



2013/2014 State of Indirect Procurement Benchmark Report



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INTRODUCTION

2013/2014 State of Indirect Procurement Benchmark Report

The team behind Worldwide Business Research's (WBR) ProcureCon conferences – with help from an advisory board of senior-level executives from international companies – created a benchmarking questionnaire distributed to ProcureCon Indirect West's audience of procurement and sourcing practitioners. More than 65 practitioners from national and multinational corporations answered the survey; speaking to the state of their firms' procurement transformation and outlook for 2014.

The goal of the survey was to understand where companies are in their procurement transformation process, whether they're on track to completing their transformation according to their plans, and how they plan to combat cost increases in 2014. Results to this study allow companies to see where they stand in relation to their peers on transformation, staffing needs and organizational structure.

The roles of those answering the questionnaire ranged from **Chief Procurement Officer to Head of Indirect Procurement to Senior Director, Strategic Sourcing**, to name a few. Respondents represented companies like **Applied Materials, BP, J Crew, Wells Fargo** and more.

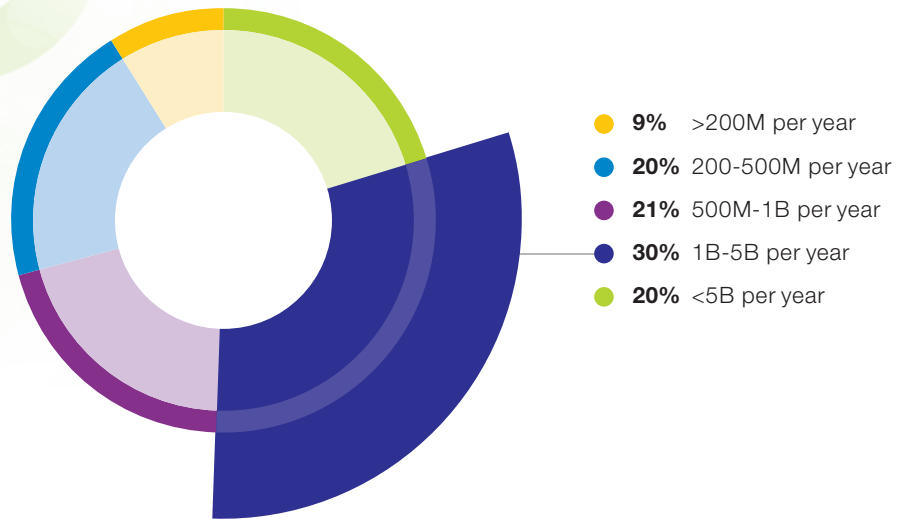
See how your firm compares to your peers and competitors by viewing the results and analysis throughout this report.

QUESTION 1:

What is your spend per year?

30% of respondents spend

1B-5B PER YEAR.

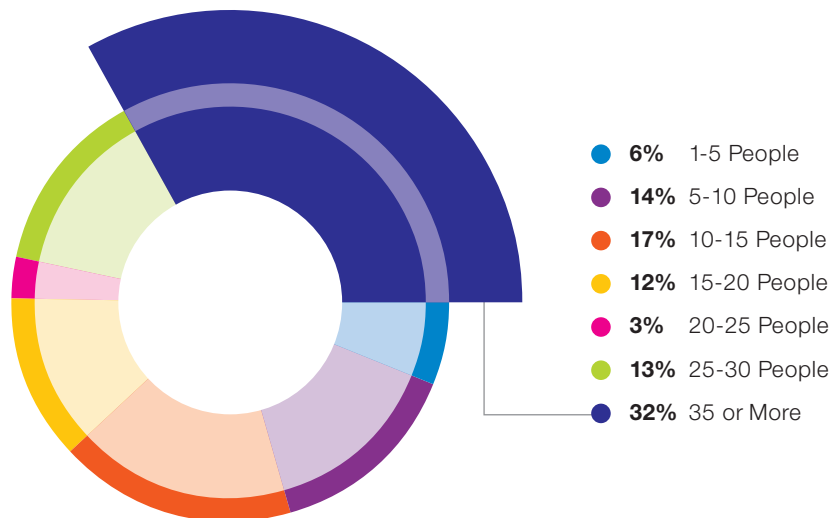


QUESTION 2:

How large is your procurement team?

