

\$2B+

Client Savings

95%+

Spend Compliance

12x

ROI

2K+

Client Engagements

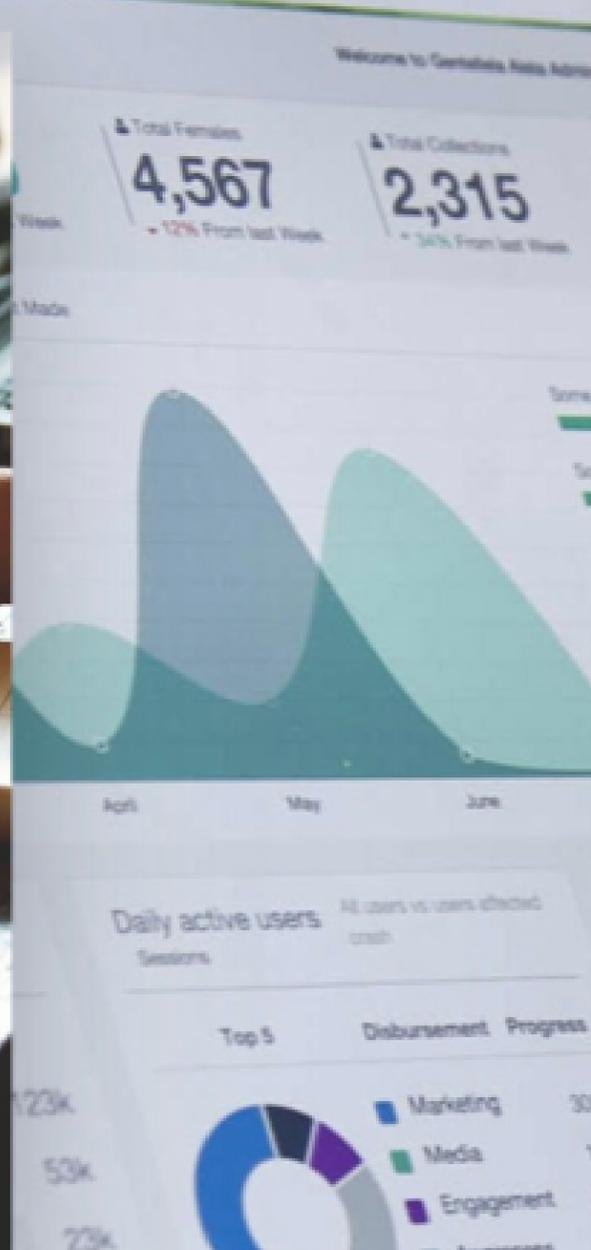
20+

Years of Experience

Unlocking Success: Key Priorities for Procurement Teams in 2024

We are an expense
reduction, spend
management and
procurement
optimization
consulting firm

Helping companies to lower their indirect
costs through our best market knowledge, proven
processes, and innovative strategies



As the business landscape continues its dynamic evolution in 2024, procurement teams find themselves at the center of strategic decision-making. The year ahead promises a unique set of challenges and opportunities. In this era of ever-shifting market dynamics, technological leaps, and global uncertainties, the role of procurement teams is not just pivotal—it is transformative. New skills and processes will have to be acquired by procurement teams to support the new dynamics of the function.

We aim to provide procurement and supporting teams with the expert insights and strategies that we use in our managed procurement practice to excel in the dynamic business environment of 2024.

Key Focus Areas for 2024

In the pursuit of procurement excellence, companies are aligning their strategies with key focus areas that transcend industry boundaries, shaping the procurement landscape in 2024:

- New Tech Roadmaps and New Skills
- Cost Optimization
- Redefining Partnerships with Finance and IT Teams
- Supplier Risk Management
- Sustainability and ESG

New Tech Roadmaps and New Skills

The integration of new technologies, such as AI and automation, introduces both challenges and opportunities. In the evolving landscape of procurement technology, there's a prevalent trend of incorporating technology without sustainable integration practices, resulting in purchases beyond actual requirements or operational capabilities.

In 2024, the focus is to align technology to coordinate with the specifics of organizational workflows. We observed that assigning a responsible member for its integration, continued protocol, and use is a successful model. Otherwise, in the long term, they become unutilized additions that contribute to operational costs.

The fast-paced digital transformation has given companies many choices, complicating them with ways to incorporate ChatGPT and AI in today's flow of function, and it will not stop in 2024. Integrating, training, and recalibrating the use of the new tools is a must as they become part of daily operations.

Our clients often ask for help in choosing and integrating tech that fits their size, processes, and needs.

Cost Optimization

Dig deep and leverage external knowledge. To achieve excellent cost optimization, organizations must strategically integrate an external market perspective into supplier reviews.

