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CPO Rising 2019

#ValueExpansion - “The State of the Chief Procurement Officer”

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The CPO Rising 2019 Summit

On October 29 & 30, you're invited to join a select group of Chief Procurement Officers and other business leaders who will come together at the Harvard Club (Back Bay) in Boston for the annual CPO Rising 2019 Summit, an executive symposium brought to you by Ardent Partners.

This exclusive event promises valuable networking opportunities and the interactive exchange of ideas for CPOs and other procurement executives. Attendees can expect to return home with a collection of new and innovative ideas and strategies that will help improve the performance of their organizations and increase the impact their teams have on business results.

From keynote presentations to CPO panel discussions, case studies, and breakout sessions, the unparalleled speaker panel will highlight the topics that matter most to those procurement executives driving value within the enterprise and across the supply chain.

CPO Rising 2019 is an event for CPOs by CPOs. The day and a half summit provides an intimate setting for delegates to connect, network, and share knowledge and experiences. Join an expected 125-150 CPOs and other procurement executives for this exclusive event.

Online registration now available with "Early Bird" Pricing available until August 31.

For more details, visit: <http://events.cporising.com>

THE CPO IS RISING IN 2019!

CPO Rising 2019: #ValueExpansion

In 2019, the procurement profession still has momentum and is more critical to business operations and results than ever before. But, a decade of Ardent Partners research shows that the profession is also approaching a performance plateau. The truth is that the average procurement department has already picked the low-hanging fruit and most of its easy work has been done. The teams that continue to do the same things over and over again will actually get different results (as in increasingly worse). In this context, procurement's new definition of insanity is for a CPO to stay the course and make no changes.

Breaking plateaus and launching into a new performance trajectory demands new and innovative ideas and approaches. It also requires a broad, multi-faceted approach since no single ingredient can alter the overall procurement recipe. To avoid a frustrating and momentum-killing plateau, CPOs must work to elevate their organization's capabilities and gain improvement across a host of areas in a deliberate attempt to rethink what is possible. They will also need catalysts to ignite a new sense of urgency and new sources of value so that their departments can work smarter, expand their mastery, and raise their commitment. Identifying these new catalysts and sources and framing the different ways that CPOs can leverage them is the focus of this CPO Rising 2019: #ValueExpansion report.

This fourteenth annual CPO-themed report is part of an ongoing dialogue that Ardent Partners' analysts have had with CPOs and other procurement leaders for more than a decade. The report examines the general competencies and capabilities of procurement organizations today and highlights the management strategies and tactics that leading CPOs leverage to get the most from their teams. It also presents a comprehensive, industry-wide view into what is happening in the world of procurement and captures the experience, performance, perspective, and intentions of 308 CPOs and other procurement executives. The report includes benchmark statistics, analysis, and recommendations that procurement teams can use to better understand the state of procurement today, gain insight into best practices, benchmark their performance against the Best-in-Class, and ultimately improve their operations and performance.



The State of the Chief Procurement Officer

“You cannot swim for new horizons until you have courage to lose sight of the shore.”

– William Faulkner, Author

In 2019, the procurement function, as a whole, and CPOs, in particular, have become bellwethers for their businesses and in many ways, for the overall state of the global economy. After all, when an enterprise's fortunes and opportunities rise, the CPO's team is focused on helping businesses accelerate agility, find and harvest supply chain innovation, and enable better returns on investment. Likewise, when the business falls or contracts, executives rely on procurement to bail out an overleveraged or underperforming operation by driving cash to the bottom line. But, no matter which way the economic winds blow, an experienced CPO can be an invaluable resource, possessing a unique perspective that can only come from leading a team that operates at the intersection of critical business decisions, operations, and results.

Land and Expand

Much as the rise of railway travel enabled the westward expansion of the U.S. by early settlers in the late 1800s, procurement has played a similar role in helping modern businesses grow and expand – sometimes leading, but always supporting, the journey forward. After a century of slow progression, procurement has become

a strategic business function in roughly a generation's time. The move from the back office was not trivial, and the transformation from a largely administrative or even bureaucratic function to a strategic, executive-level function that now has a seat in the literal (and figurative) executive suite has been exciting and impactful. Consider the following proof-points in 2019:

- CPOs (or their equivalents by role and title) now exist in 91% of large enterprises today, compared with less than 50% 14 years ago.
- Procurement teams are significantly more likely to be organized as centralized business functions rather than as ad-hoc groups of buyers loosely populated across the organization.
- In 2019, almost every (97%) procurement department has some type of annual or multi-year strategic plan in place, up from just over 40% in 2006.
- CPOs and their teams now have unprecedented visibility into business operations, performance, and risk, thanks in large

