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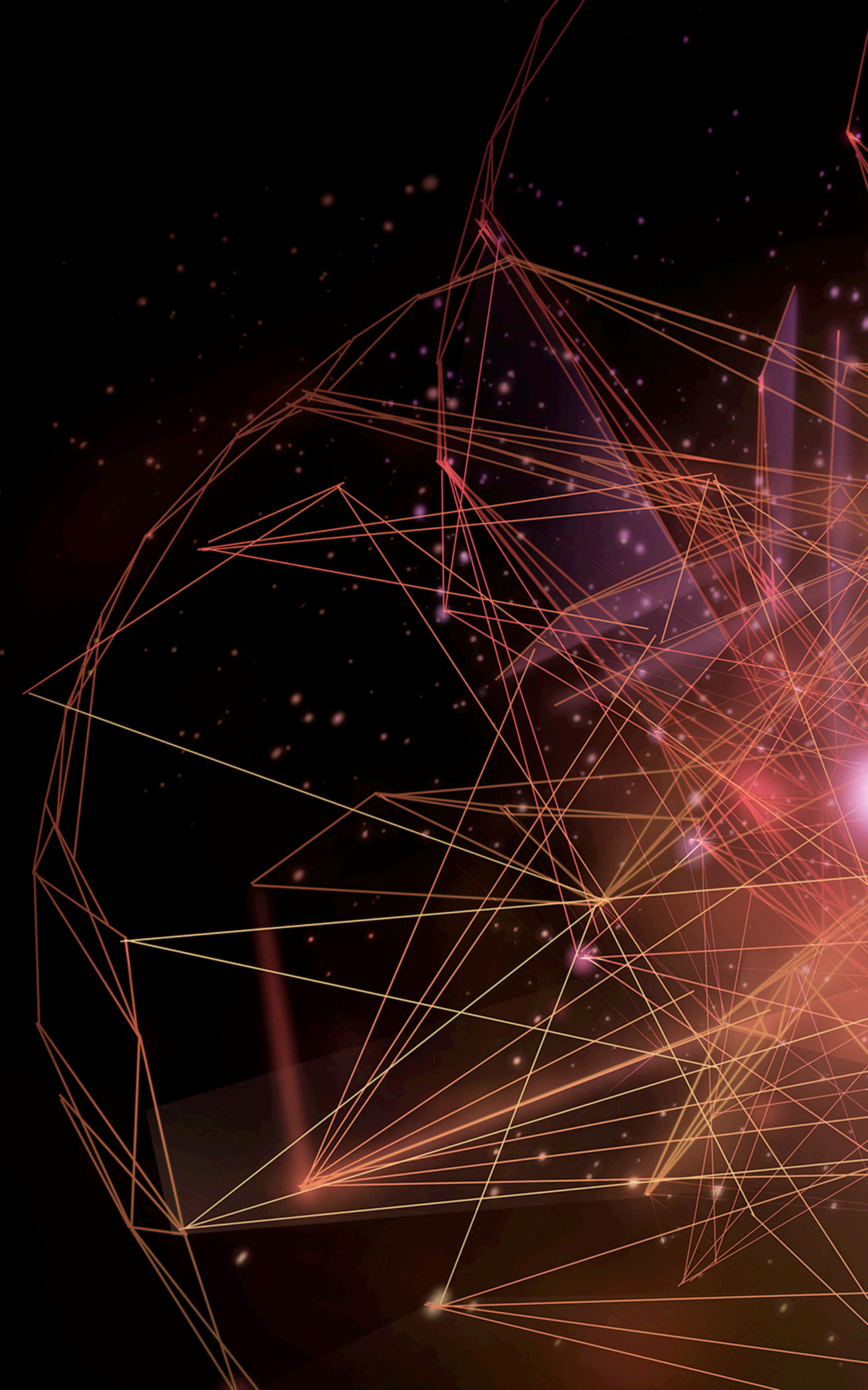
Leadership: Driving innovation and delivering impact
The Deloitte Global Chief Procurement Officer Survey 2018

Consulting

Contents



Introduction

Welcome to the annual Deloitte Global Chief Procurement Officer (CPO) survey. For the past seven years, our survey has provided a global benchmark of the sentiment of procurement leaders and an insight into the key themes and challenges facing procurement, including market dynamics, value and collaboration, talent and leadership, and digital procurement.

The survey was conducted in association with Odgers Berndtson. 504 procurement leaders from 39 countries took part, representing organisations with a combined annual turnover of $USD5.5 trillion.

Whether you are a member of the c-suite, a procurement leader, business partner, procurement practitioner or supplier, we hope that you will find this report valuable for further developing your ambition, strategies and performance.

We would like to thank the many executives who have contributed their time and insights for this survey. We look forward to continuing the journey with you.

Brian Umbenhauer
Global Head of Sourcing & Procurement
Principal,
Deloitte Consulting LLP

Lance Younger
EMEA Head of Sourcing & Procurement
Partner,
Deloitte Consulting MCS

Survey findings at a glance

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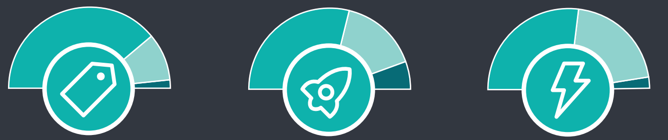


78% Cost reduction

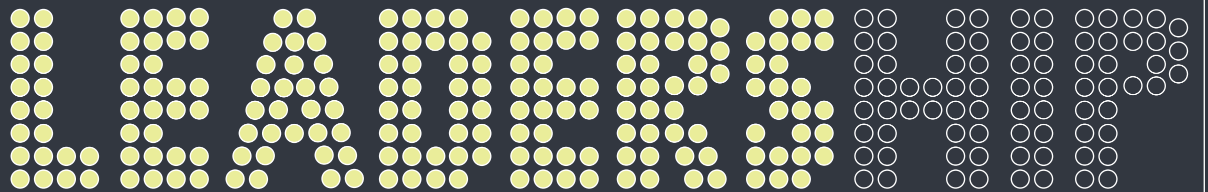
58% New products/market development

54% Managing risks

Remain the top business strategies for procurement leaders

5

73% of procurement believe they have the support of their organisation's leadership



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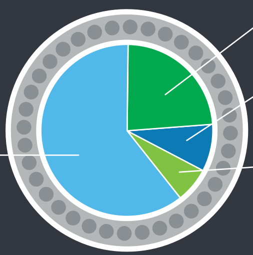
61% of procurement leaders delivered better year-on-year savings performance than in 2017

61%
Better than last year



23.5%
The same as last year

9%
Worse than last year

6.5%
No formal performance tracking

4

Only one in four procurement leaders are excellent business partners contributing significant strategic value

6

Overall supply chain transparency is poor with

65%

of procurement leaders having limited or no visibility beyond their Tier 1 suppliers ...

3

Procurement leaders are primarily focused on specific procurement levers to deliver value over the next 12 months

37%
Consolidating spend

32%
Reducing total life cycle/ownership costs

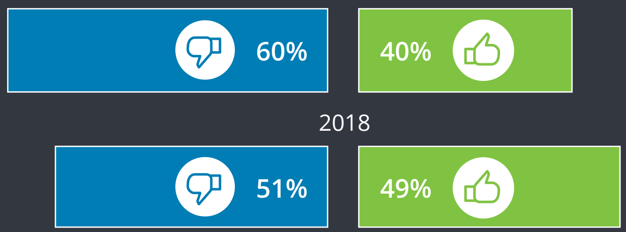
31%
Increasing competition

24%
Specification improvement

23%
Increasing level of supplier collaboration

7

51% of procurement leaders believe their teams **do not have sufficient capabilities to deliver on their procurement strategy**



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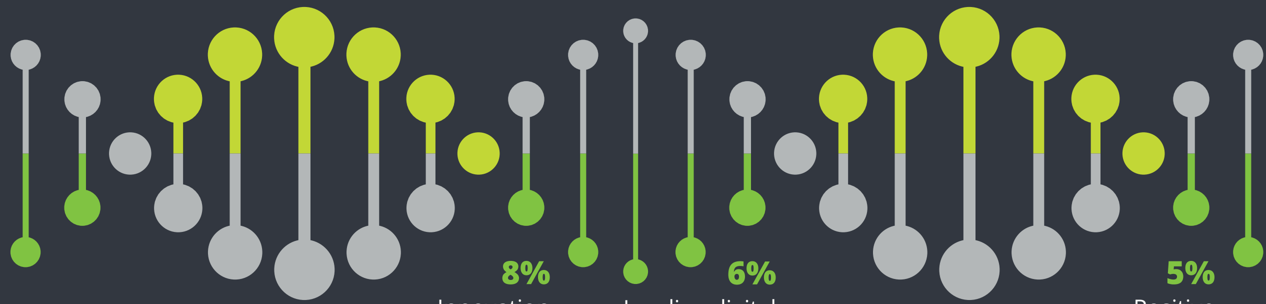
The most common leadership traits in procurement are ...

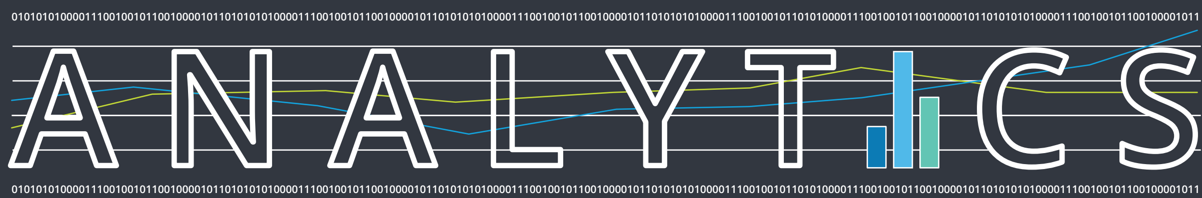


Conversely, strategic leadership traits such as ... ... are not widely evident

9

33% of procurement leaders believe that their digital procurement strategy will enable them to deliver on their objectives and value

10



... will have the most impact on procurement in the next two years

11

Modern technology usage is low, **with only one-third of procurement leaders using technologies such as predictive analytics and collaboration networks**

Executive summary

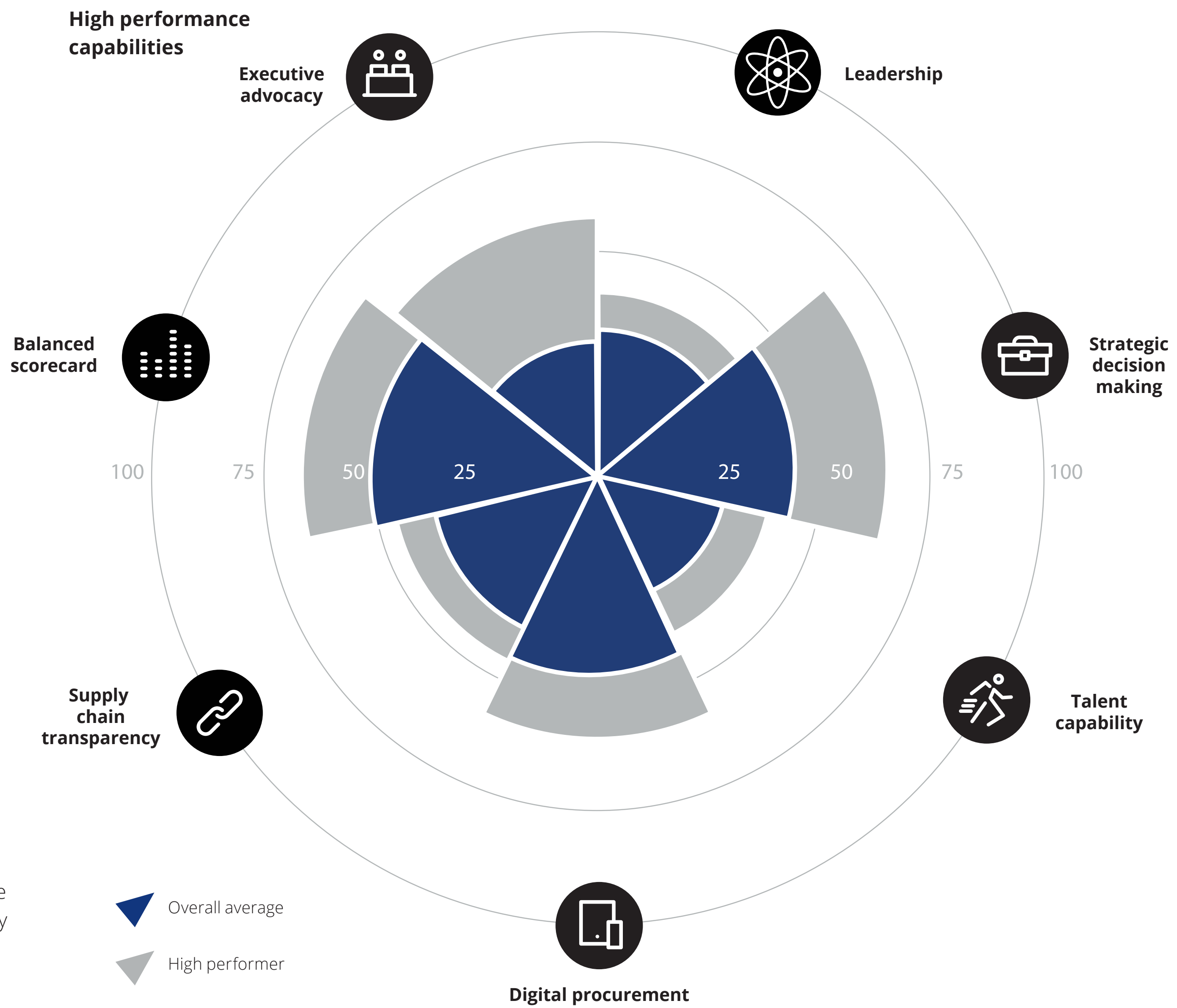
A clear shift in procurement focus towards innovation and value requires an acceleration in the pace of change especially in leadership, talent and digital procurement.

Procurement have continued to successfully deliver short-term savings and manage risk to support growth during a period of uncertainty. As national and global economies improve, procurement have a pivotal role to play in increasing supply chain transparency, accessing supplier innovation and delivering enterprise wide cost reduction. Exceptional procurement, supplier, business and digital leadership will differentiate those organisations that deliver an impact that matters.

Our research on high-performing procurement leaders shows that there are seven key capabilities where high performers out performed other procurement leaders:

- Executive advocacy
- Leadership – supplier and procurement
- Strategic decision making
- Talent capability
- Digital procurement
- Supply chain transparency
- Balanced scorecard

In comparison to last year, high-performing procurement leaders continue to focus on executive advocacy, strategic decision making, talent capability and digital procurement. Three new capabilities that differentiate high performance from the average have also emerged this year: leadership, balanced scorecards and supply chain transparency.



Value and collaboration

Procurement alignment to executive and business priorities, measured through mutually agreed performance metrics, will continue to enhance the effectiveness of procurement as a strategic business partner. However, the continuing fall in use of supplier collaboration as a lever for delivering value is a concern, especially given the increased focus on the contribution of procurement to product / market development and innovation. Furthermore, our findings show that organisations are leaving themselves exposed to potential supply chain disruption and margin erosion by having limited visibility of their supply chains beyond the first tier. Improved transparency of pricing, supplier locations and critical dependencies can help procurement functions deliver greater value whilst avoiding potentially significant regulatory, reputational and operational risks.

Improved transparency of pricing, supplier locations and critical dependencies can help procurement functions deliver greater value.

Talent and leadership

Over half our survey respondents believe their teams do not have the necessary skills to deliver their procurement strategy, and the recruitment market is becoming more challenging; yet there is less spent on training and deployment of talent development strategies. Planned training on 'softer skills' such as business partnering and emotional intelligence, as well as on digital skills, points to a reduced focus on training in 2018.

What is clear is that there is a direct correlation between stronger leadership capabilities, higher spend on training and enhanced performance. This is also true of leadership at suppliers. So the question must be asked why procurement leaders are not focusing more on talent and leadership capability development.

There is a direct correlation between stronger leadership capabilities, higher spend on training and enhanced performance.

Digital procurement

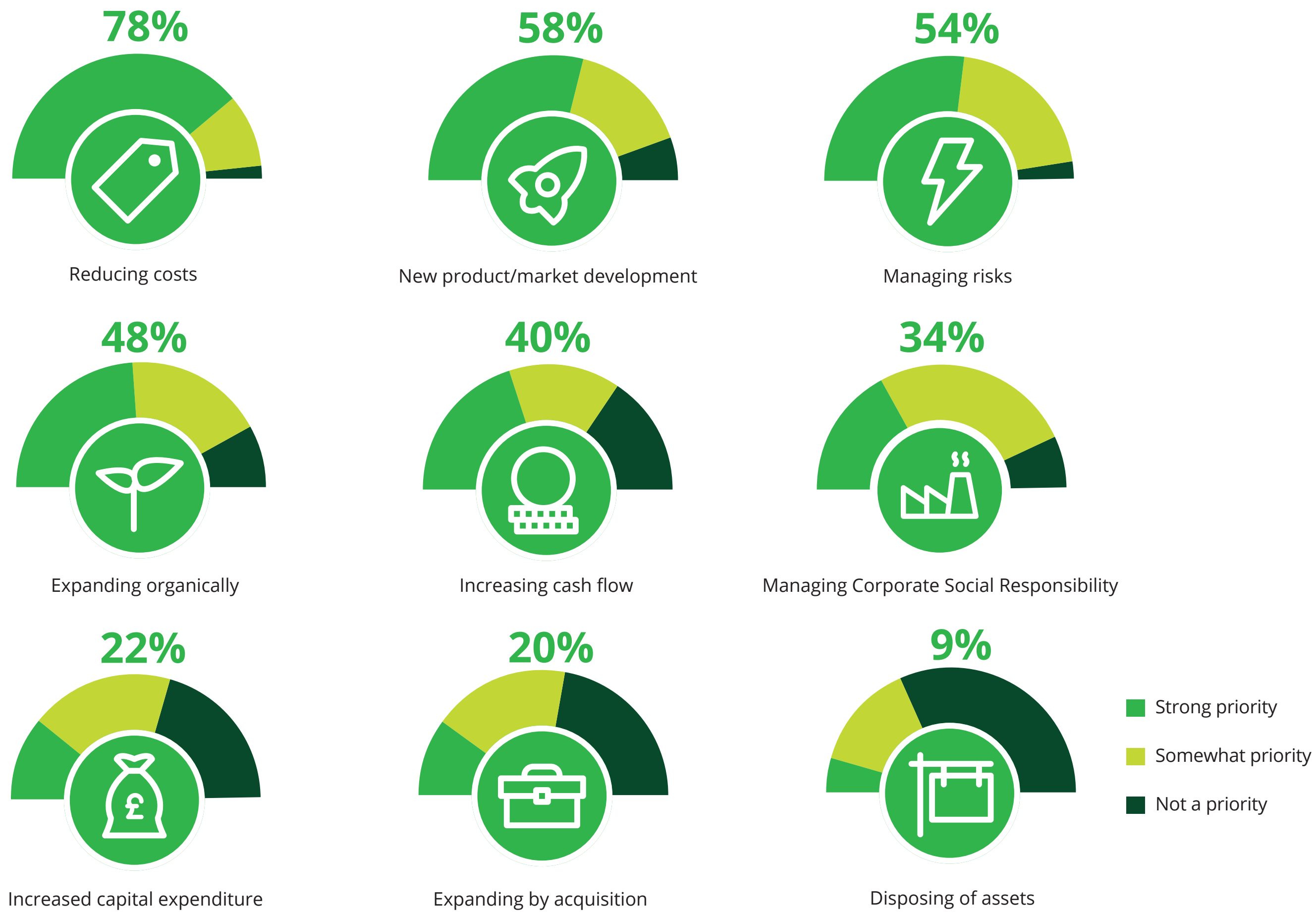
The proliferation of digital tools and applications will continue to grow in importance and impact for procurement leaders. In order to stay relevant within the business, procurement needs to wake up to the reality that now confronts it. Progress and adoption has been slow over the past year and the survey findings show that procurement leaders remain hesitant about investigating new digital tools and technologies such as artificial intelligence, robotics and blockchain. Digital supply networks are evolving, connecting all parts of the supply chain, and insight-driven organisations are applying advanced analytical capabilities to enhance performance. Digital transformation is inevitable and high performing organisations are leading the way on adoption.