32% said their procurement team has

35+ PEOPLE.



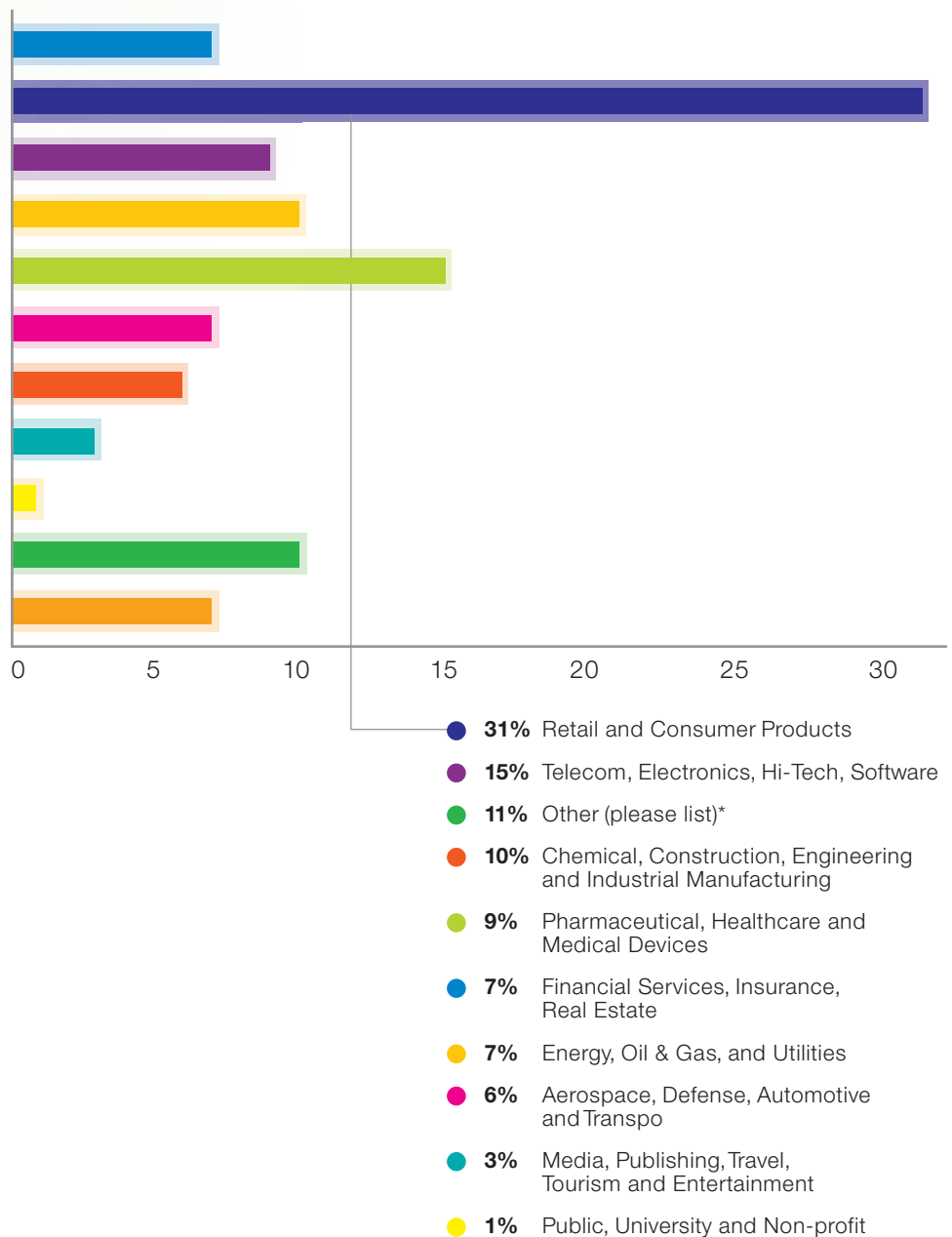
QUESTION 3:

What industry does your company represent?

31% of respondents companies represent

RETAIL AND CONSUMER PRODUCTS.

