# Unlocking Digital Maturity
# The Path to Procurement Excellence

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**SpendHQ** Accelerating Procurement's Impact from Data to Value

The Hackett Group®
World Class Defined and Enabled

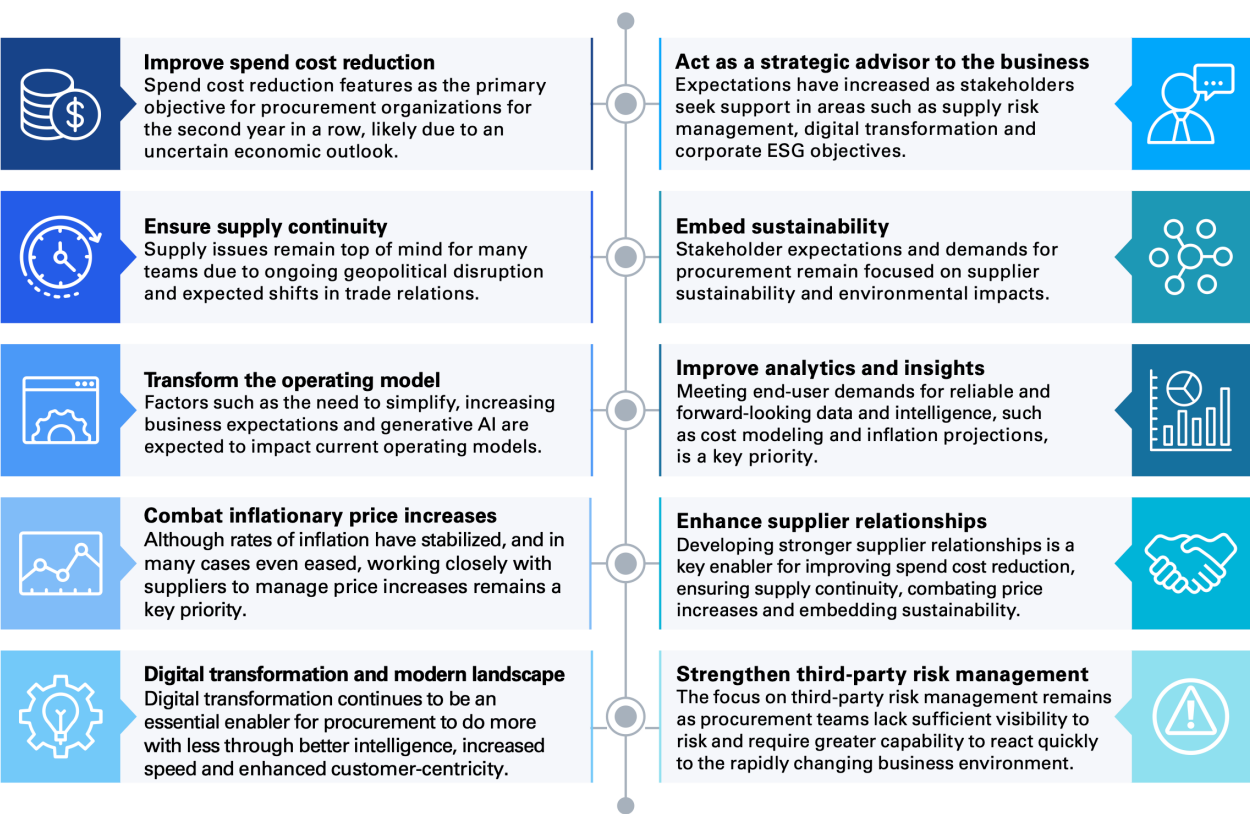# Procurement's value as a strategic partner has never been more important

Procurement executives continue to grapple with a daunting set of priorities fueled by complex internal requirements and external market forces.

Procurement's ability to secure savings, ensure supply continuity and drive repeated business value remain key value levers of overall organizational success.

Meanwhile, workload is predicted to increase by 9.8% in 2025, with only a marginal increase in headcount and operating budget.

This productivity gap highlights the need for procurement teams to increase their digital transformation investments, which are estimated to increase by 5.6% as a result. They are also focusing on improving analytics and insights, delivering real-time visibility and intelligence, and upskilling procurement resources to deliver greater value to business stakeholders.