Digital transformation is inevitable and high performing organisations are leading the way on adoption.

Market outlook

The world economy enters 2018 with good momentum. Japan and the EU are in better shape than for many years. Unemployment has fallen across the world. Financial markets have been in ebullient form, with equities hitting new highs.

Prioritisation of business strategies over the next 12 months



Chief Financial Officers (CFOs)[1] recently surveyed by Deloitte indicated that with global inflation pressures easing in most regions, their focus is shifting towards the longer term as revenue growth improves. Growth is gaining priority for CFOs, whether organically, or through acquisitions, introducing new products/services or moving into new markets.

The views of CFOs are in alignment with those of procurement leaders – especially new product/market development – with 58% identifying that as a priority, an increase for the second year in a row.

Cost reduction continues to be the number one priority for procurement leaders, with 78% of respondents in our survey identifying reducing cost as their top priority strategy. Year-on-year savings performance has improved from 58% of procurement functions in 2017 to 61% in 2018.

The slight improvement in economic sentiment has not altered the overall willingness of businesses to take on additional risk. As ever, risks remain, from Brexit in Europe, to protectionism and the perils of asset and credit bubbles. UK growth has conspicuously slowed, particularly in comparison to many other countries that are enjoying the global upturn.

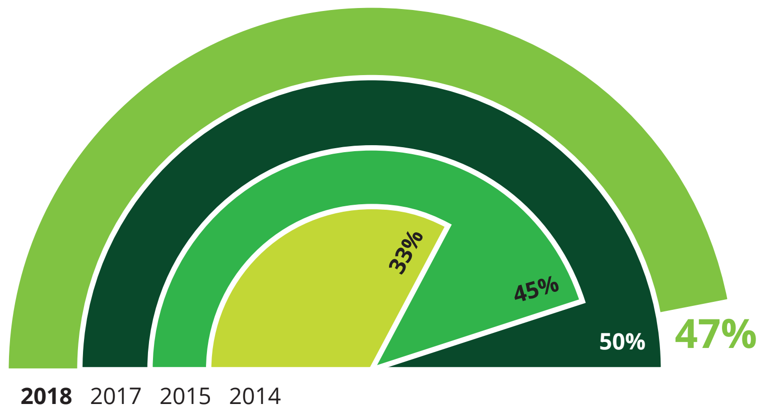
Procurement risk levels, whilst still high, appear to be being managed. The overall global macroeconomic risk ratings from procurement leaders has fallen, with lower risk ratings for a China slowdown, credit conditions, the Eurozone economy and worldwide terrorism.

Procurement leaders continue to keep a close watch on global macroeconomic risks, with the top three being:

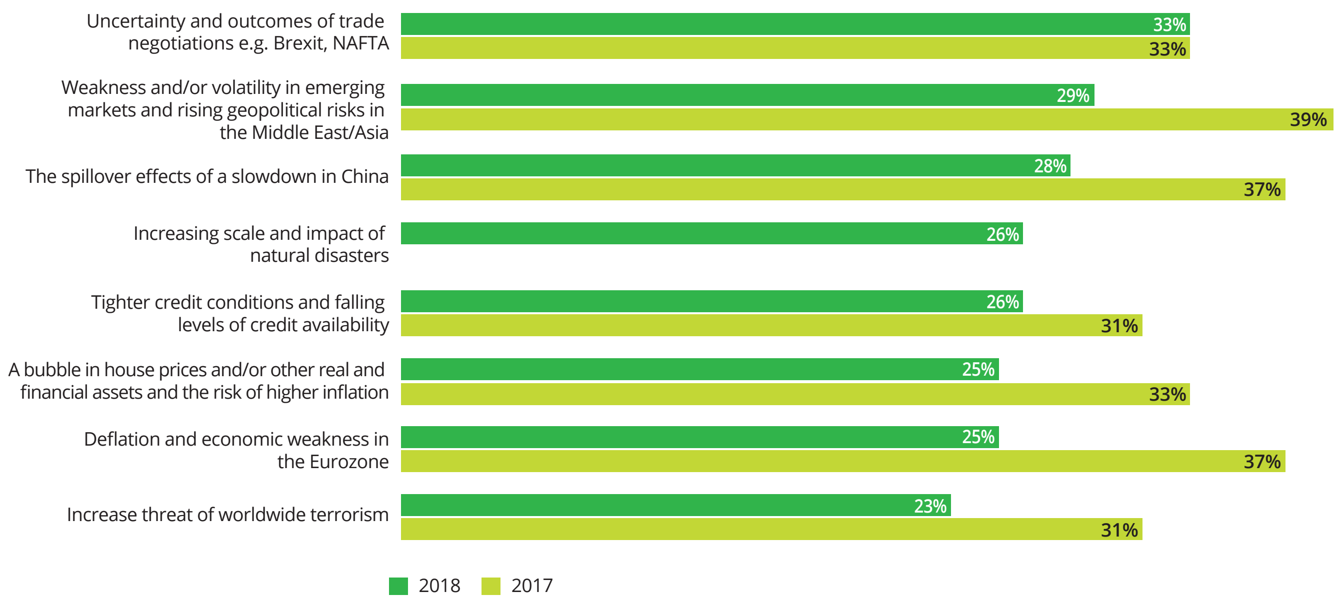
- uncertainty and outcomes of trade negotiations, e.g. Brexit, NAFTA
- weakness and/or volatility in emerging markets and rising geopolitical risks in the Middle East/Asia
- spillover effects of a slowdown of China.

In conclusion, the optimistic market sentiment presents procurement leaders with an opportunity to achieve greater value through growth-focused innovation, while continuing to deliver cost reduction and manage risk.

Respondents reporting a significant resurfacing of procurement risk



Most significant market risks



...and finally

"CFOs enter 2018 more focussed on controlling costs than at any time in the last eight years. Despite this, they are more optimistic today than they have been in the last two years and perceptions of uncertainty are far lower than during the euro crisis and following the EU referendum."

Ian Stewart
Chief Economist, Deloitte LLP

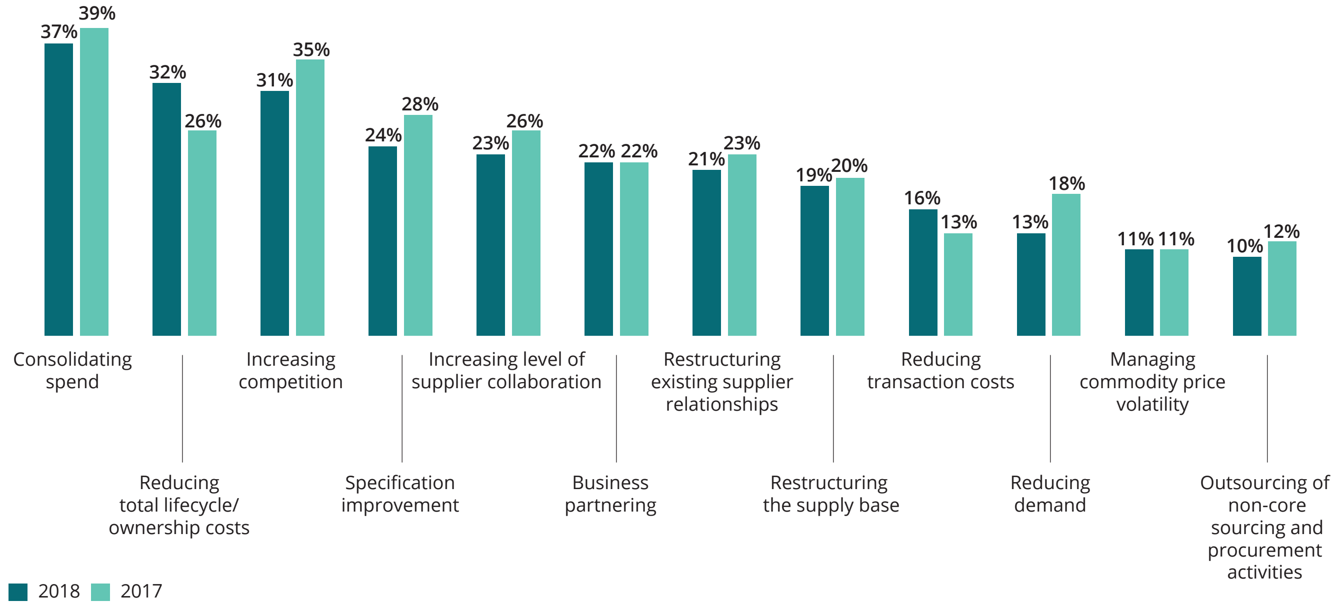
Value and collaboration

Procurement leaders are continuing to expand the role of procurement in the wider supply chain. This is being achieved through better alignment between procurement and business strategies and priorities, adopting a closed loop and holistic approach to performance measurement for procurement and proactive involvement in key decision making. However, the same cannot be said about supplier collaboration, which continues to remain an under-utilised lever for delivering value.

The survey shows:

- Consolidating spend (37%), reducing total life cycle/ownership costs (32%) and increasing competition (31%) are the key procurement strategies used to deliver value.
- Fewer procurement leaders (23%) consider supplier collaboration as a strategy to drive value over the next 12 months, as compared to 26% in 2017.
- Only one in four procurement leaders are excellent business partners contributing significant strategic value.
- 73% of procurement leaders believe they have the support of their organisation's leadership; however the number of respondents who feel 'very supported' has fallen from 43% to 31%.
- Overall supply chain transparency is poor, with 65% of procurement leaders having limited or no visibility beyond their tier 1 suppliers.

Procurement strategies used to deliver value over the next 12 months



Procurement value drivers

To deliver the procurement strategy priorities of cost reduction, new products/market development and managing risk, procurement leaders have continued to show a preference for deploying traditional levers such as consolidating spend and increasing competition to deliver value. Reducing total life cycle/ownership costs has become a more prominent strategy, indicating a broadening in the agenda for procurement within organisations. This will be enabled through specification improvement and demand management, although the use of both these strategies fell this year.

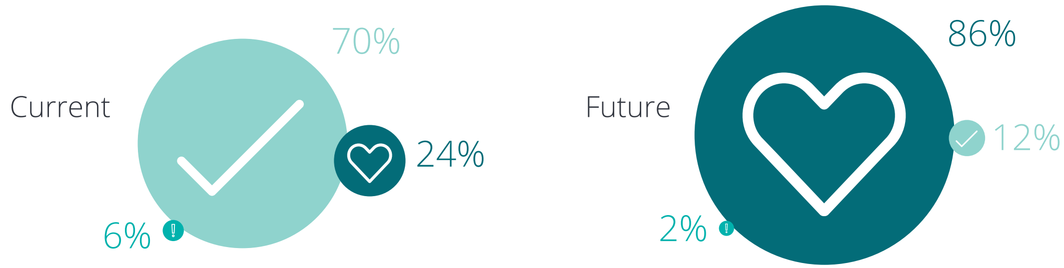
Surprisingly, compared to last year, there has been less use of closer collaboration with suppliers to deliver value, indicating a continued focus on more tactical levers to support the achievement of procurement strategies.

Collaboration with business

Last year, 86% of procurement leaders aspired to being 'excellent' as a strategic business partner in the future. In 2018, only 24% consider themselves as 'excellent': although this is a slight improvement from 2017, it highlights the need for further improvement in business partnering by procurement teams.

Many of the metrics which form the balanced scorecard for procurement have increased in their use, and much greater importance is placed on operating efficiency, supplier compliance and innovation compared to last year.

Current effectiveness of the procurement function as a business partner, in comparison to where procurement aspires to be

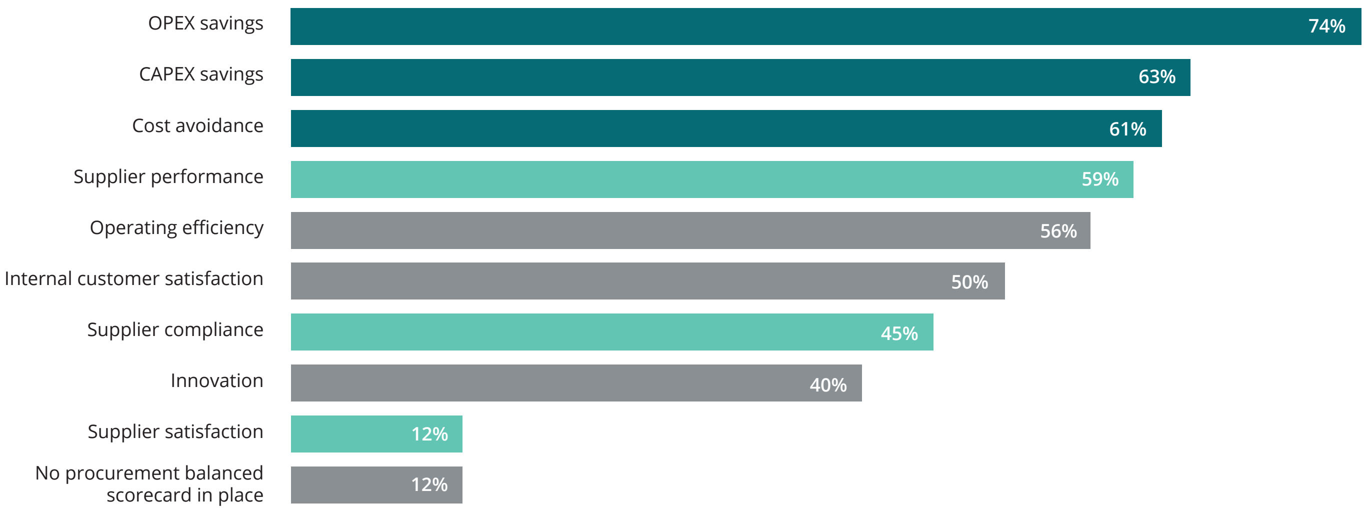


Excellent – procurement is highly regarded internally and seen as a key business partner which contributes significant strategic value

Fair – procurement has mixed influence internally with stronger relationships with some functions than others

Poor – procurement operates in silos from the rest of the business and struggles to collaborate with other functions

Measures forming part of organisations' balance scorecard for procurement



Executive advocacy

Executive support and sponsorship is a critical success factor in delivering on a procurement leader's vision and strategy.

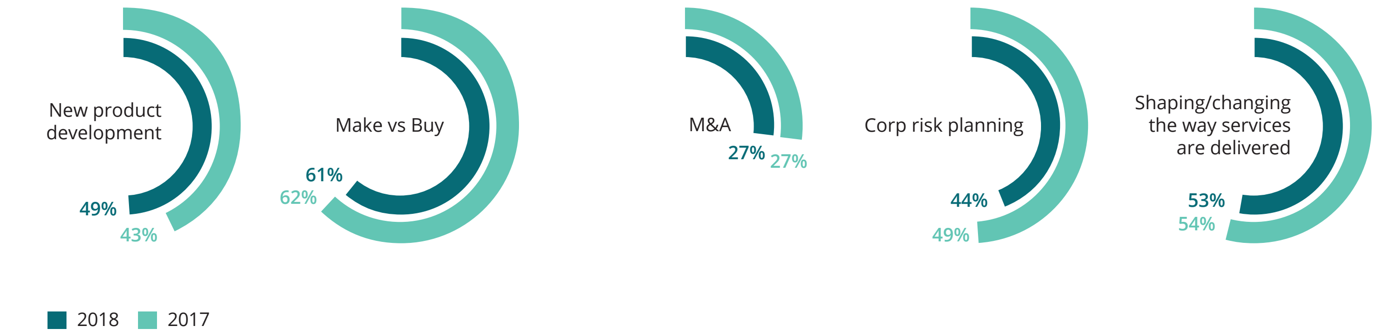
73% of procurement leaders believe that they have the support of their executives.

However, the level of support has dropped with only 31% feeling 'highly supported' as compared to 43% last year. This presents a challenge for procurement leadership to develop strategies closer to the business priorities and deliver results to maintain high levels of executive support.

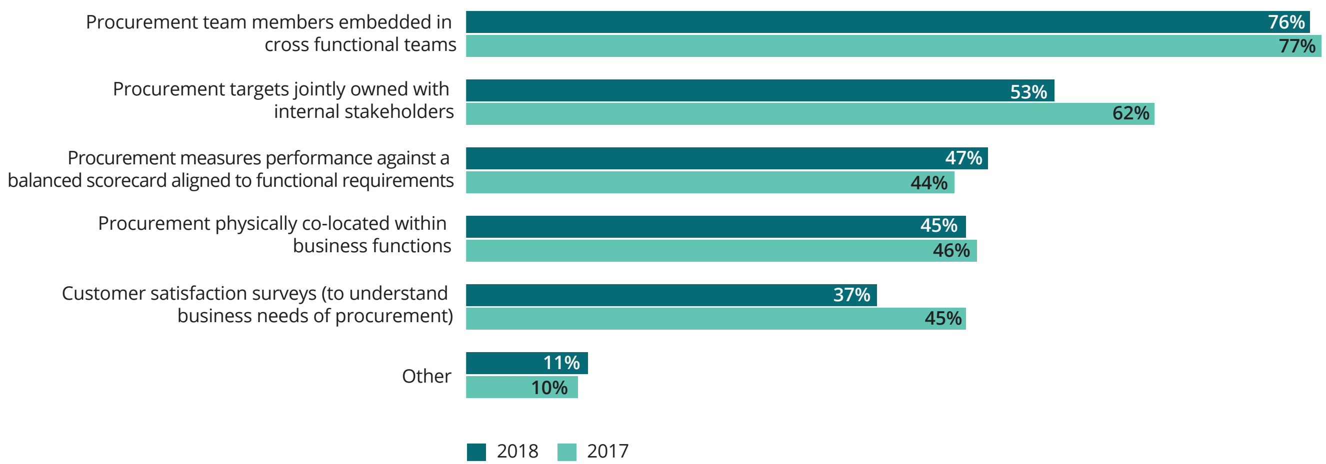
Procurement's involvement in new product development decision making has increased, whilst involvement in corporate risk planning has fallen. Involvement in M&A remains low, possibly due to lower M&A activity in general.

High-performing procurement organisations have both greater levels of involvement in decision making and in deployment of balanced scorecards, demonstrating the need to maintain focus in these areas. Despite better collaboration between procurement and the rest of the business, we have seen a downward trend in both procurement targets being jointly owned with internal stakeholders and also in the use of customer satisfaction surveys to better understand business needs.