* Other if listed:
Semiconductor, utilities,
managed services, BPO
Contact Center, Restaurant,
Direct Sell, Computer
Peripherals



43% of respondents
said their procurement
team reports to

CFO (FINANCE).

* Other if listed: Group Prez,
Director of Purchasing,
Chief Admin Officer, CPO,
General Counsel, SVP
Global Sourcing, Senior
Director Global
Procurement, CIO, Chief of
Supply Chain, VP Contracts,
VP of Operations, CPO

51% of respondents
think Procurement
should report to the

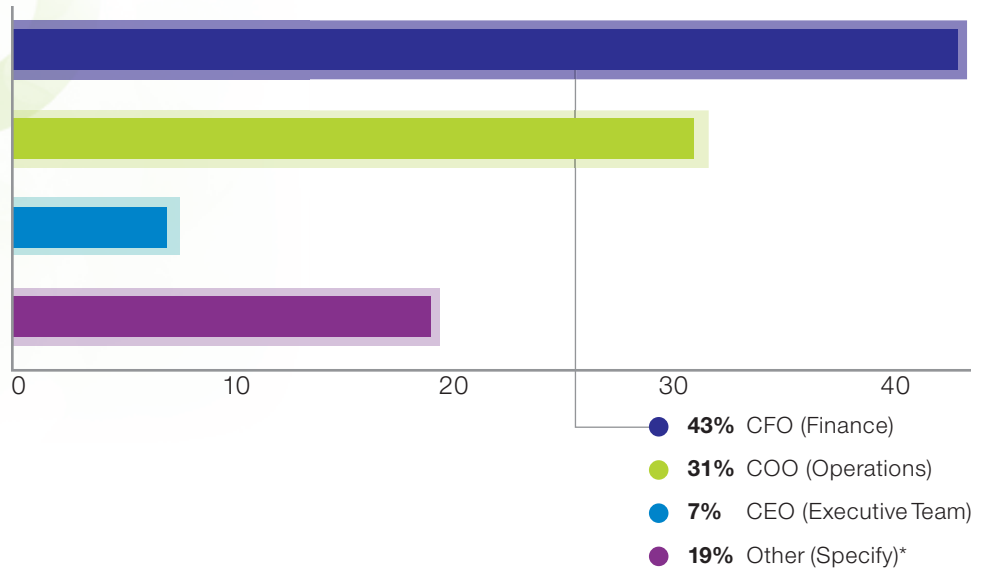
CFO (FINANCE)

in order to deliver the
best results.

*Other if listed: CPO, C-Suite
Level, Director of Purchasing

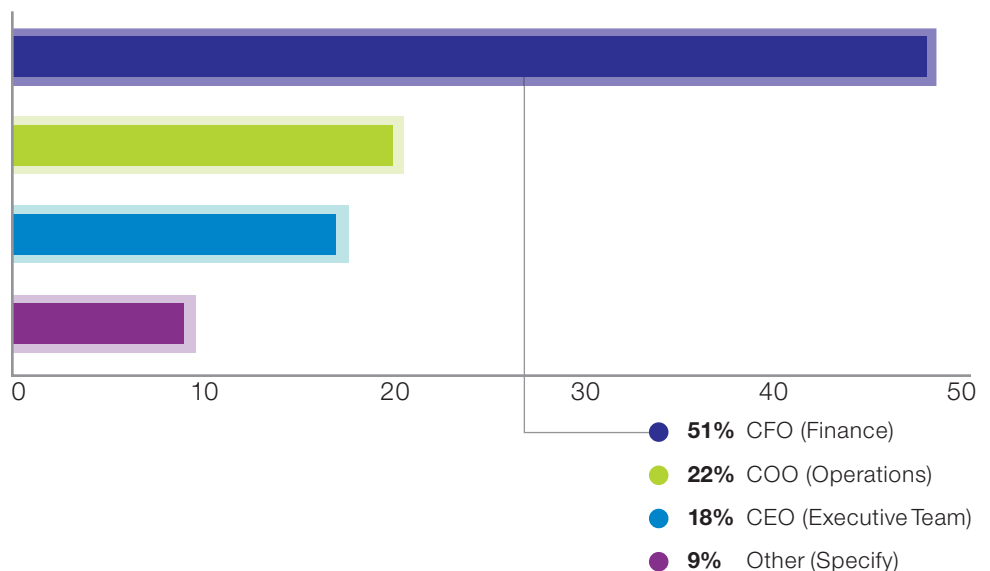
QUESTION 4a:

Who Does Your Procurement Team Report To?



