

Smart Procurement in the Low Touch Economy



Innovating Amongst Chaos

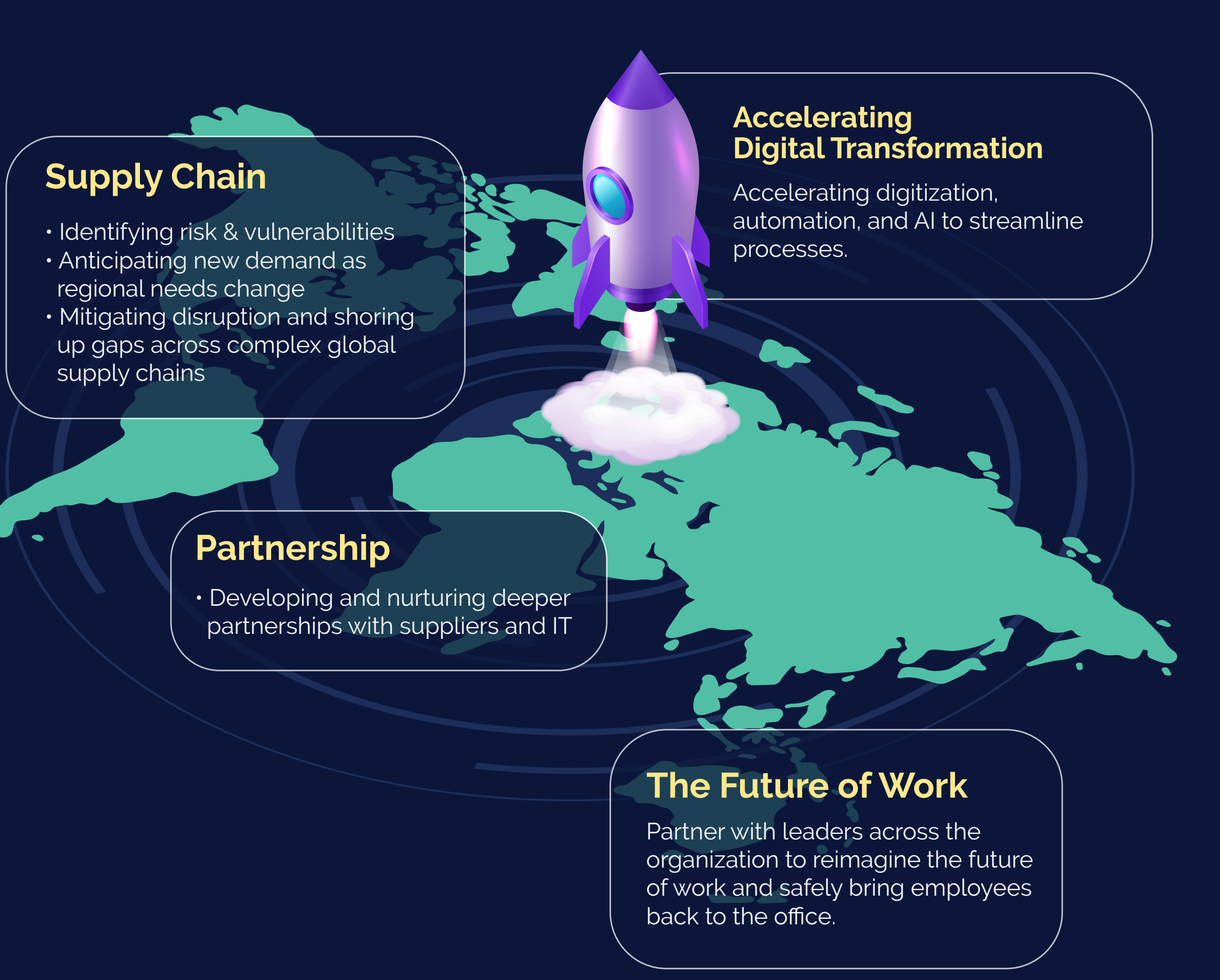
On the heels of the 2008 financial crisis, 2020 takes its position as the most disruptive year in modern history with far-reaching global economic and health consequences. As the world experienced the immediate impact of COVID, procurement and technology groups within organizations sprang into action to join the frontlines and navigate the chain of events put into motion by the pandemic. Through tremendous innovation and dedication, procurement and technology leadership have again reaffirmed their seat at the table with proactive efforts, agility, and ingenuity to keep organizations moving. Procurement executives are now more recognized for their ability to generate value in difficult times and not just for their ability to save money.



