

# PROCUREMENT EVOLVED

## THE PROCUREMENT TRANSFORMATION JOURNEY

How to evolve your  
procurement operating  
model to become a  
strategic value creator

**WNS PRO∞UREMENT**  
Powered by The Smart Cube



- 03** Introduction
- 05** Evolving from transactional to strategic procurement
- 07** Component one:  
Define your new procurement strategy
- 10** Component two:  
Embed intelligence and analytics
- 13** Component three:  
Foster agility and innovation
- 16** Component four:  
Evolve your talent strategy
- 18** Component five:  
Digitally enable and empower everyone
- 22** Procurement transformation  
isn't a goal, it's a journey.

# What's inside?

## Pressure is building on procurement. But it's also creating unprecedented opportunities.

Recent years have brought a continuous stream of changes, challenges, and major disruptive events for procurement teams to contend with.

There are almost too many to list, but there are four factors that virtually every organisation has had to adapt to in some capacity:



### Increased market volatility and complexity

Between 2020 and 2024, the global market experienced heightened levels of volatility and complexity driven by the COVID-19 pandemic, multiple geopolitical tensions, technological advancements, and regulatory changes. Together, these conditions have led to widespread uncertainty, supply disruption, and erratic commodity pricing.





## Rising stakeholder expectations

Demand from stakeholders for tangible value creation (beyond simply enabling cost savings), including a renewed imperative around corporate responsibility and sustainability – paired with an increased emphasis on transparency, accountability, diversity, and inclusion – has reshaped how procurement teams operate.



## Supply base disruption

Global supply chain pressures rose to historically elevated levels during and after the pandemic, necessitating new strategies and transformation in the procurement process to build continuity and ensure stability of supply.



## Budgetary constraints

Economic uncertainty and a continuous wave of process, consumer, and market changes have put immense pressure on procurement budgets, challenging teams to do more than ever before, with less. Not only are procurement leaders expected to prepare their function for an AI-enabled future, with all the associated innovations and changes, but major inflation has pushed its traditional cost-saving role back to the forefront.

These shifts aren't going away. It's an overused term, but what procurement teams are experiencing today isn't just a short-term blip – it's the new normal. However, it has created some of the most significant opportunities the procurement function has ever seen.

Now, procurement leaders have the opportunity to reinvent procurement as we know it. By evolving approaches, processes, and mindsets, they can help their teams thrive in these new conditions, steer their organisations through immense disruption, and become some of the top value creators in the modern business.

Read on to explore what it takes to do that and learn about best practices that will help you build the resilient, ethical, and value-centric procurement organisation of tomorrow, today.

# Evolving from transactional to strategic procurement

To tackle the myriad challenges and fulfil its full value-creating potential, procurement must evolve beyond the transactional approach taken by teams in the past and embrace a more strategic operating model.





Transactional vs. strategic procurement

Transactional procurement	Strategic procurement
Focuses primarily on executing routine purchasing activities, such as processing orders, negotiating prices and managing supplier relationships at a tactical level.	Follows a proactive and forward-thinking approach to procurement that aligns with the organisation's broader business objectives.
Emphasises cost savings through volume discounts and efficient transaction processing.	Emphasises long-term value creation over short-term cost reduction, considering factors such as quality, innovation and risk management.
Limited involvement in strategic decision-making processes within the organisation.	Integrates procurement into the strategic decision-making processes of the organisation, with procurement professionals contributing to strategic planning and goal setting.
Often characterised by a reactive approach to supplier management and market changes.	Focuses on supplier relationship management, supplier development, and collaboration to drive innovation and competitive advantage.
Siloed procurement intelligence with limited ability to turn information into insights for more effective decision-making.	Utilises data analytics, market intelligence, and cross-functional collaboration to identify opportunities for optimisation and value creation across the supply chain.

Evolving from transactional to strategic procurement demands a lot of change. It's not something you can achieve just by deploying new tools. It requires a shift in mindset and organisational culture.

To achieve it, leaders must empower procurement professionals to act as strategic partners within the organisation, build stronger relationships with suppliers, and deliver sustainable business growth.

It's a complex undertaking, but one that's essential if you want procurement to fulfil its full value-creation potential and take up a more strategic position within the business. To make the process easier to navigate, we break it down into five interrelated components.

Component one:  
Define your  
new procurement  
strategy

Perhaps predictably, the first step towards adopting a more strategic, value-centric procurement operating model is clearly defining your strategy.

