

Procurement

A beginner's introduction

What is Procurement

Depending on the business' structure, it falls under different departments, such as:

Management and resources

Financial

Defence

Purchasing

Or it is a separate business partner.

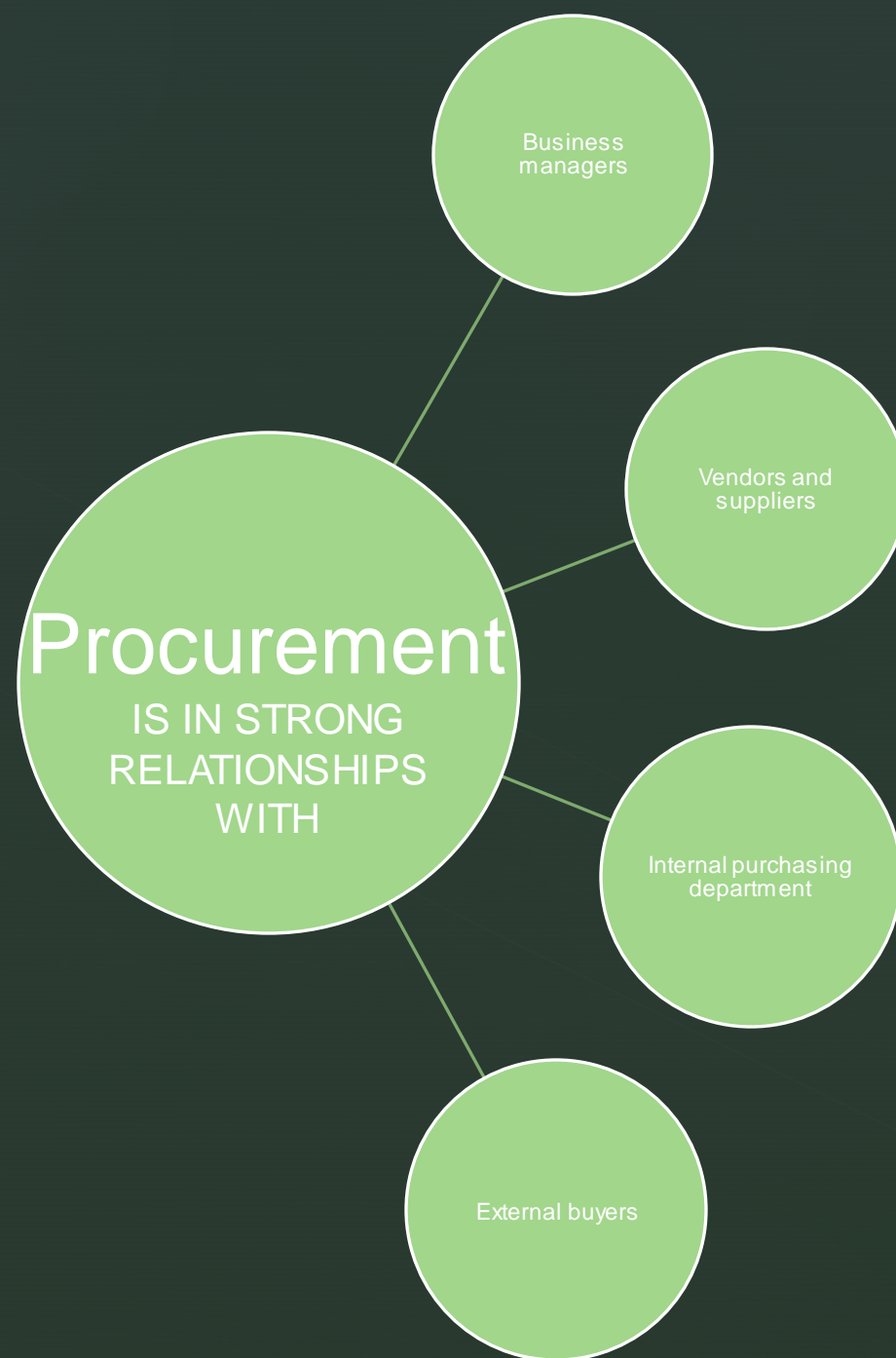
Either way, its scope is to procure the goods and services that a company needs at the lowest price possible.

What does it do?

