend is likely to continue into middle office functions as outsourcing proves its value. When outsourcing procurement, companies avoid Capex on expensive fixed items and gain technical digital expertise they simply don't have. Scalability, resilience and agility are all improved.

Outsourcing will help companies build new digital solutions that will enhance their capabilities as data continues its inexorable expansion and complexity.

## Can you release your employees from boring work?

### Automation as an enabler

If there's one thing digital technology can do well, it's to automate many tasks that are being done manually. Almost every part of the procurement supply chain can be enhanced.

Automating frees employees to perform more interesting and rewarding high-level strategic work while saving time, reducing errors and increasing efficiency.

As one example, chatbots are a form of automation normally considered at the customer service end of the supply chain. But a global telco with a workforce of more than 50,000 employed a chatbot for internal use. It can find and deliver information to the employees much more easily than searching for it, improving employee experience

and engagement.

Another example shows the power of shifting to the cloud. [A global financial organisation](#) active in 35 countries deployed an e-procurement solution in the cloud, with these benefits:

- automation of more than 80% of their procure-to-pay (P2P) tasks
- increasing compliance by 80%
- greater, unified scale enabled stronger purchasing power.

## Can you see what's going on in your supply chains?

Digital visibility as an enabler

Supply chains are by definition distributed and it's often hard for companies to know what's going on halfway around the world. Digital technology can assist by [integrating supply chains](#) and improving network visibility.

One of the keys is to centralise data and make it more accessible to a wider audience. Shining a light on the data means that data analytics can play its part in identifying pain points and inefficiencies. Using tools like Power BI or Tableau provides visualisation insights into the data, which can lead to benefits like:

- opportunities for purchasing savings
- better compliance
- more robust sourcing procedures
- more timely, accurate, data-driven communications
- better negotiation power with suppliers.

By centralising and providing more visibility into your data, solutions for greater efficiencies are more easily found. [For example](#), by using data analytics to understand deliveries better, companies reduce deadhead mileage (no load journeys) by batching shipments to reduce drop-off and pick-up points, with reductions in costs and carbon footprint.

## Conclusion

This [article](#) just hints at the technology enabling better procurement. Blockchain is innovating payment solutions, API integrations are connecting databases and automating functions, and cybersecurity is reducing threats in real time.

More advanced digital enablers include cognitive planning, AI-driven predictive analytics and advanced track and trace technologies. Supply chain tech startups raised \$24.3 billion in venture funding in just the first three quarters of 2021 — the technology juggernaut is well and truly here to stay.

## About Sit-Down

Sit-Down gathers leaders across the globe for one purpose. Enrichment. To find out more, [visit us](#).

**Sources:**

- [Building rebalanced and resilient supply chains](#), PwC
- [Six key trends impacting global supply chains in 2022](#), KPMG
- [Future of supply chain](#), KPMG
- [5 Trends Driving Supply Chain Modernization In 2022](#), Forbes
- [Supply Chain Technology And Strategy Trends To Consider In 2022](#), Forbes
- [The journey to procurement digitization](#), EY