

IMPACT OF RAPID GROWTH ON PROCUREMENT



INTRODUCTION & KEY OBSERVATIONS

Canam Research partnered with PREMIKATI to understand the unique challenges high-growth companies face in scaling their operations efficiently. We surveyed procurement experts (from directors to VPs), finance leaders (from controllers to CFOs), and other operational decision makers about their experiences and perspectives on procurement as a strategic tool in driving sustainable growth. Their contributions revealed valuable benchmarks and actionable strategies for procurement excellence in the high-growth sector.

- Current procurement solutions are moderately effective. They handle the basics but have a lot of room for improvement.

This delta becomes even wider when considering growth projections. Respondents say that their current procurement will suffice for their current stage, but it won't get them to the next level.

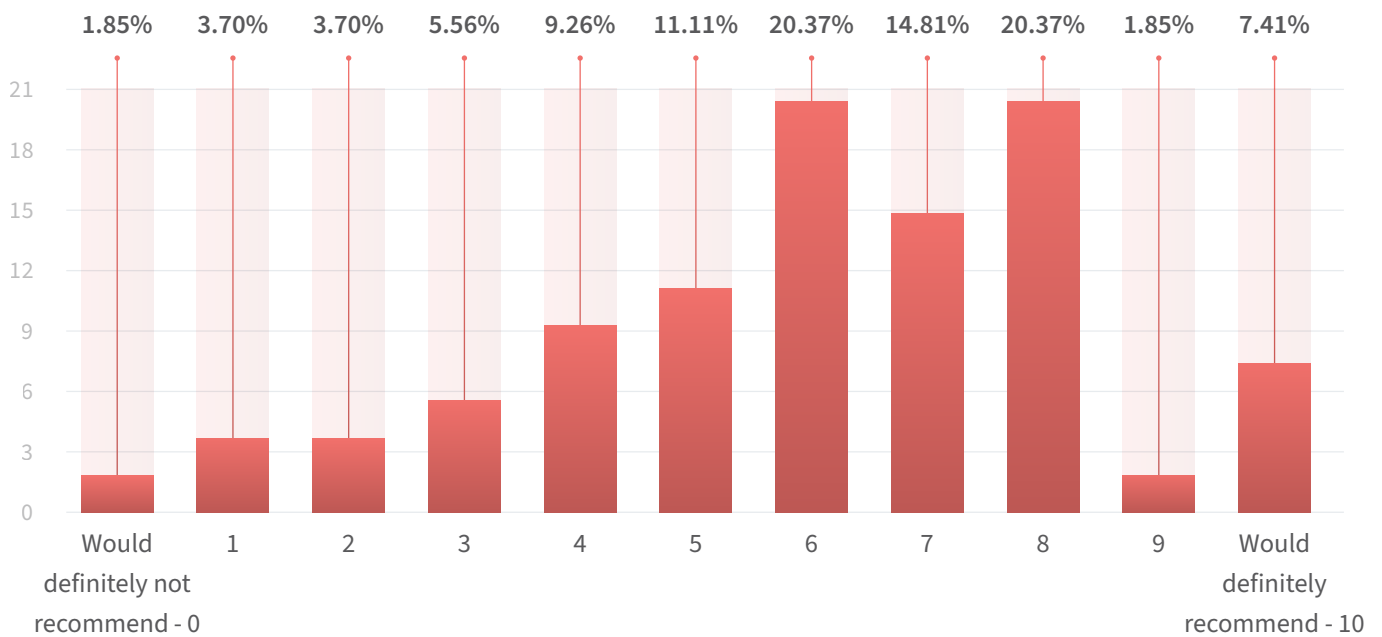
- Cost is the primary driver in procurement-related decisions. Cost was named as the top procurement challenge and the most important factor when considering new procurement solutions.
- For a variety of reasons - such as elevating innovation and improving supply chain resilience - nearly all companies represented in the survey have procurement upgrades on the five-year horizon.