QUESTION 4b:

Who do you think Procurement should report to in order to deliver the best results?



QUESTION 5:

Is your company's Procurement transformation from tactical to strategic... (Choose one of the following)

61% of respondents said their company's procurement transformation from tactical to strategic is

RIGHT ON SCHEDULE.

61% Right On Schedule

34% Behind Schedule

3% Complete

2% Ahead of Schedule

QUESTION 6:

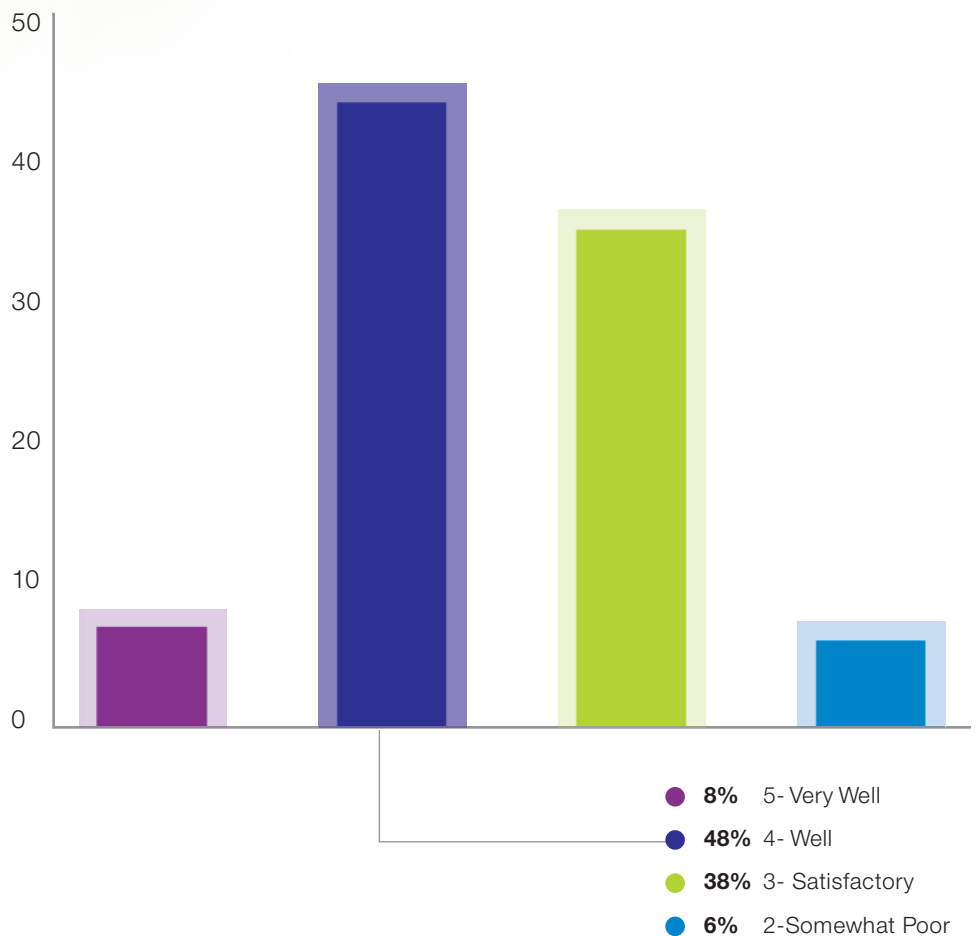
On a scale of 1 (poor) to 5 (very well) how do you think procurement is received within your organization?

48% of participants think procurement is

RECEIVED
WELL

within their organization.

No one chose "poor"
for this question.