Extent to which procurement plays an active role in strategic decision making



Approaches employed to understand stakeholder requirements



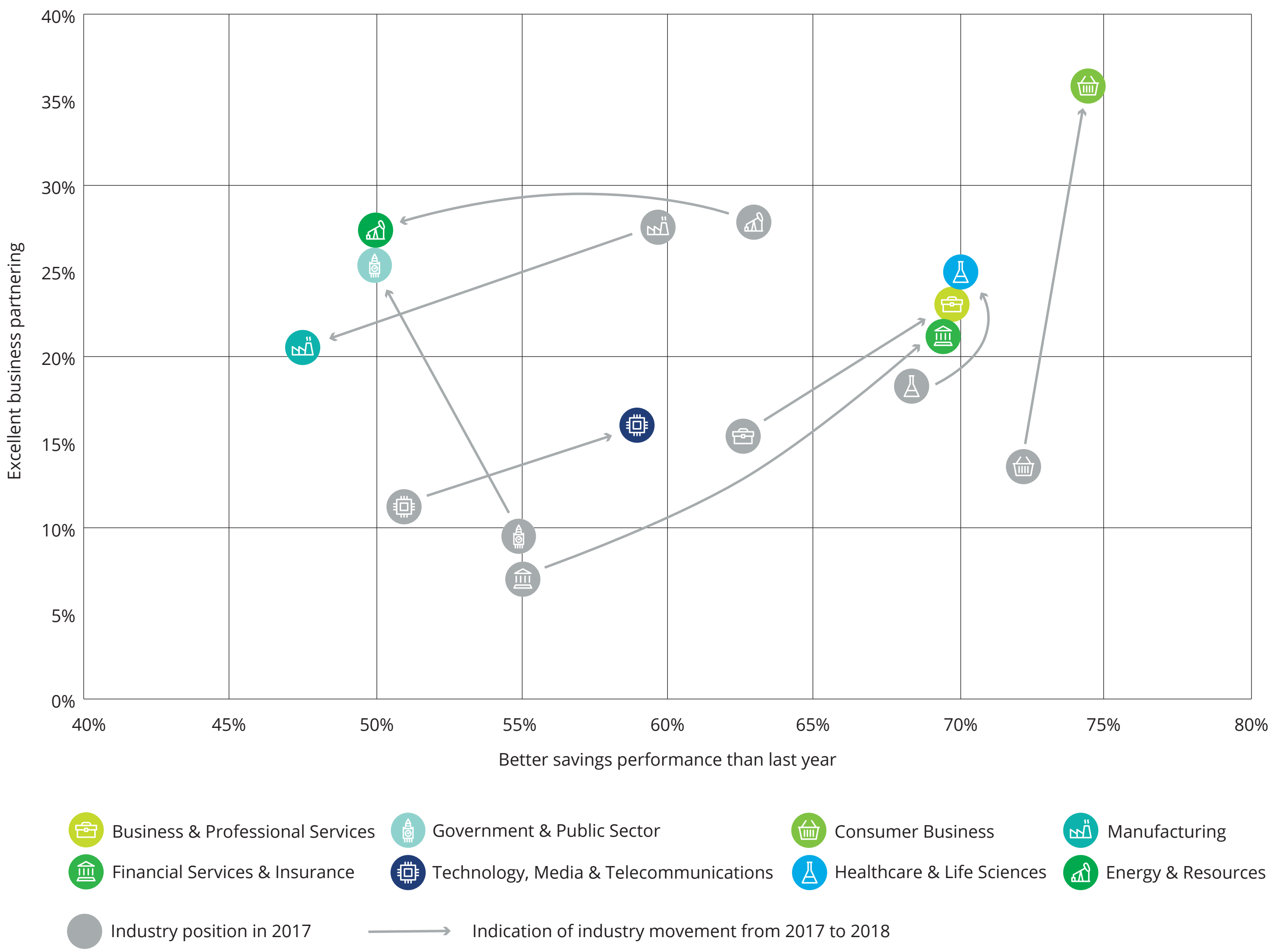
Savings performance improvement year on year has been linked to improvements in business partnering in most sectors, in particular in Consumer Business. Conversely, in Energy and Resources and Manufacturing, where business partnering dropped, so did savings performance.

Collaboration with suppliers

Supplier collaboration is key to innovation, but over the last few years, fewer procurement leaders seem to have used supplier collaboration as a procurement strategy for delivering greater value. Only 23% of procurement leaders in 2018 plan to increase the level of supplier collaboration as a lever to deliver value, a decrease from 26% last year and 39% in 2016.

Despite this, procurement leaders globally have indicated a desire to focus on collaboration and building partnerships with key suppliers to achieve improved innovation within their organisations, with two-thirds of respondents identifying 'generate win-win situations and trust' as a key approach for doing so.

Comparing savings performance to business partnering across industries

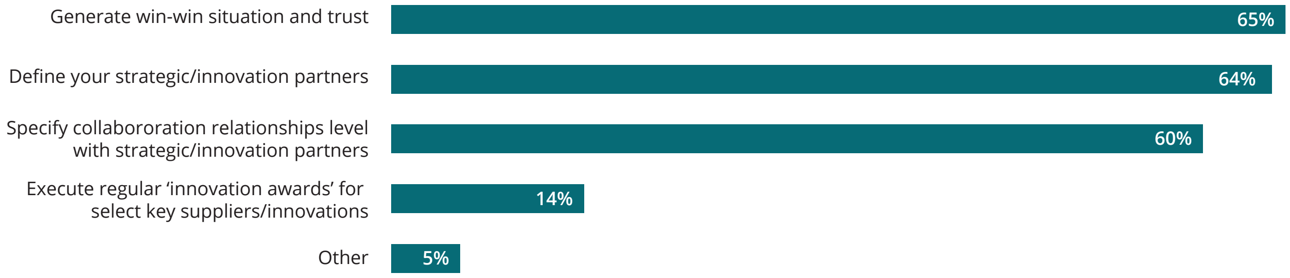


A surprising and somewhat worrying finding from this year's survey is that 65% of procurement leaders say they have limited or no visibility beyond their tier 1 suppliers.

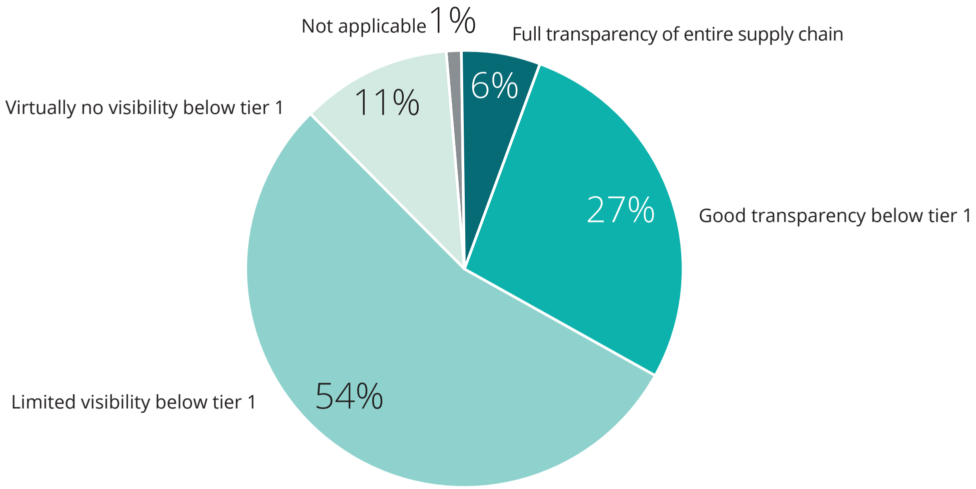
This has major implications for organisations across all industries, particularly for meeting regulatory and corporate social responsibility requirements and for the identification and mitigation of supply chain risks. In addition, greater visibility lends itself to greater innovation and improved total cost of ownership. High performers are two-and-a-half times more likely than their peers to have full supply chain transparency.

We anticipate that the challenges for organisations will be increased in future by the rise of Digital Supply Networks, changing industry dynamics, and the race for talent. Procurement functions will be required to improve their capabilities, not just to achieve cost reduction, but also to manage risk and support product and market innovation.

Main approaches adopted to improve innovation levels and partnering with key / strategic suppliers



Current level of supply chain transparency



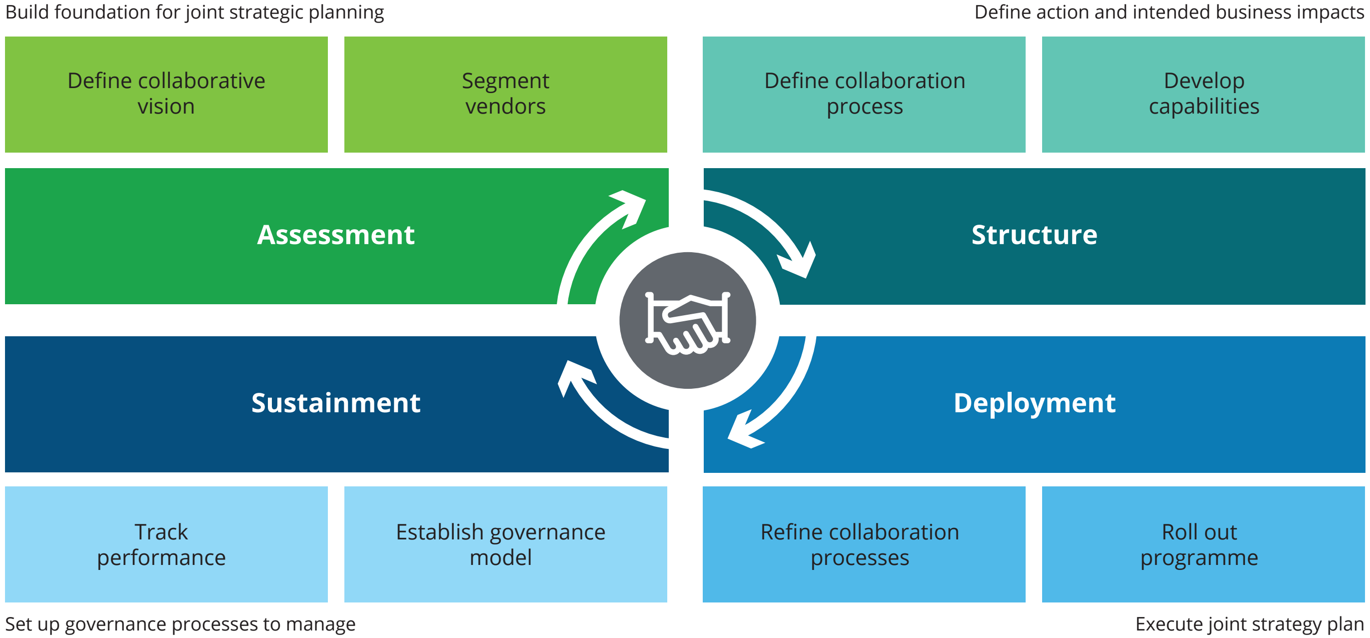
In Deloitte's view, Joint Strategic Planning (JSP)[3] is crucial for unlocking value and innovation in businesses and suppliers.

JSP builds on the foundation of existing supplier collaboration programmes to enable procurement to provide strategic, innovative, and end-to-end capabilities for the organisation. It is based on the concepts of increased transparency, reduced friction, deeper, increased leadership engagement, and adoption of new risk-reward arrangements.

Joint Strategic Planning enables procurement leaders to shift the conversation from tactical to strategic, from transactional to collaborative, and from reactive to proactive.

In an era where businesses are looking at long-term strategies, relationship-powered approaches such as JSP, that have a track record of contributing to sales growth, increased profits, investment generation, and innovation, need to be given greater prominence and form part of the levers used by procurement leaders to unlock value.

Joint strategic planning approach



…and finally

"The most satisfying part of my role is aligning well and listening to my customer and internal stakeholders around objectives and expectations, because it is not always a good idea to lead a conversation with "look how much money I can save you". Working with business stakeholders to define a usable taxonomy and segment suppliers help build a framework for supplier relationship management to help determine the size of the procurement team and prioritization of our efforts."

David Bondi
SVP-Chief Procurement Officer, Revlon

"Trends shaping the business environment continue to evolve and elevate the Procurement function to new levels. The competitive advantage that we can provide has never been more evident. But with this opportunity, we are also challenged to elevate our game. We must cement success in areas such as talent management, category management and customer relationships; and then allow ourselves to evolve to newer strategies such as digitisation and advanced supplier management. I believe that the next three to five years will shape this new agenda for the Procurement profession."

Bill Dempsey
Chief Procurement Officer, MolsonCoors

Talent and leadership

A clear imperative for procurement leaders at high performing organisations is to lead the procurement, business, supplier and digital agenda. However, 51% of procurement leaders do not believe that they have the capability in their teams to deliver their procurement strategy. They see a need to shift the traditional talent models and practices in procurement and at suppliers, and fill leadership capability gaps that exist in innovation, positive disruption and digital transformation.

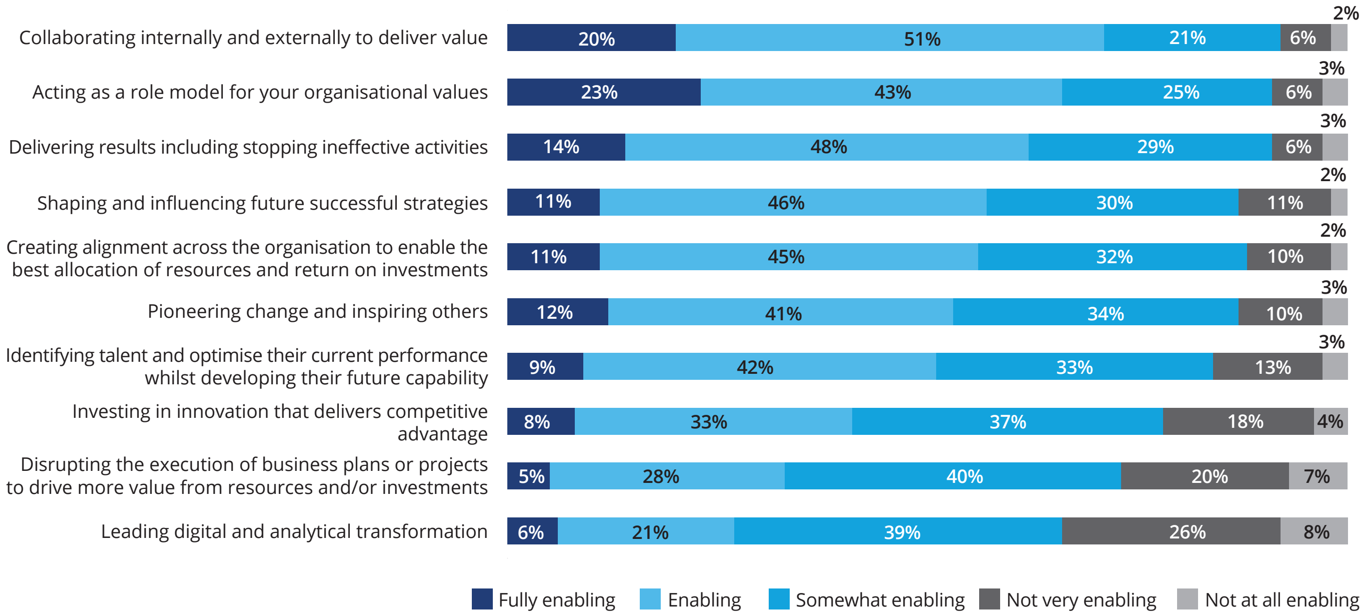
The survey shows:

- Most common leadership traits in procurement are collaborating, acting as a role model and delivering results, and weakest traits are innovation, positive disruption and digital transformation.
- 52% of procurement leaders are confident that their key suppliers are equipped to support their organisation's growth plans. High performing organisations are twice as likely to believe their organisations are fully equipped to succeed.
- 51% of procurement leaders believe that their current teams do not have sufficient levels of skills and capabilities to deliver on their procurement strategy.
- 72% of procurement leaders are spending less than 2% of their budgets on training, an increase from 66% in 2017.
- Nearly three-quarters of procurement leaders have said that their procurement teams possess little or no capability to maximise the use of current and future digital technologies, but only 16% of procurement leaders are focusing on enhancing the digital skills of their teams.

Procurement leadership

Across all organisations, the capabilities of procurement leadership are strongest in the three areas of collaboration, acting as a role model and delivering results. This has a positive impact on development of stronger business and supplier partnerships, and the associated results. Savings delivery performance continues to improve, as does the view among procurement leaders that procurement is an effective business partner, and that they are achieving success with their day-to-day priorities.

Key leadership traits of procurement leaders



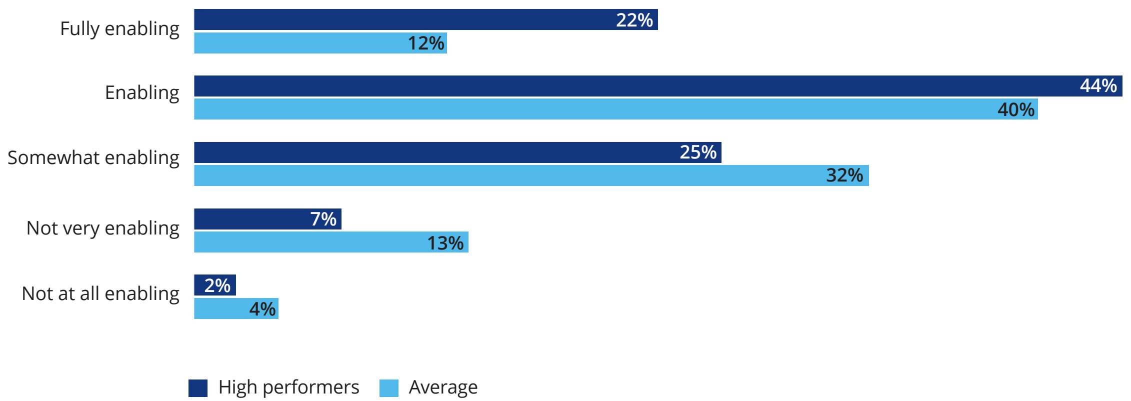
However leadership is weak with regard to investing in innovation, leading digital transformation and positive disruption. This will have implications for future performance unless addressed with new leaders or through accelerated capability development, and there is a risk of the procurement function being 'left behind'.

Leaders in high-performing organisations score considerably better across the leadership traits than their peers in other organisations. This emphasises the importance of having strong functional leaders in procurement to drive higher performance, both internally and with suppliers.

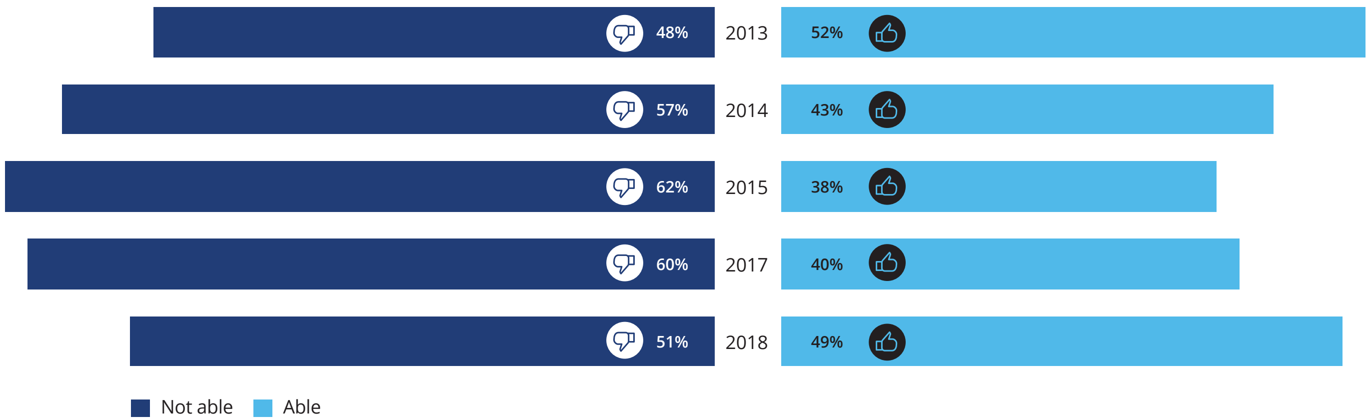
Talent development

Only 49% of procurement leaders believe that their current teams have sufficient levels of skills and capabilities to deliver their procurement strategy. Remarkably, this is the highest level of confidence shown by procurement leaders in their teams since 2013, but it is still very low.