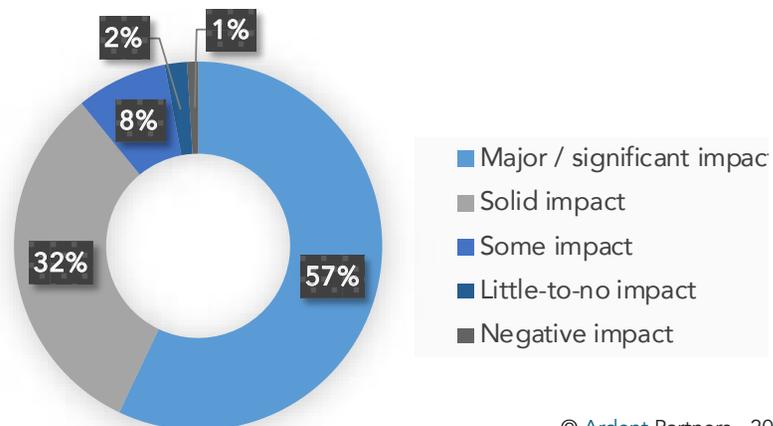


part to advanced analytics, process automation tools, and a connected network of global trading partners.

- More than 70% of all CPOs have a direct reporting line (and direct accountability) to key enterprise executives such as the CEO (22%), CFO (32%), and COO (19%).

None of this is news to the readers of this report. Today, most CPOs and other procurement executives are well aware of the impact that their teams can make and the longer-term context of that impact. Ardent Partners' annual (2019) CPO Rising survey of more than 300 procurement leaders and professionals shows that a majority (57%) believe that their departments made a major or significant impact on the enterprise over the last 12 months, while another 32% believe that their impact was solid. Notably, only 11% believe that their impact was small, insignificant, or negative.

Figure 1: Procurement's 12-Month Overall Impact on the Enterprise



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Procurement, like many other business functions, including sales, marketing, and human resources, underwent a first wave of digital automation that began almost twenty-five years ago as part of the internet/dot.com phenomenon that forever changed the B2B (“business-to-business”) landscape. The advent of enterprise-level software for procurement was also part of the Third Industrial Revolution (Industry 3.0), which, in the last few decades of the 20th century, saw the development, advancement, and proliferation of computer hardware and software and its widespread application to business processes. Procurement’s first wave of automation began with a focus on sub-process digitization, which replaced paper-based processes and operations with computer-based ones. Many of these projects then progressed to a broader-based scope that not only streamlined many of the repeatable and scalable tasks inherent in the source-to-settle process that required human interfacing, but also enabled a basic-level of insight and reporting. This first wave of automation generated efficiency and productivity gains and provided a level of visibility into spend, suppliers, and internal processes that gave CPOs the foundation to build a more strategic operation. With new tools that generated some momentum, and a rising profile in hand, the CPO had landed... in the executive suite and, in the minds of many key budget holders. The next frontier for procurement to cross is how to expand this value in a new era of business commerce.



Same Neighborhood, Different Views

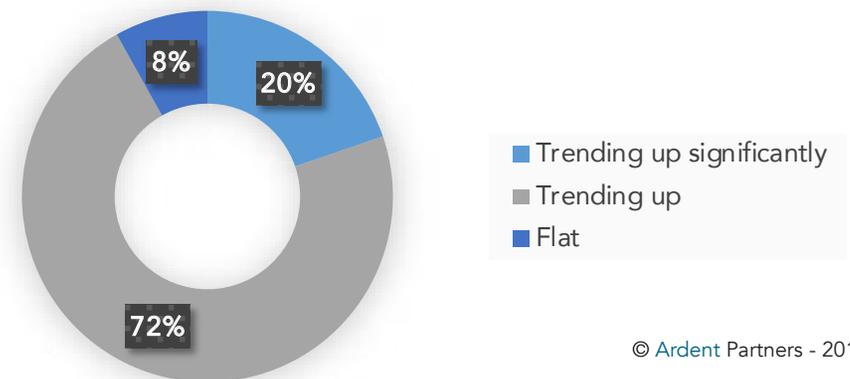
While the CPO was able to move into the same “neighborhood” as the other C-level executives, the procurement chief’s residence was often found on “the other side of the tracks” when compared to their other higher-profile neighbors. Due to the broad impact of procurement’s many efforts, such as cost savings and efficiency gains to name a few, many executives raise the question of just how much “farther” the function can go when looking at future investment in the procurement operation. This inquiry, today, is easily satisfied because of the average company’s overall desire to become more digital, providing the CPO and the entire procurement team with the exciting new potential to push the boundaries of enterprise value. The opportunities that sit before procurement to drive more value as a result of digital transformation and data intelligence are sizable and, more importantly, attainable. And, though the other executives may not be giving the CPO the keys to a new castle anytime soon, by continuing to make an impact, CPOs may be able to move to a nicer part of town.