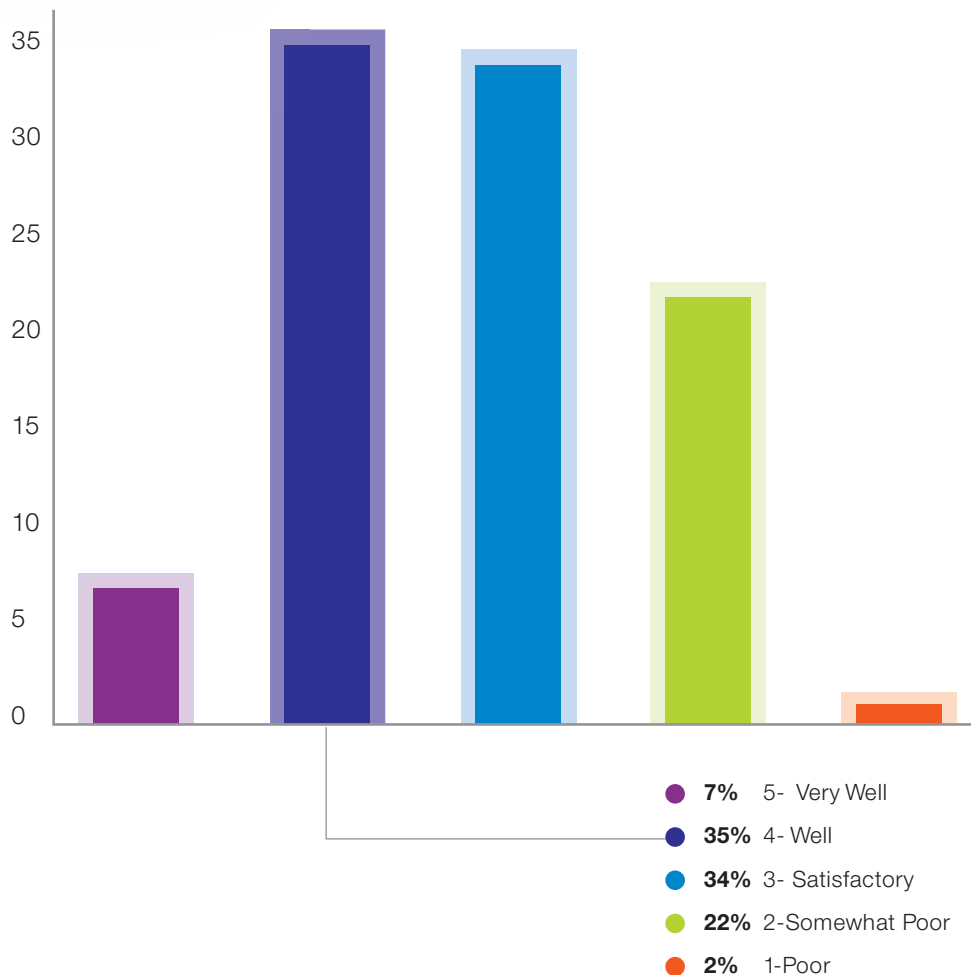


QUESTION 7:

On a scale of 1 (poor) to 5 (very well) how do you think your internal stakeholders understand procurement's value?

35% of respondents think their internal stakeholders

UNDERSTAND
PROCUREMENT'S
VALUE WELL



QUESTION 8:

Do you feel your team is properly staffed to do its job effectively?

55% No

39% Yes

6% Unsure

55% of attendees
feel their team is

**NOT
STAFFED
PROPERLY**

to do its job effectively



POINT TO NOTE:

