

Procurement KPI Performance Review

Prepared by: Eze Chukwunonso

1. Executive Overview

This report presents a comprehensive review of procurement performance, focusing on supplier risk exposure, cost optimization, and seasonal pricing trends. Leveraging transactional data, we applied procurement analytics to uncover actionable strategies for enhancing sourcing efficiency and supplier engagement.

2. Supplier Risk Exposure

Suppliers were evaluated on two key risk metrics:

- Defect Rate $\geq 10\%$
- Delivery Delays > 13 days

These indicators help flag vendors with persistent quality or delivery issues. High-risk suppliers should be monitored closely, with corrective action plans or exit strategies where needed.

3. Cost Optimization

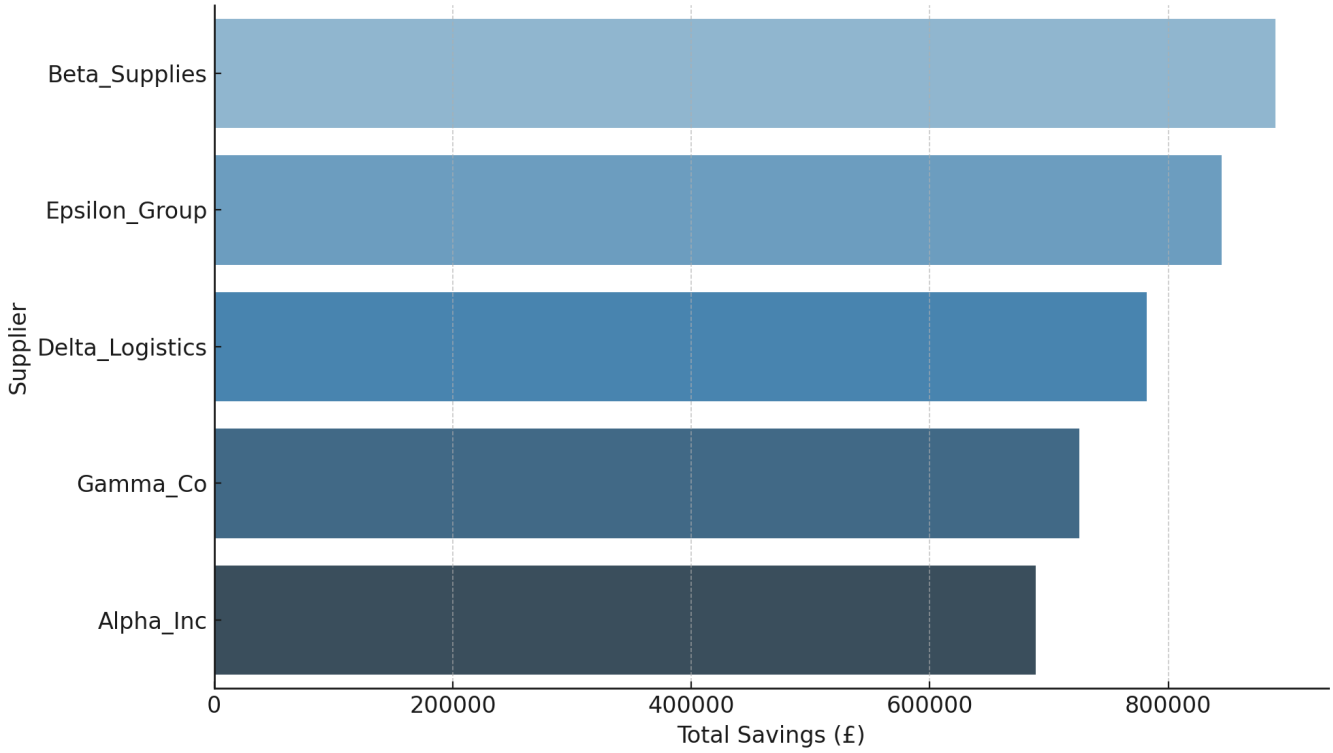
We analyzed Total vs Negotiated Cost to determine procurement savings. Key KPIs included:

- Total Cost = Quantity x Unit Price
- Negotiated Cost = Quantity x Negotiated Price
- Savings = Total Cost - Negotiated Cost
- Savings % = $(\text{Savings} / \text{Total Cost}) \times 100$

This highlights the effectiveness of vendor negotiations and sourcing strategies.

