

xchange

A vision of the future:
Your procurement team in 2030



James Meads
Digital Procurement Advisor
& Podcaster

How will your Procurement team look in 2030?



James Meads

Founder, ProcurementSoftware.site
Host, "The Procurement Software Podcast"



Who am I?

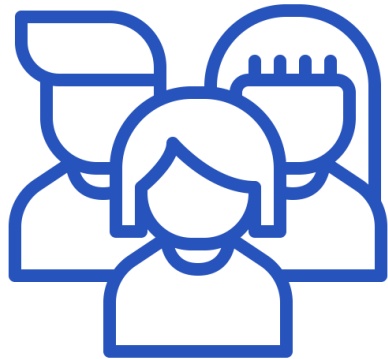
- Born and raised in Birmingham area, UK
- Lived in 5 different countries
- Location independent, dividing my time between Eastern Europe and Latin America
- Procurement professional turned business owner
- Definitely a typical Aries
- Likes: good wine, smelly cheese, hiking, mountains, sea
- Passionate about making procurement more visionary, entrepreneurial and less technocratic - as a profession

Why I'm passionate about procurement tech

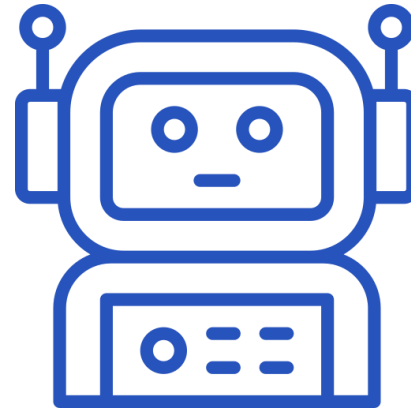
- Procurement teams are **highly skilled people...who are stuck spending ca. 30% of their time on admin**
- We need to **attract fresh, young talent** into procurement, but it's seen as a “back office” role
- Brutal truth: **We're not going to get bigger teams**
- The **CFO** sees us as a **cost centre**, not a profit centre
- We must **move beyond cost savings** to being a **value-driving business partner** to grow our influence
- **Tech and clean data** will help us reach our destination!

What will be the key factors that influence the look of procurement organisations in 2030?

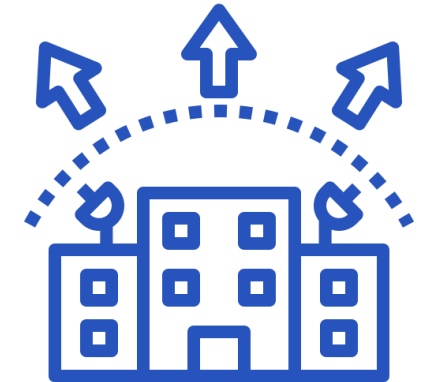
TALENT



TECH



EXTERNALITIES



What skills do we need for Procurement 2030?

HARD SKILLS

- Strategic Sourcing
- Financial Acumen
- Negotiation
- Category Mgmt
- Project Management
- Data Analysis
- Contract Mgmt

SOFT SKILLS

- Business Partnering
- Internal Comms
- SRM
- Stakeholder Mgmt
- Change Mgmt
- Diplomacy
- Influencing

NEW SKILLS

- Entrepreneurship
- Data Science
- Blockchain
- Content Creation
- Agile Methodology
- Prompt Engineering
- AI & Robotics

There is no shortage of talent.

There is a **surplus of risk
aversion** and a **lack of vision.**

Where could AI help us achieve more with less?