## TOP 10 PRIORITIES FOR PROCUREMENT

**Improve spend cost reduction**
Spend cost reduction features as the primary objective for procurement organizations for the second year in a row, likely due to an uncertain economic outlook.

**Act as a strategic advisor to the business**
Expectations have increased as stakeholders seek support in areas such as supply risk management, digital transformation and corporate ESG objectives.

**Ensure supply continuity**
Supply issues remain top of mind for many teams due to ongoing geopolitical disruption and expected shifts in trade relations.

**Embed sustainability**
Stakeholder expectations and demands for procurement remain focused on supplier sustainability and environmental impacts.

**Transform the operating model**
Factors such as the need to simplify, increasing business expectations and generative AI are expected to impact current operating models.

**Improve analytics and insights**
Meeting end-user demands for reliable and forward-looking data and intelligence, such as cost modeling and inflation projections, is a key priority.

**Combat inflationary price increases**
Although rates of inflation have stabilized, and in many cases even eased, working closely with suppliers to manage price increases remains a key priority.

**Enhance supplier relationships**
Developing stronger supplier relationships is a key enabler for improving spend cost reduction, ensuring supply continuity, combating price increases and embedding sustainability.

**Digital transformation and modern landscape**
Digital transformation continues to be an essential enabler for procurement to do more with less through better intelligence, increased speed and enhanced customer-centricity.

**Strengthen third-party risk management**
The focus on third-party risk management remains as procurement teams lack sufficient visibility to risk and require greater capability to react quickly to the rapidly changing business environment.

**Procurement's workload is predicted to increase by 9.8% in 2025, with only a marginal increase in headcount and operating budget.**

| **9.8%** Increase in workload/volume | **8.8%** Procurement productivity gap | **5.6%** Increase in procurement technology spend |

Source: The Hackett Group 2025 Procurement Agenda and Key Issues Study

# Procurement executives commonly focus transformation on data analytics and reporting, yet often lack clarity on their overall digital intelligence maturity

**TOP 10 IMPROVEMENT INITIATIVES ON THE 2025 PROCUREMENT TRANSFORMATION AGENDA**

| | |
|---|---|
| 1 | Data analytics and reporting |
| 2 | Talent management (i.e., acquisition, development, retention) |
| 3 | Category management |
| 4 | Strategic sourcing |
| 5 | Supplier relationship management (SRM) |
| 6 | Contract management |
| 7 | Third-party risk management |
| 8 | Generative AI (Gen AI) and/or AI technology |
| 9 | Sustainable procurement (e.g., environmental) |
| 10 | Supplier performance management |

Procurement executives are keenly aware that data analytics and reporting capabilities are foundational elements of overall procurement performance and success. This is reinforced by the findings from The Hackett Group's 2025 Procurement Agenda and Key Issues Study, where data analytics and reporting was highlighted as the most important target for improvement on the 2025 procurement transformation agenda.

But many procurement executives lack clarity on what is required to ascend the digital maturity curve, where they stand relative to peers, and if they've created the proper service delivery model foundation and infrastructure for long-term success.

Source: The Hackett Group 2025 Procurement Agenda and Key Issues Study

**Legend:**
- Service design and delivery
- Digital transformation
- Organizational design and service partnering
- Human capital

# The Hackett Group has outlined ten stages of digital intelligence maturity in three primary categories: *Foundational, Advanced and Leading*

