

Here's Where CPOs are Allocating their Time in 2021



A new report outlines the top pain points that chief procurement officers are grappling with right now and offers advice on how to work through these challenges.

Wespite the well-reported supply chain challenges that companies faced in 2020, plus ongoing pressures like long lead times, worldwide port congestion and ocean container shortages, companies have confidence in their global supply chains' capability of producing, moving and delivering the goods in a timely manner right now.

Wanting to learn how chief procurement officers (CPOs) are overcoming pandemic-related disruptions, focusing their time and allocating their resources in 2021, WNS Denali and ProcureCon joined forces to assess the current state of procurement and related strategic priorities.

For their “[Procurement Pulse Check](#)” white paper, the organizations interviewed more than 100 procurement executives worldwide about the current state of priorities in their organization today and in the future; critical investment areas for the year ahead; and their top priorities for 2021.

Survey Says

For the survey, the participating CPOs ranked their current state and future priorities across a number of critical initiatives, including digital transformation, talent, operating model and strategic business alignment. Some of the broader themes that emerged were:

- 45% of CPOs are unhappy with the progress of digitalization.
- Procurement needs to align better with core business objectives and the needs of all stakeholders.
- Procurement has increased the potential for creating business value and making an impact.
- Digital transformation has accelerated rapidly due to the pressures placed on organizations to build fully virtual workforces.
- 64% of respondents indicated that they are not yet aligned with the business, and 49% say they are not doing enough when it comes to talent management.
- 58% lack a fully-segmented operating mode and 47% don't outsource procurement.

Top 10 CPO Priorities

As we move further into 2021, CPOs have a lot on their plates. According to the survey, their top priorities right now include:

1. Cost savings
2. Stakeholder alignment and satisfaction
3. Risk management
4. Sustainability
5. Supplier management
6. Operating model enhancements and efficiencies
7. Compliance
8. Data and analytics
9. Digital transformation
10. Increased reach and spend under management

To achieve these goals, CPOs are working to build stakeholder trust and relationships and improve business alignment; develop a stronger talent management approach; and implement more agile, impactful operating models. They're also focused on creating a stronger value proposition for procurement (within their organizations) and developing more realistic, attainable digital transformation goals.

The latter is notable in a world where 45% of CPOs are unhappy with the progress of digitalization. WNS Denali and ProcureCon say CPOs are working to fix those "gaps" by maximizing current digital investments. The technologies they're focusing on include data analytics, automation and procure-to-pay (P2P).

"Procurement has matured, and the global pandemic has heightened the focus on fixing digital gaps," they say. "From the findings, we see two specific trends emerging: optimizing current digital investments and focusing on core critical tools to support initiatives with the most business impact. This sharpened focus will increase and expedite the value procurement can deliver this year and beyond."

Expect the Unexpected

"Many CPOs agree that 2020 was a year of resilience for procurement," the organizations state in their white paper. "Leaders pivoted to implement fully remote working in a matter of weeks—or even days—to ensure the safety of our people while serving the rapidly evolving needs of the business."

To help CPOs overcome their current challenges and work toward the future, WNS Denali and ProcureCon offer these words of wisdom:

- Focus on the right priorities that will make the biggest impact for your organization; "everything" can't be a top priority. Pause and focus on prioritizing impactful work first.
- Seek support for critical execution work that will allow your team to focus on strategic projects that increase total business value for cost, risk, innovation, user experience, supply assurance, time-to-market or compliance—whichever are your chosen priorities.
- Link the core elements of your ecosystem to realize your highest potential.
- Focus on the most impactful investments and priorities that are closely aligned with your business objectives and stakeholder requirements. Ensure everything your team does will help procurement build more trust in the organization.

- Develop a realistic plan for the future that creates space for agility and flexibility, and continue to expect the unexpected.