Extent to which procurement leaders are enabling their organisations or suppliers



Perceived level of ability within current teams to deliver procurement strategies

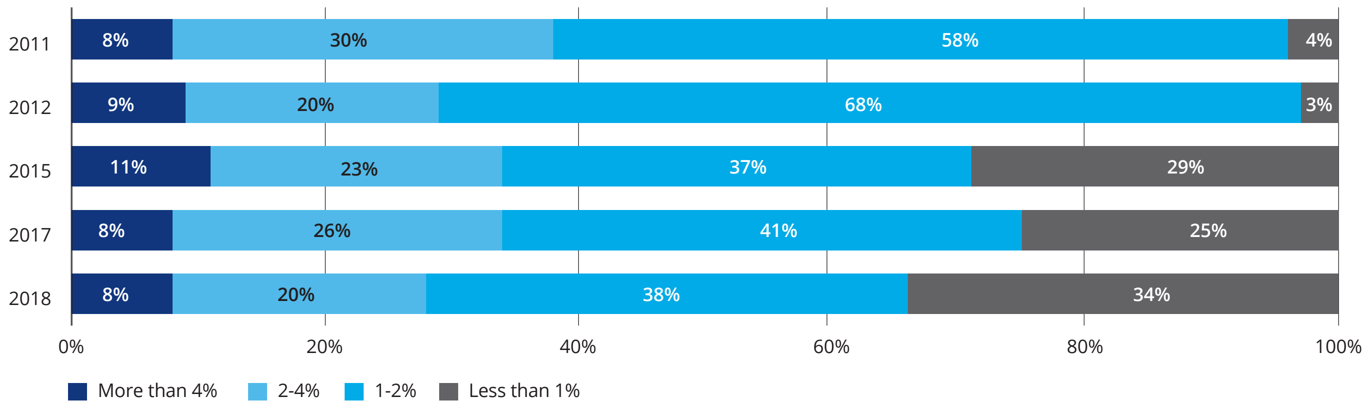


Spending on talent development has also fallen, with 72% of procurement leaders spending less than two per cent of their operating budgets on training and development programmes for their teams, compared to 66% last year.

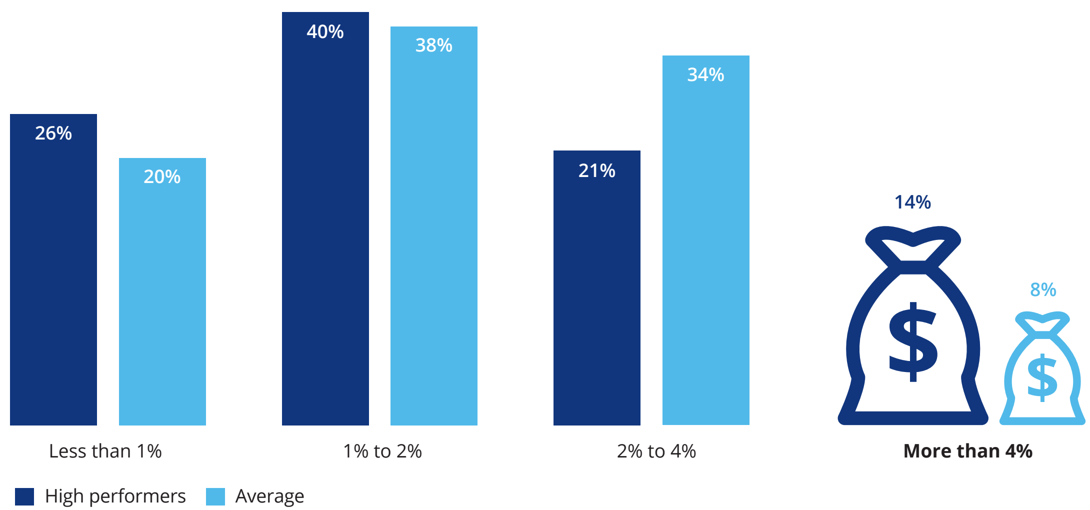
Survey results for recruiting and training talent also paint a less optimistic picture. Whilst sources of talent recruitment remained broadly unchanged since last year, 47% of procurement leaders found it more difficult to attract talent in the last 12 months.

Again, analysis shows that organisations performing at a higher level tend to spend more on training for their procurement teams than their peers in other organisations, with almost twice as many spending more than four per cent of their overall budgets.

Percentage spend on training procurement



Percentage of budget spent on training procurement talent – high performers vs average



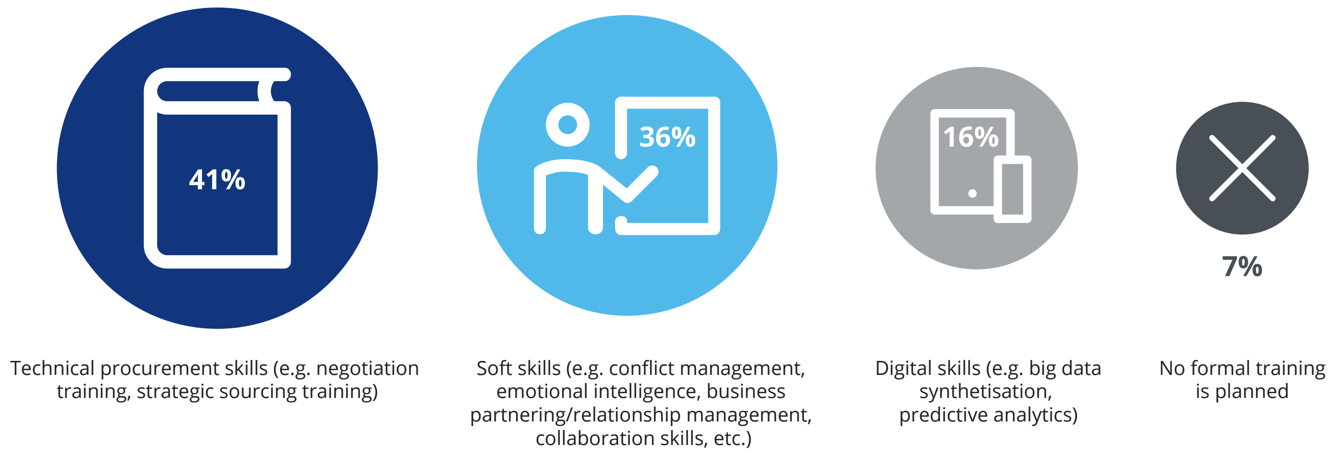
Only 16% of procurement leaders are focusing on developing digital skills within their teams, despite the fact that 72% indicated that procurement staff possess only some or no capability to maximise use of digital technologies.

Another disappointing finding is the lack of a clear talent development strategy, with a significant reduction year on year in the use of procurement academies and/or a procurement training curriculum, and lower levels of engagement in placements within the rest of the business.

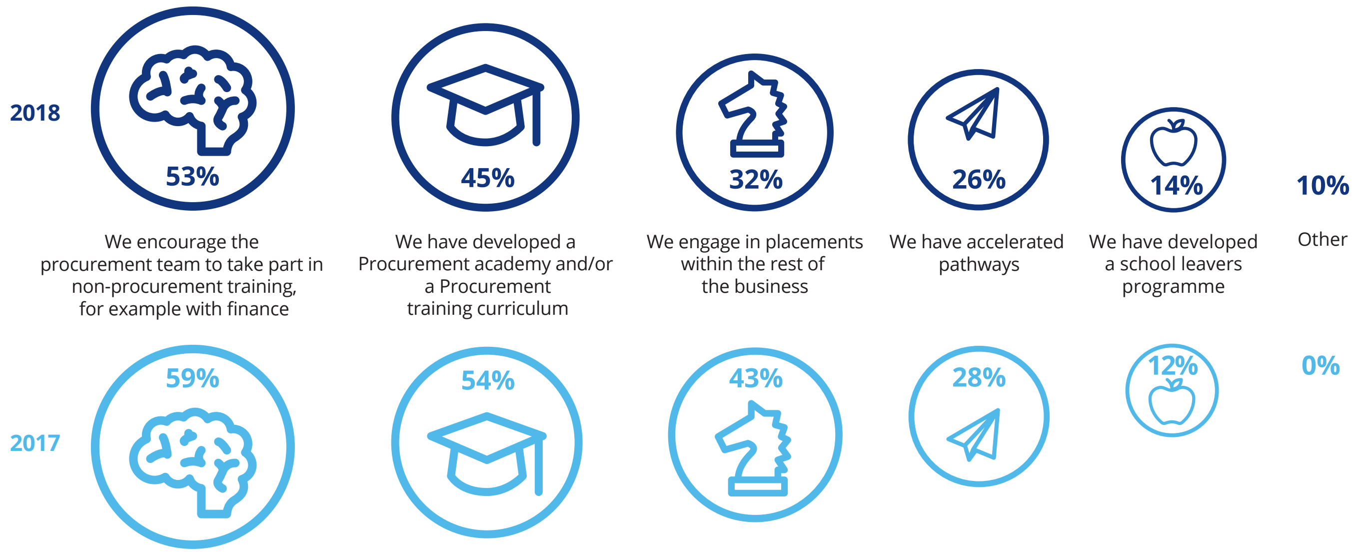
Levels of procurement outsourcing have dropped to 10%, which is the lowest level we have seen over the last 5 years.

Overall, these findings raise the question of whether global procurement leaders are investing adequately in their people and in the right development areas. The survey responses indicate that is not the case and that a positive shift is required.

Area of training focus planned for 2018



Talent development strategies



Supplier leadership

Only 52% of our respondents believe that leaders at their key/strategic suppliers are equipped to help the procurement leaders organisation succeed.

High performing organisations are twice as likely to believe their suppliers are fully equipped to succeed.

This positive correlation reinforces the necessity for procurement to focus on the development of leadership at suppliers as a priority to achieve improved performance.

Without strong leadership at suppliers, it is clear that target supplier performance levels become more difficult to achieve.

A Deloitte study[4] on digitally maturing organisations shows that to become 'talent magnets', and develop and retain talent, leaders of digitally maturing organisations are focusing on the creation of an environment in which employees are eager to learn and develop continuously by gaining and embracing digital experiences. An increasing number of organisations are encouraging employees to participate in platforms and communities where they can share ideas and learn new skills from experts in other organisations. From a procurement perspective, these platforms and communities include key strategic suppliers to help drive innovation and joint strategic partnerships.

Extent to which leaders at key suppliers are equipped to help the organisation succeed

Lucy Harding: Odgers Berndston point of view

The war for talent is ongoing. The survey results show that demand for forward-thinking, innovative and business-minded procurement experts at all levels continues to outstrip supply, and this situation will not change in the foreseeable future.

Clearly, the market for talent is extremely competitive and only those organisations with a compelling, strategic and business-centric procurement story to tell will attract and retain the best procurement minds. Likewise, people work for people; and strong leadership and a commitment to developing talent and growing individual careers creates loyalty and is key to attracting talent. It is encouraging that the 2018 survey shows that procurement leaders' confidence in their teams to deliver their objectives continues to improve. The low levels of investment in training and declining participation in talent development strategies remain a concern, suggesting that this optimism may not be sustainable in the future.

From a digital perspective, the emerging technologies are exciting and if deployed successfully will bring huge advantages to procurement. However, technology is an enabler, and is not the panacea for all the challenges faced by the function: leaders still need to invest heavily in people. They need to understand not only the technology but also how to deploy it, draw conclusions from the data and implement new strategies for the tangible benefit of the organisation. It remains a critical requirement to develop leadership skills and strategic thinking, and also an ability to engage with broader business leaders and teams, and inspire suppliers to work with you. We must not lose sight of this as the 'rise of the robots' progresses.

It is increasingly important, to attract talent, for organisations to be seen to move in the digital space. If a business is investing in the latest technologies, this indicates that it is up to date with the latest thinking. This attracts people who consider that their career will benefit if they are exposed to innovations in technology. Top talent, especially those in the millennial generation, will not choose to work in an organisation that is significantly behind the latest trends and technologies.

In summary, talent remains a concern for many organisations and should be a critical focus for procurement leadership as the demands of businesses continue to grow and the bar is continuously raised.

Invest in your teams, invest in technology, and spend time to build trust with your suppliers to harness their talent too – since we don't have enough to go round.

Lucy Harding
Partner and Global Head of Practice, Procurement and Supply Chain,
Odgers Berndston

...and finally

"In any transformation or leadership of procurement led change I have learnt that I always need to understand the 3 Ps; People, Processes and how to develop a Programme of change. The latter two always appear the most difficult to achieve yet it is the people that will make the difference. Select well, technical skills can be learnt but above all build a resilient team with diverse personalities and have fun along the way."

Patrick Dunne
Director of Group Procurement & Cost Base Transformation, Sainsbury's

Digital procurement

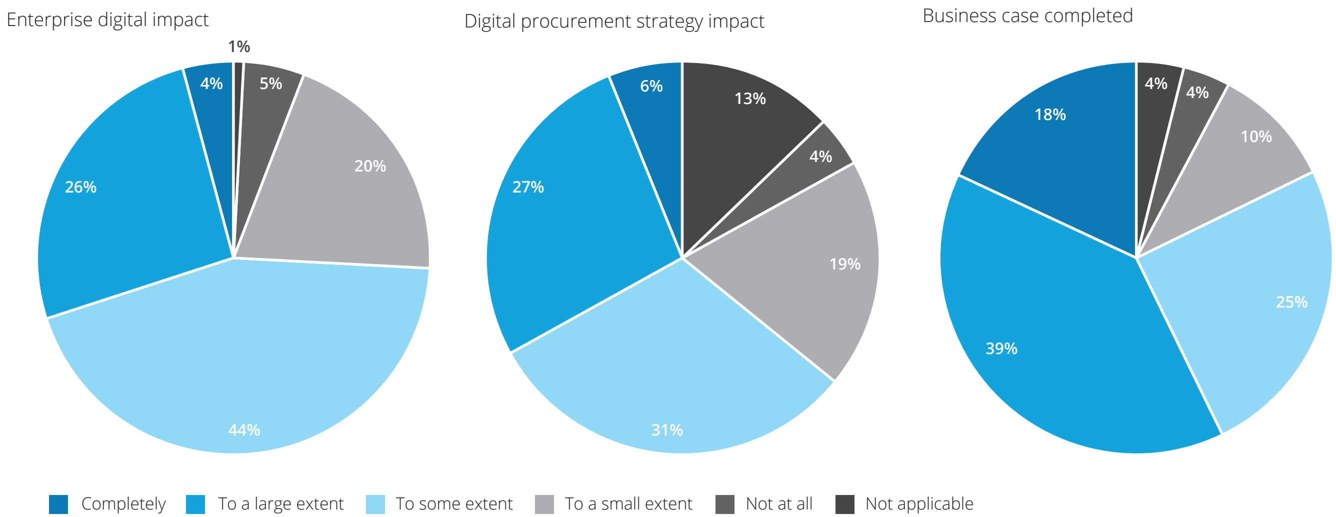
Despite recognising digital technologies, their impact and imminent uses, few organisations appear to be progressing at the rate that their c-suite executives consider necessary for achieving overall goals. Indeed, in the majority of areas, the level of impact has declined and the forecast application of new technologies is low.

The survey shows:

- 17% of procurement leaders do not have a digital procurement strategy, and of those that do, less than one-third believe that their strategy will enable procurement to deliver significantly on its objectives and improve enterprise value.
- The rate of digital technology adoption amongst organisations is highest in the transactional Purchase to Pay (P2P) process, followed by sourcing and tactical buying.
- Analytics will have the most impact on procurement in the next two years.
- Analytics are being used for cost optimisation (50%), process improvement (48%) and management reporting (45%).
- Only three per cent of procurement leaders believe their staff possess all the skills required to maximise use of digital capabilities.

Digitalisation

The level and speed of digitalisation across procurement functions is lower than expected and needed. Only four per cent of procurement leaders believe that procurement has a big influence in delivering their organisation's overall digital strategy and only 6% of the procurement leaders in the survey believe that their digital procurement strategy will help them to fully deliver on their objectives and improve enterprise value. Only 18% of procurement leaders have a digital procurement strategy supported by a complete business case.

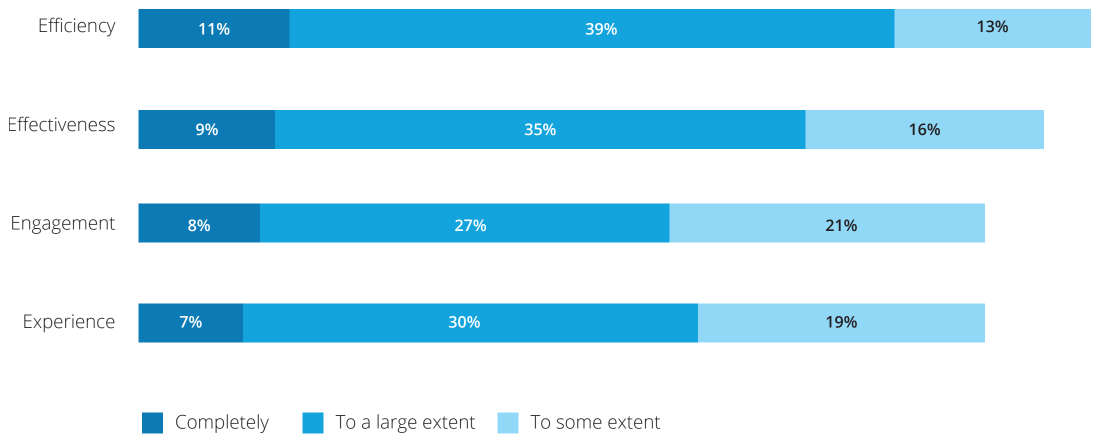


The impact of a digital procurement strategy can be measured by the extent to which the key objectives of efficiency, effectiveness, engagement and experience are incorporated in the digital procurement strategy, and the level of success in implementing them.

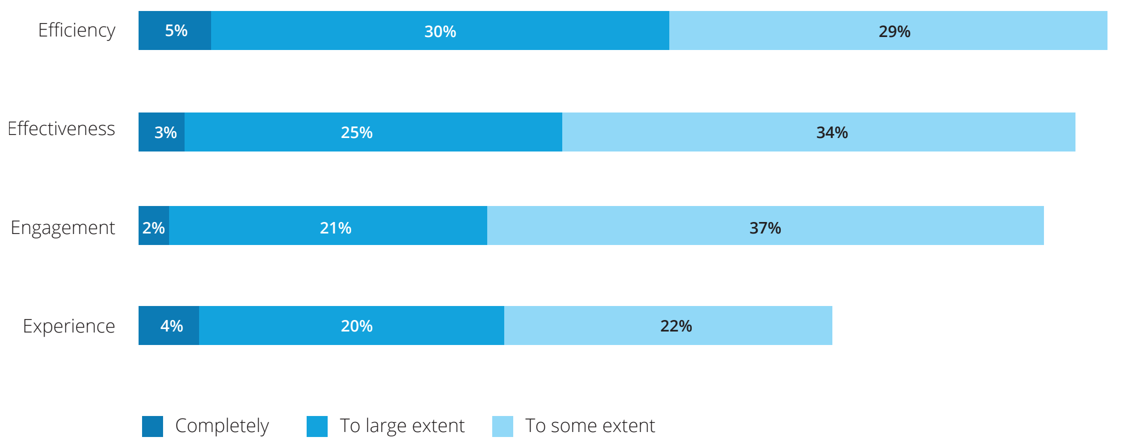
Impact of digital strategy

Responses to our survey suggest that overall the level of incorporation of these objectives in the digital strategy is low and achievement is unsatisfactory. This may suggest that in order to see the real impact of digital transformation and benefit from it, procurement leaders need to review and refine their digital vision and strategy, to make it more action-oriented, agile and saleable. In addition, procurement leaders need to increase the focus on engagement and experience.

Extent to which key objectives are incorporated in digital strategy



Level of success in implementing key objectives



Digital technology adoption

With rapid advancements in digital technologies, many organisations are shifting their focus towards understanding current and future digital innovations and their application in their own businesses.

Deloitte's view is that applying digital technologies to the procurement function will enable strategic sourcing to become more predictive, transactional procurement to become more automated, supplier management to become more proactive, and procurement operations to become more intelligent.

Procurement leaders globally have embarked on the digital transformation journey, with nearly one-quarter starting with the payment and requisitioning/ordering processes. Supplier risk management and supplier management are the least digitised processes.

Impact of digital technologies

Source to contract becomes *Predictive*

Imagine...

- Managing spend in real time
- Predicting demand with artificial intelligence
- Knowing total cost for commodities
- Predicting sources of future supply

Purchase to pay becomes *Automated*

Imagine...

- Automatically sensing material demand and requisitioning delivery
- Eliminating repetitive processing
- Triggering payments in real time
- Exchanging goods through decentralised ledgers

Supplier management becomes *Proactive*

Imagine...