SURVEY TRENDS

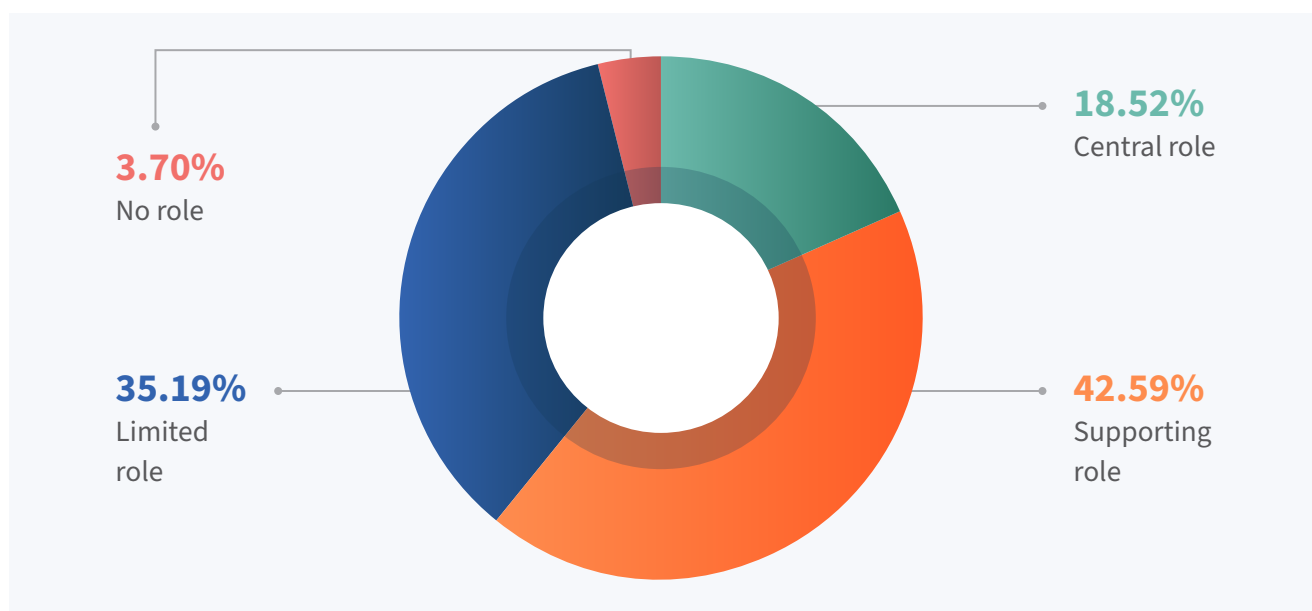
- Two-thirds of survey respondents would recommend their procurement solution, though under 10% recommend it highly. Companies are ready for new, innovative procurement that grows with the company.

Q1. On a scale of 0 to 10, rate how likely you are to recommend your current procurement solution or purchasing process.



- Digitization plays a major role in scaling most operations and strategic decisions, but procurement upgrades remain somewhat untouched by digital transformation.

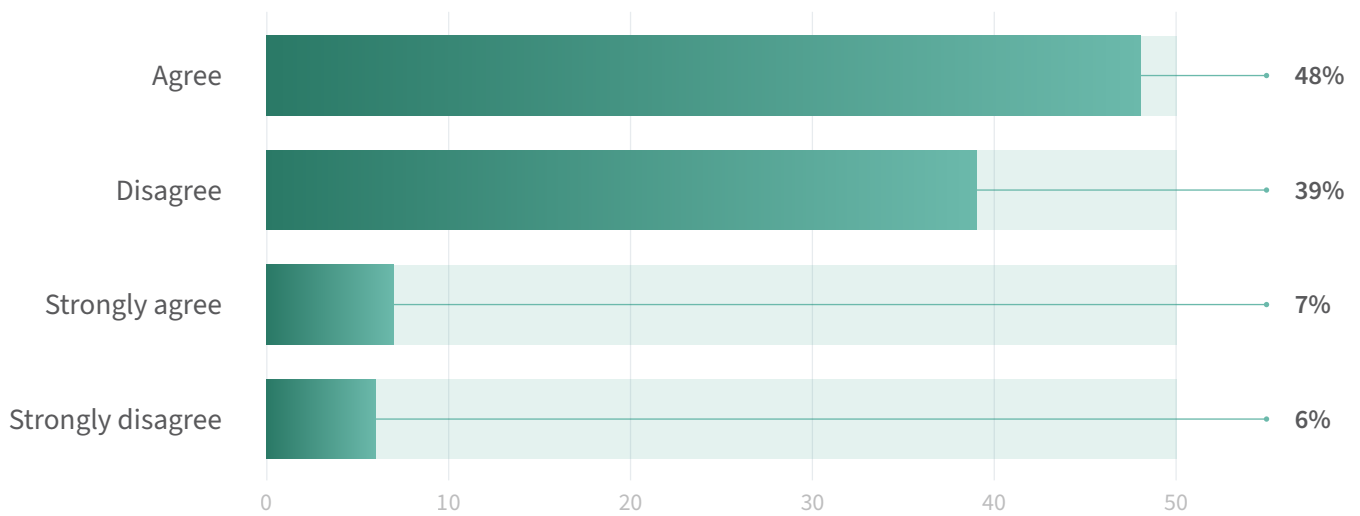
Q2. What role does digital transformation play in your procurement strategy?