A majority of CPOs believe that their departments’ impact is making a difference, which has been a part of a larger three-year trend, as illustrated by Figure 2 to the right. What is perhaps most interesting is that no respondents see a downward trend in impact over the past three years; 72% believe that they are trending up, while 20% believe that they are trending up significantly. At worst, just eight percent (8%) see a flat three-year trend. It is both curious and surprising that not a single respondent of the more than 300

who answered the question feel as though their momentum is trending in a negative direction. It is also unlikely to be true.

A majority of CPOs believe that their departments’ impact is making a difference and part of a larger three-year trend.

Figure 2: Procurement’s Overall Impact on the Enterprise - Three-Year Trend



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An important follow-up is whether or not this view is shared by the rest of the enterprise, or simply wishful thinking on the part of today’s CPOs. What is certain, however, is that a procurement department’s momentum will not be sustainable unless new elements are added to the mix. In fact, it is Ardent’s view that most procurement departments have not yet added important new



innovations and have either hit a figurative wall or will soon see one approaching.

Performance Plateau: The Results Are In

The results are in... and the procurement industry is starting to plateau. Despite the many significant innovations that have emerged to propel procurement's first wave of transformation (as well as the fact that procurement leaders and their teams rate their impact on the enterprise pretty highly), recent year-over-year performance data tells a different story. The average percentage of spend under management by a procurement department has stayed generally flat for the past eight years and is not likely to rise significantly any time soon. In 2018, only 15% of all CPOs had placing more spend under management as a top priority looking out over the next two to three years. This year, only 6% of all CPOs feel pressure to place more spend under management. For the past decade, spend under management has been and continues to be a great leading indicator of the potential value that procurement has to influence results. It has been a key metric used to define Best-in-Class procurement performance by Ardent Partners for years in its research. This is not to say, however, that placing more spend under management has to be a top goal or priority. To the contrary, there can be many other, more important targets than improving this metric. Nevertheless, the fact that such a small percentage of procurement departments seek to increase this number, when the benefits of doing so have been quantified, indicates that the industry is evolving.

Spend Under Management

The measure that captures the percentage of total enterprise spend that a procurement organization manages or influences. Ardent Partners' research has found that for every new dollar that is placed under management of the procurement department, the average enterprise realizes a savings benefit of between 6% and 12% during the first contract cycle.

Average savings rates are also trending flat to down over the same time period, but these metrics are more closely tied to the economy. And, as has been discussed and explained many times in the CPO Rising series, the amount of savings delivered by a procurement department on an annualized basis has so many different inputs that fall beyond the influence of the department. Evaluating procurement performance based solely on savings can fail, by a significant margin, to capture the full value that the procurement group delivered in the period. To be clear, savings is important but its trend line is not a strong indicator of the profession's progress.

Two metrics that are good indicators, the "percentage of addressable spend that is sourced" and "compliance rates" have not increased since the Great Recession, and have trended flat to down over the past five years. All of this data suggests that procurement's



momentum is actually slowing, and that its performance is at risk of slipping – despite the current level of innovation found in the supporting technology market, and despite procurement’s own perceptions of its impact. But why?

One answer is that the proverbial low-hanging fruit has been picked; CPOs cannot extract more juice from the same berries without further investment – as the law of diminishing returns dictates. Like body builders that need to periodically change their workouts in order to continue to strengthen muscles, CPOs and their leadership teams need to rotate their “fitness regimens” and regularly introduce new (or modify existing) strategies, solutions, and capabilities if they hope to expand their impact.

After all, conducting spend analysis to identify and realize cost savings, outsourcing tactical work to low-cost countries, automating processes, identifying strategic suppliers and reducing tail spend, leveraging eSourcing, eProcurement, and other business tools, and many other strategies have all become table stakes. These are no longer considered innovative strategies and capabilities. They have become part of the modern procurement paradigm – of operating in a business environment where enterprises, CEOs, share-holders, staff, and the public at large expect more, even if (or when) it is not known exactly how procurement should proceed and what it should do next in order to expand the value it delivers.

Driving automation and digital transformation, streamlining and improving processes, and increasing efficiencies and overall effectiveness are the strategic drivers CPOs are focusing on this year to achieve results.