SPEND ANALYTICS

- Classification and taxonomy of free text POs and line items

SOURCING

- Writing RFP documents
- Reviewing responses
- Supplier scouting

P2P

- One-time spot buys
- Reduce cycle time
- Autonomous buying

CLM

- Extract clause texts
- Ingestion of data
- Redlining and editing

SRM

- Digest market data
- Aggregate data sources
- Automate surveys

CAT MAN

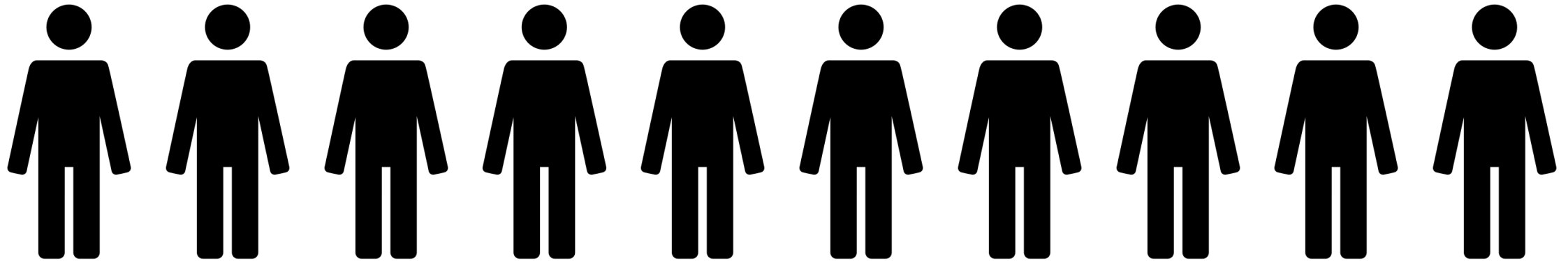
- Drafting strategies
- Presentation format
- Pulling external data

How will technology impact the change in skills and the type of roles required?

- **Fewer** Category Manager roles
- **More** automation of operational and repetitive tasks
- **Increase** in roles focusing on soft skills and influencing
- **Increase** in analytical and technical roles
- **Little or no** “back office” operational procurement

What does a typical Procurement Team* look like?

*obviously it wouldn't be all men - this is just illustrative!

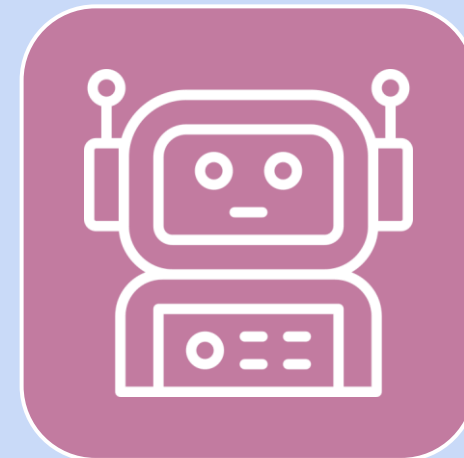
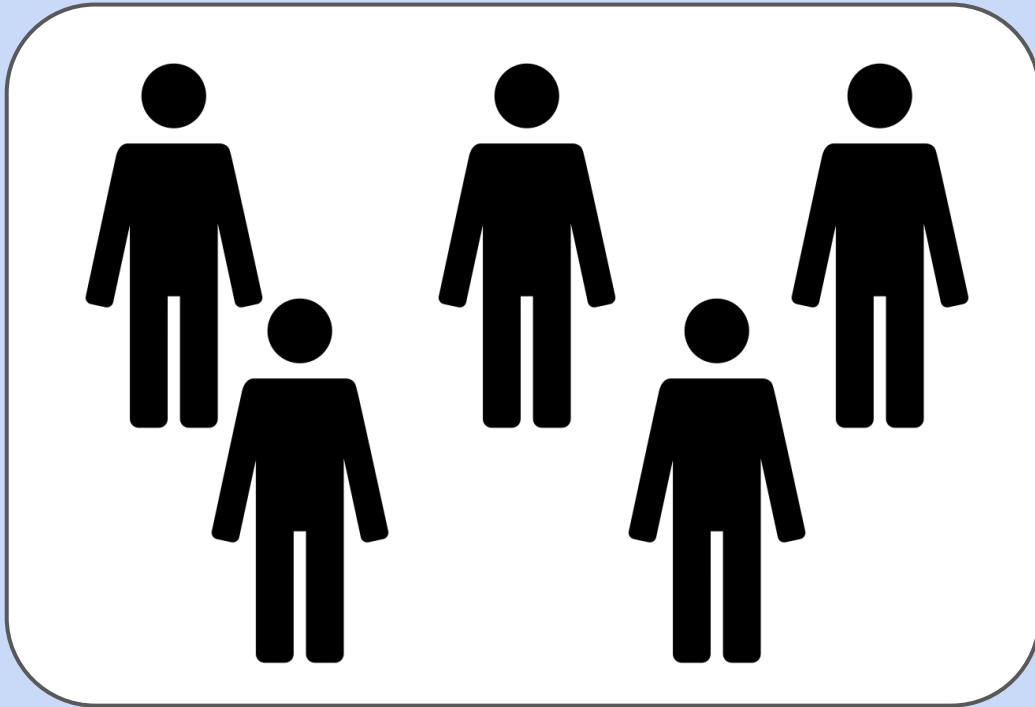