Nearly half of survey respondents lack a procurement solution that supports and bolsters company growth.

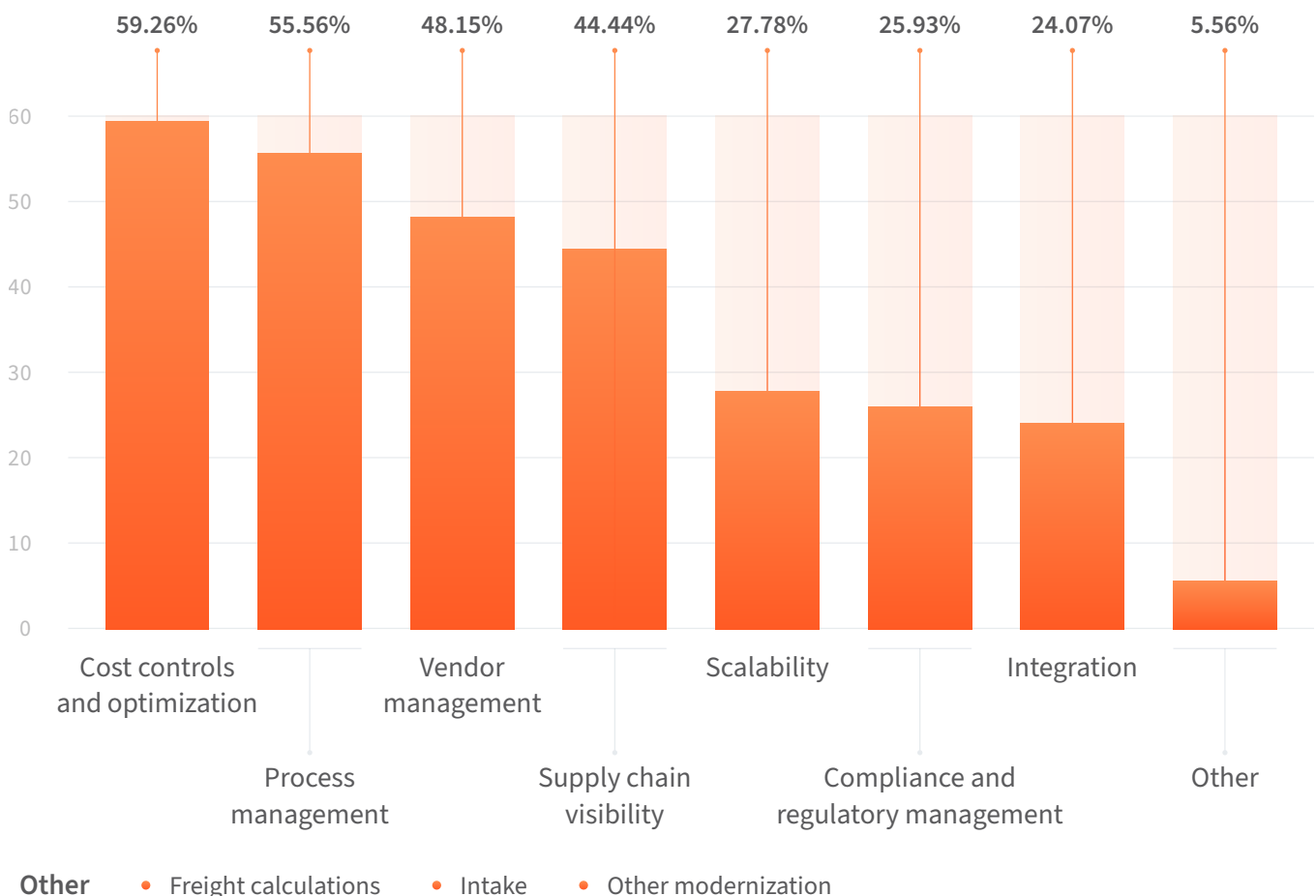
Q3. How would you respond to the following statement?

We have a procurement solution that is innovative, cost-effective, and improves our financial performance.



Top procurement challenges include cost controls and optimization, as well as process management - each experienced by over half of respondents. Even the lower ranking challenges are present for a quarter of respondents.

Q4. What are your company's biggest procurement challenges?