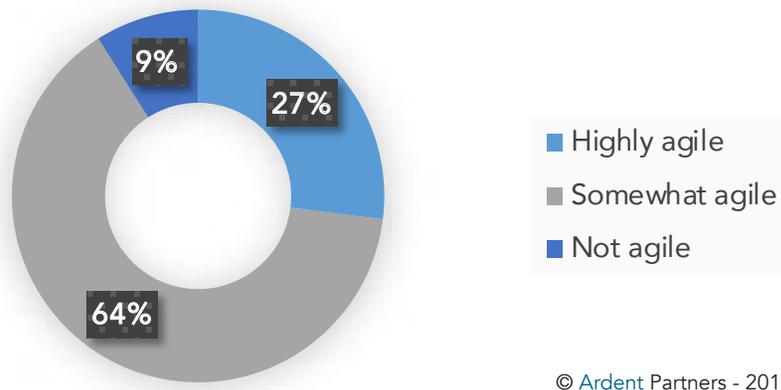
As the speed and complexity of business continues to accelerate, executives must adapt to new market conditions as they fight to retain market share and market relevance. Procurement departments, their operations, culture, systems, and the way in which they transform knowledge into strategies and those strategies into performance, must all keep pace. The procurement profession needs a catalyst or, in all likelihood, a series of catalysts to push it through to the next wave of value creation. Chief Procurement Officers and their teams need to reach higher for larger and sweeter fruit; and if they cannot grasp it, they need to start using new strategies, tools, and approaches to help stretch their reach, expand their influence, and increase their impact. The good news for CPOs and their teams is that they will not have to journey to some magical land to meet the wizard. In fact, most will not have to look any further than their own backyard; they can harness the leading business innovations and ideas already at work within the industry (and within their enterprise) and start to pave their own yellow brick road.



Becoming More Agile, Data-Driven, and Intelligent

CPOs and procurement organizations have seen a gradual yet accelerating shift towards becoming more data-driven, more intelligent (i.e., more informed by data analysis and empirical evidence and less by “gut feeling”), and as a result, more agile. The procurement teams that adeptly connect their tools, resources, and expertise to support the evolving needs of the business will succeed above all others. It is Ardent’s view that agility will define the next wave of procurement success. And in 2019, a good number are on their way with more than a quarter of respondents in this year’s survey rating themselves as highly agile (27%), while 64% believe that they are somewhat agile (see Figure 3 below). Just nine percent (9%) do not believe their procurement departments are agile at all.

Figure 3: Procurement’s Organizational Agility (Self-Rating)



The need to develop systemic agility within the procurement function does not mean that activities like spend analysis, sourcing, and procure-to-pay become any less important. To the contrary, executing efficiently and effectively are critical to procurement’s success now and in the future, particularly as CPOs continue to gain additional responsibilities and attempt to place more spend under management. Agility should not be pursued at the expense of core capabilities; all areas must be sharp and competitive. Leading enterprises and functions can multi-task and layer in new elements upon their strong foundations – that is what makes them leading – procurement departments must do the same. They must also become more intelligent by leveraging their data.

A surge in data produced across the business world, due in large part to the spread of technology and enterprise software, the ubiquity of mobile devices, the rise of the Cloud, and the distribution of connected devices, is driving this shift. Business data is growing exponentially; and every year it becomes more challenging for procurement teams to wrangle it, let alone to properly analyze it and derive meaningful insights from it. There are, however, exceptions to the norm in the form of those procurement teams that not only manage Big Data well, but also leverage it to draw valuable business intelligence (BI) that improves performance.

Based upon survey data and a series of CPO interviews from 2019, Ardent Partners has found that progressive, high-performing CPOs utilize the following:



1. **A trust-centric operating model with pre-delegated authority:** Leading CPOs hire smart, trusted people and empower them to make informed decisions without mandating manager approval. They value agility, efficiency, and independence, and they trust their staff to exercise good judgement and discretion – specifically with regard to sourcing and purchasing decisions.
2. **Big Data and predictive analytics:** Resourceful and innovative CPOs have adopted a data-driven approach to making sourcing, buying, and risk management decisions. They have adopted “Moneyball”-type analyses as well as automated, more predictive purchasing tools. Although not all of these methods have been completely borne out, some of them have and continue to deliver enhanced value to their users.
3. **Augmented intelligence/cognitive computing:** Many organizations today, including procurement organizations, use some form of augmented intelligence to automate their processes and systems in a more intelligent manner and reduce human interfacing. While artificial intelligence (“AI”) is still some years away, augmented intelligence (aka AI-light) is here; and it is taking over tactical, scalable, and repeatable work and enabling business users to focus on more strategic, value-adding efforts.
4. **Augmented talent/Future of Work:** Procurement leaders are striving to create an “agile” operation that enables direct responses to changes in a volatile market and overall pivots in business and procurement strategy. In 2019 leading CPOs are more inclined to rely on augmented talent and tap into unique pools of non-permanent talent and execute on any technology-, process-, or talent-led strategy in a dynamic manner.

