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## ***Key Procurement Trends to watch out for in 2019***

As the year 2019 approaching soon, many professionals, consultants & leaders belonging to procurement & supply chain function are puzzled about the upcoming trends in their sourcing process. They are curious to know about what they can look forward to, especially for modernizing their procurement processes. Here are some key ideas that will drive new trends in the procurement domain across different industries:

### **Thinking beyond the “Price”!**

Is price still the final & the only ice-breaker during negotiations? Suppliers are now becoming strategic partners for many OEMs. Their product quality, compliance to an environment, safety & government norms, delivery commitment, plant capacity & the technology usage are some of the parameters that must be considered along with the price. Many buyers are now working very closely with their suppliers. They are now studying & improvising their production, planning, control & quality processes.

Having a systematic model for measuring and evaluating performance across the pre-decided ‘Key Performance Indicators (KPIs)’ with the suppliers, will definitely lead the organization towards a successful decision-making model.

### **Automation & Digitization**

Are you sending your RFQ to your vendors via email? And your vendors responding back with an email with a quotation as an email attachment? This way of communication is now too old to enter the year 2019. A lot can be improved in this area.

Now we have availability of various e-procurement solutions that not only simplifies buyer-supplier communication but also digitizes the whole sourcing process starting from floating RFQs, receiving a quotation of supplier, Negotiation, Renegotiation, selection and quantity distribution and then to approval & final authorization. This brings a great transparency in the system with added benefits of generating useful analytics on supplier negotiation behavior as well as previous purchasing strategies of the sourcing department.

### **Marching towards Sustainable Procurement**

Sustainability is now an expectation of the customers. People are beginning to understand that low prices should not be achieved at the cost of unethical or unsustainable means. Do your suppliers employ & gets their work done through child labors? Are they following proper environmental regulations while dumping hazardous waste outputs? How good your supplier is in providing health insurance benefits to its workers?

An important consideration should also be made about the geographic location of the supplier. Is its location is vulnerable to flood or earthquake or any other natural calamities? If yes, have you created a redundancy for such supplier with another supplier(s)? Thinking about the above ideas while making next year’s sourcing strategy will surely prepare your organization to choose your best group of suppliers. A sustainable & responsible sourcing is surely most profitable in a long run.