

Transforming now to shape the future of procurement

Organisations across every industry are facing unprecedented disruption driven by technological innovations that keep accelerating and challenging current business models. Organisations must adapt just as quickly to remain competitive and the procurement function has to take on a broader and deeper role than ever before. They have to offer internal customers faster and more agile solutions while balancing expanding governance requirements, growing expectations for sustainability and pressure on driving costs down.

New expectations from the procurement function

In a world where most purchasing experiences are available at the touch of a button, internal customers, employees and suppliers alike are no longer willing to accept a cumbersome process and extensive delays, calling for procurement to:

- 01 Enable quick and agile processes fit for today's business needs
- 02 Offer internal users a seamless experience in a digital environment
- 03 Improve spend analytics accuracy to optimise costs
- 04 Help drive innovation with the sourcing of leading technologies
- 05 Proactively share market insights through category expertise
- 06 Deliver twice as much with half the resources
- 07 Develop new skills and talent to uplift capabilities
- 08 Lead supplier and contract management AFTER the purchase
- 09 Champion sustainability through ethical sourcing

KPMG's perspective on the future of procurement

In the midst of these new expectations, one thing is certain: procurement must evolve from a transactional back-office function often perceived as a watchdog to a business partner valued for its contribution beyond cost savings. Procurement leaders are adapting the nature of services delivered to internal customers and their engagement model with all stakeholders, with changes below that can be made today to move towards the future of procurement:

- User-friendly and guided buying processes (e.g. e-catalogues) that decentralise the workload, and balance efficiency, responsiveness and controls
- Engaging the supplier base to spur joint collaboration and innovation, while driving self-service and automation at the transactional level (PO transmission and acknowledgement, shipping notification, invoicing, etc.)
- Predictive analytics to detect maverick spend and community-based intelligence to mitigate supplier risks
- Digitisation of processes that offer a seamless user experience to internal customers, employees and suppliers
- Development of category-specific expertise to bring supply market insights to support enterprise planning and help source innovative solutions to fulfil business requirements

Customer-centric procurement Self-service is the new norm as processes and policies are user-friendly	Digital procurement Technology and automation integrate all aspects of procurement	Category innovation Big data allows real-time insights using new sources (e.g. social media, feeds)	Agile operating model Flexible models that can ramp up and down resources to meet demand
Supplier-centric procurement Marketplace models allow to better connect with suppliers	Insights and analytics Cloud solutions and AI enable community-based and predictive analytics	Workforce of the future Category managers, data specialists and "bot managers" replace buyers	Ethical sourcing Transparency enables product traceability and drives public trust

How KPMG can help

KPMG works with clients to help them move through the journey of evolving their procurement function into a valued partner for the organisation – whether that is helping establish a procurement function, enhancing the procurement maturity with the required technology and focus on agility, or by providing uplifting capabilities through training.

KPMG possesses the breadth and depth of expertise across the eight critical areas identified above to work shoulder-to-shoulder with you through your procurement transformation. Our Category Experts, Subject Matter Experts (e.g. Sustainability, Risk, etc.) and global network of member firms will share market insights and leading practices with you.



ASSESS

Helping you assess the maturity of your procurement organisation



DESIGN & OPTIMISE

Working closely with you to enhance or transform your procurement operating model



AUTOMATE

Implementing market leading e-Procurement solutions or bespoke digital tools



TRAIN

Uplifting the capabilities of your team, internal customers or suppliers

Business is no longer business as usual for procurement. The scale and speed of transformation required to deliver the contribution expected today from the procurement function is unprecedented. The key to success is proactively taking the first step by developing a blueprint for how your procurement organisation can turn these market changes into opportunities to demonstrate its value to the organisation.

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