Procurement strategies help everyone across your function work together towards common goals. They connect your shared vision and goals to execution, so everyone not only understands exactly what you want to achieve, but what they need to do personally to help achieve it.

A well-defined, effective procurement strategy can help you:

- ▶ **Mitigate risk** by providing guidance and standards for quality, delivery, and ethical standards that are applied across all suppliers to reduce the likelihood of supply chain disruptions or reputational damage to your business.
- ▶ **Optimize costs** by empowering procurement professionals to negotiate better prices with suppliers, achieve greater economies of scale, and continuously identify cost-saving opportunities across suppliers and categories.
- ▶ **Improve supplier relationships** by establishing shared goals and expectations that help procurement teams clearly lay out the mutual value achieved through contracts.
- ▶ **Encourage innovation** by driving teams to seek out innovative suppliers and give valuable input into product and service design based on the deep insights they have into material categories and the competitive landscape.

## The cornerstones of high-value procurement strategies

To set the stage for long-term strategic value creation, there are some common elements that every organisation's procurement strategy needs:



### Clear objectives and goals

In addition to being clearly understandable and actionable for everyone in your procurement organisation, the objectives and goals outlined as part of your procurement strategy should be measurable, attainable, relevant, and always visible to people across your business.



### Strategic alignment

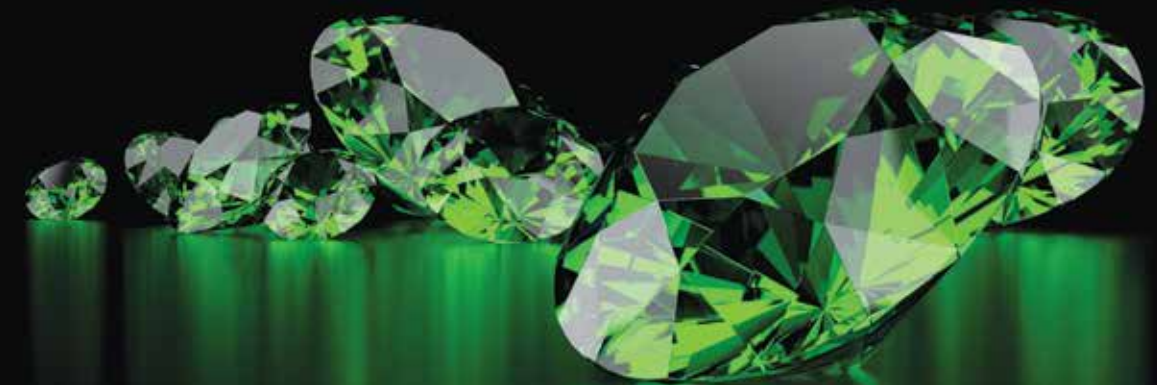
Your procurement strategy – as the name suggests – is a strategy in its own right. But it's also a tool that ultimately needs to help your business achieve its wider strategic goals.

Connect your procurement and business strategies by clearly showing how spending, supplier, and risk-related decisions within your function can help drive your organisation towards achieving its biggest strategic objectives.



### Adopt the right supporting technology

Your procurement strategy outlines a new way of working for your team. So, it's also a great opportunity to embed new technologies that transform how your people operate. Seek out tools that can help you automate tasks, streamline workflows, and monitor performance. Then carefully consider the role they'll play in your newly defined strategy.



### Robust supplier management

As you build your strategy, prioritise supplier management at every stage. Make it clear how teams can drive collaboration and build mutually valuable relationships through supplier selection, contract negotiation, and performance monitoring.



### Risk management

Your strategy needs to clearly define how you plan to manage and mitigate risk across procurement. It should contain contingency plans to ensure continuous supply and regulatory compliance, while helping teams understand how to make decisions at the optimal level of risk.