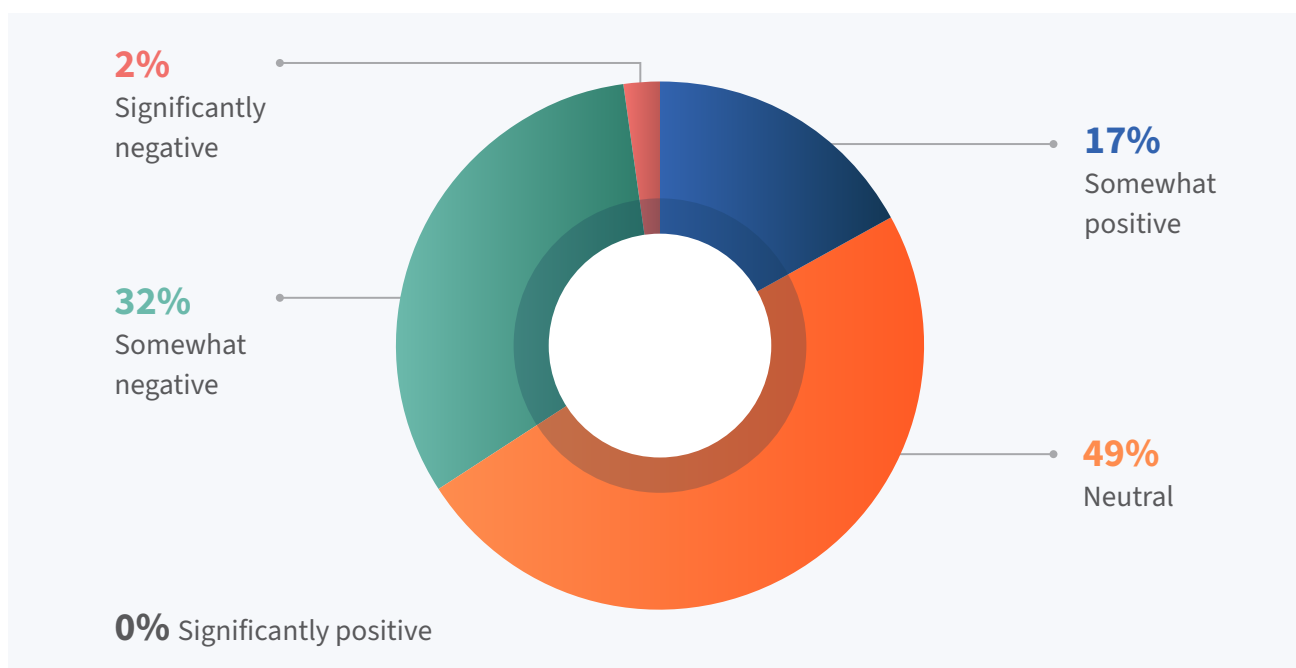
■ **Current procurement solutions can be summed up in two words: moderately effective. Respondents rank them as sufficient for most tasks, indicating a huge opportunity for improved and advanced functionality.**

Q5. On a scale of 1 to 5, rate how effectively your current procurement solution manages the following:

	Not effective	Slightly effective	Moderately effective	Very effective	Extremely effective
Cost controls/spend management	9.26%	27.78%	38.89%	16.67%	7.41%
Internal and external collaboration	7.41%	18.52%	44.44%	25.93%	7.41%
Risk management	14.81%	18.52%	37.04%	25.93%	3.70%
Compliance and ethical practices	13.21%	7.55%	41.51%	22.64%	15.09%
Supplier relationship management	11.32%	18.87%	35.85%	22.64%	11.32%
Data analytics/decision support	11.32%	22.64%	45.28%	16.98%	3.77%
Sustainability goals	22.22%	18.52%	31.48%	22.22%	5.56%

