

5 Purchasing Trends to Watch for in 2020

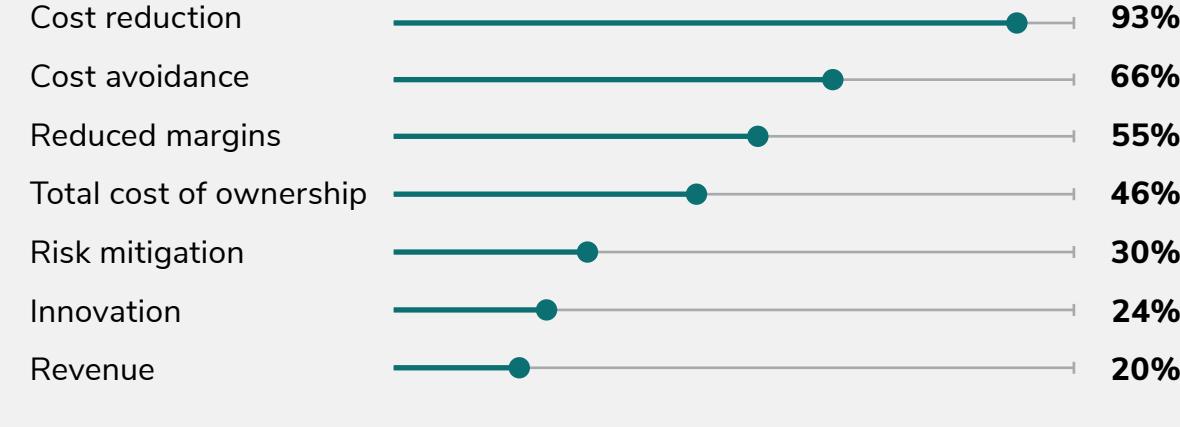


1 Less focus on price



Buyers look to drive value beyond cost savings.

Cost is still important, but it's not the only success metric tracked:²



BUYER TIP

► Look beyond price tag and factor in:



Return on investment

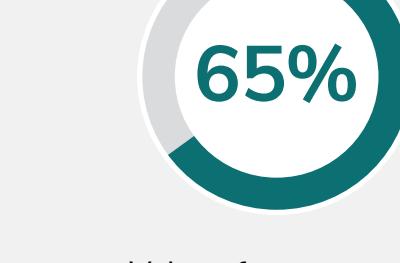


Total cost of ownership



Efficiencies gained

2 Elevation of tier-1 partners



Value of a company's products or services that's derived from suppliers.³

The natural evolution

- Suppliers impact success
- Buyers prioritize quality suppliers
- Suppliers become "partners"

Quality partners are more than "transaction facilitators."



The face of a quality tier-1 partner

- Knowledgeable advisor
- Sees things differently
- Sniffs out problems
- Do-what-they-say communicators
- Foundational team player

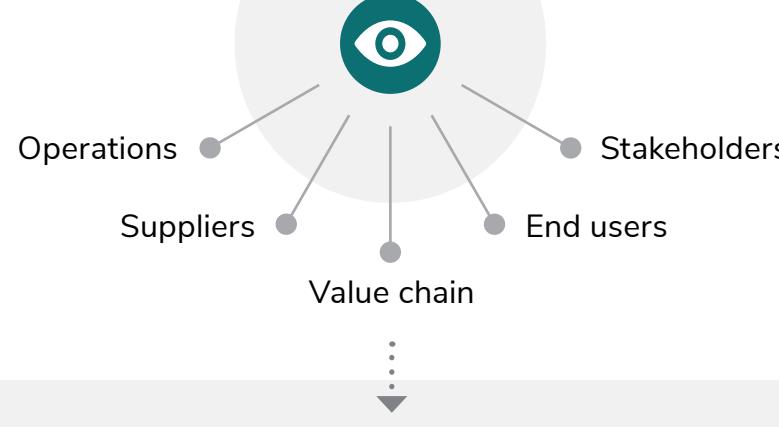
BUYER TIP

► Evaluating suppliers?

[Check out this full list of evaluation criteria.](#)

3 Shift from tactical to strategic buying

Procurement has a unique vantage point to drive company-wide value



of procurement executives consider displacing low-value activities to spend more time working with business partners on urgent issues.⁴

Procurement's ability to impact strategic business areas:³

Cost - 96% Agility - 73% Innovation - 63% Risk management - 68% Growth - 70%

BUYER TIP

► Find ways to make the shift from tactical to strategic buyer.



