

Getting Started With Strategic Procurement:
A beginner's guide

A night-time photograph of a city skyline, featuring several illuminated skyscrapers. The most prominent building on the left is a tall, glass-clad tower with many lit windows. To its right, another tall building has a distinctive top section with a grid of lights. In the foreground, there are several shorter buildings, some with horizontal light bands. The sky is a deep, dark blue, and the overall scene is lit with a cool, blue-toned light.

As business evolves, procurement must evolve. However, not all organizations are ready for the reality of today's global market. Changing customer demands and regulatory trends make it more important than ever to build a proactive procurement strategy that considers the complete spend- everywhere and by anyone.

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Introduction

Procurement is a key aspect of nearly all businesses, whether the focus is on delivering physical products or sourcing and procuring materials and services. Regardless of industry, having a strategic procurement team in place that consistently delivers against an annual plan will help to drive on-time costs, improve overall spend visibility, and create more efficient buying practices with suppliers.

Procurement professionals are often pressed to quickly find and procure the right supplies and services for their teams. But procuring the right amount of the right items at the right prices can be challenging. With organized procurement, your team can optimize their sourcing strategies and make sound decisions based on data instead of hunches or perceived best practices.

Spend

On average, 30% of a company's annual operating budget is devoted to purchasing. However, recent research shows that the cost of the unclassified portion of this spend alone can cost companies as much as 5%-15% of total revenue! Unwrapping the mystery behind strategic procurement will help procurement and finance leaders develop their organizations' ability to demand value and make sound purchase decisions.

Strategy

Strategy for procurement and finance leader's focuses on learning about the importance of tracking and controlling spending at all levels. It covers how to conduct a strategic review, establish a baseline, analyze/adjust your current budget structure, and identify potential inefficiencies. Participants should learn how to use smart analytic tools available in the market to monitor and act on spend trends.

Struggle

Following strong strategic procurement (SP) initiatives is a simple process, but many companies still struggle to put in place effective strategies and processes. Procurement leaders must first identify a company's top-level goals and the metrics they want to apply--then use these goals as a guide throughout the year to ensure purchasing and finance teams are moving toward them.

Software

In terms of how procurement software using technology, these days, you've got to be a lot more productive in the office and not just at your desk. Procurement software saves time for employees when it comes to tracking down vendors, placing orders, and following up on projects. Not only this, but with software like Foreseeing Procurement Software you can monitor money spent, and the value of orders placed to ensure you get the most out of your budget.

Guide to Procurement

We'll show you how to implement a proactive procurement strategy.

- Building a proactive procurement strategy.
- Clarifying procurement leader responsibilities.
- The 2020 global pandemic has taught us many things.
- Automate your purchasing process.
- Procurement is more than just a cost centre.

Building a proactive procurement strategy

It is very important to have insight into the overall financial goals the business is trying to achieve. This includes not only the current business environment but also goals for future growth and profitability. While this may seem like a secondary concern in the early stages of strategy development, these factors offer insights into what capabilities must be in place to ensure a successful procurement function can reach its financial goals. To define and ensure procurement's role in delivering the processes, tools, technology capabilities and team in place to be able to actively participate with suppliers throughout the product lifecycle.



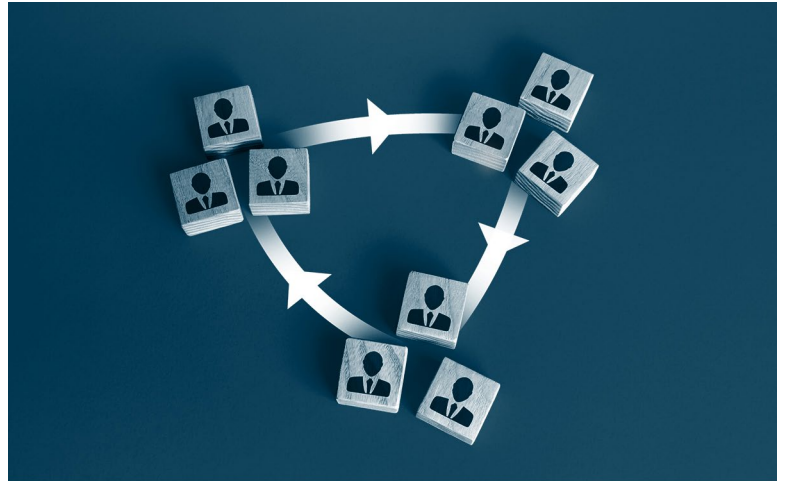
Must first consider how to incorporate our procurement professionals within our supply chain functions. This will occur through a commitment to the collaborative efforts of the appropriate team members. Whether it is a quality or risk management team member, procurement professionals should play an active part in these undertakings. Is there a strategy in place that enables us to keep track of supplier performance throughout various stages – from procuring raw materials, to ensure that suppliers have the tools and resources needed for successful manufacturing.