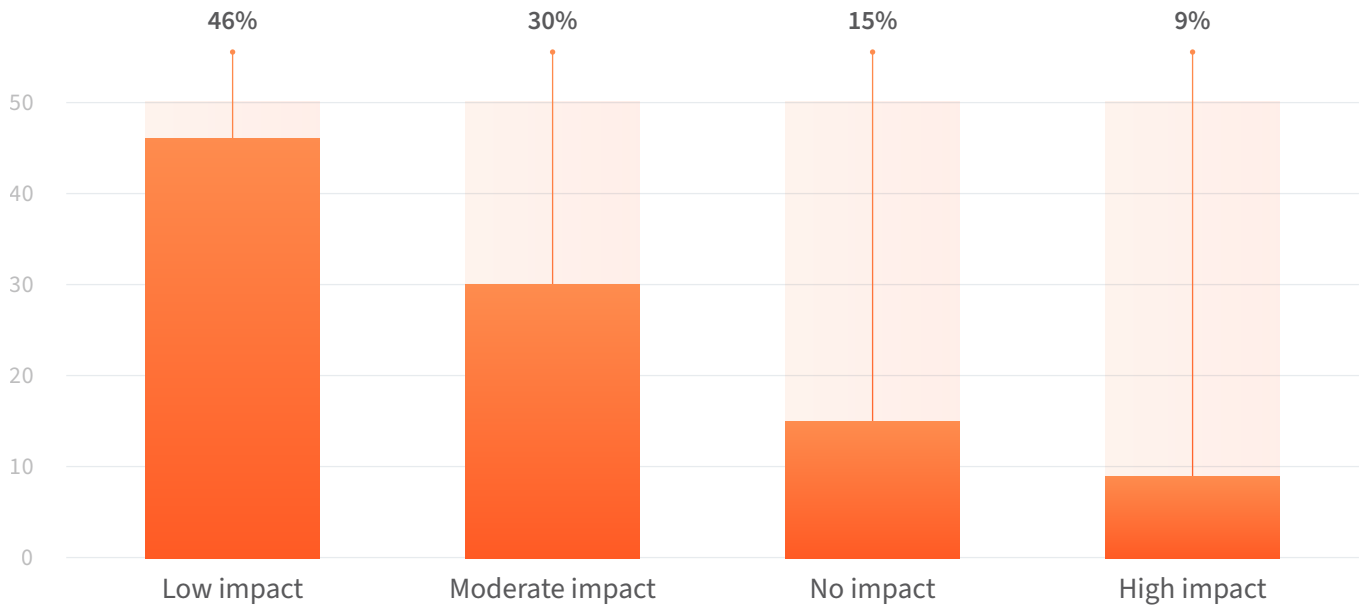
■ **The global economy’s effect on procurement is negligible to slightly negative. No respondents reported a significantly positive correlation.**

Q6. Rate the global economic climate’s impact on procurement at your company.



■ New technologies affect procurement more than economic conditions. Nearly half report a low impact, with another 39% reporting moderate or high impact.

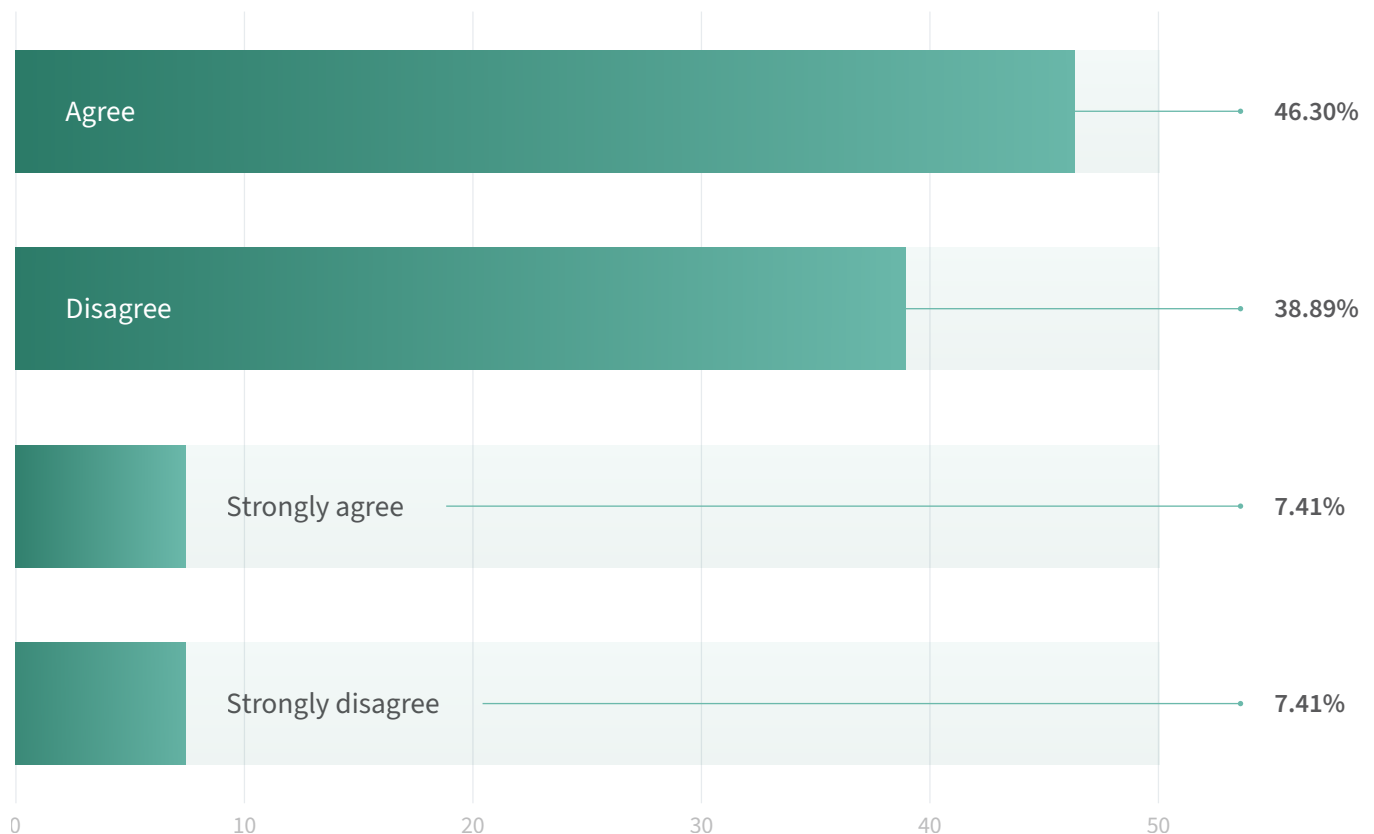
Q7. Rate the impact of emerging technologies such as IoT and AI on procurement at your company.