**PROCUREMENT DIGITAL INTELLIGENCE MATURITY STAGES**

Foundational

Advanced

Leading
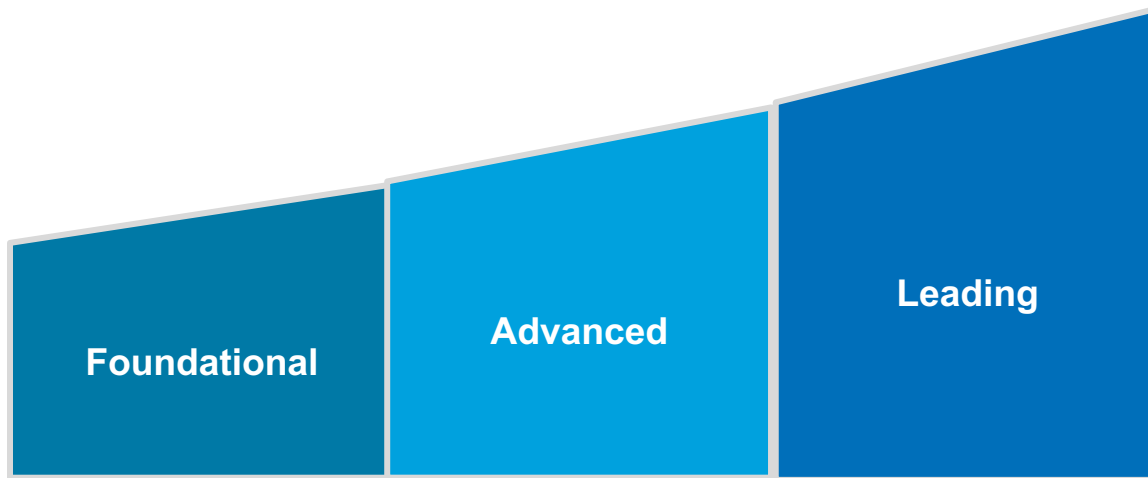
The digital intelligence maturity journey will vary by company, based on business model, product mix and priorities.

The individual stages are not necessarily sequential but rather represent a natural progression of an organization's technologies and skills that evolve over time. Focused attention on data quality, governance and standards, along with investments in advanced spend management tools, can accelerate progression toward leading capabilities.

## Foundational (stages 1-3)

**1:** *Foundational data management tools and architecture*

**2:** *Master data management (MDM) requirements, standards and definitions*

**3:** *Performance measurement KPIs, including price, volume, usage and payment metrics*

## Advanced (stages 4-7)

**4:** *Formal data governance program and data owners*

**5:** *Talent development programs for analytics skill-sets*

**6:** *Automated data extraction, classification and enrichment*

**7:** *Advanced reporting and analytics capabilities across multiple business dimensions, categories, suppliers and contracts*

## Leading (stages 8-10)

**8:** *Supply chain, supply and supplier risk management – plus carbon, sustainability and diversity analytics*

**9:** *Advanced performance management – direct linkage of analytics to strategic objectives, organization and team roles, adapted to maximize value*

**10:** *Intelligent data connections, anonymized community-aggregated data, insights engines, and predictive analytics*

# Foundational capabilities include data management tools and architecture, master data management standards and performance measurement KPIs

**PROCUREMENT DIGITAL INTELLIGENCE FOUNDATIONAL CAPABILITIES**
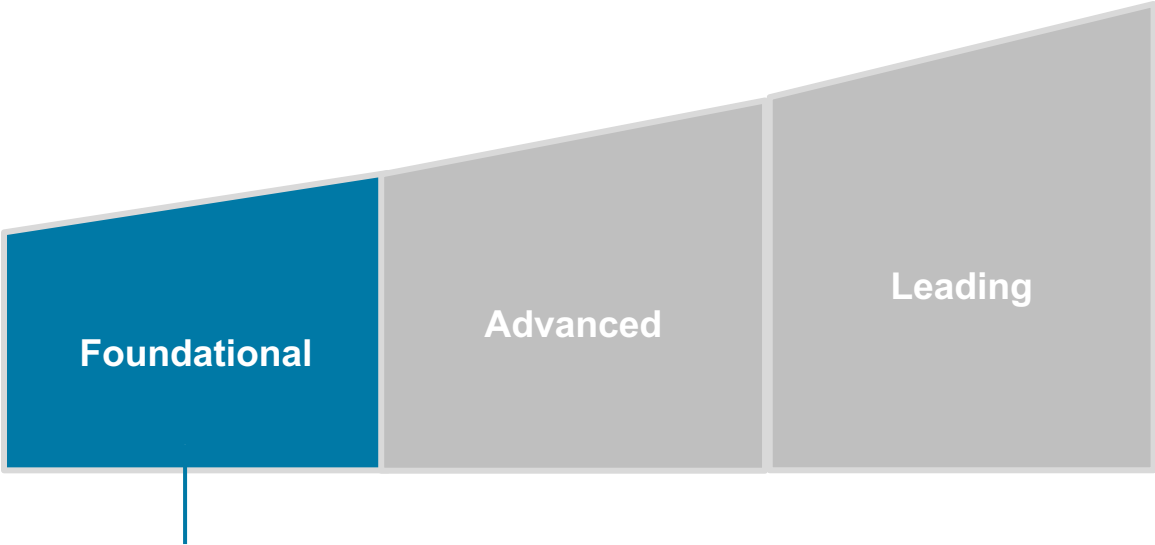


**Foundational (stages 1-3)**

**1:** Foundational data management tools and architecture

**2:** Master data management (MDM) requirements, standards and definitions

**3:** Performance measurement KPIs, including price, volume, usage and payment metrics

**Use the check boxes on the right to self-assess your current maturity.**

☑ = The capability is mature and implemented. (Save when complete.)