10 Procurement Category Managers

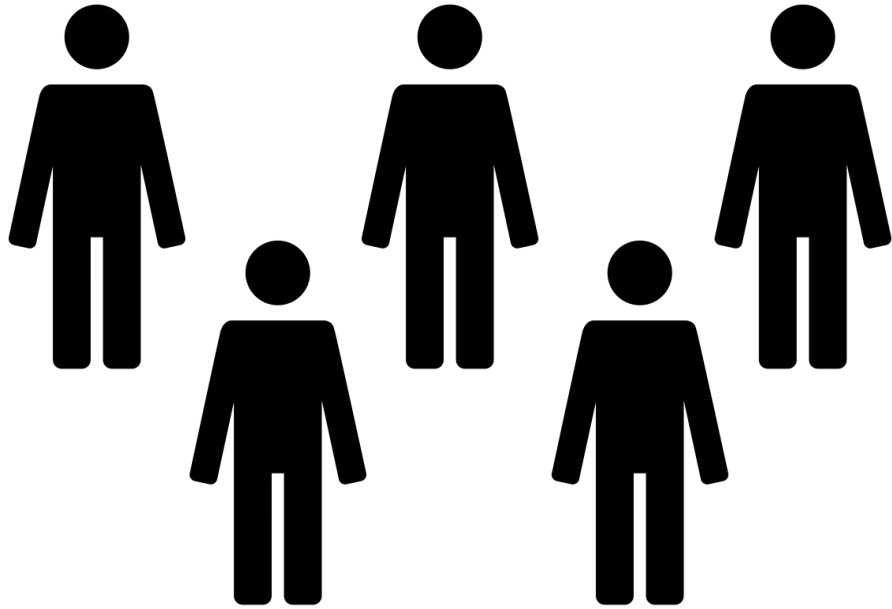
Cost per Cat Man: € 100k / year

Annual Wage Bill: € 1 million

And how will it look in 2030?



Firstly, let's add a Procurement Business Partner



5 Category Managers

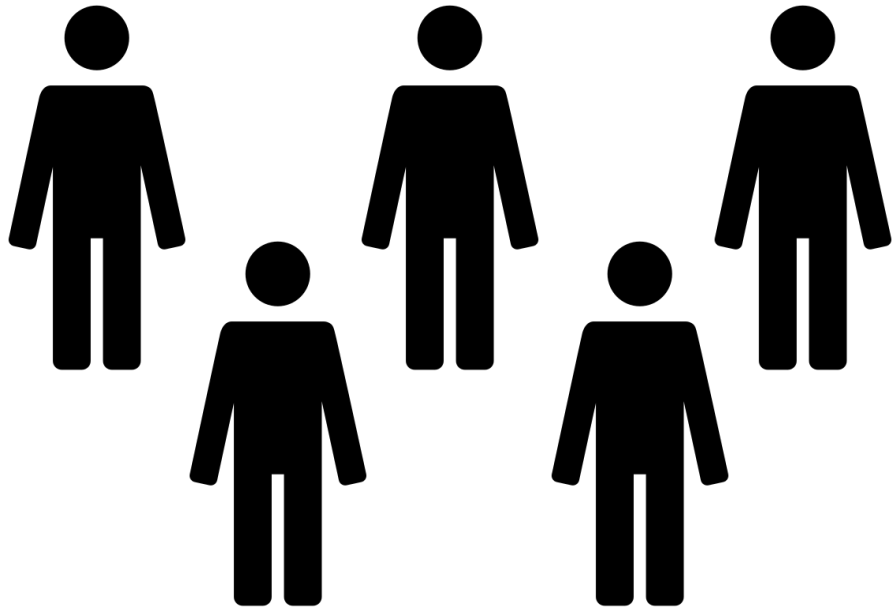
Cost: € 100k / year x 5



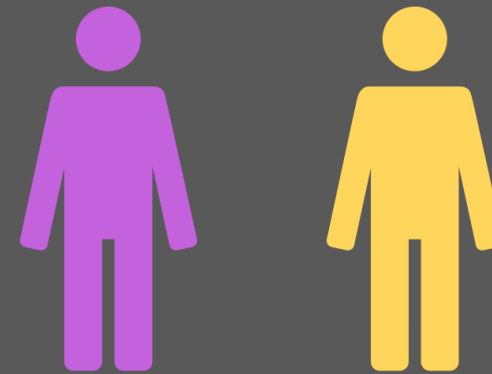
Procurement Business
Partner

Cost: € 100k / year

Now sprinkle Data Science and Analyst expertise into the mix, to feed your Category Managers

