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## ***Four Major Procurement Trends To Watch For In 2020***

With 2020 just in door, progressive CPOs and their teams are planning for the year ahead. Here are four major procurement trends to factor into your thinking.

### **1) Increased Volatility**

With shifting trade tariffs and barriers, the unpredictability of Brexit and fluctuating commodity prices, market volatility could be at an all-time high over the next 12 months. As already complex global supply chains become even more unpredictable, finding ways to manage this risk should be at the top of your 2020 agenda. This practice means having processes in place to track suppliers, pre-empt problems and manage commodity-related volatility.

### **2) Ongoing Digital Transformation**

Digital has fast become an imperative for top-performing procurement functions. Those who find themselves behind the times will need to play catchup this year, especially as the wider organization is likely to be on its own digital transformation journey. The trickiest part is knowing which tools to choose and whether to opt for end-to-end services or a mix of best-of-breed capabilities. Although, it goes without saying that it's essential to focus on tech for its value and not the tech itself. What's best for your organization will depend on your specific circumstances.

### **3) Build Deeper Supplier Relationships**

We often see procurement organizations implement manual processes that are inconsistent across both categories and supplier segments. In 2020, however, we expect to see a more structured and successful approach adopted by the most forward-thinking and progressive departments. This approach will begin with suppliers being segmented into tiers, separating those that are an integral part of the supply chain, and are therefore truly strategic, from those that aren't. The next step will see the implementation of a set of measures and tools for each tier, helping to better monitor strategic partners and improve relationships where needed. We're now at the point where the technology and analytical capabilities exist to make the required processes both manageable and economically beneficial.

### **4) Delivering Value Beyond Saving**

It's increasingly understood that procurement organizations can deliver value that goes way beyond cost savings, cost containment and cost avoidance. The sophistication of the procurement function, and the available talent within the space, has increased dramatically over the last few years. With C-level strategies demanding greater growth, faster innovation, tighter budgets and increased competitiveness, 2020 is the time for procurement to really show how it can contribute to wider strategic goals.

There are many ways procurement organizations can do this, by increasing the speed of project delivery and growing revenue through new supplier-enabled initiatives to directly participating in the enterprise's innovation agenda to help shape activities early.

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