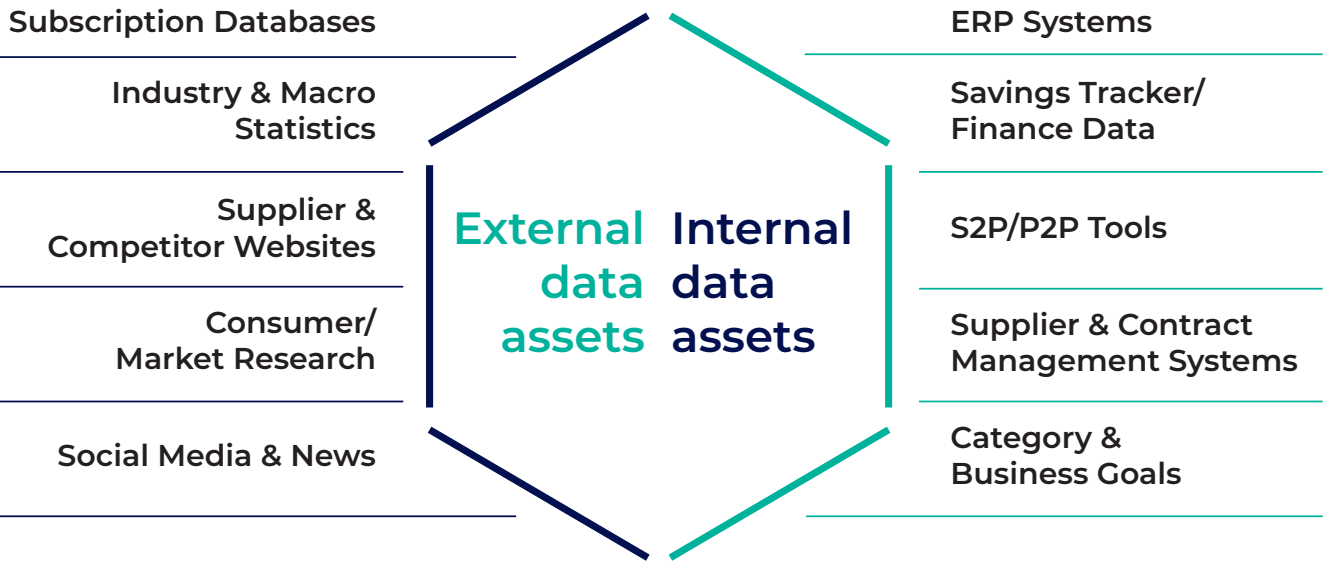
# Component two: Embed intelligence and analytics

To become more strategic, anticipate and mitigate risk, and deliver greater value to the business, procurement teams need to make better-informed, proactive decisions as early as possible. And to do that, they need continuous access to timely, contextually relevant intelligence and analytics.

Procurement teams have access to a wealth of data today, coming from diverse internal and external sources. Internal data assets encompass information hosted or generated within corporate applications, often spanning multiple transactional databases such as Enterprise Resource Planning (ERP) systems or accounting software.

On the other hand, external data assets comprise sources outside the company's internal financial databases. These may include readily accessible public systems that provide information on suppliers, commodity prices, or currencies. Additionally, external data sources encompass proprietary sources from third parties, such as supplier industry codes, credit ratings, or supplier risk profiles.

Alone, these sources offer limited insight for procurement teams. But together, they can provide a clear, contextualised view of the conditions procurement teams are operating in today, and how those conditions are likely to evolve in the near future.



Procurement analytics (now further charged by Gen AI) can bridge the gap between diverse data sources, turn raw data into actionable insights, and help to get those insights in front of the right people at the right time to deliver maximum value for your business. It is a crucial element to enabling procurement to become a strategic partner to the wider business by using deep, contextualised insights to recommend new and effective strategies for cost savings, innovation and risk management.

## The five essential elements of robust procurement intelligence and analytics

To help teams make timely, informed decisions that mitigate risk, create competitive advantage, and generate tangible value, there are five essential intelligence and analytics components every organisation needs:

**Supplier intelligence:** Procurement intelligence should extend beyond mere expenditure tracking. Your capabilities should help you gather and track KPIs across suppliers, enabling you to compare them on more than just cost and make informed risk- and performance-based supplier decisions.



## Component three: Foster agility and innovation

**Supply market intelligence:** Supply market intelligence encompasses information about key suppliers, pricing dynamics, market trends, and demand forecasts. These insights enable procurement teams to negotiate better prices and contracts, anticipate market disruption and price fluctuations, and maintain a clear view of evolving conditions across their supply chains.

**Category intelligence:** Category intelligence gives teams visibility into expenditure patterns and supplier diversification opportunities so they can spot opportunities to build more resilient supplier portfolios and cut costs across their key categories.

**Buying intelligence:** This helps procurement experts understand their cost drivers and gain full visibility of their own purchasing expenditure. It also helps teams continuously scrutinise their buying habits and optimise their procurement processes accordingly.

**Spend intelligence and analytics:** While historically synonymous with procurement intelligence, advanced software solutions have elevated spend analytics to a proactive strategic tool. By integrating with enterprise resource planning (ERP) systems, spend intelligence offers comprehensive insights into cash flows, enabling informed decision-making across procurement and finance functions.