## Organization, strategy and performance management

Is there a defined MDM governance and joint data stewardship model?

Have overall roles and accountability been defined across functions?

Is there a formal training program to support process objectives and quality?

## Service design and scope

Are spend categories profiled and documented?

Are resources able to deliver price, volume, usage and payment analytics?

Do controls exist to maintain integrity of sensitive and critical information?

## Technology

Is your workflow for MDM additions/changes automated?

Is there a common source of supplier master data?

Is there a common source of catalog/item master data?

Are dashboards and data visualizations presented to key stakeholders/leaders?

## Analytics and information

Are information and master data elements consistently defined?

Is there a standard naming structure and commodity-coding scheme?

Is there a single source of truth (e.g., spend data, financials, reporting)?

# Advanced capabilities include formal data governance, talent development, automated data enrichment, plus reporting and analytics

**PROCUREMENT DIGITAL INTELLIGENCE ADVANCED CAPABILITIES**
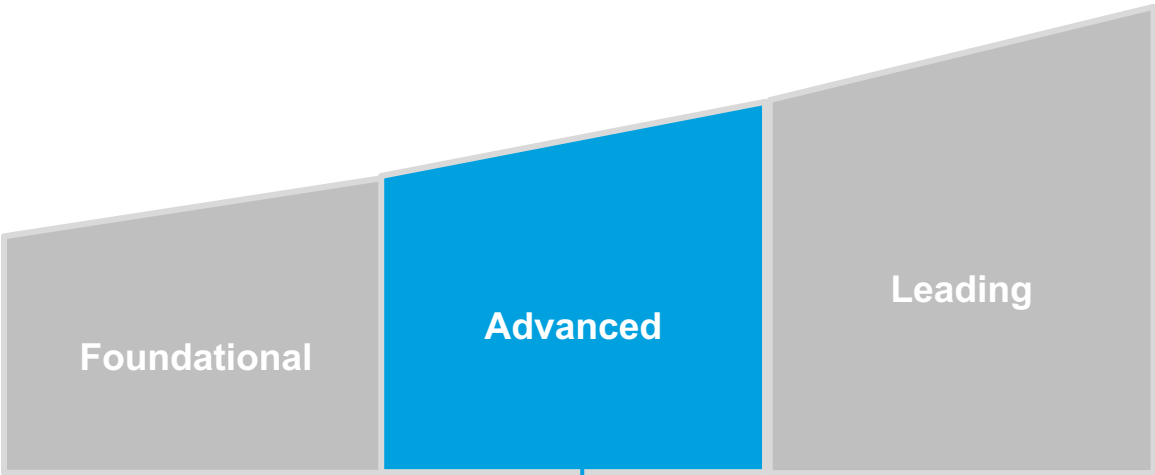


**Advanced (stages 4-7)**

**4:** Formal data governance program and data owners

**5:** Talent development programs for analytics skill-sets

**6:** Automated data extraction, classification and enrichment

**7:** Advanced reporting and analytics capabilities across multiple business dimensions, categories, suppliers and contracts

**Use the check boxes on the right to self-assess your current maturity.**

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### Organization, strategy and performance management

Have MDM policies, procedures and communication processes been formalized?

Have individual RACI level roles and accountability been defined and communicated with stakeholders?

Have skill sets been inventoried and gaps identified for overall staff development?

### Service design and scope

Have category objectives and strategies been defined?

Are you able to generate tail spend analytics from your applications?

Does your platform support contract analytics?

### Technology

Does your solution support automated data extraction and classification?

Do you have a common source of contact master data?

Are automated alerts and notifications generated for performance metrics outside expected ranges?

Do you offer persona-based dashboards and visualizations to stakeholders?

### Analytics and information

Do you have global spend, budgeting and forecasting visibility?

Can you aggregate enterprise spend data and report across multiple dimensions?

Are you able to identify savings opportunities across categories?

Can you support historical plus forward-looking data analytics and incorporate external market data?