- Finds better pricing. It helps you find the best deals for what you need (goods/services)
- Conducts market research (depending on which department does it fall under)
- Monitors compliance with procurement procedures and policies
- Tracks vendor performance (to ensure that the contracts are respected)
- Negotiates contracts between the company and the suppliers
- Administrates contracts

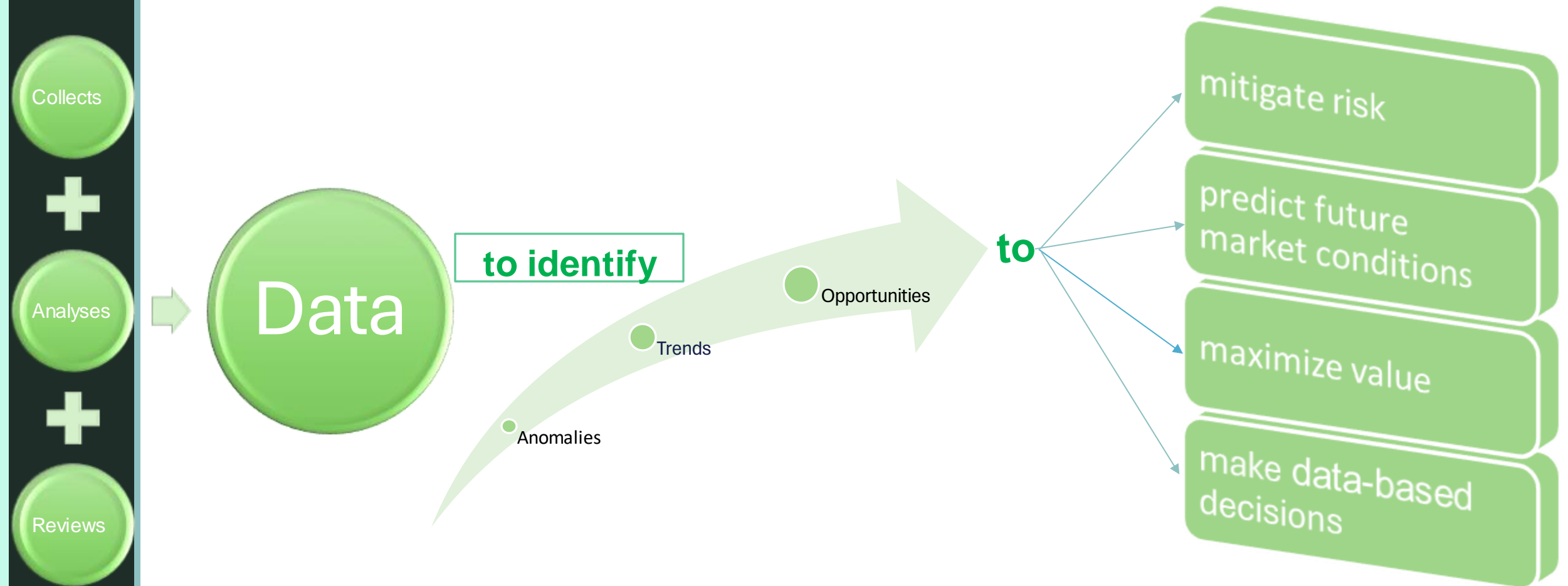
Uses Data Analytics to

- See what a company is spending the most money on
- Identify in a systematic way opportunities for savings
- Track vendor performance