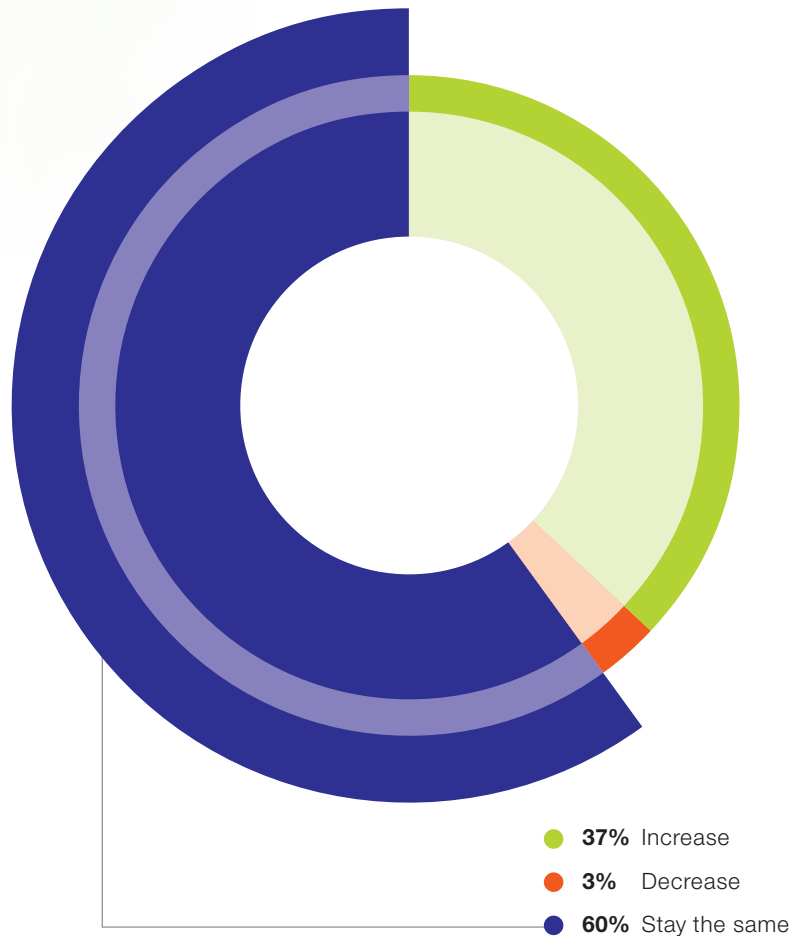
- When broken out by spend under management, 87% of those with less than \$1 billion in spend felt their team was *not* properly staffed, compared to 30% of those who manage more than \$1 billion.

QUESTION 9:

Is your team going to increase or decrease headcount in 2014?

60% of respondents said their team headcount in 2014 will

STAY THE SAME.



POINT TO NOTE:

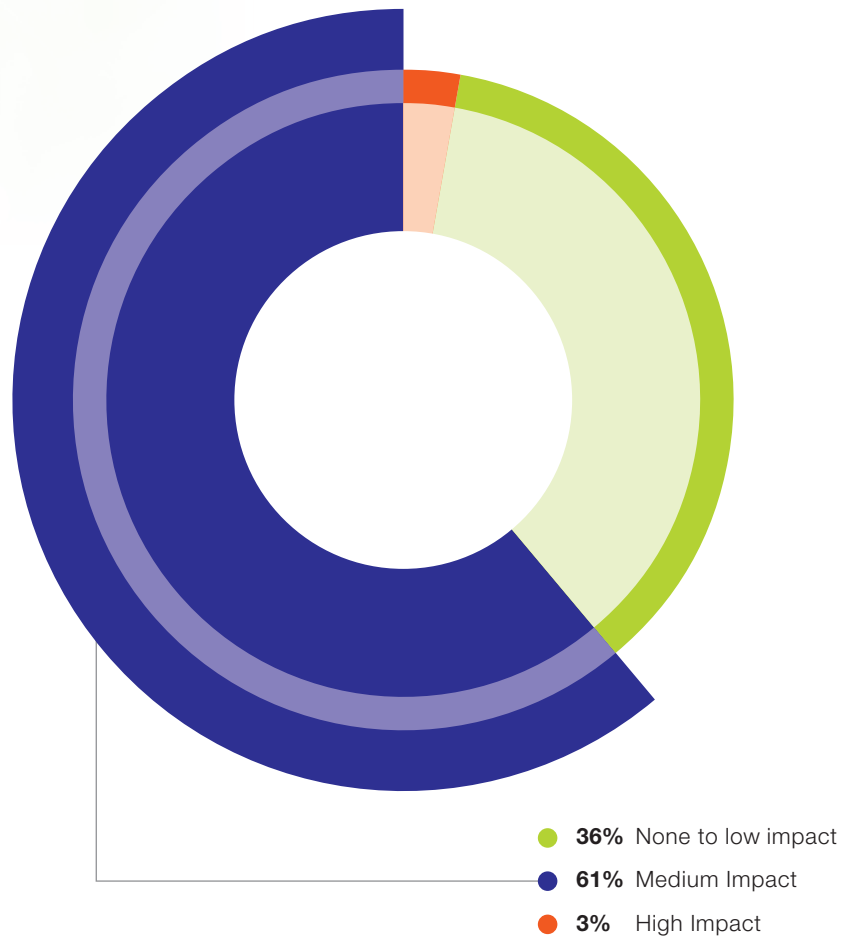
- Respondents with less than \$200 million in spend were more than twice as likely to report a projected increase in staff than those who manage more than \$200 million.