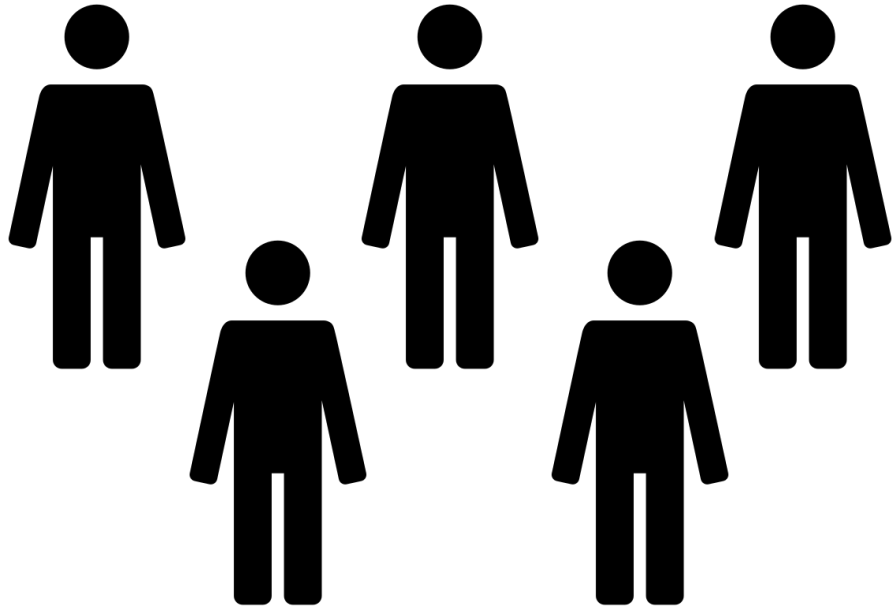


5 Category Managers
Cost: € 100k / year x 5



Data Scientist
Cost: € 125k / year
Business Analyst
Cost: € 75k / year

Every great team has an unsung hero...
Free up your top talent to do strategic work

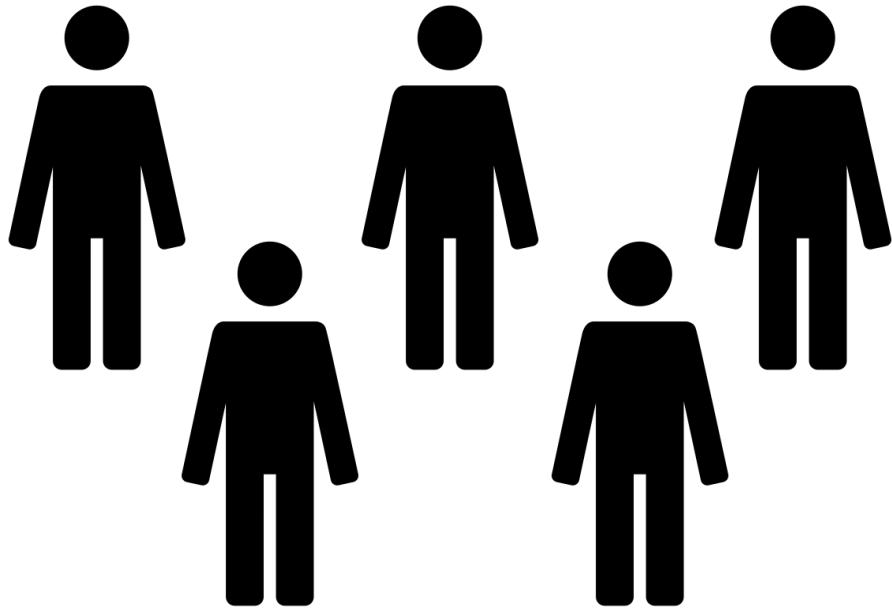


5 Category Managers
Cost: € 100k / year x 5



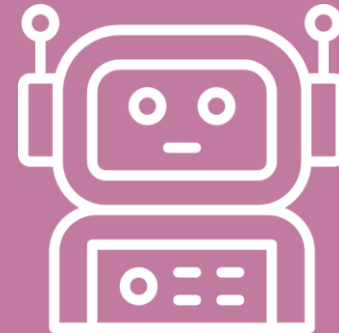
Admin Hero
Cost: € 25k / year

Finally, leverage tech to give you better data, intel, analytics and process automation