The Future of Work

Ardent Partners defines the Future of Work as the ultimate optimization of work via the transformation of business processes, operations, and its workforce through digitization, seamless and holistic solutions, and flexible enterprise thinking.

Despite indicators that the procurement industry’s overall performance is plateauing, Ardent Partners believes that the function’s best and largest opportunities are ahead of it. A majority of procurement departments have completed the move from a more tactical operation to that of a strategic business partner. But, with greater power comes greater responsibility and higher expectations. To be certain, the next decade will be more challenging for procurement than the preceding two. To thrive, CPOs will need to execute today’s best practices at a high



level simply to maintain production. To transcend the current procurement operating paradigm, CPOs will need to combine new and innovative ideas and approaches with a high-functioning workforce in a post-digital transformation environment. Today's best practices should not be discarded, they should be innovated and regularly reevaluated. In the next decade, procurement's opportunities will be far too expansive to allow for complacency and the continuation of business as usual. To properly pursue them, CPOs must start placing bigger bets, and work aggressively to relaunch their departments onto a new and higher performance trajectory.

Manufacturing and Driving Value: Taking a Page from Industry 4.0

Procurement is not alone in its decade-long quest to "do more with less" – an expression borne out of the Great Recession and championed by CPOs and procurement teams ever since. The response in the manufacturing industry has given rise to advanced "Industry 4.0" techniques and technologies. These include additive manufacturing (3-D printing), connected devices ("the Industrial/Internet of Things"), "lights-out manufacturing," "smart factories," robots, robotic process automation (RPA), and "smart" shipping pallets, plus the proliferation of commercial drones and driverless vehicles. Some Industry 4.0 technologies are instructive for procurement. Consider the following:

- **Fully-Automated Factories:** For nearly two decades, manufacturers have been able to run completely digitized, automated, networked, and robotically-driven assembly lines and factories for as long as a month at a time, intervening only to provide quality assurance/control.
- **Driverless Delivery Vehicles:** Advances in data science (i.e., algorithms, analytics, robotics, and RPA), plus a healthy dose of consumer trust and intrigue, have given rise to driverless cars, delivery trucks, and even delivery robots and drones (next bullet). They are trackable, traceable, and reprogrammable; and they are generally safer, more efficient, and more transparent than human drivers.
- **Commercial Drones:** Unmanned aerial vehicles (i.e., drones) can also deliver small parcels, food, and medical supplies, particularly to remote locations during natural disasters, or along extended supply chains; and/or they can collect and transmit real-time BI from these locations.
- **Additive Manufacturing (3-D Printing):** This is an innovative method for manufacturing companies of all sizes to quickly design, prototype, test, perfect, and produce a custom part or product compared to traditional manufacturing processes and technologies.



These and other Industry 4.0 technologies enable manufacturing companies, as well as retailers (brick-and-mortar and eCommerce, alike), and shipping and logistics providers to realize a host of benefits – including, but not limited to:

- Increasing speed-to-market with a positive impact on revenues.
- Decreased costs associated with down time, headcount/overhead, and errors.
- Reduced risks, risk events, and inventory/profit losses.
- Increased visibility, intelligence, agility, and control.
- Greater efficiency, productivity, and quality.
- Higher savings, revenue, and ultimately, profits.

Critically, the rewards for adopting Industry 4.0 technologies need not be exclusive to the manufacturing, retail, and shipping and logistics industries. Procurement teams across all industries can borrow the ideas and Industry 4.0 tools from their peers in manufacturing and adapt them to better scale their resources and realize greater value. They can also look to leverage capabilities and technologies that other teams within their enterprise are utilizing to gain intelligence and improve operations. Either way, over the next few years CPOs must task their teams with finding the catalysts of innovation and intelligence.

The Catalyst for Business Change

Procurement need not take such a radical leap from where it is now in order to get where it needs to go. After all, business transformation is measured in evolutionary steps – not revolutionary paradigm shifts that seem to occur in quick succession. Moreover, procurement began its long and steady march towards digital transformation a quarter century ago, and has already begun this next phase by adopting some Industry 4.0 tools, like RPA, Cloud-based infrastructures and solutions, and augmented intelligence. Adopting and integrating these and other technologies into procurement's operations is an innovative way for it to leverage Big Data, extract actionable BI, become more agile, scale resources, broaden its internal and external reach, and ultimately drive more value to organizations.