- Monitoring risk in real time
- Conducting supplier visits utilising augumented reality
- Performing supplier audits through crowd sourcing
- Monitoring sustainability using automated reporting/visualisation

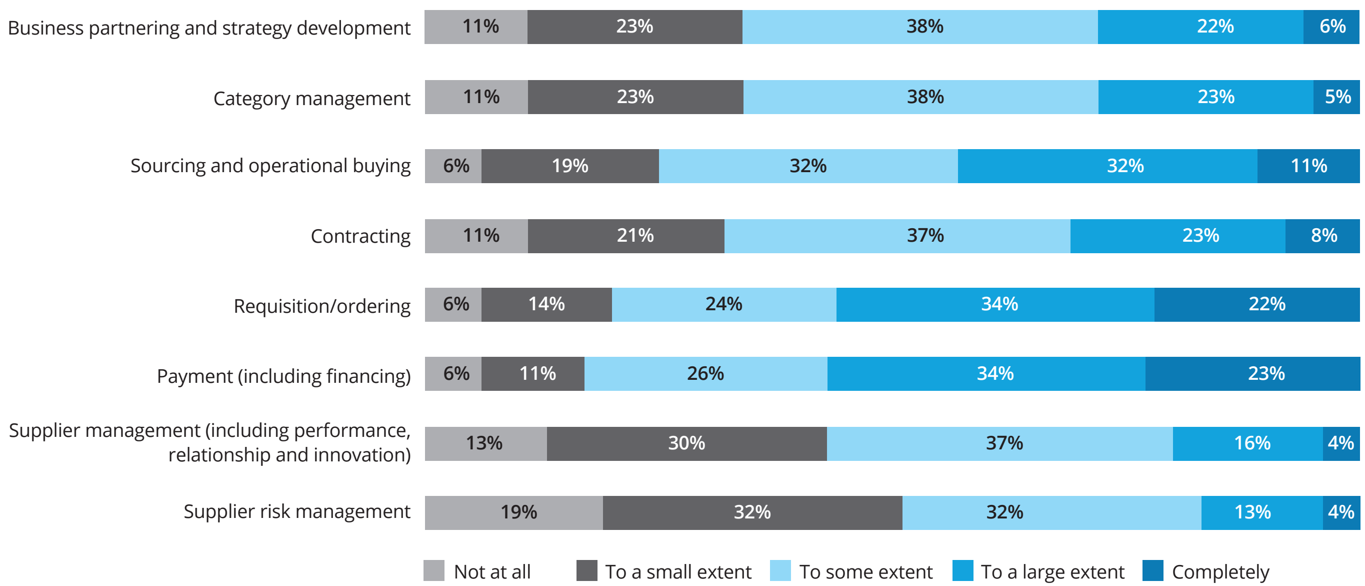
Procurement operations become *Intelligent*

Social media platforms are leveraged to connect employees and suppliers

Procurement platforms, ecosystems and networks are created

Supplier and workforce requirements are analysed to ensure workforce is optimally utilised

The degree to which digital technologies are being used to enable processes

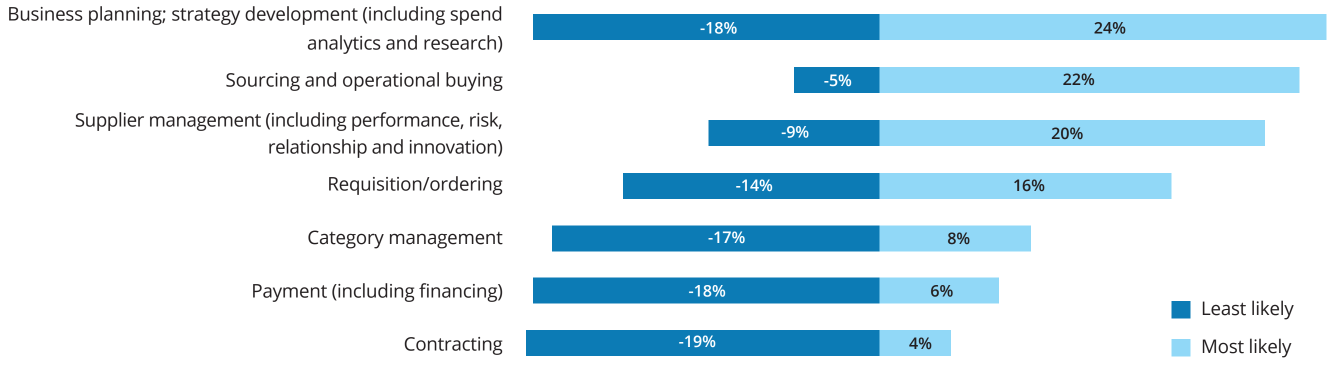


66% of procurement leaders predict that supplier management (including performance, risk, relationship and innovation), sourcing and operational buying, and business planning and strategy development (including spend analytics and research) will undergo the biggest changes due to digital technology over the next five years. Having said that, 18% of procurement leaders also indicated that business planning and strategy development (including spend analytics and research) is the least likely to change.

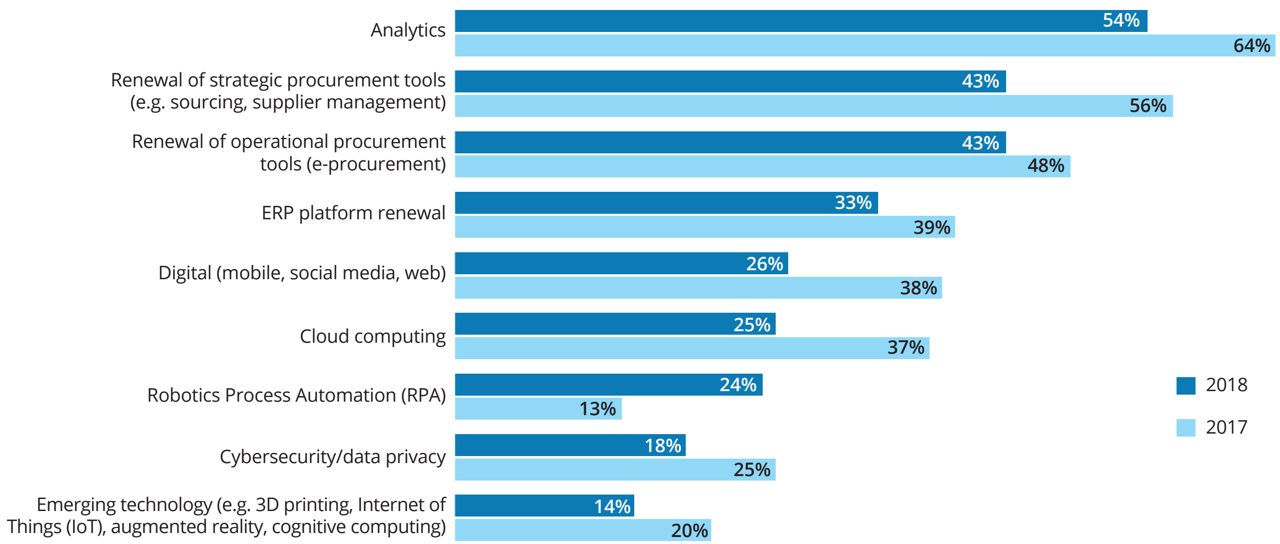
As in 2017, analytics, renewal of strategic procurement tools (e.g. sourcing and supplier management) and renewal of operational procurement tools (e.g. requisition/ordering and payment) will have the highest impact on business over the next two years.

There has been a reduction in the level of impact across all areas except for the perceived impact of Robotic Process Automation (RPA) which has nearly doubled. This increased focus on RPA is likely to be linked to ROI and scaling of RPA application.

Aspects of the procurement process expected to be most significantly impacted by technology in the next 5 years



Technology areas with most impact on business in the next two years



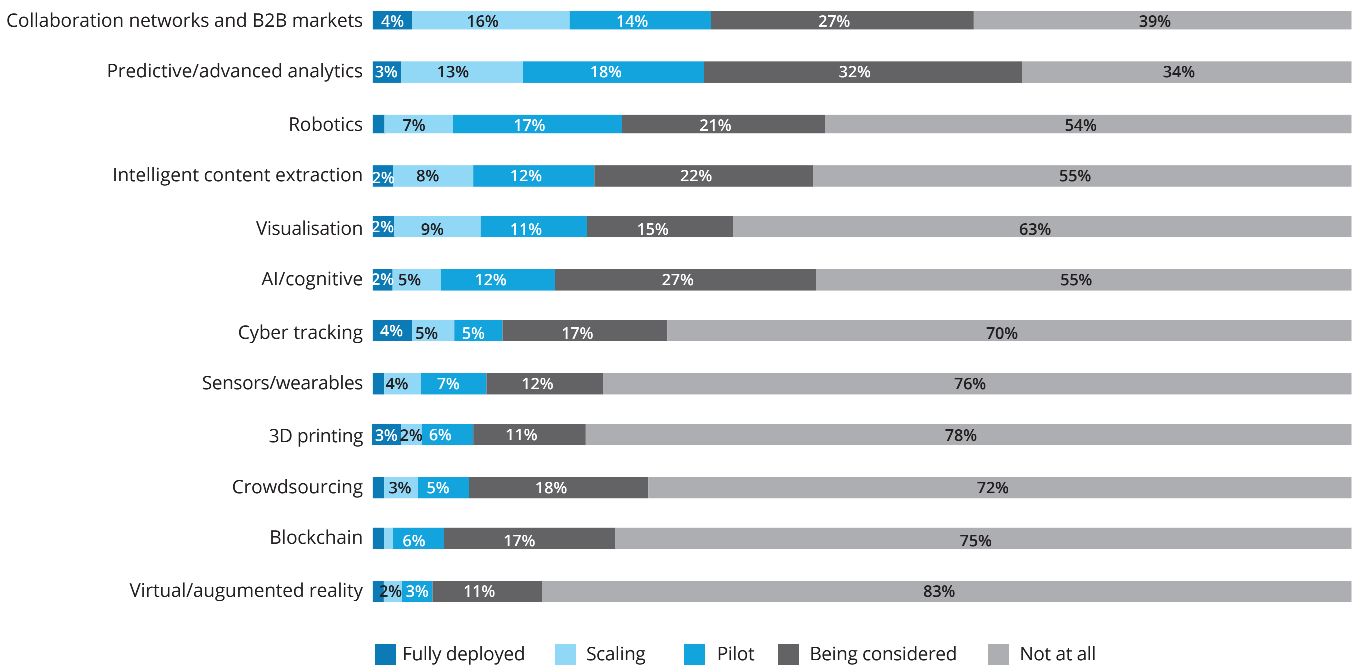
Procurement leaders have indicated that the top three technologies currently being used are collaboration networks and B2B markets, predictive / advanced analytics, and visualisation. However, there are significant numbers of procurement leaders that are not considering or applying new technologies at all, i.e. 66 to 94% across all technologies. This adoption rate is also notably lower than the application of new technologies across other functions.[5]

Data transparency is a key outcome of digital transformation. Digital procurement solutions enable better data-driven insights through analysis of previously unavailable data, leading to more effective use of resources, efficient operations and better-informed decision making.

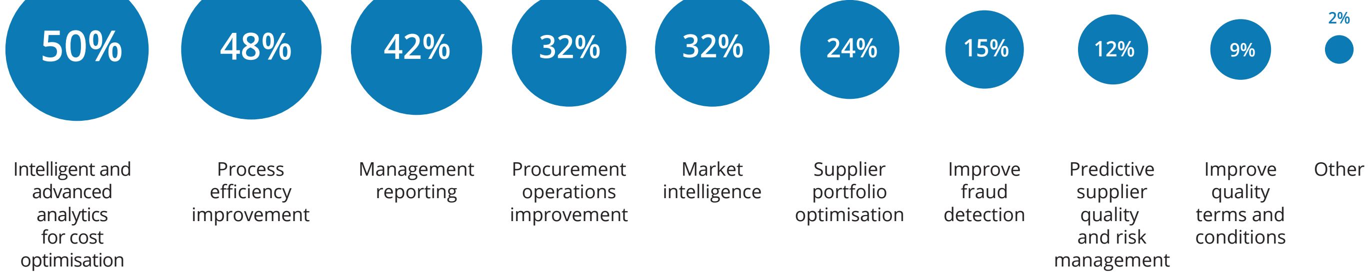
Procurement leaders globally recognise the power of better data-driven insights: 50% of respondents indicated that they are proactively leveraging intelligent and advanced analytics for cost optimisation, and 48% process efficiency improvement (although both these percentages are lower than last year).

There is also a strong focus on using analytics for management reporting and procurement operations improvement, reinforcing the procurement efficiency objectives.

Extent to which the following technologies currently used in procurement



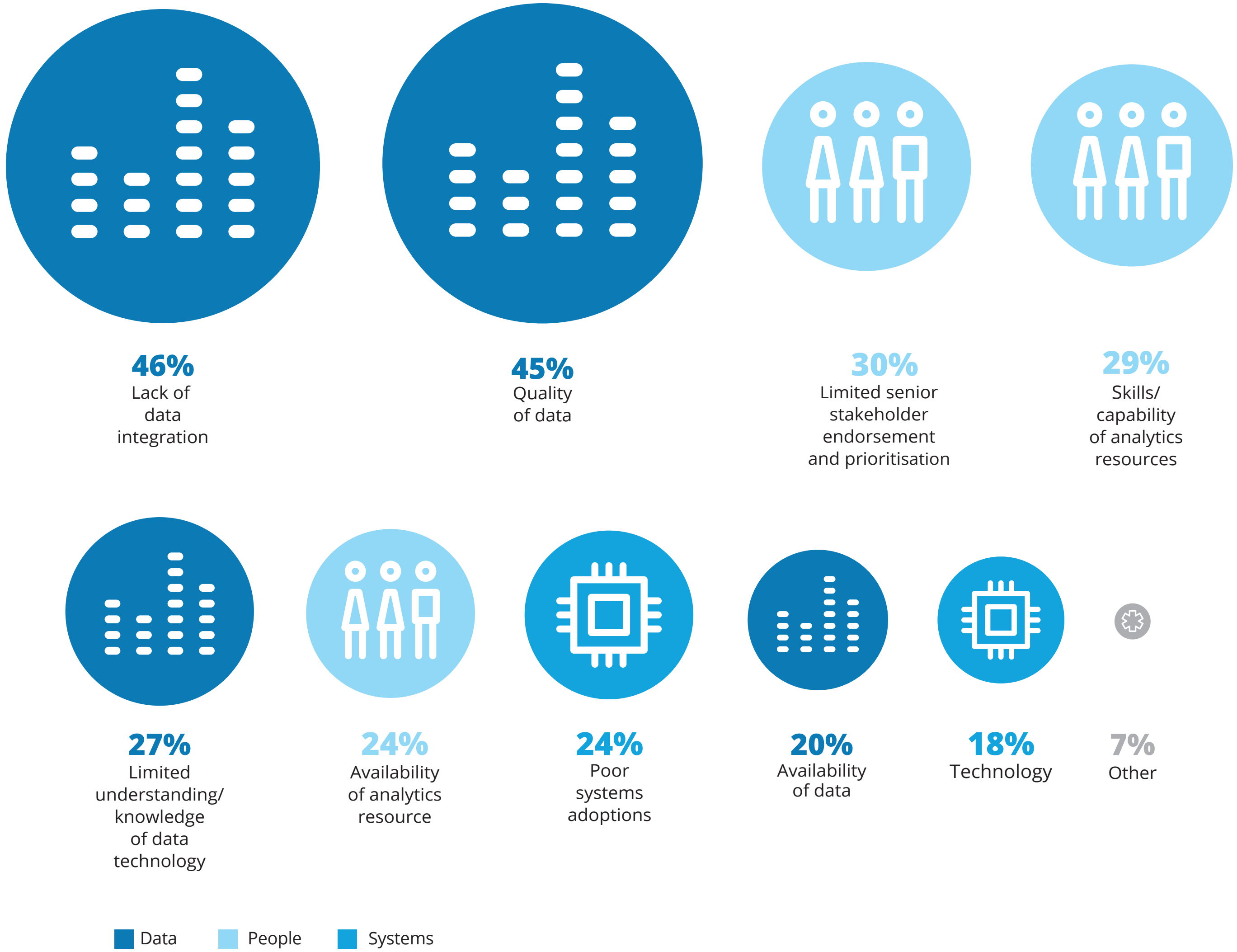
Main purposes for leveraging data analytics



Over 45% of procurement leaders believe lack of integration and poor quality data are key barriers to the effective application of digital technology in procurement, and the problem is accentuated by a reduction in stakeholder endorsement and prioritisation.

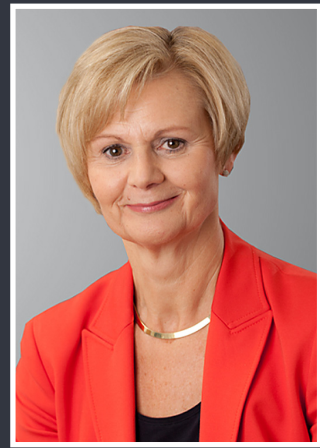
Although there are challenges and barriers to the application and adoption of technology, some organisations are scaling their digital plans. Digitally maturing organisations are better at planning a long-term digital strategy, investing adequately, attracting talent and developing a digital culture. Additionally, it is critical to implement digital strategy in an agile manner and scale small experiments into enterprise-wide initiatives. Lastly, leadership is another key success factor, where leaders have a vision and a willingness to commit resources to execute their digital strategy.[4]

Main barriers to the effective application of digital technology in procurement



...and finally

"Digitisation is a key topic for firms in all industry settings in the years to come. Procurement needs to take an active role in shaping the digital journey both within the firm and at the interface to the key suppliers. This will strengthen the role of the procurement function as a valued business partner."



Mag. Brigitte Schuessler,
Chief Procurement Officer, OEBB-Holding AG

Action starts here

We have proposed a number of actions for leaders to consider and weave into their future and current strategic plans.