5 Category Managers

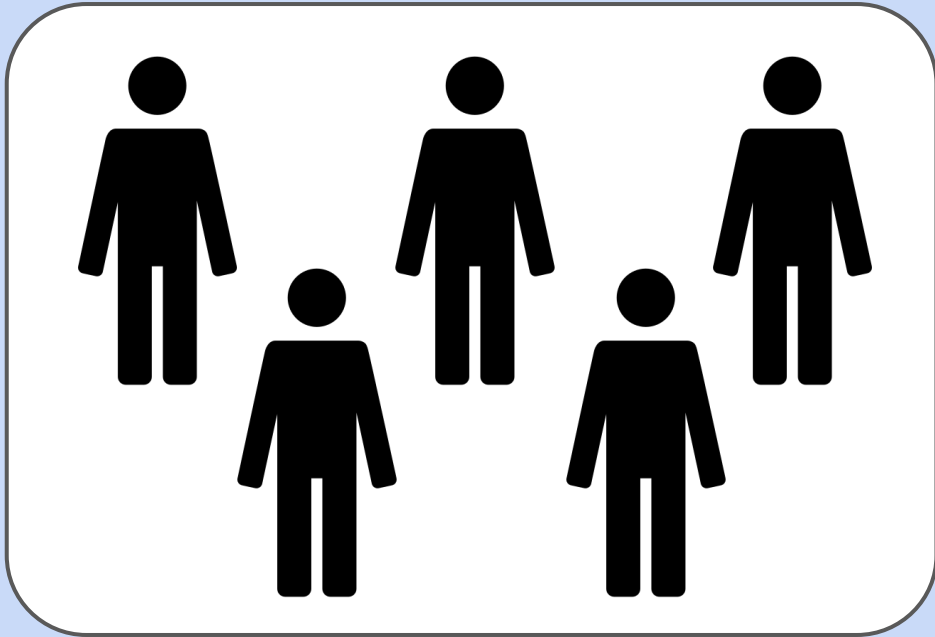
Cost: € 100k / year x 5



Investment into
leading Procuretech

Cost: EUR 175k / year

Procurement 2030: Dynamic, diverse, innovative



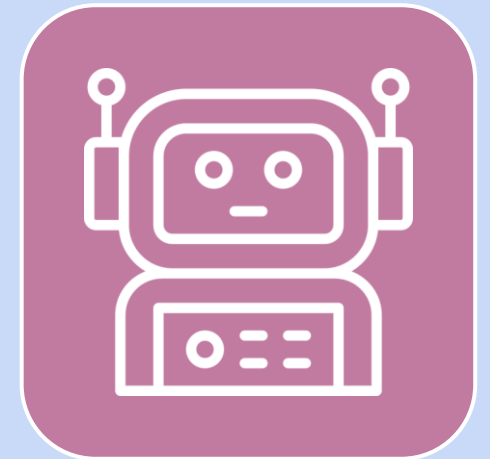
CORE CAT MAN
RESOURCES

€ 500k



1 x Business Partner
1 x Data Scientist
1 x Business Analyst
1 x Admin

€ 350k



Procurement Tech
as Enabler

€ 175k

Embracing the concept of Effective Hourly Rate

Typical Category Manager salary: **€ 100,000**

Working Days: **225**

Hours Per Day: **8**

$€100,000 \div 225 \div 8 = \textbf{€ 55.55}$



Would you pay an admin assistant or
data entry clerk **€ 55.55 per hour?**

Your team shouldn't be doing administrative and operational work.
They won't be in 2030...

Eliminate

Delegate

Automate



Free up your best people to perform **value-added work** instead of “white collar waste”

The best talent isn't found within 50km of your office...

- In 2030, remote work will be even more commonplace
- Younger team members - and your top performers - will start to demand **time** and **location freedom**
- Great talent - at a fraction of the cost - can be found in countries with weaker economies
- Lower employer social contributions in fiscally friendly jurisdictions = a bigger bang for your buck

Procurement 2030:

Adapt, evolve, and then prosper

- I want you to survive, prosper and have a world class procurement organisation
- Being **fit for 2030** probably means **significant and radical change**
- Political capital must be nurtured
- Visionary thinking will be necessary
- Preparing **now** will give your business a **huge competitive advantage**

“The best time to plant a tree was 20 years ago. The second best time is today.”

- *Chinese proverb*

How can I help you on your journey?



**“Power Hour”
Consulting Calls**



**RFI-as-a-
Service**



**Database
Subscription**



**Advisory /
Fractional
Services**

Thank you for your attention!
Free downloads | Let's connect on LinkedIn