Regularly assess supplier performance, including unit-level utilization of tools, SKUs, or services, and ensure alignment with internal use and needs. The evolving function of procurement requires the use of analytics, data modeling, and external expertise during these reviews to identify gaps and opportunities. In the current dynamic landscape, actively considering the impact of new entrants and reassessing the use and necessity of contracted/subscribed services are crucial components of effective change management within procurement.

This approach consistently reveals potential areas for cost reduction.

Redefining Partnerships with Finance and IT Teams

In 2024, organizations will grapple with ongoing cost pressures due to a slowdown in economic growth and persistently higher-than-normal interest rates.

Collaboration between procurement, finance, and IT teams emerges as an important theme, emphasizing the interconnectedness of these functions in achieving cost savings and strategic objectives.

Kicking off main strategic projects early and jointly will accelerate results and timelines, adding a lot more to the 2024 bottom lines.

Establishing joint vendor risk assessment practices across three main departments will enable efficiencies and create opportunities for change management and cost optimizations.

Supplier Risk Management

The procurement department serves as a central hub for effectively managing suppliers and risks, which is just one of the elements in a consistent and repeatable process.

In the year 2024, the objective is to bring together internal teams involved in scanning and executing supplier risk processes, with the aim of minimizing manual effort. The emphasis is on simplifying the reporting and anticipation of risks.

Establishing a straightforward yet comprehensive, standardized, and repeatable process tailored to the size and caliber of the organization is paramount.

The focus is on identifying and addressing risk elements that are specifically relevant to the organization, ensuring a proactive and efficient approach to supplier risk management.

Sustainability and ESG

Environmental, Social, and Governance (ESG) considerations have evolved from being on the sidelines to becoming integral components of procurement strategies.

The emphasis on prioritizing sustainable and socially responsible practices is no longer solely a regulatory obligation; it has transformed into a strategic differentiator and a proactive response to the escalating expectations of consumers.

Assessing and reporting on a company's sustainability performance poses challenges due to its intricate nature. Therefore, choosing a vetted partner is crucial in navigating this complexity and ensuring a comprehensive evaluation and reporting process aligned with sustainable and socially responsible principles that your organization set to prioritize.

Contact CCM Experts to discuss
your 2024 objectives

info@ccmchase.com

Creating Procurement Technology Road Maps and its Educated Use

Integrating new, no-code technology into procurement processes in 2024 is not just a choice; it is today's routine task aiming to stay competitive and operationally efficient. Several key considerations to consider while selecting technology in shaping the future of procurement:

- Contract Management
- Advanced Analytics
- Automation and AI

Contract Management

Many organizations took the right step by investing in tools but were inconsistent in supporting tool usage and processes. In 2024, contract management is still a key element in the effective flow of procurement. Technology-driven solutions now offer streamlined workflows and real-time insights. However, appointing a quarterback or a designated staff member responsible for overseeing contract management integration and ensuring consistent use is crucial.

These solutions provide immediate visibility into gaps with new vendors, streamline onboarding processes, and facilitate legal reviews. Beyond ensuring adherence to consistent supplier management practices, they establish a structured framework for accountability, risk mitigation, and performance monitoring.

It is imperative for procurement teams to designate someone responsible for this area to prevent it from falling by the wayside and to optimize the benefits of these advanced solutions.

Advanced Analytics

Advanced analytics play a solid role in obtaining deep insights into supplier performance, opportunities, and strategic direction. In the year 2024, data-driven decision-making emerges as a cornerstone of successful procurement strategies.

This approach often uncovers new possibilities for savings and right-sizing mid-term by sharing specific insights with suppliers. Using simple BI tools, organizations can effectively navigate through extensive datasets, transforming the dynamics of procurement function and its visibility.

This, in turn, allows for strategic decision-making, optimized resource allocation, and the identification of areas for continuous improvement.

Automation and AI

In the years ahead, beyond 2024, the technological landscape will persist in evolving swiftly, presenting an escalating challenge in distinguishing between hype and genuine potential.

The integration of chat-based tools and artificial intelligence (AI) revolutionizes routine tasks within the procurement lifecycle.

Developing a cohesive plan and internal protocol driving focused selection along with education for the utilization of these new AI platforms. These play a pivotal role in achieving faster decision-making, timelines, heightened accuracy, and streamlined processes.

At CCM, we have directly witnessed how AI has accelerated our work processes.

In conclusion, as we navigate 2024, we build new habits adapting to technological advancements, strategic collaborations, and sustainable practices. The dynamic business environment demands a proactive approach, and our focus areas underscore the need for evolving skills, leveraging technology intelligently, redefining partnerships, managing supplier risks, and prioritizing sustainability and ESG considerations.

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