The evolution of business technologies will help procurement ascend to a new performance trajectory and help create a digital, data-driven, and automated network of interconnected actors and applications along extended supply chains – from raw materials' point-of-origin all the way to consumers. It will illuminate more business processes and transactions, foster greater trust among trading partners, and give CPOs and procurement teams more agility and control over more of the value chain.

But technology adoption, alone, will not be the silver bullet that punches through procurement's obstacles in order to drive continued performance and expand its value. Steady leadership,



executive-level support, strategic vision and planning, smart and innovative staff, trial and error, and sheer persistence will all contribute to procurement's success in this next wave of digital transformation.

CPOs must start placing bigger bets, and work aggressively to relaunch their departments onto a new and higher performance trajectory.

Is Self-Perception Reality?

Over the arc of this research series that began in 2006, CPOs and other procurement leaders and practitioners have generally given their departments high marks for short- and longer-term impact on the overall enterprise, as well as for how agile they are in operating and executing upon goals and objectives. But, recent benchmark performance data strongly suggests that procurement's self-perceptions are not borne out in reality. It also suggests that procurement's momentum has indeed plateaued, and that its performance has even begun to slip compared to a half decade ago. This year's data will test these assumptions. It will shed new light on the state of procurement today – how it really performs, what influence it really has, and what impact it really makes across the overall enterprise.

Digital Transformation: An Overdue Approach

When the first twenty years of the supply management technology industry are viewed as a whole, it should be rated as a success. This is evidenced by the large number of procurement departments that have been heavily enabled, if not driven, by the solutions. Truth be told, more than any other factor, this industry contributed to the rebirth of the procurement function and the rise of the CPO, both notable business achievements in the early 21st Century.

But, a disconnect remains – the lack of process automation tools in place at the average procurement organization. This technology gap represents an organizational blind spot that leaves many procurement departments unnecessarily exposed to problems lurking around the corner with an inability to shift gears in response to new information or demands. It is incumbent upon CPOs to “adjust the mirrors” and pull all the levers that drive productivity and results. They must foster the organizational innovation that is needed to bridge the current technology gap and build agile organizations that are responsive to the changing needs of the business and shifts in supply markets.

Today, the leading trend with enterprise technology projects is to approach them as holistic “digital transformations,” something significantly more impactful than simply process automation. The digital transformation of a procurement department is an opportunity to use technology as a means to reimagine the organization's entire scope of operations and how it performs. Unlike the process automation initiatives that preceded it, a digital transformation does not view technology as a process enabler, but rather, as the fundamental process going forward – it is the alpha and omega and everything in between.

A successful digital transformation requires many things including sponsorship, effort, collaboration, vision, expertise, and a supporting technology infrastructure; superior program design also remains a critical element in the speed and impact of the initiative. But more than anything, it requires the entire procurement organization to embrace change and go “all in.”



Appendix

About the Authors



Andrew Bartolini, Founder & Chief Research Officer, Ardent Partners

With 20 years in the industry and 10 years leading the charge at Ardent, Andrew Bartolini is a globally-recognized expert in sourcing, procurement, supply management, and accounts payable. Andrew focuses his research and efforts on helping enterprises develop and execute strategies to achieve operational excellence within their finance and procurement departments. Andrew is also the publisher of CPO Rising, the news and research site for Chief Procurement Officers and other procurement leaders (www.cporising.com).

Advisor to corporate executives and leading solution providers alike, Andrew is a sought-after presenter, having lectured and presented more than 350 times in eight different countries. Over the past decade, Andrew has benchmarked thousands of enterprises across all facets of their sourcing, procurement, supply management, and accounts payable operations and his research is currently part of the Supply Chain/Management curriculum at several US universities. He actively covers the technology marketplace as well as trends in sourcing, procurement, supply management, and accounts payable and has been published or quoted in leading business publications including The Wall Street Journal, Business Week, Investor's Business Daily, Forbes, and Fortune, as well as the major trade publications focused on accounts payable and supply management.

Prior to becoming an industry analyst, Andrew developed, packaged, deployed, and used supply management solutions on behalf of enterprises in the Global 2000 while working for Ariba and Commerce One. Additionally, his experience in strategic sourcing (where he managed sourcing projects totaling more than \$500 million in aggregate client spend), business process transformation, and software implementation provides a "real-world" context for his research and writing.

Andrew has been named a "Pro to Know" by Supply and Demand Chain Executive multiple times and holds a B.A. in Economics from The College of the Holy Cross and an M.B.A in Finance from Indiana University. He welcomes your comments at abartolini@ardentpartners.com or 617.752.1620.