The procurement team is responsible for delivering a product or service to a customer on time, on budget, and with the correct quality. In some organizations, procurement works alongside another function that gets involved in an order once it's been placed. For example, having your purchasing department work with finance when they create a purchase order allows finance to use its unique knowledge of the business and its needs when placing an order..

Strategic procurement is all about being smarter and more efficient in spending money. With efficiency in mind, it becomes paramount for procurement to focus on the top overall financial concern: controlling costs.

Clarifying procurement leader responsibilities

As a procurement leader, make sure to set the expectation ensuring your organization gets the best possible value by leveraging a holistic solution, which can scale from a single module to a seamlessly interconnected ecosystem as per the evolving business needs. It's up to procurement to set the framework for successful sourcing strategies, but it is up to other team members to ensure that the policies, processes, and budgeting requirements are in place for proper execution.



It is also helpful if everyone understands how each can impact spending; then team members can help make upfront decisions about investments such as service-level agreements (SLAs) that may positively impact procurement outcomes down the road. This is vital for the effective implementation of strategic sourcing practices that will drive savings while improving services. Staying on the same page is key, with common information, best practices and an understanding of different roles and responsibilities.

Procurement teams must take an active role in performing research themselves or spend considerably more time combing through the data. Maintain visibility over the critical information needed, unless you use a tool that does all of the hard work for you.

With the organization's vision and mission, and its values and goals can guide the procurement leaders to come up with the objectives, strategies, policies, processes, and procedures into the procurement strategy, the result is a more focused strategy that delivers on this clarity of purpose.

The 2020 global pandemic has taught us many things

It's no secret that the world is in the midst of new procurement processes, practices, and technology. The 2020 global pandemic has taught us this harsh truth, and now its widespread adoption of digital sourcing tools has also contributed to new trends in purchasing. These new trends have become more than just a fad: they are completely transforming the procurement industry.



A remote work program is an immediate challenge to traditional buyer-supplier relationships. And if you're a procurement team member, you know that this disruption can seriously disrupt the process of locking in suppliers and getting accurate pricing for quotes. For procurement pioneers in the digital age, however, this disruption can be your saving grace!

Automate your purchasing process

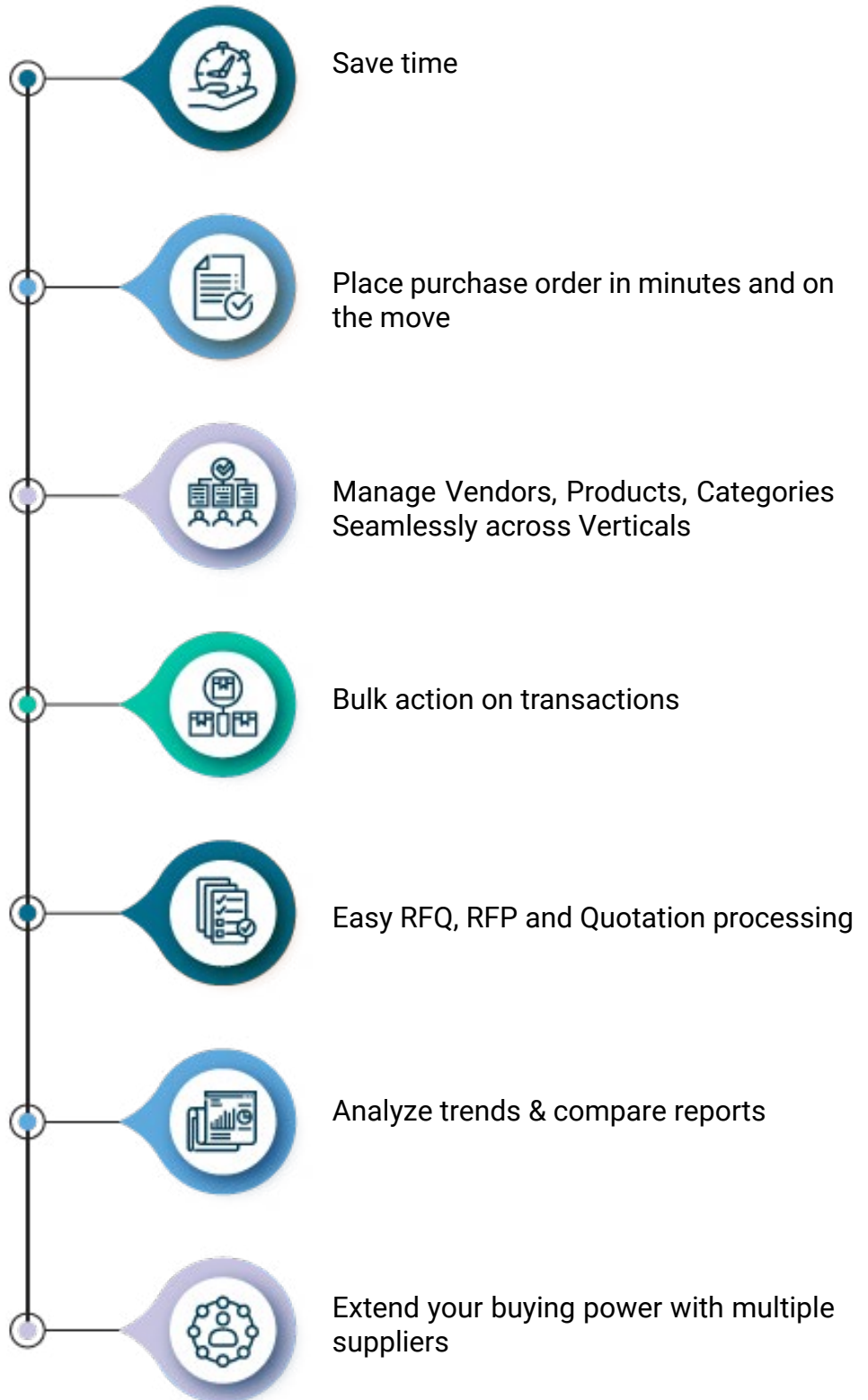
The automated purchasing process enables you to create and manage your business requisitions and records from receipt of order through payment. It also provides a means for tracking vendor status, communication history and current buy rates. Perhaps most important, it will provide information you can use to negotiate indirect contracts and improve the efficiency of purchasing processes in your business. The Procurement technology platform integrates with any type of business. The solution will optimization the entire purchase process, automate and accelerate order processing ensuring maximum reliability and compliance.

