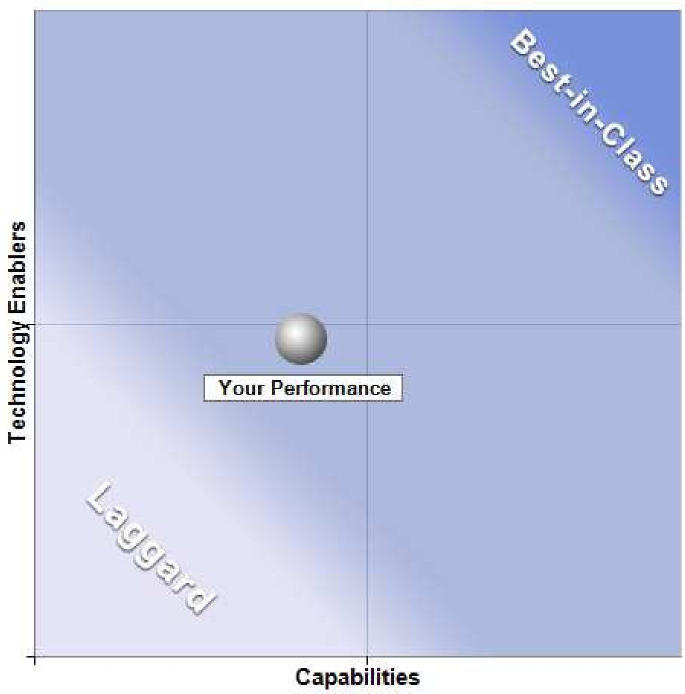

Registration Information			
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Industry:	Market research	**Job Title**:	EVP / SVP / Vice President
Revenue:	$500 million to $1 billion	**Number Of Employees**:	101 to 250
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Aberdeen Group Research Methodology

Aberdeen has prepared this report and personalized recommendations based on previously conducted Aberdeen benchmark studies. The participants of those studies were categorized based on their ability to hit specific performance targets: the top 20% of performers (Best-in-Class), the middle 50% (Industry Average), and the bottom 30% (Below Industry Average). Comparative analyses were then completed to understand which process, organizational and technology traits were exhibited more frequently by the Best-in-Class. To prepare this report Aberdeen has compared your answers to the study participants to determine where your company will see the most opportunity and to offer you personalized recommendations based on our benchmark research.

Top Pressures

Every story has a familiar theme, and the fable of "CPO as corporate hero" is no different. The procurement group was designed with one goal in mind all those years and decades (and centuries) ago: drive down operational costs and improve savings through better relationships with core suppliers. The top challenge for the modern procurement executive is one they have faced all their years in this role.

: your responses from the assessment

Pressure	% Survey Response
Top down directive to identify and cut costs	75 %
Increasing supply risk (suppliers financial health and ability to perform)	30 %
Increased complexity in supply chain due to globalization	39 %
Impact of regulatory expectations on strategic suppliers (materials of concern, product stewardship)	15 %
Inflationary pressures on critical spend categories / commodities	27 %
Lack of category expertise in strategic spend areas	38 %
Poor end-user adoption of spend management systems	26 %

Lack of payment term standardization in contract-based activities	5 %
Lack of proper data to drive category strategies (e.g., benchmarks, market trends, supplier management)	44 %

Strategic Actions

While the procurement group has never been perceived as a "back-office" function, executives within this unit may as well have been locked away in the corners of the average organization with nothing but a simple task at hand: drive cost savings. The majority of procurement professionals are adopting a revolutionary approach to their operational strategies by better-aligning procurement approaches with that of organizational goals and objectives.