**Matthew York, Senior Research Analyst,
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Matthew York is a Senior Research Analyst at Ardent Partners who for more than a decade has been fascinated by emerging technologies like artificial intelligence, Blockchain, and connected devices, and how they can enrich business operations. At Ardent Partners, Matt researches, analyzes, and writes about the intersection of people, processes, strategies, and technologies in supply management and how they are changing the business landscape of tomorrow. He has been lead author on data-driven, thought leadership reports ranging from advanced analytics to contract management to strategic sourcing to supply risk management. Matt has twice been named a “Pro to Know” by Supply and Demand Chain Executive magazine and is a sought-after speaker. Previously, Matt served as an analyst with the U.S. Department of Justice and the U.S. Intelligence Community. He earned a B.A. in Political Science/International Relations from Stonehill College and an M.A. in Political Science/International Politics from the University of New Hampshire. Matt can be reached via Twitter (@MattYork_Ardent), [LinkedIn](#), and at myork@ardentpartners.com.



About Ardent Partners

Ardent Partners is a Boston-based research and advisory firm focused on defining and advancing the supply management strategies, processes, and technologies that drive business value and accelerate organizational transformation within the enterprise. Ardent also publishes the [CPO Rising](#) and [Payables Place](#) websites. Register for exclusive access to Ardent Partners research at ardentpartners.com/newsletter-registration/

Research Methodology

Ardent Partners follows a rigorous research process developed over years spent researching the supply management market. The research in this report represents the web-based survey responses of 308 CPOs and other procurement and business leaders captured from January to March, 2019 as well as direct interviews with 11 CPOs and procurement leaders (all of whom took the survey). These 308 participants shared their strategies and intentions, as well as their operational and performance results to help us define Best-in-Class procurement performance and understand what levers the leading groups pull to obtain their advantage. One hundred and eighty seven (187) of the total participants shared some personal insight and commentary to help provide greater context to the results. This primary research effort was also informed by the experience and analysis of the report author and the entire Ardent Partners research team. Complete respondent demographics are included below.

Report Demographics

The research in this report is drawn from 308 respondents representing the following demographics:

Job Function: 89% procurement; 3% supply chain; 3% operations; 2% finance; 3% other

Job Role: 41% VP-level or higher; 27% director-level; 23% manager-level; 3% staff-level, 3% consultant, 2% other

Company Revenue: 50% Large (revenue > \$1 billion); 24% Mid-market (revenue between \$250 million and \$1 billion); 26% Small (revenue < \$250 million)

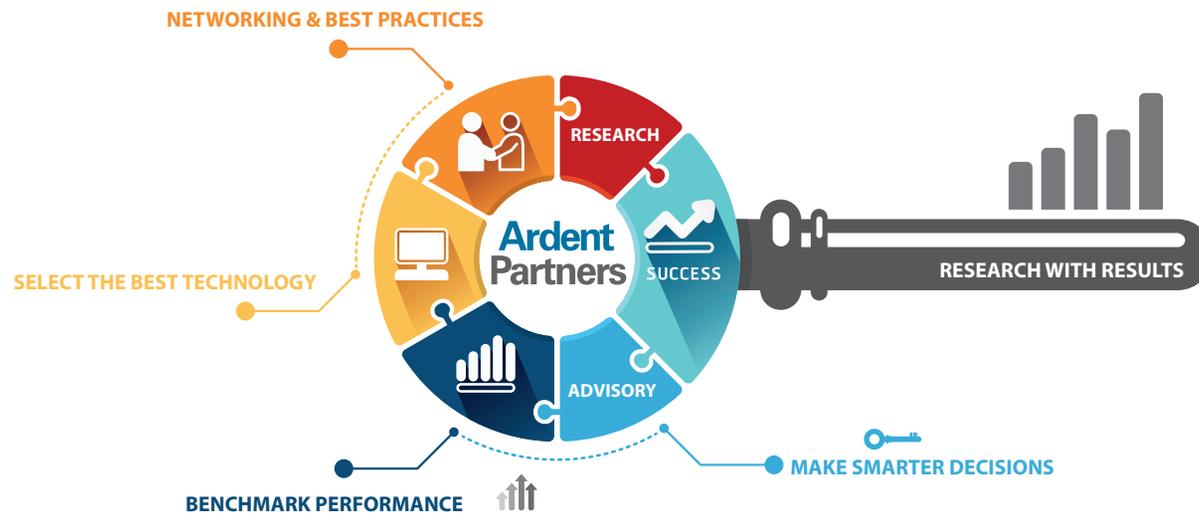
Region: 64% North America; 27% EMEA; 7% Asia-Pacific; 2% South and Central America

Industry: More than 20 distinct industries are represented. Manufacturing, Oil and Energy, Pharmaceutical, Higher Ed, Financial Services, and Hi-Tech are the largest industries in the survey pool; no industry represents more than 11% of the overall survey respondents.