Market outlook

1. Adopt a flexible, risk-adjusted approach to supply chain management
2. Significantly strengthen business partnerships and involvement in strategic decision making
3. Introduce more channels for supplier and procurement innovation

Value and collaboration

4. Understand and deliver on executive objectives
5. Improve supplier and business collaboration through Joint Strategic Planning approach
6. Work with strategic suppliers to build a more secure and transparent supply chain
7. Continue to develop and further align procurement balanced score cards to business objectives

Talent and leadership

8. Develop and implement a talent strategy and plan
9. Accelerate development of leadership in procurement and at suppliers
10. Invest in training and new skill development
11. Establish or join collaboration networks with suppliers and other subject matter experts

Digital procurement

12. Develop a dynamic, bi-modal digital procurement vision, strategy and plan
13. Deliver digital transformation in an agile way
14. Commit resources for technology adoption
15. Digitalise processes that accentuate the organisational objectives
16. Accelerate analytics and RPA capabilities

Industry and regional overviews

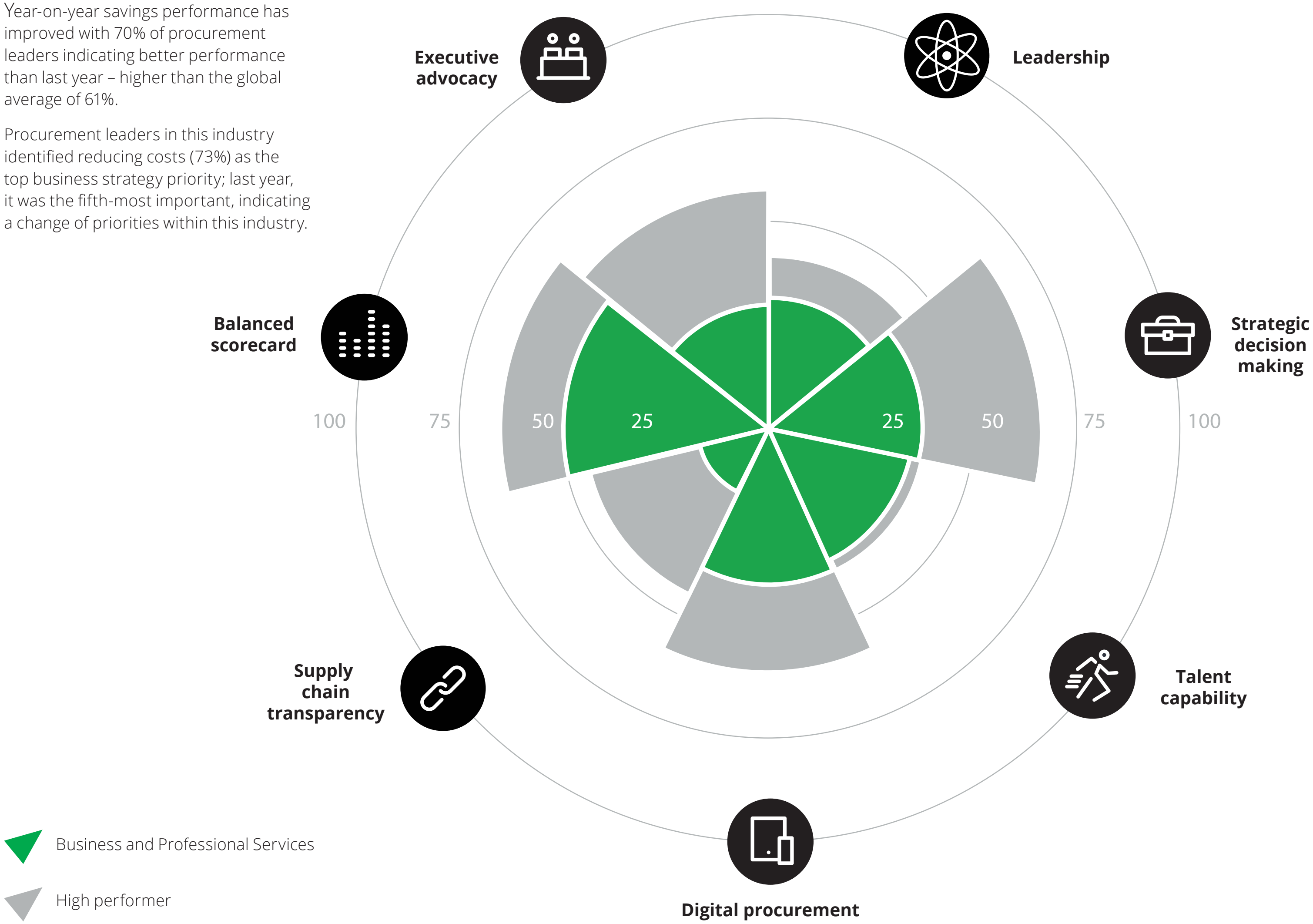
Industry – Business and Professional Services

49 respondents

Market outlook

Year-on-year savings performance has improved with 70% of procurement leaders indicating better performance than last year – higher than the global average of 61%.

Procurement leaders in this industry identified reducing costs (73%) as the top business strategy priority; last year, it was the fifth-most important, indicating a change of priorities within this industry.



Value and collaboration

- 23% of procurement leaders believe the effectiveness of their procurement function as a business partner is 'excellent'.
- However, a greater proportion in Business and Professional Services (12% compared to 6% across all respondents) see the effectiveness as poor, indicating that this is an area for improvement.
- Fewer procurement leaders feel they have a high level of support from executives than last year (30% in 2018, compared to 35% in 2017).
- Only 20% of procurement leaders have said that they have good or full transparency below tier 1 suppliers.

Talent and leadership

- 47% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy; a dramatic increase from last year's 29%.
- 53% of procurement leaders are focusing on technical procurement skills in this industry as compared to the global average of 41%.

Digital procurement

- 25% of procurement leaders believe that their digital procurement strategy helps procurement deliver on its objectives and improve enterprise value. In contrast, 22% procurement leaders have no approved digital strategy in place.
- Procurement leaders in the Business and Professional Services industry rate quality of data as the greatest barrier to implementing digital technology, ahead of lack of data integration.

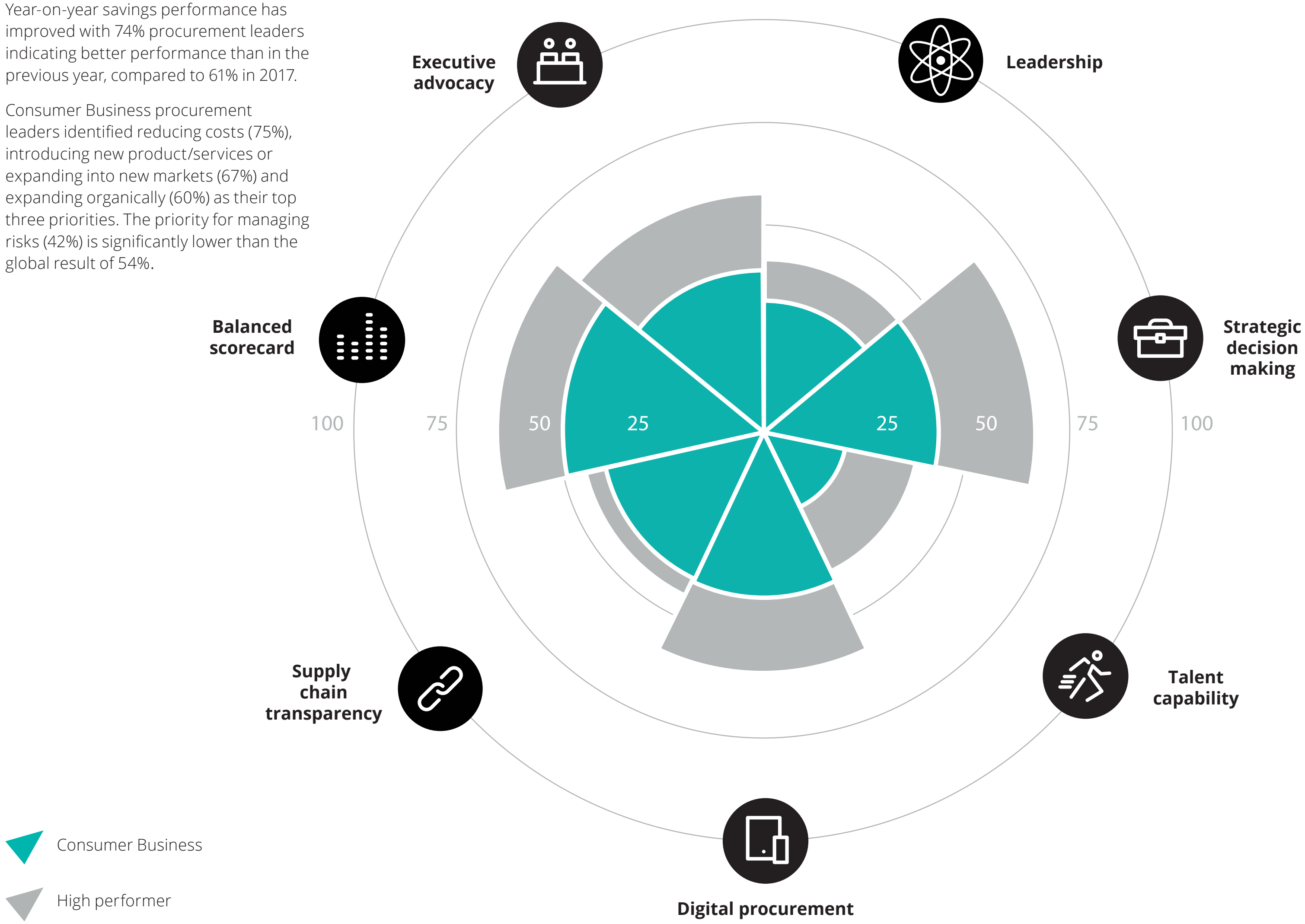
Industry – Consumer Business

86 respondents

Market outlook

Year-on-year savings performance has improved with 74% procurement leaders indicating better performance than in the previous year, compared to 61% in 2017.

Consumer Business procurement leaders identified reducing costs (75%), introducing new product/services or expanding into new markets (67%) and expanding organically (60%) as their top three priorities. The priority for managing risks (42%) is significantly lower than the global result of 54%.



Value and collaboration

- 36% of procurement leaders believe that their procurement function is highly effective, and that procurement is highly regarded internally and seen as a key business partner contributing significant strategic value – significantly higher than the overall response of 24%.
- 37% of procurement leaders feel they have a high level of support from executives: this is lower compared to last year when 44% of procurement leaders in Consumer Business felt their executives were very supportive.
- 39% of procurement leaders said that they have 'good' or 'full' transparency below tier 1 suppliers. This is higher than the global average of 34%.

Talent and leadership

- 56% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy. This is a huge improvement when compared to last year's global average of 40%.

Digital procurement

- Only 18% of procurement leaders believe that their digital procurement strategy helps procurement deliver on its objectives and improve enterprise value. 15% of procurement leaders have no approved digital strategy in place.
- More procurement leaders in this industry see analytics as a technology with a major impact (66% compared to the overall survey response of 54%).

Industry – Energy and Resources

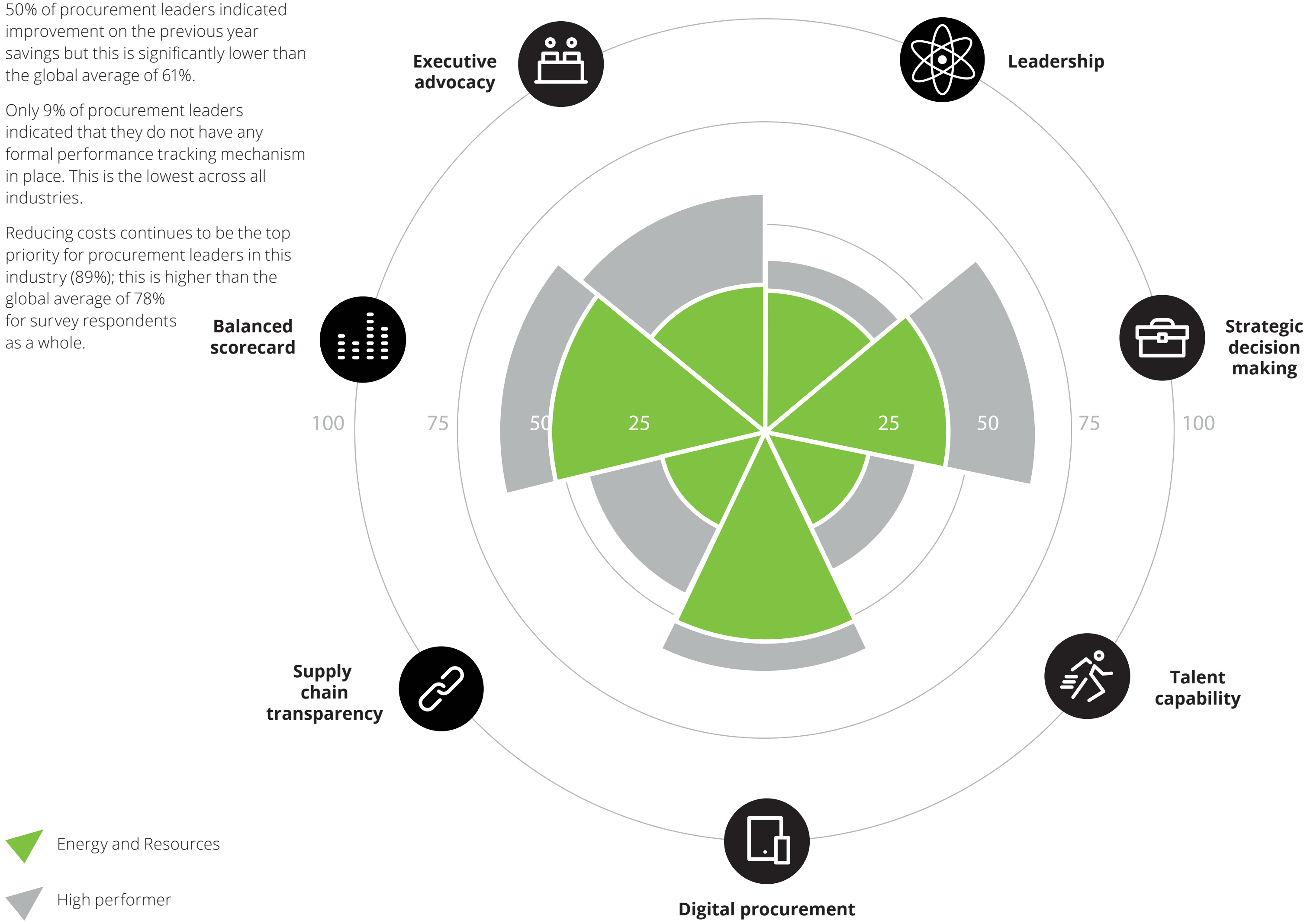
60 respondents

Market outlook

50% of procurement leaders indicated improvement on the previous year savings but this is significantly lower than the global average of 61%.

Only 9% of procurement leaders indicated that they do not have any formal performance tracking mechanism in place. This is the lowest across all industries.

Reducing costs continues to be the top priority for procurement leaders in this industry (89%); this is higher than the global average of 78% for survey respondents as a whole.



Value and collaboration

- 27% of procurement leaders believe their procurement function is highly effective, and that procurement is highly regarded internally and seen as a key business partner contributing significant strategic value.
- The level of executive support seems to have fallen significantly, with only 35% of procurement leaders feeling their executives are 'very supportive' in 2018, as compared to 50% last year.
- Physically locating the procurement function within business functions is a strategy to understand stakeholder requirements: it is used much more in this industry (67%) compared to other industries (45%).

Talent and leadership

- Only 22% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy. This is lowest across all industries.
- This is despite a higher-than-average spend on training in technical procurement skills (49% compared to 41% in other industries).

Digital procurement

- Only 18% of procurement leaders believe that their digital procurement strategy helps procurement deliver on its objectives and improve enterprise value. 13% of procurement leaders have no approved digital strategy in place.
- Quality of data (61%), and not lack of data integration, is seen as the largest barrier to the implementation of digital technologies.

Industry – Financial Services and Insurance

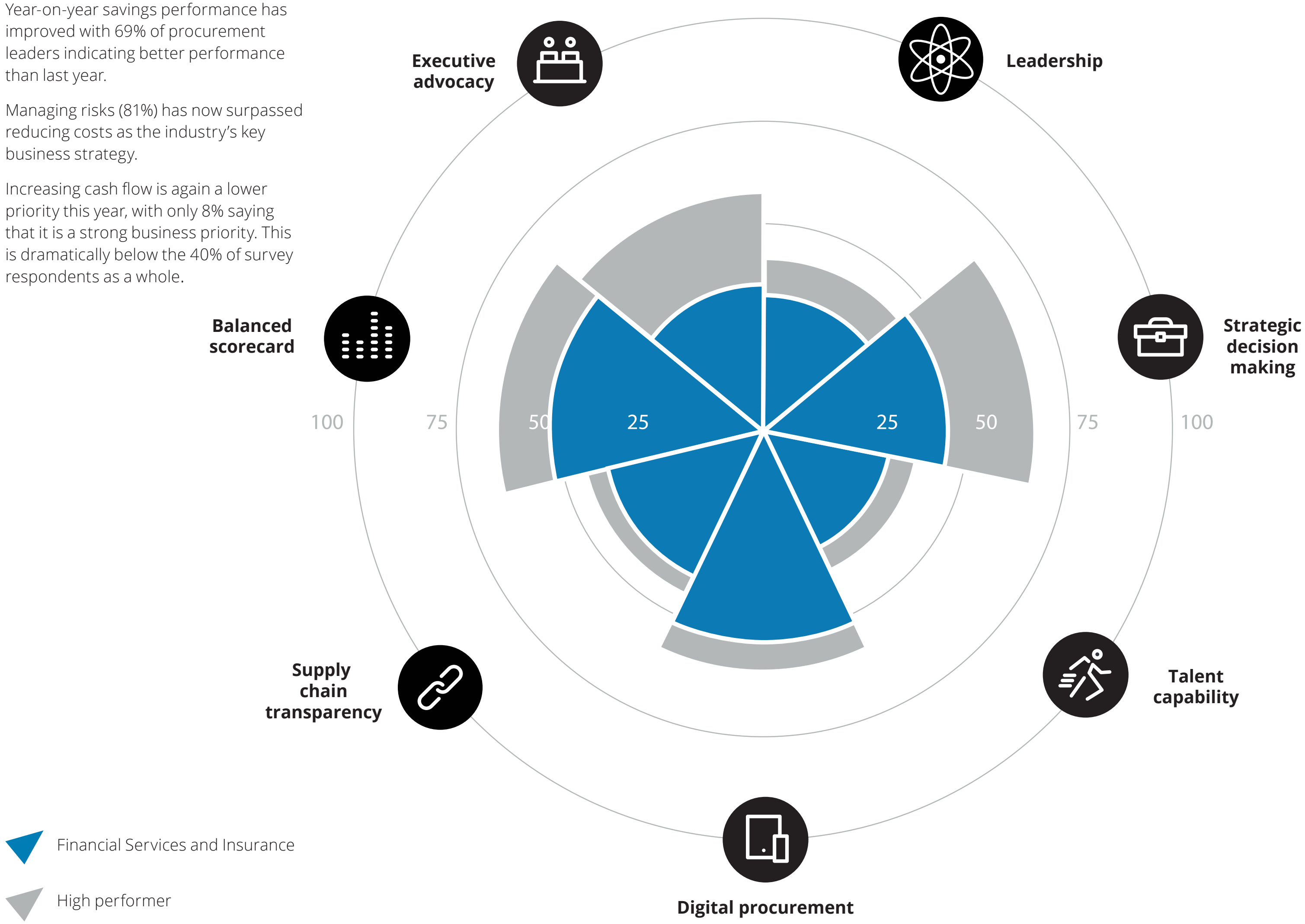
65 respondents

Market outlook

Year-on-year savings performance has improved with 69% of procurement leaders indicating better performance than last year.

Managing risks (81%) has now surpassed reducing costs as the industry's key business strategy.

Increasing cash flow is again a lower priority this year, with only 8% saying that it is a strong business priority. This is dramatically below the 40% of survey respondents as a whole.



Value and collaboration

- The level of executive support in this industry seems to have dropped significantly, with only 33% of procurement leaders in 2018 feeling that their executives are 'very supportive', as compared to 47% last year. No procurement leaders felt 'not at all' supported.
- 41% of procurement leaders have said that they have good or full transparency below tier 1 suppliers. This is higher than the global average of 34%.

Talent and leadership

- 60% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy. This represents a significant year-on-year improvement from 21% in 2015 and 36% in 2017, and is 11% higher than the current average across all industries.
- Outsourcing as a procurement lever has fallen and is now in line with the cross-industry average (10%); last year, at 22% it was 10% higher than the overall average.

Digital procurement

- 32% of procurement leaders believe that their digital procurement strategy helps procurement deliver on its objectives and improve enterprise value. In contrast, 12% of procurement leaders have no approved digital strategy in place.
- Cloud computing is seen as the technology area with the biggest impact, ahead of data analytics. Many more procurement leaders (40%) attach importance to cybersecurity and data privacy compared with the overall average of 18%.