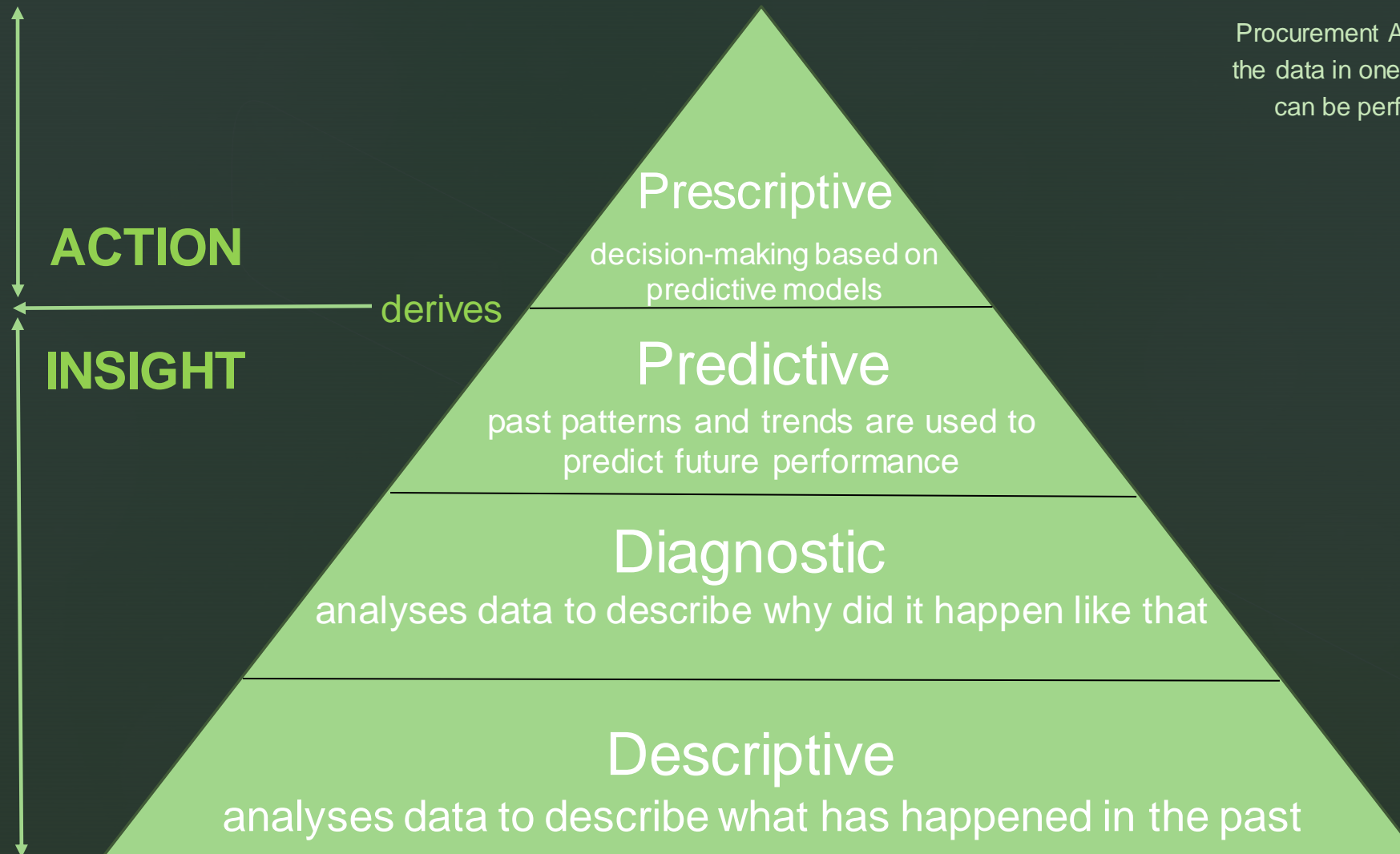
Procurement Analytics

Procurement analytics is the process of collecting and analyzing procurement data for business insights and effective decision-making.*



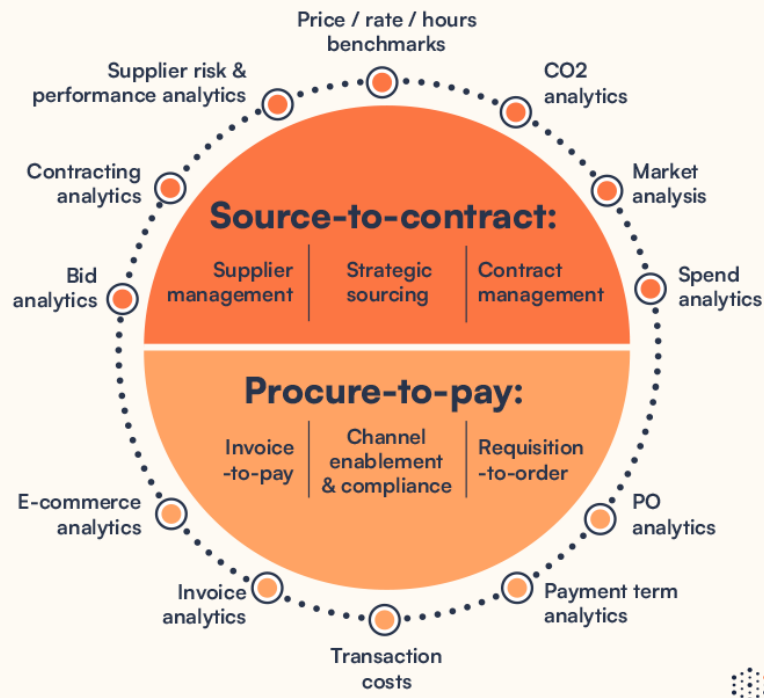
*definition retrieved from <https://sievo.com/resources/procurement-analytics-demystified>