■ Respondents are split on the correlation between elegant procurement solutions and innovation. The 53% who agree or strongly agree see procurement as an important component of an innovation strategy.

Q8. How would you respond to the following statement?

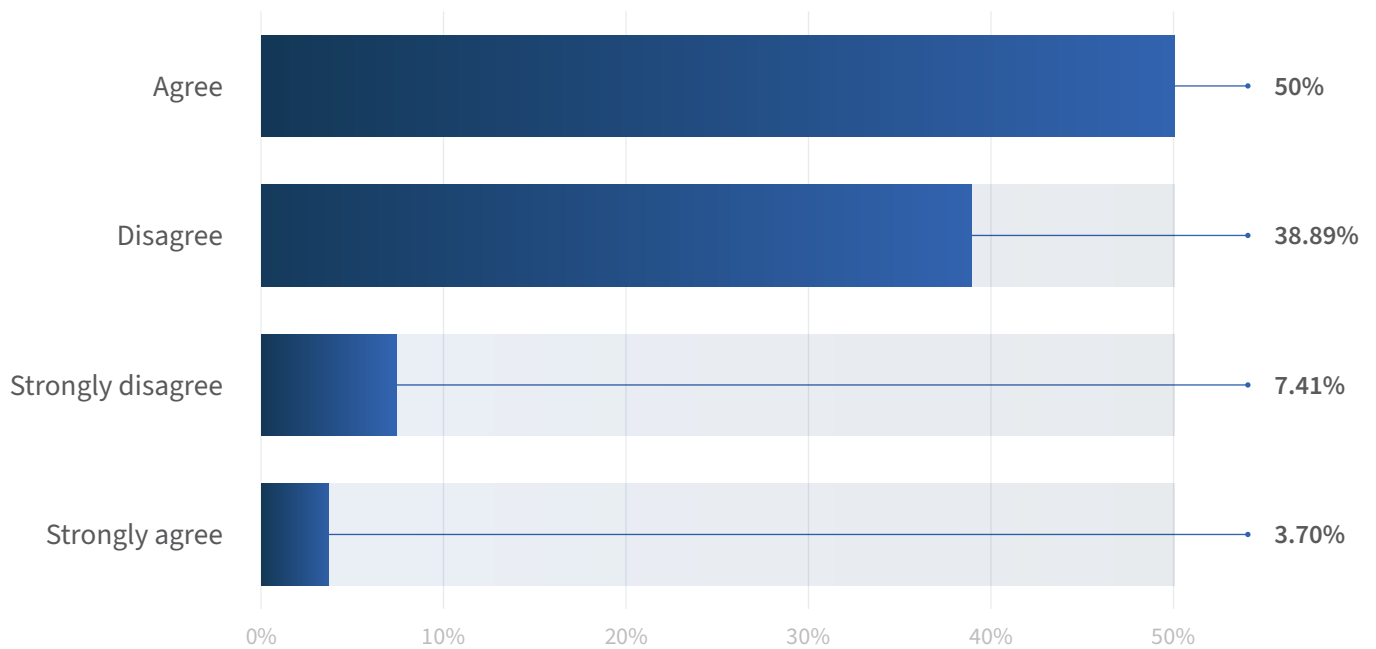
Our procurement solution is important in supporting product innovation at our company.