What's on the horizon for supplier value management?

According to a recent conversation between top procurement leaders, procurement groups' future will include a continuation of due diligence, building stronger partnerships with suppliers and IT, plus a healthy dose of digital innovation.

Top Procurement Challenges for Organizations



Winning in the Low Touch Economy

It's Not Only About Cost-cutting, It's About End-to-end Innovation



New Value Creation

As organizations streamline their supply chain and evolve operations, data management and governance practices have become requisites for procurement teams and their suppliers to drive speed and deliver new value.

Specifically, new value has been created by introducing business process automation, new and expanded digital systems, agile practices, and artificial intelligence. These efforts will often reach far past cost-cutting exercises and expand deep and wide across the organization to complement efforts to compete in an ever-changing marketplace.

Keeping Up With Shifting Demand

As global supply chains continue to stabilize, supply and risk mitigation tools have become more critical. Today more than ever, the enterprise needs instant access to business intelligence to accurately track, anticipate, and satisfy customer needs around the globe.

For example, in the early days of the pandemic, organizations and their procurement leaders worked to source temporary and long-term personal protective equipment (PPE) for essential and non-essential employees. This global demand for PPE and other vital goods sent a shockwave across organizations large and small and called to attention how fragile supply chains are and how cumbersome some procurement practices can be.



Scaling Quickly Without Compromising Fiduciary Duties

With so much risk across supply chains, procurement can be a complex and lengthy process. Vetting a supplier is a laborious task and finding the right supplier that meets the mark and clears all hurdles is a cheered accomplishment. As organizations continue to purchase more goods and professional services to meet new demand, the need for speed does not always align with procurement's fiduciary responsibility to protect the organization from unnecessary risk.

Taking steps to automate the vetting process can be a valuable step towards moving mountains faster. Leveraging the success of desktop underwriting used within the insurance and mortgage industries can be a model for using software and trusted third-party data and other digital signals to identify red flags and expedite the procurement process.

Intelligent Procurement

As next-generation procurement teams evolve to meet the enterprise's changing needs, they will reach into new areas, requiring more specialized talent and a more elaborate digital backbone to tackle a broader range of activities. With this shift, procurement will play an essential and expanded role across the enterprise and gain more visibility. With that expanded role, procurement leaders will need to provide more transparency around their activities and share operational data with intelligent enterprise systems.

As procurement teams work to close gaps, de-risk their supply chains, reduce costs, and further refine their global practices, intelligent ERP adoption should be considered to help resolve many joint procurement and supply chain challenges and drive productivity and smart spending.

[Click here for more information about intelligent ERP adoption.](#)



The Benefits of an Intelligent Procurement Ecosystem

Reducing spend and supporting organizational agility are two critical goals procurement groups must help achieve during the pandemic. To successfully support the organization's goals, an intelligent procurement platform can help manage all procurement activities from sourcing & discovery to invoice and settlement—giving transparency to transactions across all activities. When such a platform is in place, organizations can see tremendous efficiencies.

*Estimated procurement transformation efficiencies.

Getting Back to the Office: Safely

Ensuring a safe transition to a reimagined workplace is now the top priority for many organizations. While some firms have already started opening up physical offices to essential and non-essential guests, many are still working towards that goal. What's the outlook for the future of work? In short, it will be different. We can already see how first movers in retail, education, hospitality, and healthcare have answered the call, but how and when corporations go back to the office at scale, if at all, is still to be determined.

As procurement teams continue to reduce their real estate exposure by renegotiating and exiting leases, we know that a hybrid workforce is likely. This new model means more work will be accomplished virtually to comply with social distancing, health and safety, and sanitation guidelines. To further mitigate COVID exposure, procurement will continue to do their part, ensuring offices are safe and explore tools, solutions, supplies, and partners to help them responsibly manage this new task.



For more information about Softtek's vision for a safe transition back to the reimagined workplace visit www.softtek.com/resilient



Learn more about how Softtek creates value through technology