Free up time with automation



Highlight successes with data



Educate and advise stakeholders



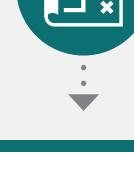
Partner with strategic vendors

4 More data-driven purchases

Data improvements



More advanced buying strategies



Buyer benefits



Data is more:

- Accurate
- Up to date
- Robust
- Actionable
- Automated
- Accessible



say that big data analytics and intelligence drive advanced negotiations for procurement.¹

Benefits:

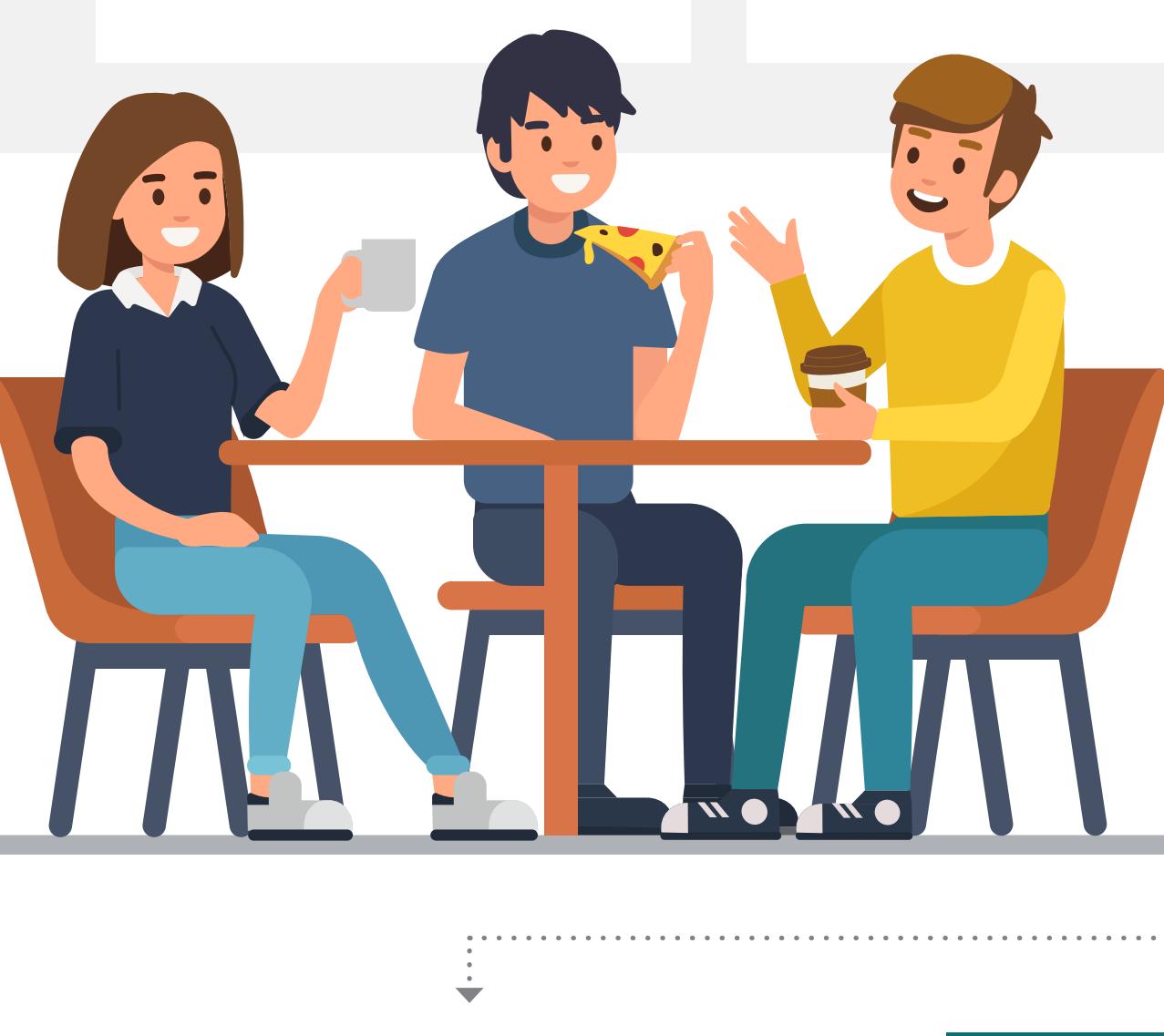
- Cost savings
- Negotiation power
- ROI
- Forecast accuracy
- Supply chain visibility
- Less waste



BUYER TIP

► Considering a purchase but don't have data to support it? Ask suppliers for:

- Case studies
- Testimonials
- Research
- Statistics



5 Transparency



Consumers Government NGOs Stakeholders



how much more consumers are willing to pay for transparency.⁵

Areas of expected transparency:



- Ingredients
- Animal welfare
- Labor practices
- Eco-impact
- Trade ethics
- Materials

BUYER TIP

- Adjust your supplier strategy to unlock transparency.
- Ask deeper questions
- Prioritize quality vendors
- Focus on ROI, not price
- Challenge claims