With procurement software seamlessly makes your purchasing more effective, and eliminate the daily chores of ordering processes by automation from the data of one vendor.



Key benefits

Automate your purchasing process by using the procurement software to streamline your procurement processes, save time, money and resources.



Procurement is more than just a cost center

Business and IT leaders as well as some procurement teams are waking up to the fact that being good stewards of company resources is not the sole responsibility of procurement. Being a strategic partner to business users – including making inventory & assets digitally available and helping businesses locate the most efficient use of available resources – benefits all parties when budgets are cut. It requires a different mindset. Procurement has to be proactive, not just reactive. It needs to present opportunities clearly rather than wait for sponsors to come knocking at the door with specific requests..

Offering a proactive, cost-effective purchasing strategy opens the doors to business co-investment. By focusing on long term solutions that meet the needs of all internal (and when possible external) business customers, good budgeting decisions can be made in advance, based on more informed cost-benefit analyses and fact-based probabilities rather than just hopes and dreams.

Procurement can be one of the most transformative activities in a company. It not only reduces costs over time but also helps organizations focus more on their primary mission and create better relationships with vendors.



Final thoughts - Strategic automation is a key

In today's business world, procurement needs to be proactive, not reactive. It must be strategic to improve efficiency and make the best use of resources. We make sure that our approach to procurement is right. Without a robust, efficient sourcing strategy, no business can thrive over the long term.

Automate Your Purchasing Process - Do the needed work in less time & with an easy-to-use interface and quick access to key data.

Purchasing intelligence tool helps procurement professionals zero in on the purchases that yield the best value by showing what items are most cost-effective, who buys them, and when.

With this knowledge in hand, procurement teams can make strategic, data-backed decisions and ultimately grow their business while reducing costs.



About TYASuite

TYASuite is the world's 1st Plug-and-Play cloud ERP solutions provider for SMBs with a range of in-built modules such as procurement, vendor, inventory, sales order, project management and many more. We are here to transform the way companies run their end to end business process and improve the lives of business professionals across the globe affordably.

TYASuite cloud-based **Procurement Software** digitize the entire to procure to payment cycle, eliminates the paper trail, putting an end to manual errors and unnecessary costs. It also facilitates controlling expenditures with deeper transparency into the supply base. Most importantly it allows you to save time and eliminate costs by streamlining your procurement. We have **4500+** ready-built workflow with constantly advancing in workflows as per modern needs and deploys a complete solution in **14 Days**.

For Software License Purchase:

TYASuite optimizes spending and reduces operation costs - you can pay for what you get—nothing more, nothing less.

If you'd like to find out more about how TYASuite works, [contact us](#) and get a free demo.