: your responses from the assessment

Action	% Survey Response
Adjust and rationalize the existing supplier base	30 %
Better align procurement strategy with organizational objectives	53 %
Expand into sourcing strategies offsetting inflationary pressures (hedging, risk containment, product redesign)	19 %
Focus on managing strategic spend categories (e.g., Travel, Contingent Labor, Commodities)	45 %
Enhance data reporting / analysis capabilities to execute more informed decisions	40 %
Increase activity focused on strategic sourcing (e.g., sourcing volumes, events, price variance)	35 %
Further automate manual processes in sourcing, contract, procurement and supplier based processes	31 %
Develop strategies to improve cash flow management (e.g., optimize payment terms, extension of terms)	12 %
Develop and implement supply risk mitigation strategies with top suppliers	22 %
Investing in systems or data services to provide category specific market data and analysis	12 %

Current Capabilities

Aberdeen's benchmarking process measures the capabilities that currently exist within respondent companies. Next to your responses, the following table shows the percentage of Best-in-Class and Laggard organizations that currently have selected capabilities in place.

: your responses from the assessment

Capability	Your Response	% Best-in-Class	% Laggard
Standardized and formal strategic sourcing program	No	72 %	35 %
Collaboration between procurement and key stakeholders	No	72 %	36 %
Active monitoring of supplier performance	No	69 %	34 %
Active monitoring of supply risk issues and disruptions	Yes	68 %	12 %
Ability to track spend under management	Yes	83 %	35 %
Ability to assess the impact of procurement on the bottom-line	No	63 %	27 %

Aberdeen's analysis indicates that those capabilities highlighted in pink, if implemented, would make the greatest contribution to your company's improved performance.

- Best-in-Class organizations are 43% more likely than all others to leverage a formal and standardized strategic sourcing program as the cornerstone to their procurement units, a factor which places emphases on cost savings and ensuring that spend is actively funneled through this division.

- Top-performing organizations are 32% more likely than all other to institute collaboration between these divisions as a way of sharing information / intelligence regarding corporate spending.

- Best-in-Class organizations are 35% more likely than all other companies to actively monitor supplier performance; this intelligence can be leveraged in future negotiations and allow key buyers to gauge the effectiveness of specific suppliers when contracts and agreements are drawing to a close.

Current Use Of Enablers

Aberdeen's benchmarking process measures the enabling technologies and services that are currently deployed within respondent companies. Next to your responses, the following table shows the percentage of Best-in-Class and Laggard organizations that currently have selected enablers in place.

: your responses from the assessment

Enabler	Your Response	% Best-in-Class	% Laggard
Spend analysis	No	80 %	41 %
Contract management	Yes	68 %	26 %
Supplier networks / portals	Yes	68 %	26 %
e-procurement	No	65 %	41 %
Category specific solutions	No	52 %	29 %

Aberdeen's analysis indicates that those enablers highlighted in pink, if implemented, would make the greatest contribution to your company's improved performance.

- Spend analysis has risen as perhaps the top option in the CPO's veritable toolbox over the past half-decade. This technology, used by 18% more Best-in-Class organizations than all others, helps procurement executives dig into the goldmine that is spend and financial data to uncover key spending patterns / trends.

- e-procurement technology (in place in 11% more Best-in-Class companies than all others), a classic offering, provides an automated purchasing foundation for buyers within the procurement team.

- Category-specific solutions, such as Managed Service Providers (MSPs) and Vendor Management System (VMS) technology for contingent workforce management and software for managing the next wave of corporate meetings and events, assist the CPO in throwing a strategic arm around complex spending.

Performance Metrics

The following table provides a closer look at your company's profile along these individual Key Performance Indicators, and how it compares to the Best-in-Class and Laggards. Also, based on your current capabilities and enablers, in comparison to the established benchmark of Best-in-Class, Average, and Laggard performance, the following table represents a predictive analysis of your company's results over the next year.

KPI Metric	Your Company's	Best-in-Class	Laggards
Spend under management	63 %	83 %	28 %
Rate of procurement contract compliance	58 %	82 %	13 %
Identified / negotiated savings are realized and implemented	20 %	70 %	3 %

Additional Resources

Related Research and Information

- Beyond Payables: The Evolution of the Modern Financial Ecosystem
- T&E Expense Management: A Solution Selection Guide
- Strategic Meetings Management: A Handbook of Emerging Strategies for the Next Generation of Meetings and Events Management
- Creating a Culture of Spend Optimization
- Advanced Sourcing: Maximizing Savings Identification