

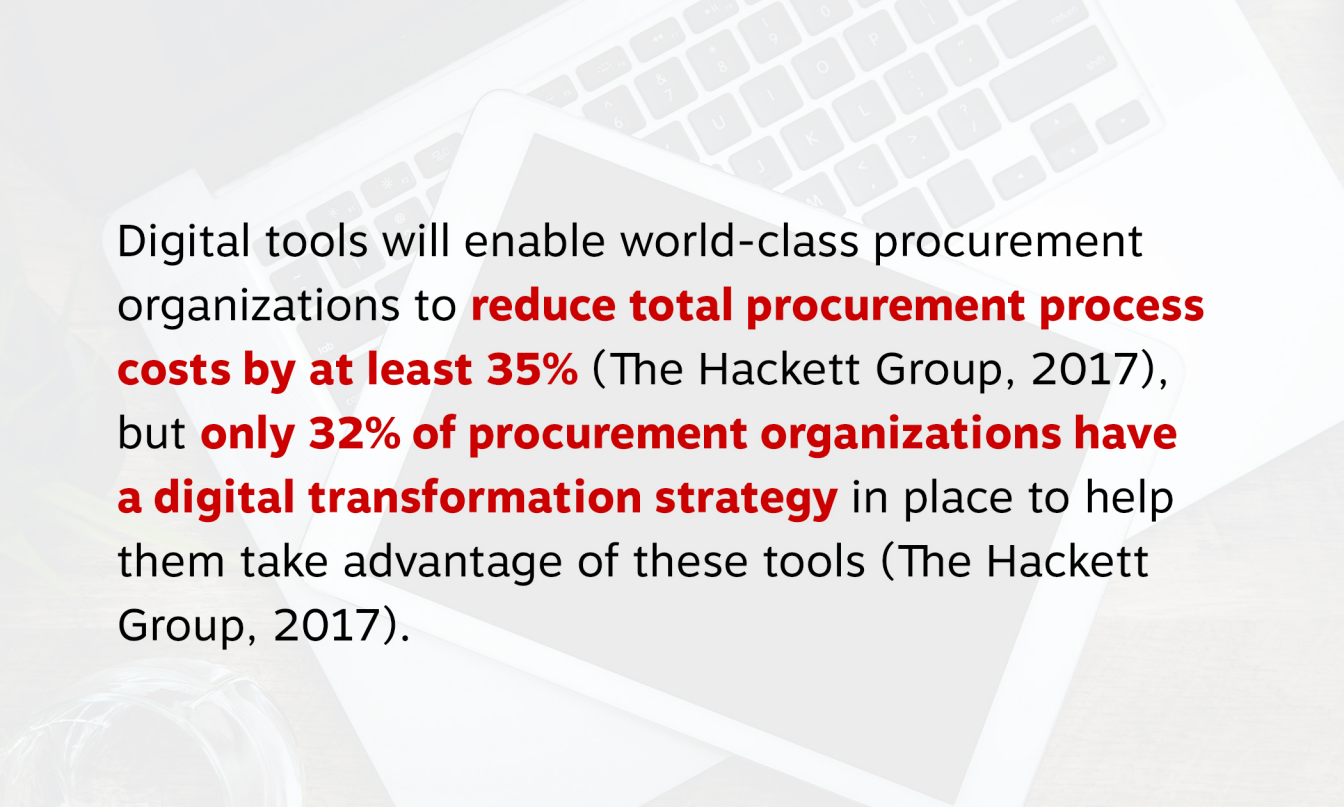


# **Procurement's Guide To Leading The Digital Age**

 **Staples™**



One of the keys to procurement success is efficiency. For both internal and external processes, procurement is always looking for ways to be more efficient, **and the secret to procurement efficiency is leveraging technology effectively.**



Digital tools will enable world-class procurement organizations to **reduce total procurement process costs by at least 35%** (The Hackett Group, 2017), but **only 32% of procurement organizations have a digital transformation strategy** in place to help them take advantage of these tools (The Hackett Group, 2017).



## Setting digital transformation strategies

The Hackett Group describes digital transformation as “improving customer experiences, operational efficiency and agility by fundamentally changing the way business services are delivered, using digital technologies as the enabler of holistic transformation.” Setting a digital transformation strategy will help your organization prepare for and capitalize on developing digital tools over the next 3-5 years. **Here are some technological trends and tips worth investigating for your procurement team’s digital transformation.**





# Blockchain

Blockchain is one of the most exciting, disruptive innovations in tech today, but what does it mean for procurement? By definition, blockchain is a **digital database that captures and aggregates records** that can function as a ledger used to facilitate business processes that involve multiple parties. For procurement teams, it offers a variety of practical applications that would increase efficiency, visibility and agility in the procurement process, including creating real-time “smart contracts” between trading partners, organizing payment, project and contract information, tracking and tracing a commodity or good’s point of origin, and much more. To learn more about blockchain and procurement, [read this article](#) by CPO Rising.



# Artificial Intelligence

Artificial intelligence (AI) could have a huge impact on procurement in coming years, for better or worse. In her keynote session at the ProcureCon Indirect East 2017 conference, Marla Bradstock of Alliant Technologies suggested IBM Watson technology could even complete the lower-level procurement work done by some analysts today. While it's safe to say AI will never be able to fully replicate what humans bring to procurement table, cognitive computing and AI can augment the ability of procurement workers to **run models, make predictions and analyze large data sets**, allowing for a more strategic procurement approach (The Hackett Group, 2017).



## Cyber security

As more of the procurement process shifts to digital platforms, cyber security should become a top priority for any procurement team handling sensitive data, from contracts to payment information. According to The Hackett Group, **47% of companies deem cyber/information security to be “high risk”** for their business, and a 20% increase is projected in the next year (The Hackett Group, 2017). To start, it's important that procurement teams develop a solid partnership with their IT security department and are proactive in improving how sensitive data is handled. A more attentive approach is the easiest way to ensure cyber security doesn't become a major issue for your team.



# Contract lifecycle management

Finding the right mix of software solutions is essential to digital procurement, and contract lifecycle management (CLM) software is a key component in the source-to-pay software landscape. The Hackett Group advises that **CLM software can help procurement create and store contracts, maintain standard templates, manage negotiation workflow, and alert on milestones.** In fact, CLM software can even reduce the amount of time required to find a contract by 52%, lower contract processing costs by 18%, and reduce the number of missed deadlines by 36% (The Hackett Group, 2017). Be sure to bring CLM software into consideration in your next round of software decisions.



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