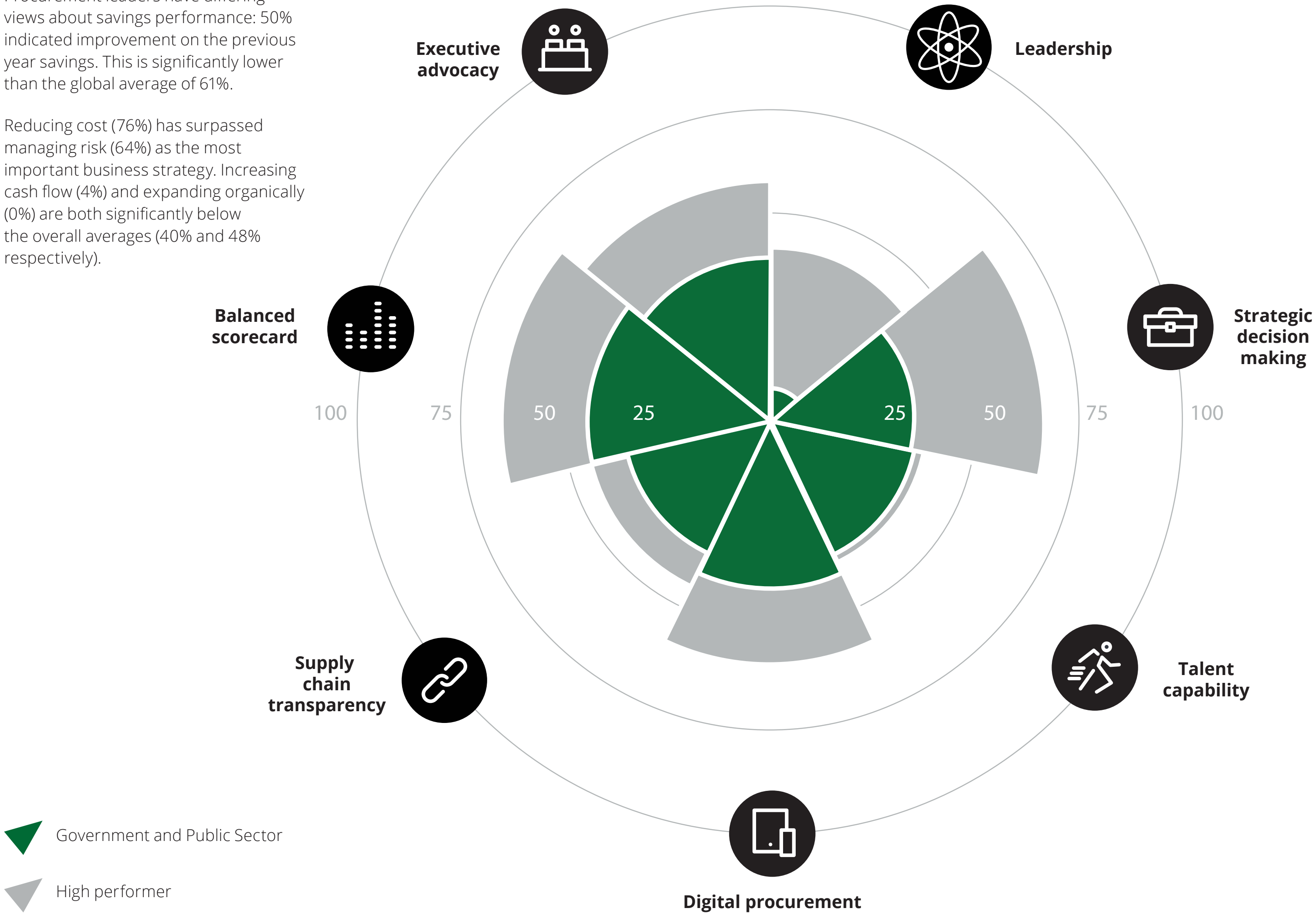
Industry – Government and Public Sector

28 respondents

Market outlook

Procurement leaders have differing views about savings performance: 50% indicated improvement on the previous year savings. This is significantly lower than the global average of 61%.

Reducing cost (76%) has surpassed managing risk (64%) as the most important business strategy. Increasing cash flow (4%) and expanding organically (0%) are both significantly below the overall averages (40% and 48% respectively).



Value and collaboration

- 26% of procurement leaders believe that their procurement function is highly effective, and that procurement is highly regarded internally and seen as a key business partner contributing significant strategic value. This is marginally above the overall average of 24%.
- Supplier performance and internal customer satisfaction (both at 78%) are the most important measures in procurement balanced scorecards for this industry. For survey respondents as a whole, these are the fourth and sixth most important (at 67% and 56% respectively).

Talent and leadership

- 45% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy, a significant increase from 27% last year.
- All 28 respondents indicated that they had specific areas of training focus – with 50% indicating training in technical procurement skills as the most important (9% above the overall average).

Digital procurement

- 39% of procurement leaders believe that their digital strategy helps procurement deliver on its objectives and improve enterprise value. In contrast, 18% procurement leaders have no approved digital strategy in place.
- Cloud computing (at 57%) is the most important technology area – 32% more than the cross-industry average.

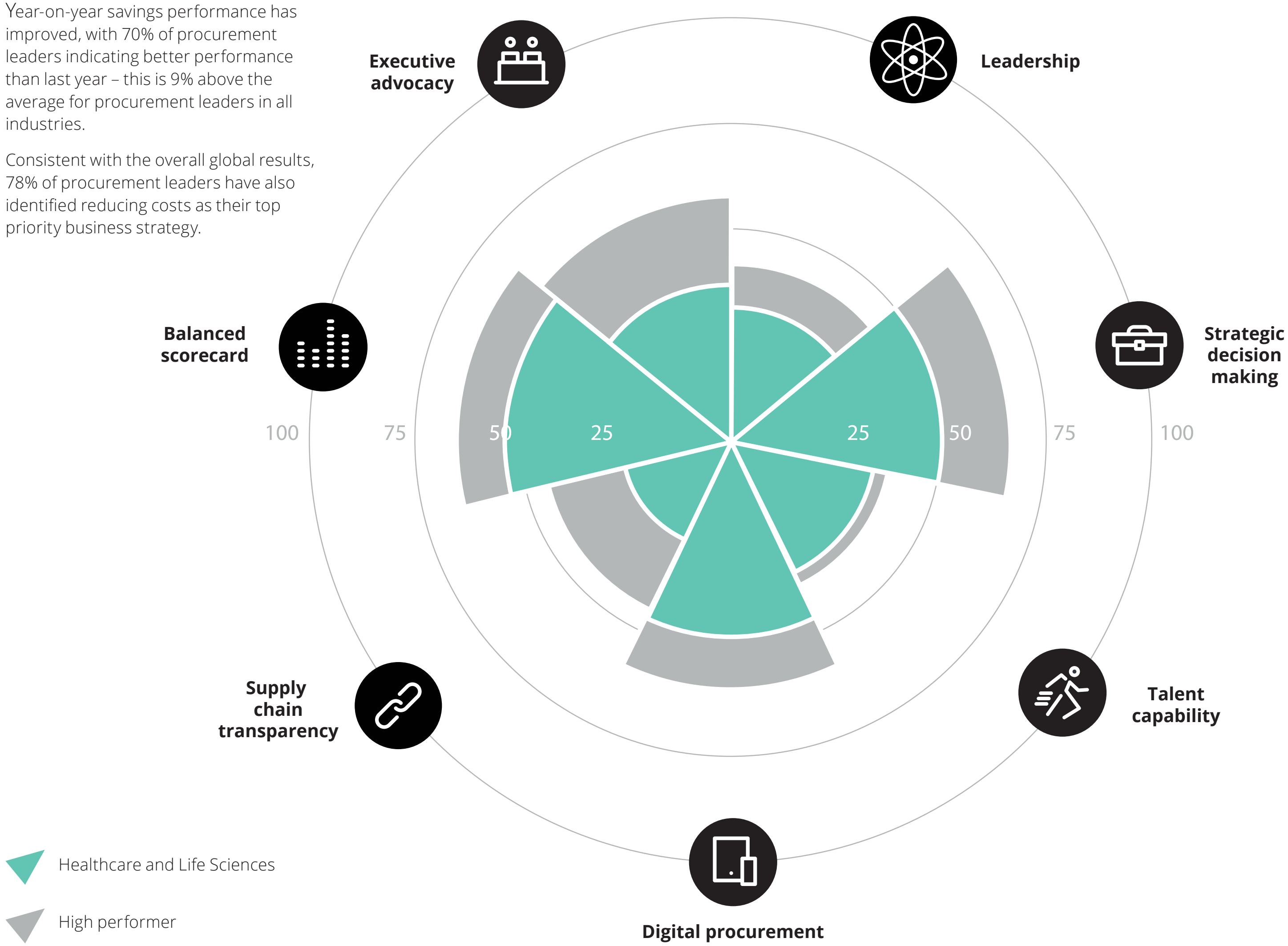
Industry – Healthcare and Life Sciences

45 respondents

Market outlook

Year-on-year savings performance has improved, with 70% of procurement leaders indicating better performance than last year – this is 9% above the average for procurement leaders in all industries.

Consistent with the overall global results, 78% of procurement leaders have also identified reducing costs as their top priority business strategy.



Value and collaboration

- 25% of procurement leaders believe that their procurement function is highly effective, and that procurement is highly regarded internally and seen as a key business partner contributing significant strategic value.
- 88% of the respondents say procurement team members are embedded in cross-functional teams to better understand internal stakeholder requirements. This is highest across all industries.
- Surprisingly, only 26% of procurement leaders have said that they have 'good' or 'full' transparency below tier 1 suppliers. This is significantly lower than the global average of 34%. 72% reported limited transparency.

Talent and leadership

- 44% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy, continuing the trend of year-on-year increases since 2014.
- Only 50% of procurement leaders in this industry spend at least one per cent of their budget on training.
- Outsourcing is used by 15% of procurement leaders as a procurement lever: this is 5% higher than the cross-industry average.

Digital procurement

- 29% of procurement leaders believe that their digital procurement strategy helps procurement deliver on its objectives and improve enterprise value. Only 9% procurement leaders have no approved digital strategy in place.
- ERP platform renewal (44%) is the second-most impactful technology area (after analytics at 56%): this is 11% higher than the overall average.
- Management reporting (53%) is the most leveraged use of analytics/data mining in this industry.

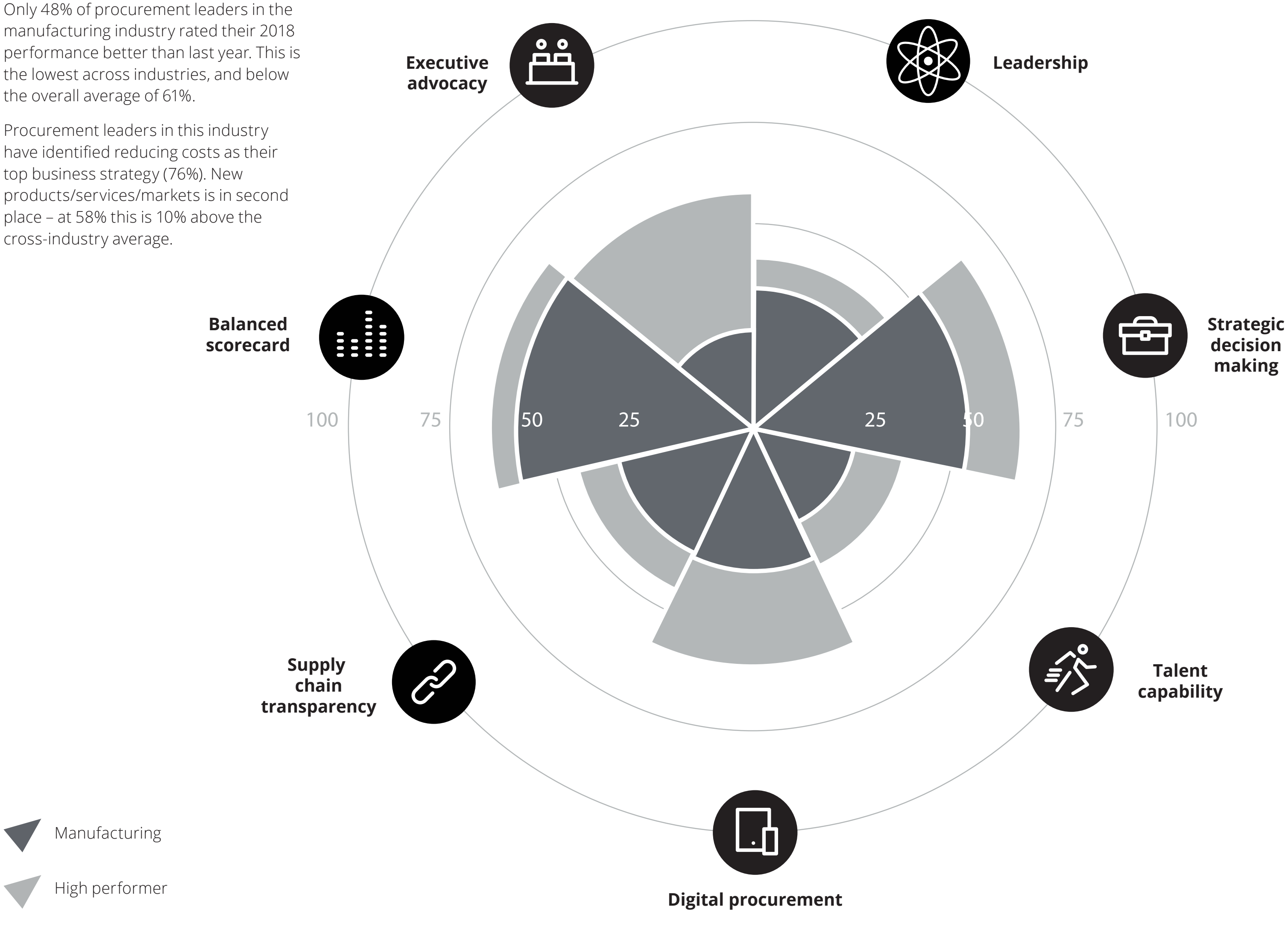
Industry – Manufacturing

108 respondents

Market outlook

Only 48% of procurement leaders in the manufacturing industry rated their 2018 performance better than last year. This is the lowest across industries, and below the overall average of 61%.

Procurement leaders in this industry have identified reducing costs as their top business strategy (76%). New products/services/markets is in second place – at 58% this is 10% above the cross-industry average.



Value and collaboration

- Only 23% of procurement leaders feel 'highly supported' by their executives. This is the lowest across all industries.
- 36% of procurement leaders have said that they have 'good' or 'full' transparency below tier 1 suppliers – marginally higher than the average (33%).

Talent and leadership

- 55% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy. This is not only higher than the current average (49%), but the highest it has been in this industry in all years of the Deloitte CPO Survey.
- The percentage of procurement leaders in this industry spending at least one per cent of their budget on training has increased from 68% last year to 73%. This is in contrast to the average trend of a decrease from 2017 to 2018

Digital procurement

- 28% of procurement leaders believe that their digital procurement strategy helps procurement deliver on its objectives and improve enterprise value. In contrast, 17% of procurement leaders have no approved digital strategy in place.
- Renewal of operational tools, not analytics, is seen by procurement leaders in this industry as the technology area with the biggest impact
- Quality of data (51%) is seen as the biggest barrier to implementing digital technologies in this industry.

Industry – Technology, Media and Telecommunications

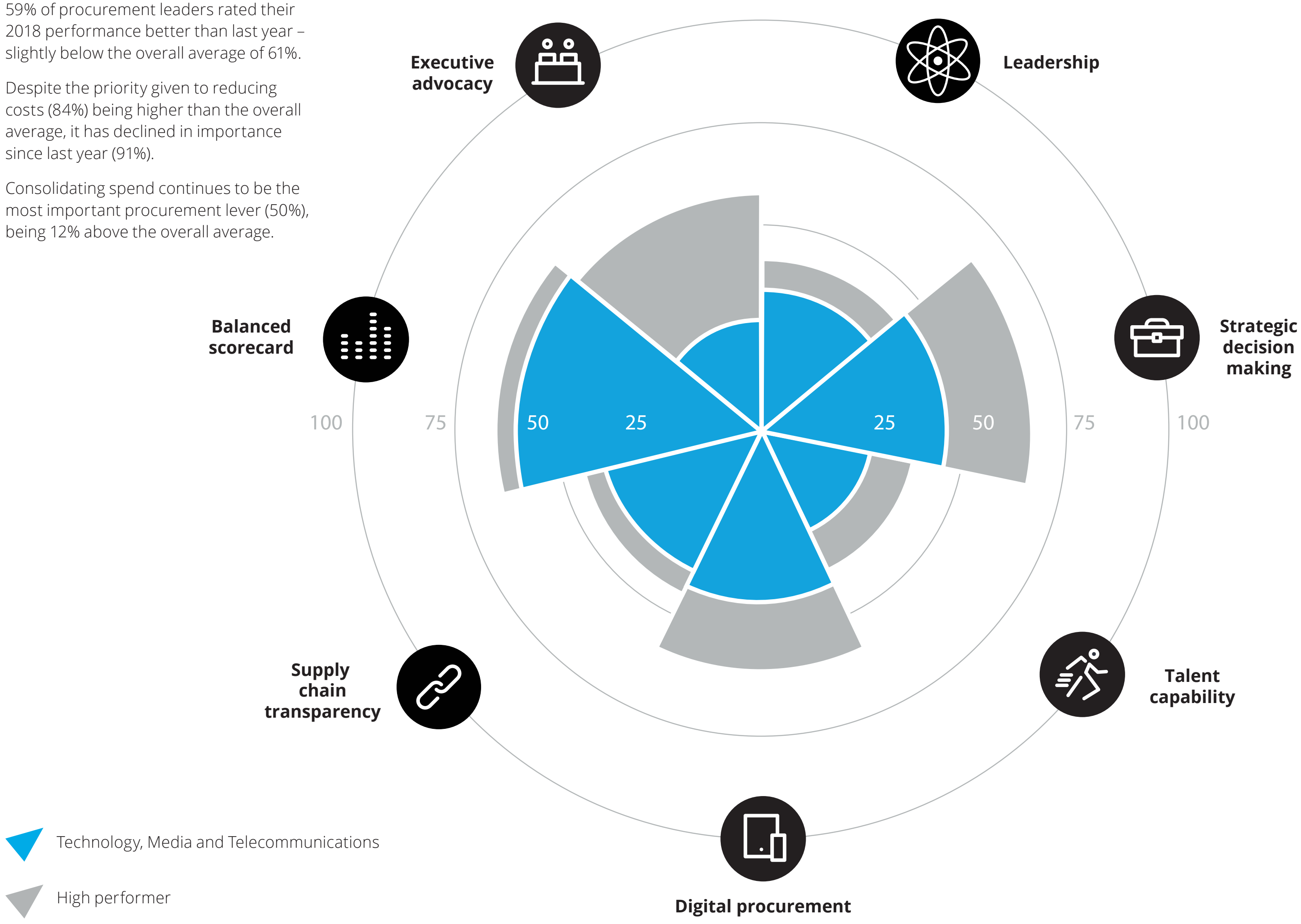
46 respondents

Market outlook

59% of procurement leaders rated their 2018 performance better than last year – slightly below the overall average of 61%.

Despite the priority given to reducing costs (84%) being higher than the overall average, it has declined in importance since last year (91%).

Consolidating spend continues to be the most important procurement lever (50%), being 12% above the overall average.



Value and collaboration

- Only 16% of procurement leaders believe that their procurement function is highly effective, and that procurement is highly regarded internally and seen as a key business partner contributing significant strategic value – below the average of 24% for all industries.
- The level of executive support in this industry seems to have fallen significantly, with only 27% of procurement leaders in 2018 feeling their executives are 'very supportive', as compared to 42% last year. No procurement leaders feel 'not at all' supported.

Talent and leadership

- Only 46% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy; this percentage has been in decline since 2014.
- 11% of procurement leaders in this industry have no formal training planned: this is higher than the overall average of 7%, indicating this may be an area for improvement in future.

Digital procurement

- 35% of procurement leaders believe that their digital procurement strategy helps procurement deliver on its objectives and improve enterprise value. In contrast, 13% of procurement leaders have no approved digital strategy in place.
- Analytics is seen as the most impactful technology area (60%) – higher than average of 54% for all industries.

Regional overview

		North America		South America		EMEA		Asia Pacific	
	Key measures	% respondents	Change from last year	% respondents	Change from last year	% respondents	Change from last year	% respondents	Change from last year
Market outlook	Better savings performance compared to last year	71%	▲	73%	▲	56%	▼	68%	▲
	Cost reduction as a top priority	81%	▼	91%	▲	76%	◀▶	78%	▲
Value and collaboration	Excellent business partnering	30%	▼	27%	▲	21%	▼	33%	▲
	Very supportive executive	48%	▼	32%	▲	25%	▼	40%	◀▶
Talent and leadership	Capabilities exist to deliver strategy	50%	▲	72%	▲	49%	▲	39%	▲
Digital procurement	Impact of analytics on the business in the next 2 years	70%	▲	26%	▼	52%	▼	54%	▼

Year-on-year savings performance in North America has improved, with 71% of procurement leaders indicating better performance than last year – ten percent higher than the global average.