■ Respondents are comparably split on the relationship between procurement and a high-functioning supply chain.

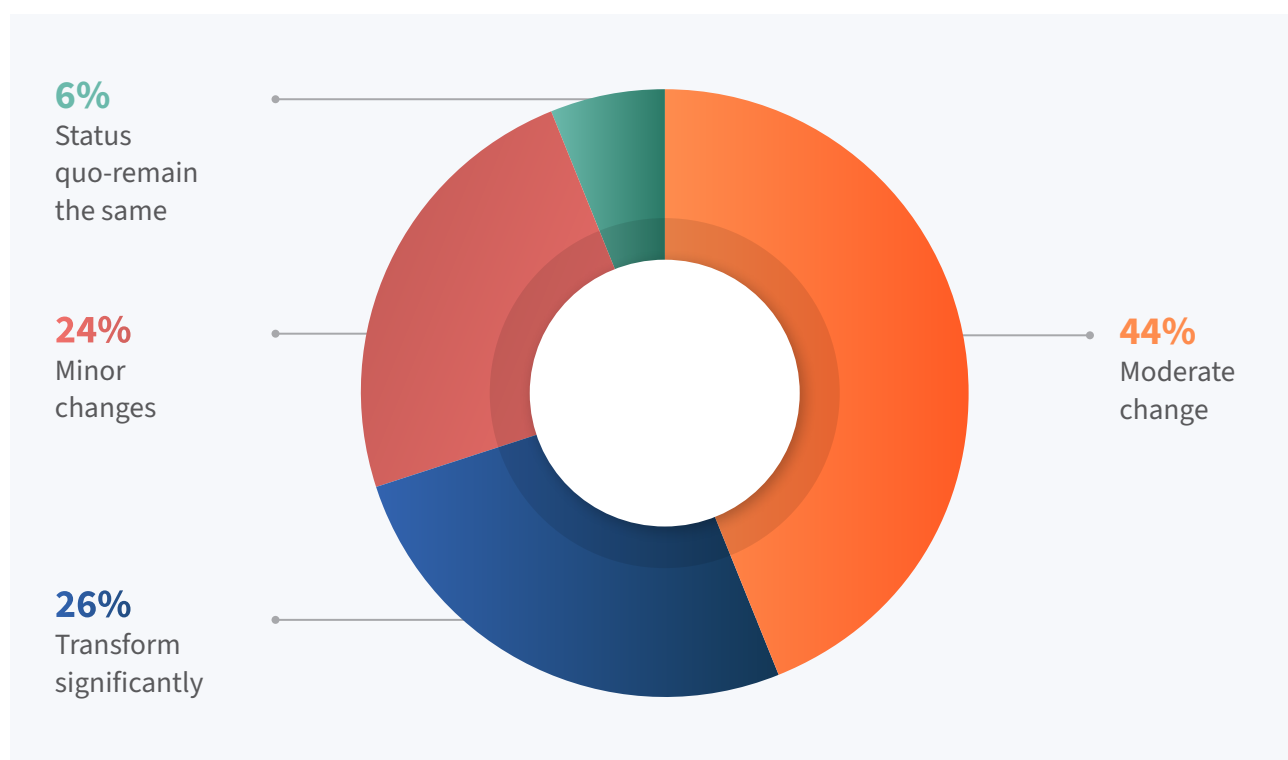
Q9. How would you respond to the following statement?

Our procurement solution has enabled our company to achieve an agile and resilient supply chain.



■ Changes are afoot. While opinions are split on the most meaningful impacts of a solid procurement solution, 94% of respondents concede that one or more factors merit some degree of upgrade in the next five years.

Q10. How do you see your company's procurement strategies evolving over the next 5 years?