Empowering procurement teams with timely insights and intelligence is a great first step towards accelerating decision-making. But everyone across your teams must also be empowered to translate that insight into value-adding action as quickly as possible.

Agility within procurement and supply chain operations demands a proactive approach to identify potential risks and opportunities, coupled with the ability to make rapid decisions and implement changes within the supply chain.

### How to embed agility in your procurement function

To nurture a culture of agility and innovation within procurement, you must adopt a comprehensive approach that encompasses people, processes, and technology. Here are six tips to help you build a more agile procurement organisation:



#### Give your people the opportunity, space, and freedom to innovate

Your organisation cannot become truly agile until the people within it have the confidence to innovate at speed and take calculated



risks. Take the time to create an environment where people have the psychological safety to experiment and continuously try to do things differently to deliver better results. Keep in mind that innovation for the sake of innovation means nothing. Change should be tied into the goals of your organisation.



### Embrace digital transformation

Constantly evaluate emerging technologies like artificial intelligence and machine learning and apply them in ways that help to streamline your operations, accelerate day-to-day procurement tasks, and enable faster decision-making. Remember technologies do not exist in isolation: they need to form part of a holistic approach and require effective change management to build understanding and adoption across teams.



### Build a resilient supply chain

Develop contingency plans, identify alternative suppliers, and establish a flexible supply chain capable of swiftly adapting to changing circumstances and demands.



### Adopt a data-driven approach

Implement capabilities that help everyone make data-driven decisions. For example, intuitive dashboards translate data into insights that anyone can access and start acting on immediately.



### Establish strong collaborative partnerships

Work closely with suppliers, customers, and stakeholders to share insights, learn from their practices, safeguard each other against risk, and co-create innovative solutions to your shared challenges.



### Realign teams around outcomes

Instead of mandating the ways in which procurement teams must achieve your desired outcomes, align them around those outcomes directly. By empowering them to achieve outcomes however they see fit – within defined guardrails, of course – you will naturally encourage them to innovate and devise creative new solutions to emerging challenges.



## Component four: Evolve your talent strategy

As procurement evolves, so too do the skills required to deliver procurement excellence. New capabilities and advanced technical expertise have raised the bar further when it comes to sourcing suitable talent, in addition to challenges like the long-standing scarcity of resources and attrition. According to a survey published by Gartner in November 2023, only 33% of procurement leaders believe they have the talent necessary to meet future requirements.

Tomorrow's procurement teams need all the core skills required to make strong supply decisions and optimise spend, plus a whole host of new capabilities including:

- ▶ Deeper and more strategic interpersonal and stakeholder management skills.
- ▶ The ability to drive transformation and continuous improvement across processes and the function as a whole.
- ▶ New technical skills to make the most of leading digital capabilities.
- ▶ Data processing, analytical, and inference skills to help them make informed data-driven decisions.

Procurement leaders need to acknowledge talent management as an enabler of success and invest in building a workforce that is both equipped to succeed today and ready to adapt in the future.



### Three ways to bolster your procurement talent strategy

#### 1 Invest in upskilling and continuous learning

If you want your people to adapt to new ways of working and embrace data-driven processes, you need to support them on that journey. Make upskilling and training an always-on process for your teams and work closely with individuals to identify their skills gaps and help them grow in all relevant areas.

#### 2 Explore flexible ways of acquiring new skills and augmenting your team

Some skills are harder to develop than others and may be very costly to acquire long term. Flexible outsourced options can help you augment your workforce, extend their capabilities at a more accessible cost, and scale your resources with ease.

#### 3 Create an environment that naturally attracts top talent

Highly skilled people want to work in environments that enable them to fulfil their potential and reward them for doing so. By building a procurement culture that rewards people for taking innovative actions at the right time, you can build an organisation that attracts and retains skilled individuals.

## Component five: Digitally enable and empower everyone

New tools and capabilities are continuously emerging to help support your procurement evolution journey. Organisations must carefully assess every opportunity that new solutions enable and build digital procurement strategies that make the most of the capabilities available today.

These capabilities are not just a “nice to have,” either. They are major sources of competitive advantage and ignoring them can have a major impact on the success of your organisation at large.

But crucially, procurement leaders shouldn’t think about these new technologies in isolation. You don’t want to introduce new silos that could limit your effectiveness (and ultimately lead to digital fatigue).