Types of Procurement Analysis



Procurement Analytics centralizes all the data in one place so that analysis can be performed regularly, using automated processes

Examples of Procurement Analytics

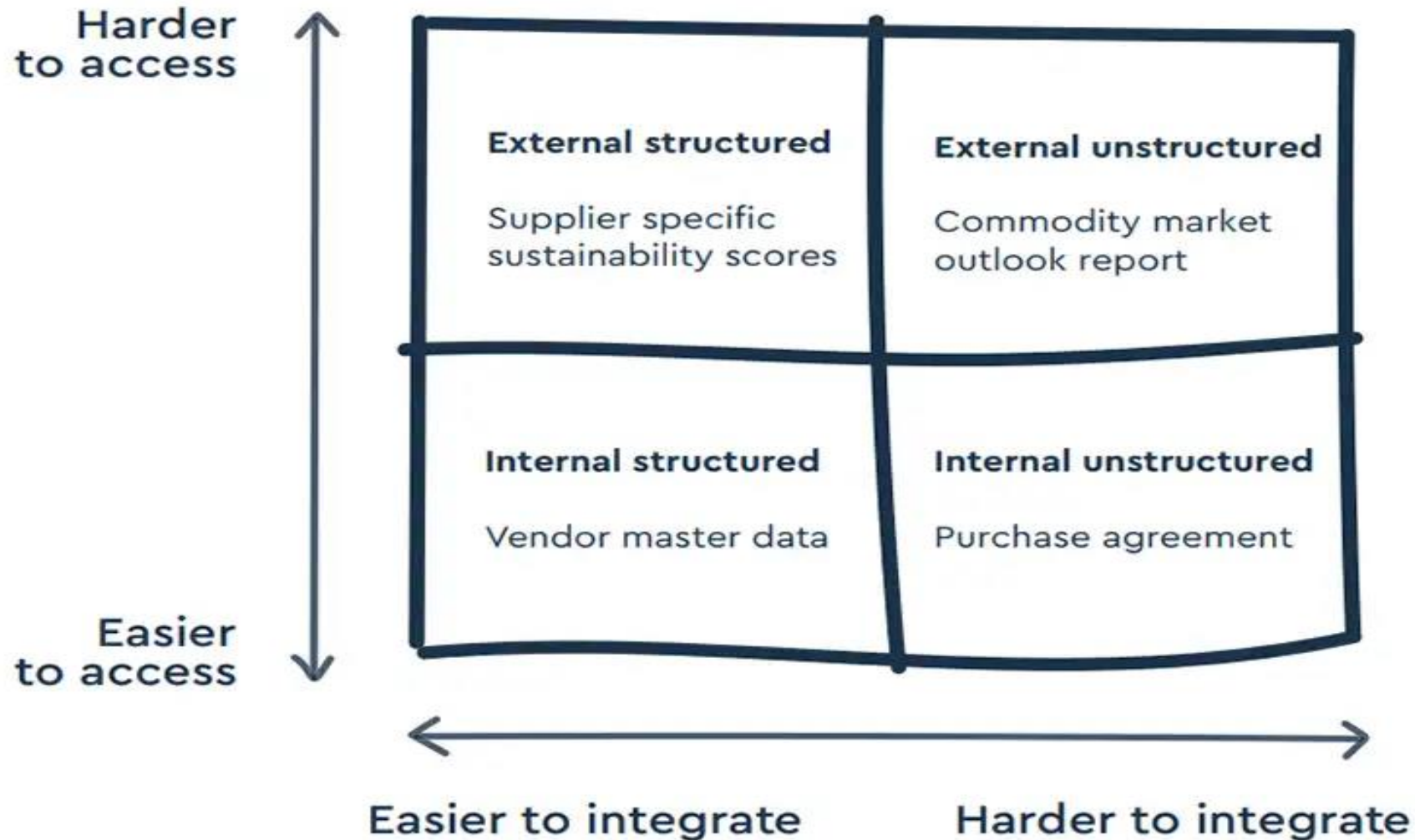


all credits for these two slides go to IgniteProcurement

Data Sources Used for Procurement Analytics



Dimensions of procurement data & their ease of access and integration



Steps of Procurement Analysis

D

A

T

A

Extraction

Cleansing

Categorization

Enrichment

Reporting

Analysis

Resources used in this presentation

<https://www.ignite.no/blog/procurement-spend-analytics>

<https://oboloo.com/blog/what-department-does-procurement-fall-under/>

<https://sievo.com/resources/procurement-analytics-demystified>

Thank you,

Bianca Diana Șmalbelgher