QUESTION 10:

Are suppliers' cost increases expected to impact your realized savings in 2014?

Respondents managing \$500 million to \$1 billion represented the only category whose majority answered

“NONE TO LOW IMPACT.”



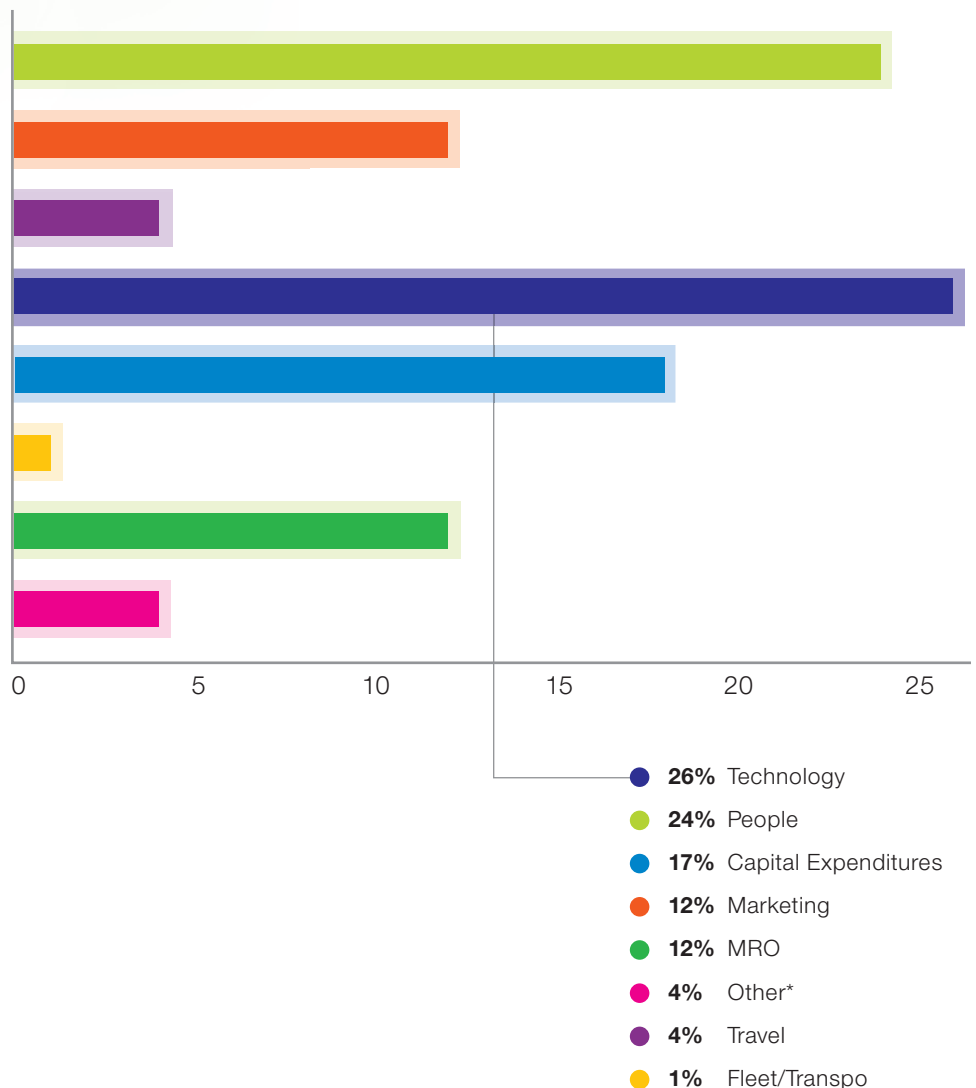
QUESTION 11:

In your business, where do the biggest opportunities lie for cost savings in 2014?