Instead, focus on integrating your capabilities in ways that bring everything together and help you move towards a single procurement ecosystem. It needs to be one where – at least ultimately - every system can talk to each other, and one that provides you with a single, clear view of the information you need, when you need it.

## The key ingredients of successful digital procurement strategies

Your digital procurement strategy should take a holistic approach and incorporate any and all relevant technologies capable of helping you achieve the goals set out in your overall procurement strategy. The exact combination of technologies will vary between organisations, but most will be able to use some combination of the following:



### Seamlessly integrated and managed platforms

Building new digital platforms creates opportunities to break down data silos by seamlessly integrating elements of your existing infrastructure together. The goal is to build highly integrated platforms that make data and insights readily accessible, without disrupting business processes.







## Artificial Intelligence (AI)

AI has immense potential across procurement. It can be applied to enhance decision making, streamline operations, make reliable predictions about the future, and deliver significant improvements in both efficiency and effectiveness.



## Automation

Today, it is possible to automate a wide range of routine procurement responsibilities, freeing your human experts up to focus on value creation and more complex tasks that demand their unique insight and experience. This can be implemented in various forms, such as robotic process automation (RPA), which handles repetitive tasks, or more complex systems that automate decision-making processes based on predefined rules and data analysis.



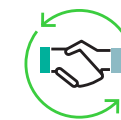
## Tech tools

Your digital procurement strategy must also carefully consider the core tech tools your teams use every day, including CRM systems, ERP platforms, and more. Choosing the best tools available ensures optimal performance, competitive advantage, and can help with your efforts to fully integrate systems and platforms across the procurement function.



## Digital assets

Your digital assets include data, digital media, intellectual property, and technologies that support the creation or use of these assets. Effective management of digital assets is crucial for maintaining their value and ensuring they serve the strategic goals of the organisation.



## Partnerships

To enhance their technological capabilities, organisations often engage in partnerships with tech firms, industry leaders, and innovators. These partnerships can provide access to new technologies, specialised expertise, and expanded markets.

# Procurement transformation isn't a goal, it's a journey.

Evolving from a transactional to a strategic procurement approach can help organisations tackle many of the biggest and most persistent challenges they face today. But procurement transformation is not a static goal – it's an ongoing journey.

By building adaptive processes, agile cultures, flexible digital capabilities, and insight and intelligence-driven operating models, procurement organisations can ensure that whatever tomorrow brings, they're ready for change.

So, when new challenges emerge, teams can respond immediately, mitigate risk, and begin generating value in new ways that ensure business continuity, growth, and competitive advantage.

With the right evolutionary strategy and operating model, procurement leaders can prepare for the continuous stream of disruptive change impacting their function today and ultimately, turn their agility into an incredible value creation opportunity.

## How WNS Procurement, powered by The Smart Cube, enables continuous procurement evolution

Now is the time for procurement leaders to seize the opportunity to transform their organisations.

By combining leading digital capabilities, process and cultural evolution, new skills, and highly accessible insights and intelligence, procurement teams can embrace an entirely new strategic operating model that repositions their function as a top value creator in the modern business.

WNS Procurement, powered by The Smart Cube, brings together every element required to help procurement teams become outcome driven, increase their agility, and make informed decisions that help drive business continuity and competitive advantage every day. We believe that true evolution requires a holistic approach that integrates process excellence, human intelligence, and cutting-edge technologies.

We'll work with you to understand exactly what your team needs to embrace a more strategic procurement approach, and help you apply AI, new platforms, and other leading digital capabilities in ways that complement and augment the expertise of your human teams.

If you're ready to break the cycle of continuous disruption and transform how your procurement organisation manages risk, makes decisions, and creates business value, talk to us today.





**PROCUREMENT**  
EVOLVED

# The world of **WNS PRO∞UREMENT**



WNS Procurement is a market leader in procurement and supply chain advisory, managed services and digital transformation. It has the combined market differentiation of Denali, The Smart Cube and OptiBuy.

Procurement teams of the Global 2000 across industries partner with WNS Procurement to become the top value creator in their business by implementing transformational operating models that are category-driven, insights-led and digitally enabled.

We meet our clients where they are: assess, co-create and operate their end-to-end procurement ecosystem by implementing fully customized, next-generation operating models.

Our solutions are powered by Artificial Intelligence (AI) and Human Intelligence (HI) – combining expert resources with leading digital technologies to help Procurement drive greater stakeholder value.