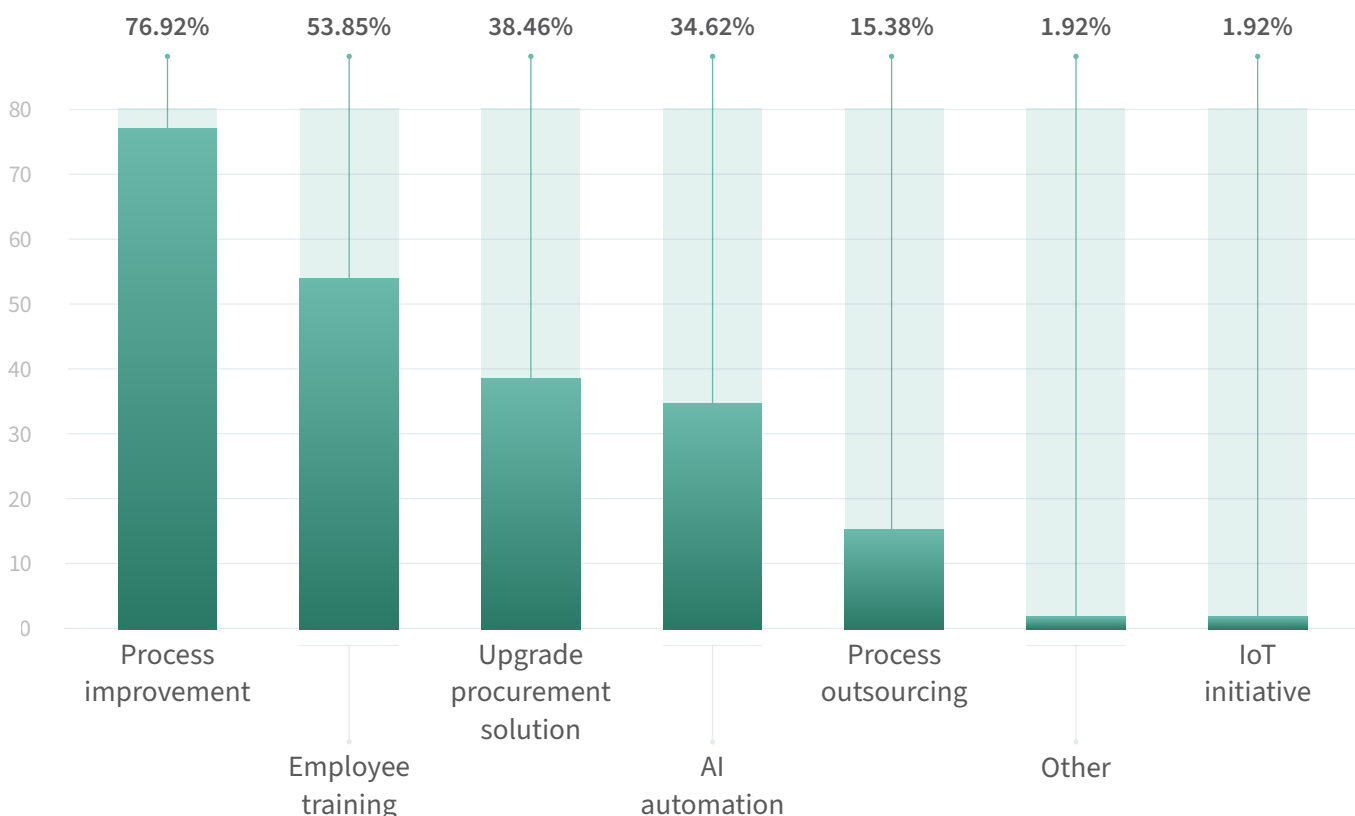
■ **What matters most when procuring a new procurement solution? Cost, both upfront and for ongoing support, came in at number one. Ease of use and ability to integrate with other systems were close behind. Functionality came in last.**

Q11. Rank the following factors from most important to least important when selecting procurement software.

	Not at all important	Slightly important	Moderately important	Very important	Extremely important
Cost of licensing and support	1.85%	12.96%	20.37%	33.33%	31.48%
Functionality	0%	3.70%	9.26%	50%	37.04%
User friendliness	0%	3.70%	27.78%	44.44%	24.07%
Integration capabilities	0%	3.70%	22.22%	46.30%	27.78%

■ **Advancing procurement strategies will employ a variety of tactics. At the top: process improvement, employee training, and upgrading procurement solutions.**

Q12. In the next 12 months, where will your company focus to improve procurement?



About PREMIKATI

PREMIKATI, an SAP Gold partner, is a leading procurement management consulting firm, specializing in procurement business and legal process outsourcing as well as implementing SAP Ariba™ and Icertis software. PREMIKATI's commitment to innovation sets it apart, offering tailored solutions that marry the latest technological advancements with broad, cross-industry procurement knowledge - paving the way for clients to achieve growth through efficiency and insight.

 [PREMIKATI.com](https://www.premikati.com)

About Canam Research

Since 2015, Canam Research has partnered with technology companies to conduct research projects to understand the challenges and needs of companies in every business sector. Our research has uncovered what companies think about business, economic, and technological trends. This means Canam Research clients can communicate about what matters because of our research. Canam Research collects data using quantitative and qualitative methodologies via survey.

The data for this trend report was collected December 2023 through February 2024 targeting the high-growth industries including but not limited to manufacturing, energy and software.

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