The South America region has seen a huge upswing in savings, with 73% of procurement leaders indicating better performance than last year, as compared to 43% in 2017.

Reducing costs (76%), introducing new product/services or expanding into new markets (62%) and managing risk (53%) are the top three priorities for procurement leaders in the EMEA region.

In Asia Pacific only 39% of procurement leaders believe they have capability to deliver their strategy.

Regional – North America

88 respondents

Market outlook

- Year-on-year savings performance has improved, with 71% of procurement leaders indicating better performance than last year – 10% higher than global average
- Consistent with the overall global results, North America's procurement leaders have also identified reducing costs (81%), managing risk (56%) and introducing new product/services or expanding into new markets (55%) as their top three priorities. However, the percentage attributed to improving cash flow (52%) is 12% higher than the overall average

Value and collaboration

- 30% of procurement leaders in this region believe that their procurement function is highly effective and that procurement is highly regarded internally and seen as a key business partner contributing significant strategic value – this is six percent above global average
- 67% of respondents in this region have procurement team members embedded in cross-functional teams to better understand internal stakeholder requirements – whilst the most widely-adopted strategy in the region, this is still lower than the global average for this strategy (76%)
- North American procurement leaders rank cost avoidance as the second-most important measure in their organisation's balanced scorecard (76%, behind OPEX savings at 84%). This is above the overall global average (69% and third-most important)

Talent and leadership

- 50% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy. This is a significant improvement when compared to last year's average of 43%. This also continues the improvement trend seen since 2014, and exceeds the previous high of 48% in 2013
- Use of outsourcing as a procurement lever is slightly below average in North America (8% compared to 10% globally)

Digital procurement

- 44% of procurement leaders believe that their digital strategy helps procurement deliver on its objectives and improve enterprise value. In contrast, 14% procurement leaders have no approved digital strategy in place
- Payment and requisition/ordering processes have seen the highest rate of digital technology adoption
- Analytics (at 70%) is seen by a greater proportion of procurement leaders as the most impactful technology area, compared to the global average (54%)

Regional – South America

25 respondents

Market outlook

- This region has seen a huge upswing in savings, with 73% of procurement leaders indicating better performance than last year, as compared to 43% in 2017
- Reducing costs is the strongest priority (at 91%) – and interestingly, no procurement leaders said that reducing cost is not a priority. This increased focus on reducing cost seems to have yielded better performance than last year for procurement leaders in South America

Value and collaboration

- OPEX savings, cost avoidance and operational efficiency (all at 74%) are the top measures forming an organisation's procurement balanced scorecard. Supplier performance (at 42%) is significantly lower than the overall global average of 67%. Internal customer satisfaction on the other hand (second, at 68%) is higher than the average of 56%
- The level of executive support in this region has improved significantly, with 32% of procurement leaders in 2018 feeling their executives are 'very supportive', as compared to 19% last year

Talent and leadership

- 72% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy – much higher than the overall average of 49%
- This is despite a lower-than-average number of procurement leaders reporting that at least one per cent of their budget was spent on training (56%)

Digital procurement

- 47% of procurement leaders believe that their digital strategy helps procurement deliver on its objectives and improve enterprise value. In contrast, 11% of procurement leaders have no approved digital strategy in place
- Analytics is seen as a much less impactful technology area in this region than globally (26% compared to 54%). In an almost mirror-image, cloud computing is seen as the most impactful technology amongst South American procurement leaders (53%), compared to only 25% globally

Regional – EMEA

327 respondents

Market outlook

- 56% of procurement leaders indicated an improvement on the previous year savings; however this is lower than the global average of 61%
- Reducing costs (76%), introducing new product/services or expanding into new markets (62%) and managing risk (53%) are the top three priorities for procurement leaders in this region – this is largely in line with the global results

Value and collaboration

- 21% of procurement leaders in this region believe that their procurement function is highly effective and that procurement is highly regarded internally and seen as a key business partner contributing significant strategic value – this is lower than the global average of 24%
- The level of executive support in this region seems to have dropped significantly, with only 25% of procurement leaders in 2018 feeling that their executives are 'very supportive', as compared to 40% last year
- 82% of respondents (higher than the overall average of 76%) rate having procurement team members embedded in cross-functional teams as the most important strategy to better understand internal stakeholder requirements

Talent and leadership

- 49% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy. This is a huge improvement when compared to last year's regional average of 38%
- Use of outsourcing as a procurement lever has remained constant since last year (at 10%) – halting a decline from 14% in 2015

Digital procurement

- 31% of procurement leaders believe that their digital procurement strategy helps procurement deliver on its objectives and improve enterprise value
- Payment and requisition/ordering processes have seen the highest rate of digital technology adoption, with analytics regarded as the most impactful technology area (54%)

Regional – Asia Pacific (APAC)

64 respondents

Market outlook

- Year-on-year savings performance has improved, with 68% indicating better performance than last year
- Reducing costs (78%), managing risk (59%) and introducing new product/services or expanding into new markets (59%) are the top three priorities for procurement leaders in this region – keeping the same order as last year

Value and collaboration

- 33% of procurement leaders in this region believe that their procurement function is highly effective and that procurement is highly regarded internally and seen as a key business partner contributing significant strategic value – this is higher than the global average of 24%
- 61% of respondents in this region have procurement targets jointly owned with other internal stakeholders to better understand internal stakeholder's requirements and drive value – this score in APAC is 10% higher than the overall average across the survey
- 40% of procurement leaders feel they have a high level of support from executives. No respondents feel that executives are 'not at all' supportive

Talent and leadership

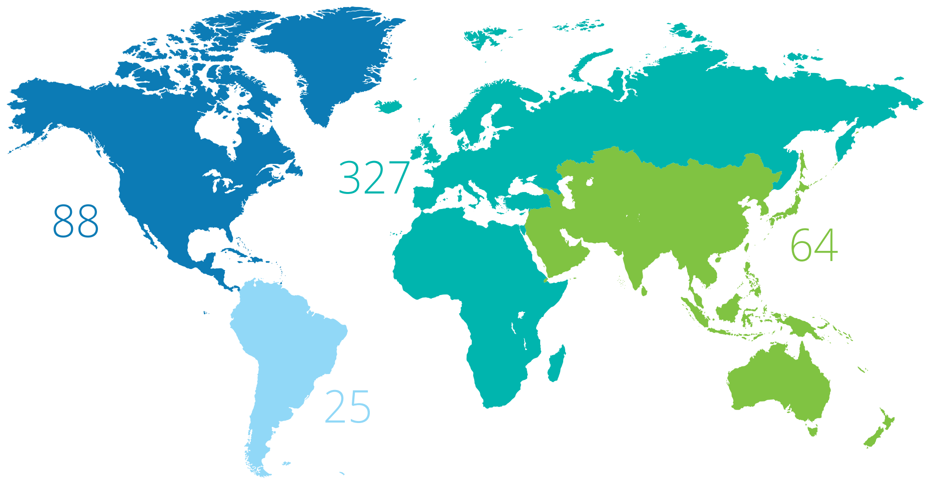
- Only 39% of procurement leaders believe their teams have the necessary skills to deliver on their procurement strategy. This is the lowest across all regions. However this continues year-on-year growth since 2014, when the percentage was just 19%
- 56% of procurement leaders state that at least one per cent of their budget is spent on training. The fact that this is down from 78% last year indicates that the focus is elsewhere.

Digital procurement

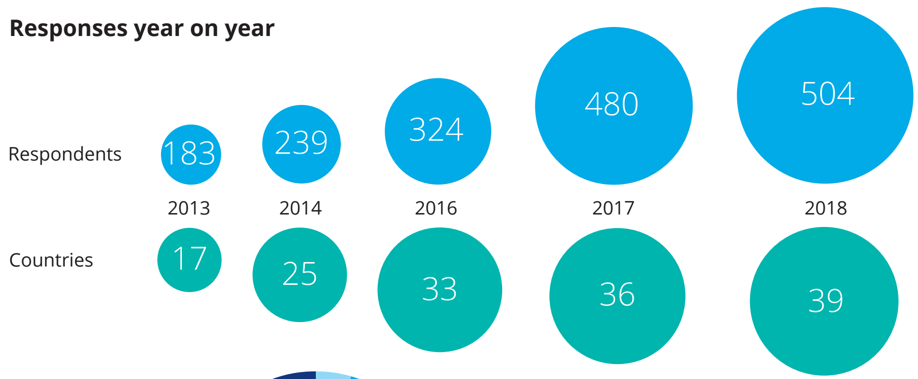
- Only 19% of procurement leaders believe that their digital strategy helps procurement deliver on its objectives and improve enterprise value. A huge 32% of procurement leaders indicating that they have no approved digital strategy in place
- Payment and requisition/ordering processes have seen the highest rate of digital technology adoption
- The quality of data, and not the lack of data integration, is seen as the biggest barrier to implementing digital technologies in this region

About the participants

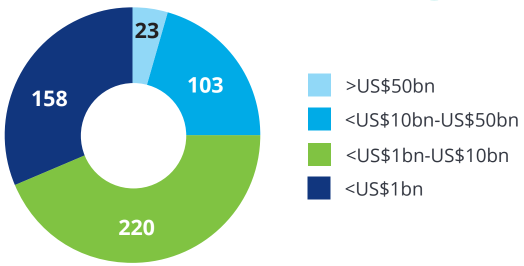
Responses by geography



Responses year on year



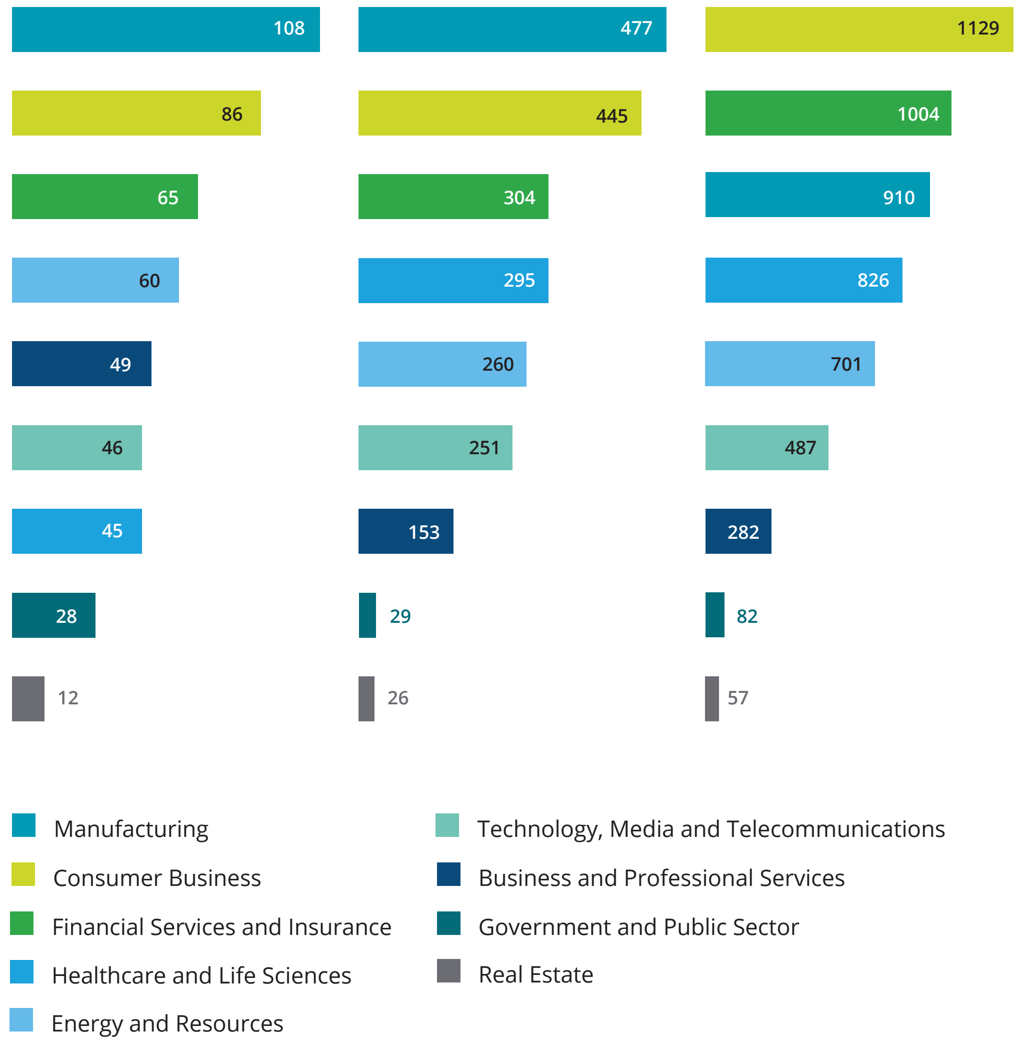
Responses by organisation turnover



Response by industry

Third party spend by industry (US$bn)

Turnover by industry (US$bn)



Acknowledgements

About Deloitte
Deloitte provides audit, tax, consulting, financial advisory, and risk management related services to public and private sector clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, and employing over 245,000 professionals, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges and making an impact that matters.

Deloitte is named a global leader in breadth of services in both Procurement Operations, and General Sourcing Strategy Consulting by Kennedy Research. “With the broadest offering in the competency area, Deloitte combines functional specialisation with strength across the spectrum of procurement assets. The firm also leads in the development of proprietary tools designed to fill gaps in the asset portfolio and accelerate diagnostics during engagement delivery”.

ALM Intelligence (formerly Kennedy) have also named Deloitte as the undisputed global leader in their report entitled Supply Chain Risk Management Consulting 2016. “Deloitte is at the forefront of the movement to transition companies’ supply chain risk management out of its traditional functional silos and into a competency that not only cuts across functional lines, but also is embedded vertically at all levels of the organisation.”

Deloitte’s Supply Chain practice focuses on delivering strategy-driven value through advisory services to optimise and improve the supply chain.

Our team of over 1,000 dedicated procurement specialists globally help the world’s largest and most complex procurement functions across all industries with procurement strategy, functional and digital transformation, supplier management and cost, risk and value delivery.

The Deloitte Global Chief Procurement Officer Survey 2018 is authored by Lance Younger, Iain Kirwan and Pragya Chaturvedi, with support from the core CPO survey team of Eleanor Foster-Gregg, Darius Atashroo, Pippa Gillibrand, Michal Syga, Alison Robertson and Harriet Burnham.

About Odgers Berndston
Odgers Berndston provides Executive and Director level search solutions to organisations throughout the world. We operate as a collection of independent businesses with over 250 partners combining to provide world-class executive search services. Our flat business structure and collaborative nature ensure that all of our clients have access to the relevant expertise, new and inventive ideas, and a diverse pool of talent. Our reputation at the top of the executive search profession is over 50 years old. Our experienced executive search specialists operate with absolute discretion, integrity and care, and are experts in finding exceptional individuals for challenging roles. We have the support of an excellent international network of more than 50 offices on the ground expanding across more than 28 countries globally.

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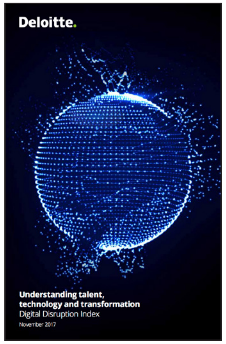
Further insights



Digital Disruption Index

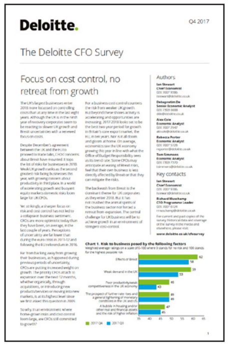
Organisations face major disruption to their markets, customers and workforce. Deloitte has developed the Digital Disruption Index to help remove the hype around technology investment and also help senior executives uncover digital skills gaps. Over time the findings will create a detailed picture of the impact of digital across the largest and most influential UK companies and public sector bodies.

Human Capital Trends 2017

This report highlights the importance top executives place on adapting their organisation's design to compete in today's challenging business environment and highly competitive talent market. Deloitte has been conducting and compiling global research into human capital trends since 2012—a body of work that represents some of the longest-running and most comprehensive study of HR, talent, and related technology topics ever conducted.

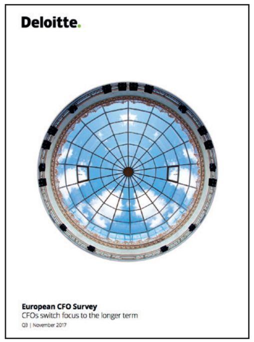
Tech Trends 2018

Our annual Technology Trends report on Deloitte Insights analyses the trends that could disrupt businesses in the next 18-24 months. CIOs who can harness the possibilities of these technologies will be better positioned to shape the future of their business.



CFO Survey, Q4 2017

The quarterly CFO Survey is firmly established with media and policy makers as the authoritative barometer of UK corporates' sentiment and strategies. It is the only survey of major corporate users of capital that gauges attitudes to valuations, risks and financing.



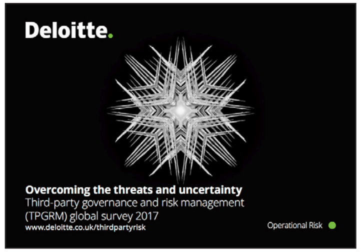
European CFO Survey

The European CFO Survey is part of a global cohort of surveys benchmarking the current and future intentions and opinions of European Chief Financial Officers. The findings discussed in this report are representative of the options of almost 1,550 CFOs based in 19 European countries. CFOs were all contacted between August and September 2017.

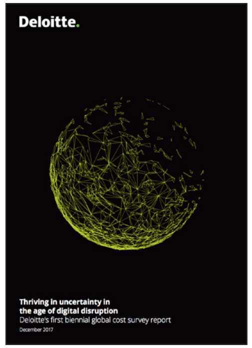
Global Shared Services Report

Since 1999, Deloitte has been conducting biennial surveys to understand how shared services organisations are capitalising on leading practices and trends to address their business challenges and better meet their customers' needs.

The Future of Procurement in the Age of Digital Supply Networks
Over the past two decades, the main mission of procurement has broadened from cost leadership and assurance of supply to strategic insights for decision making. Disruptive technologies, mobile computing and the cloud, constant connectivity, and sensors that enable devices and machines to form the internet of things are now paving the way for new applications and capabilities across the supply chain that will enable procurement to offer even more strategic value.

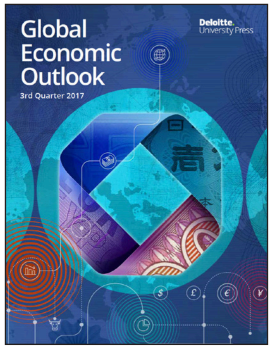


Third Party Governance and Risk Management
This global survey on extended risk management looks at how global organisations are addressing the challenges they face in managing third party risk. The survey, based on over 500 responses, reflects the views of senior leaders from a variety of organisations in 11 countries across the Americas, EMEA and Asia Pacific.



Global Cost Survey Report
Deloitte engaged Research Now to conduct a series of regional cost management surveys in order to better understand executives' perspectives on current and future cost reduction initiatives within large companies and multinationals. The surveys covered four major regions – United States, South America, EMEA and Asia Pacific.

Achieving Digital Maturity
Our third annual study of global digital business, a collaboration with MIT Sloan Management Review, reveals five key practices organizations best able to achieve digital maturity employ—and the lessons all companies can learn from their success.



Global Economic Outlook
A quarterly publication that offers insights from Deloitte economists around the world on trends and events shaping the marketplace. Each issue features region-by-region economic outlooks.

2017 Global Report – Transforming Talent
Find out how crowdsourcing, robotics and a diversified workforce is transforming talent resourcing and acquisition models in Deloitte's latest Global report.

Endnotes

1. Deloitte European CFO Survey, 2017 Q4
2. The Future of Procurement in the Age of Digital Supply Networks, 2017
3. Deloitte Joint Strategic Planning (JSP) 2018 white paper
4. MITSloan in collaboration with Deloitte University Press: Achieving Digital Maturity, July 2017
5. Understanding Talent, Technology and Transformation: Digital Disruption Index, November 2017

Notes

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