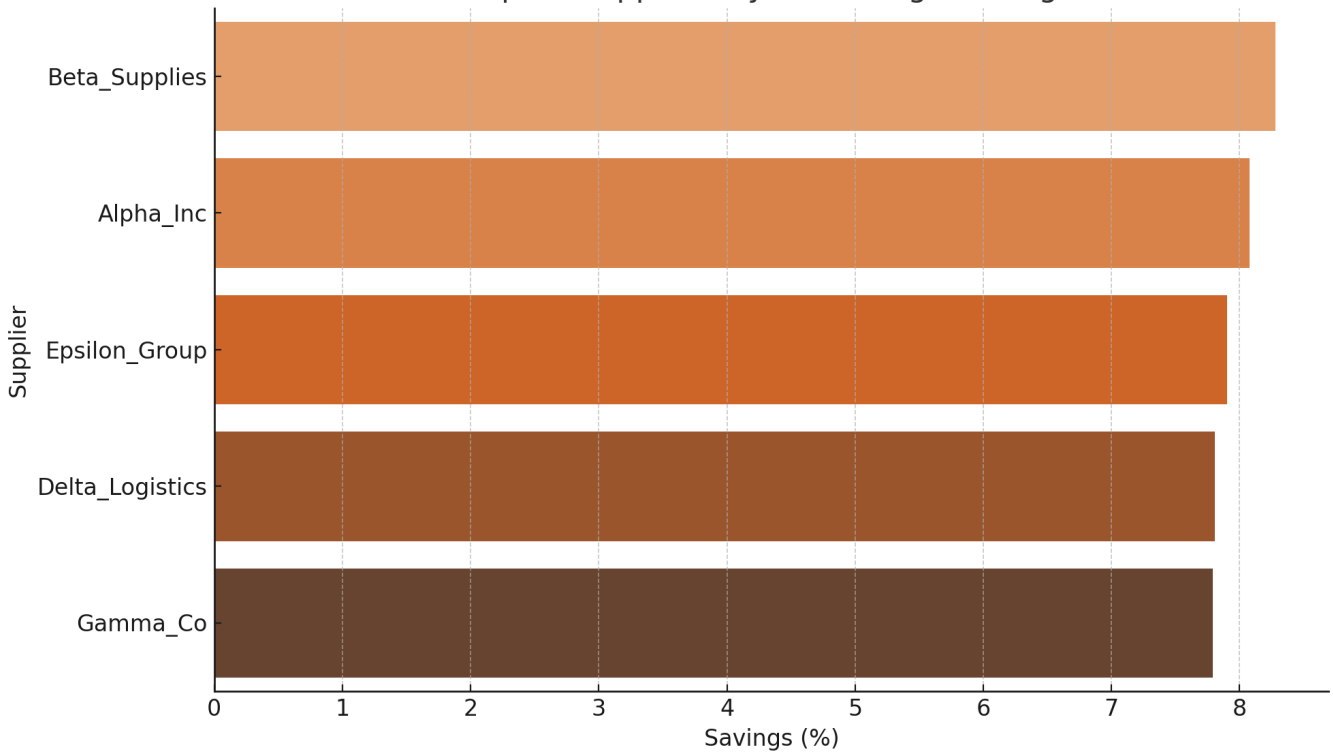
Top 10 Suppliers by Total Cost Savings

Top 10 Suppliers by Total Cost Savings



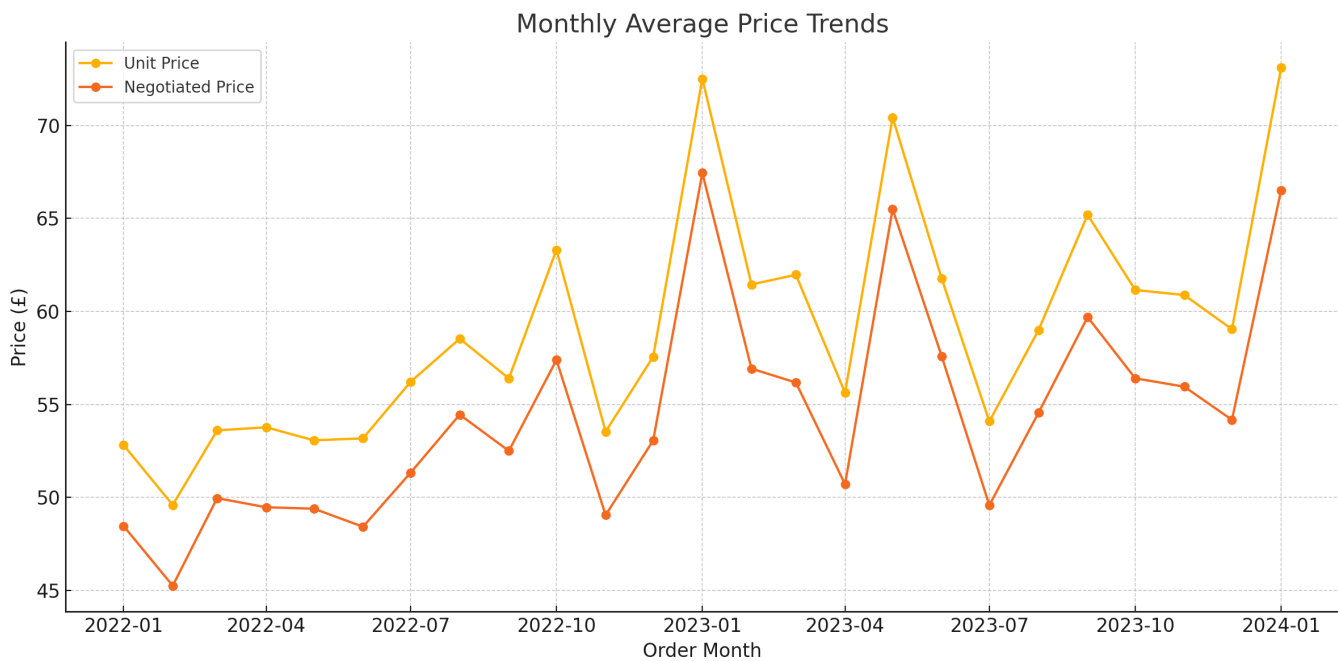
Top 10 Suppliers by Percentage Savings

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4. Sourcing Seasonality and Price Trends

Time-series analysis of monthly procurement data revealed notable seasonal trends. Prices tend to spike in January, while Q3 months often show stability. This suggests strategic contract locking and demand planning should be prioritized before Q1.



5. Strategic Recommendations

- Prioritize long-term contracts with high-performing suppliers
- Use supplier scorecards for continuous risk tracking
- Lock prices in Q3 to hedge against Q1 inflation
- Benchmark supplier savings at 7.5% and above
- Blend spot and contracted sourcing models for agility and cost control

6. Conclusion

Procurement, when driven by data and strategy, becomes a value creation engine. This report offers clear visibility into supplier performance, cost savings, and pricing behaviors - empowering smarter decisions in supplier engagement, sourcing planning, and procurement negotiations.