# Leading capabilities include supply/supplier management analytics, advanced performance management, intelligent data connections and insight engines

**PROCUREMENT DIGITAL INTELLIGENCE LEADING CAPABILITIES**

Foundational
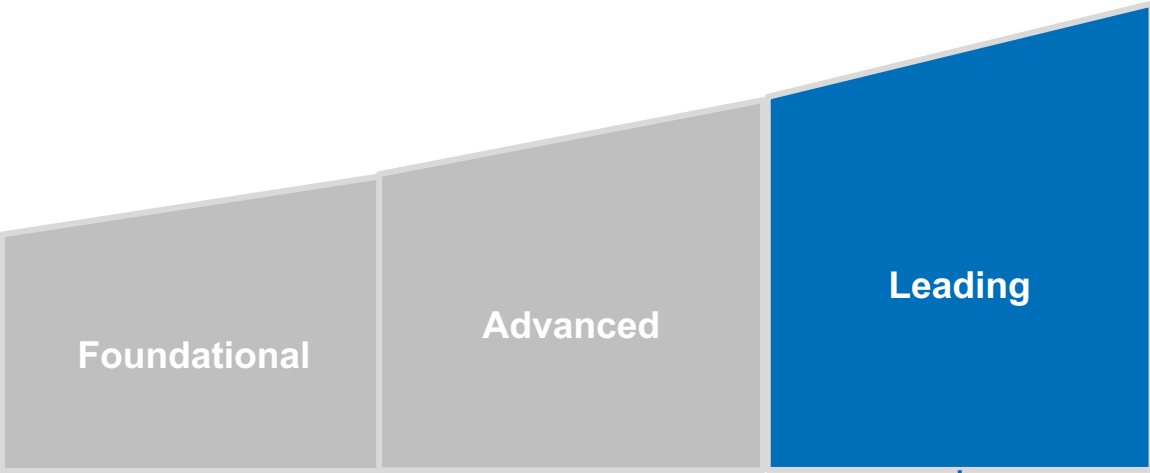
Advanced

Leading

**Leading (stages 8-10)**

**8:** *Supply chain, supply and supplier management risk – plus carbon, sustainability and diversity analytics*

**9:** *Advanced performance management, direct linkage of analytics to strategic objectives, organization and team roles, adapted to maximize value*

**10:** *Intelligent data connections, community-aggregated and anonymized data, insights engines and predictive analytics*

**Use the check boxes on the right to self-assess your current maturity.**

☑ = The capability is mature and implemented. (Save when complete.)

## Organization, strategy and performance management

*Have your organizational structure and team roles adapted to maximize your investments in spend intelligence and performance management?*

*Is there a direct linkage of analytics to business and strategic objectives?*

*Are you proactively engaging with stakeholders to manage capacity/resources/ risks?*

## Service design and scope

*Does your infrastructure support supply chain and supplier analytics?*

*Is your contract data linked to supplier performance?*

*Are you able to track and report carbon analytics and diversity analytics?*

*Does your performance management program provide visibility to key value, savings and cost drivers?*

## Technology

*Does your platform enable intelligent data cleansing plus enrichment?*

*Do you have visibility to contract intelligence across the supply base?*

*Are you able to build cost-optimization scenarios and cost models?*

*Do you offer personalized/customizable data visualizations to key stakeholders?*

*Does the platform support AI-assisted analytics and intelligent data interaction?*

*Are you able to collaborate and coordinate project activities within your platform?*

## Analytics and information

*Does your solution incorporate intelligent data connections across modules?*

*Does your platform provide community aggregated/anonymized data?*

*Do your insight engines autogenerate targeted actions and recommendations?*

*Are you able to generate spend forecasts and predictive analytics?*

# Building the bridge from Data to Insight to Enterprise Advantage



**SPEND INTELLIGENCE** (vertical axis)

**PERFORMANCE MANAGEMENT** (horizontal axis)

**ADVANCED**
- Automated data extraction
- Formal data governance

**LEADING**
- Community-aggregated data
- Predictive analytics
- Supplier risk management
- Advanced performance management

**FOUNDATIONAL**
- Performance KPIs
- Master data management
- Standardizing data

**ADVANCED**
- Advanced reporting capabilities
- Performance KPIs

# Example: Procurement performance management | Operational dashboard

A key aspect of becoming a leading procurement function is the ability to understand your organization's data and draw actionable insights from it that drive real business value.