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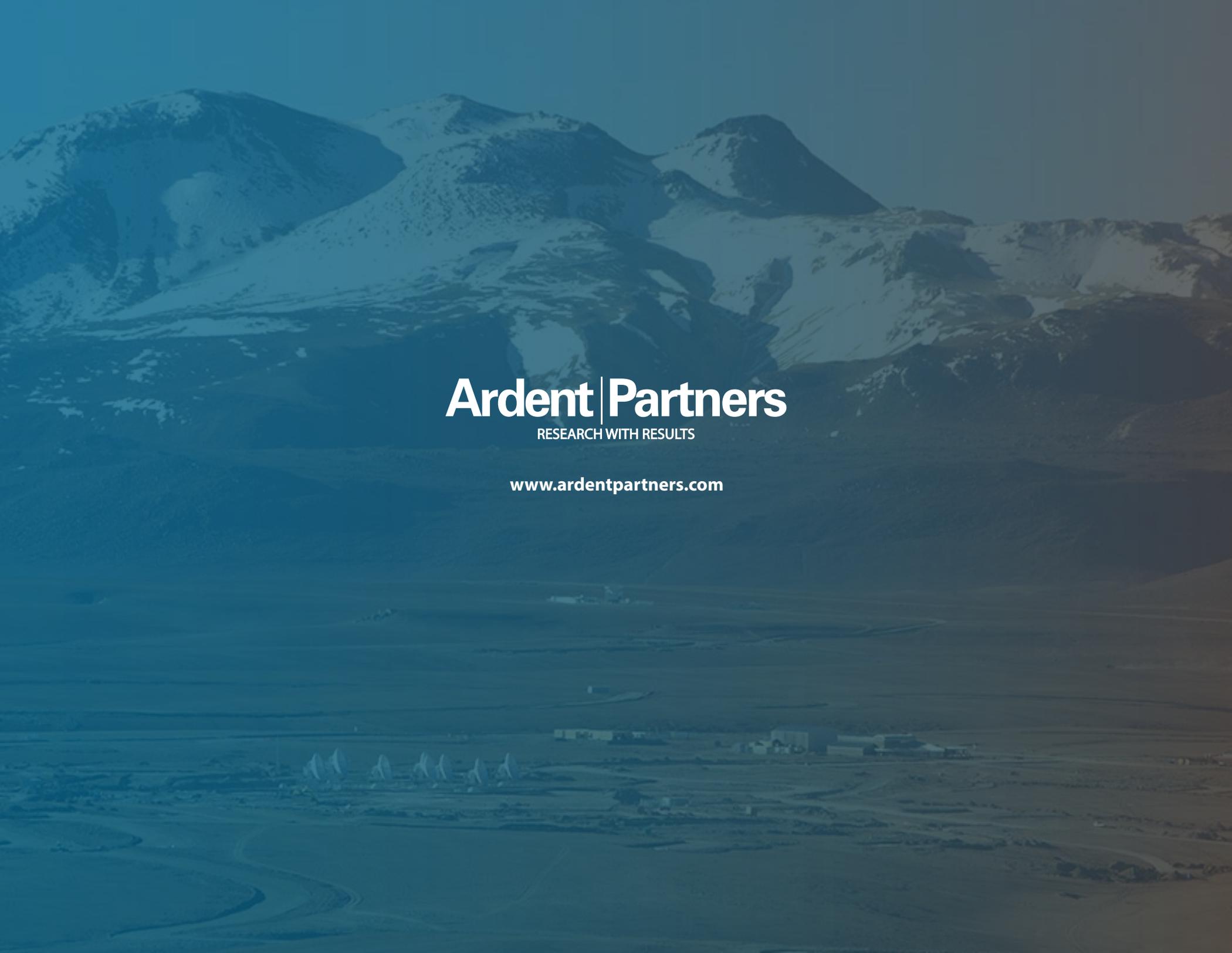
Ardent Partners is a research and advisory firm focused on defining, and advancing the supply management strategies, processes, and technologies that drive business value and accelerate organizational transformation within the enterprise. Ardent Partners was founded by Andrew Bartolini.

Ardent Partners actively covers the supply management marketplace and produces research to help business decision-makers understand (1) industry best practices and how to improve performance & (2) the technology landscape and how to identify the best-fit solution(s) for their specific budget and requirements.

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An aerial photograph of a coastal town, likely San Francisco, with a bay in the foreground and mountains in the background. The image is overlaid with a semi-transparent blue filter. The town features several buildings and a marina with sailboats. The mountains in the background are rugged and appear to be covered in snow or light-colored rock.

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