This can be done through a procurement performance management program. Let's look at a few examples of what that entails.

In this example, an operational vs. financial dashboard is used to provide understanding of a company's data and improve alignment across functions:

- Procurement/supply chain
- Finance/controllers
- Information technology
- Business stakeholders
- Project managers
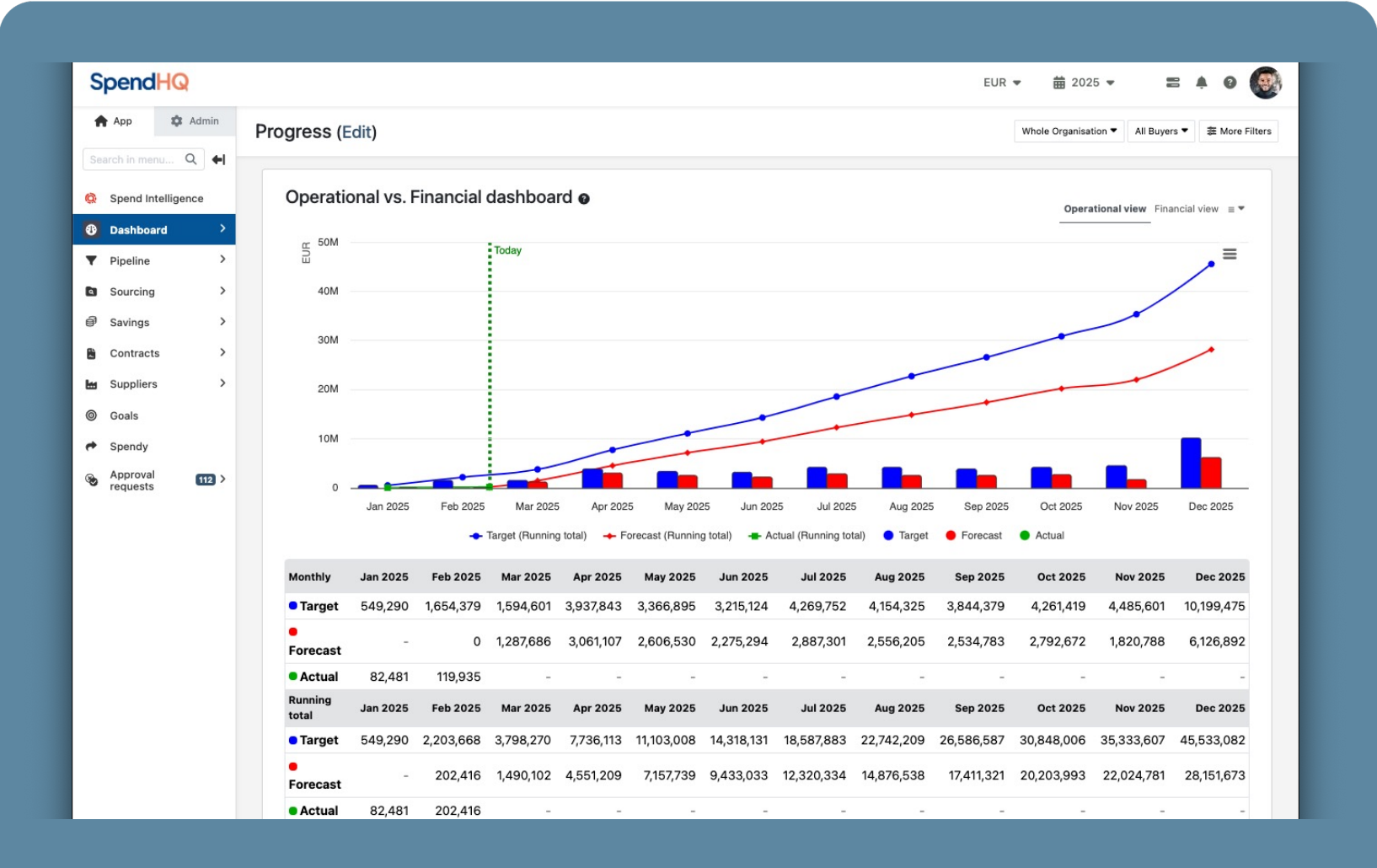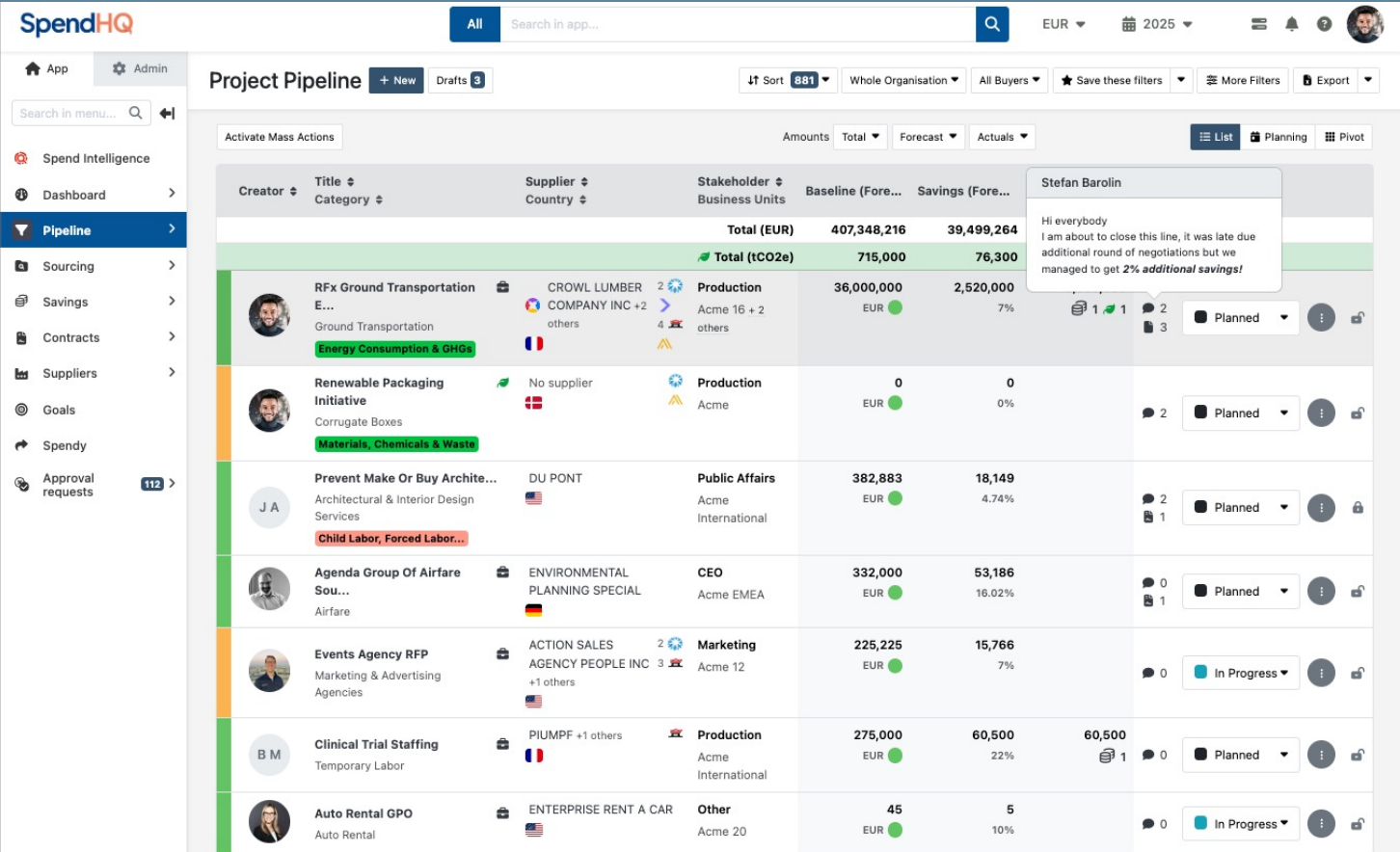


Source: spendhq.com/procurement-performance-management

# Example: Procurement performance management | Project pipeline

Top performers also convert spend intelligence into action, allowing procurement to directly and visibly contribute to the company's strategic goals.

In this example, the procurement performance management platform is used to create a clear and shared initiative pipeline, including:

- Project tracking
- Associated savings
- Actuals vs. forecast
- Resources
- Ownership
- Timelines
- Financial risks
- Other risks

# Procurement performance management in action | Syngenta Group

Syngenta Group is one of the world's leading providers of agricultural technology and solutions. Their offerings include seeds, crop protection and nutrition products, agronomic solutions, and digital services, all of which help farmers of all sizes address their problems and deliver greater productivity for global nutritional networks.

### Key facts

- Multinational agriculture business
- >28 billion in revenue
- Headquartered in Basel, Switzerland
- 56,000 employees in 90 countries

### Challenges
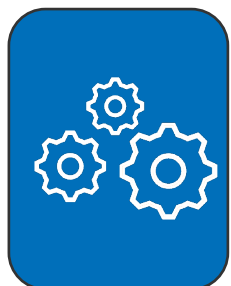
- Indirect procurement was formerly made up of independent business units with their own reporting tools and workflows.
- A global program aimed to provide over 200 indirect procurement staff with a unified reporting and savings tracking tool with a goal of doubling productivity.

### Outcomes and benefits

- Within three months indirect procurement implemented a single, centralized tool for tracking and reporting procurement performance.
- Indirect procurement established a flexible reporting framework that tracked progress and overdelivered the program's targets by 48%.
- Customizable dashboards and reports made it easy to represent data effectively to their global stakeholders.
- The combination of visibility and best practices allows the team to focus on the right opportunities and harmonize operations across different business units.

*"From an overall picture of a global program with more than 7,000 projects, I can drill down to any specific initiative and actually get the details. That brings a lot of efficiency for the buyers, and that's why they are willing to invest more at the beginning for the stakeholders."*

**—Gerardo Aguilar, Global Head of Indirect Procurement, Syngenta Group**

**LEARN MORE:**  spendhq.com/case-studies

# Recommended actions

- Evaluate your spend intelligence and performance management maturity level by reviewing capabilities across these categories:
  - Organization, strategy and performance management
  - Service design and scope
  - Technology
  - Analytics and information
- Gather additional context and learnings from peers who are further along on the digital intelligence learning curve.
- Align with cross-functional teams on focus areas of improvement, priorities and requirements for success.
- Facilitate dialogue across procurement, finance, IT and representative business stakeholders to improve alignment and link analytics to business and strategic objectives.
- Identify and evaluate best-fit technology solutions to accelerate maturity and align with business objectives.
- Develop the benefits case, proposed implementation plan, impact analysis, and change management considerations for review with leadership and key stakeholders.
- Define the transformation roadmap and sequencing to accelerate operational, financial and purchasing impacts from the spend intelligence and procurement performance management solution.
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**PROCUREMENT PERFORMANCE ELEMENTS INCLUDED IN DASHBOARDS REPORTED TO SENIOR COMPANY MANAGEMENT**

| Element | Percentage |
|---|---|
| Year-over-year savings | 91% |
| Cost avoidance | 65% |
| Supplier diversity | 51% |
| Sustainable procurement | 51% |
| Third-party risk management | 39% |
| Working capital performance | 38% |
| Talent management | 33% |
| Internal stakeholder satisfaction | 31% |
| Performance of the supply base | 25% |
| Supply assurance | 25% |
| Supplier-enabled innovation | 13% |
| Top-line growth | 10% |

Source: The Hackett Group 2025 Procurement Agenda and Key Issues Study

**"Top performing companies align organization, strategy and service design with specialized analytics and performance management capabilities to enhance decision making and deliver additional business value to their stakeholders."**

**—RICHARD GARDNER** | *Sr. Director Market Intelligence | The Hackett Group*

SpendHQ empowers procurement leaders at complex organizations to make important decisions with confidence by providing a single source of truth for spend data, project tracking and performance management. Over 500 global organizations rely on SpendHQ's platform for visibility, workflow organization, and the out-of-the-box reporting capabilities they need to accelerate procurement's impact – all in one intuitive interface. Learn more: **spendhq.com**.

### Quick facts

- Founded in 2012 by procurement experts of consultancy Insight Sourcing Group
- Headquartered in Atlanta, GA and Lyon, France
- 70% of our team comes from procurement
- 500+ global customers in most industries
- 20+ awards, recognitions and workplace honors
- 40+ tech integrations

**Accelerating Procurement's Impact from Data to Value**

**SpendHQ**

**Spend Intelligence**
AI-powered data processing to organize, cleanse and analyze procurement data, for actionable insights and impactful reporting.

**Performance Management**
Confidently align team members, take action, provide project visibility and report on success – all in one place.

# The Hackett Group

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