26 % said the biggest opportunities for cost savings in 2014 lie in

TECHNOLOGY.

* Other if listed: All of the above, Direct Marketing



ABOUT PROCURECON



The ProcureCon event series brings together a unique blend of procurement, purchasing and supply chain experts from across all industries to share their experiences and knowledge with a team of people who truly embrace the strategically important field of procurement. Originally launched in North America 12 years ago to address direct purchasing strategies for manufacturing companies, ProcureCon has since expanded its focus to address the challenges and opportunities within non-manufacturing and corporate procurement at the ProcureCon Indirect East and West events, as well as the unique needs of managing the marketing category, at ProcureCon for Digital and Marketing Services.

ABOUT WBR/WBR DIGITAL



WORLDWIDE BUSINESS RESEARCH



WBR is the world's biggest large-scale conference company and part of the PLS group, one of the world's leading providers of strategic business intelligence with 16 offices worldwide. Our conference divisions consistently out-perform their industry sector competitors on the quality of the events we produce and the relationships we nurture with both attendees and sponsors.

Every year over 10,000 senior executives from Fortune 1,000 companies attend over 100 of our annual conferences – a true "Who's Who" of today's corporate world. From Automotive events in Bucharest to Logistics conferences in Arizona to Luxury conferences in New York and Finance summits in Hong Kong, WBR is dedicated to exceeding the needs of its customers around the world.

In addition to our industry leading conferences, our professional services marketing division, WBR Digital connects solution providers to their target audiences with year-round online branding and engagement lead generation campaigns. WBR's marketers act as an extension of your team relieving strain on your internal resources while promoting your brand and solutions to your prospects. Solution providers can target identified accounts or relevant industry/function segments of WBR's entire global database of over 500K senior-level decision makers.

BE A PART OF NEXT YEAR'S STUDIES



VIEW AGENDA

ProcureCon Indirect East

February 18-20, 2014 – Charlotte, NC

www.ProcureConIndirectEast.com



VIEW AGENDA

ProcureCon Indirect West

September 15-17, 2014 – Phoenix, AZ

www.ProcureConIndirectWest.com

The ProcureCon Indirect events will provide you with best practice strategies for improving supplier relationships and integrating strategic suppliers into your organization, incorporating new technology tools into your solutions mix, and staffing your team for maximum results. You will also learn about innovations in indirect procurement and how to maintain your place at the table as companies begin to spend again. ProcureCon Indirect events are structured to give you ample time to make new connections and strengthen prior relationships with your peers of similar job function as well as procurement maturity.



VIEW AGENDA

ProcureCon Canada

March 17-19, 2014

www.ProcureCon.ca

ProcureCon Canada is the newest event in the global ProcureCon series - focusing on procurement transformation, strategic sourcing, and supplier relationship management for procurement executives operating in Canada. Over 40 procurement practitioner speakers from leading Canadian and global companies will be sharing best practices to build an optimized, sustainable supply chain.



VIEW AGENDA

ProcureCon for Manufacturing

June 9-11, 2014

www.ProcureConManufacturing.com

ProcureCon for Manufacturing, as its title suggests, focuses on the procurement function within manufacturing companies. It focuses on creating strategies and solutions for managing supply, suppliers, risk, price volatility and the intersection of procurement and supply chain in a relatable, intimate and hands-on event.



VIEW AGENDA

ProcureCon for Digital and Marketing Services

November 2014

www.ProcureConDM.com

ProcureCon for Digital and Marketing Services covers the broad reach of marketing spends through media, agencies, digital services, print, etc. You will experience and participate in and engaging and challenging three days of network building and learning with cross-industry colleagues in determining best in-house and outsourced marketing procurement practices.

The ProcureCon conference series is created by your professional colleagues in the procurement space. Our events are created through one to one conversations that identify the goals and aims for the coming year.

Email us at ProcureCon@wbresearch.com or call us at +1-888-482-6012 to learn more about how ProcureCon can fit into your team's development goals.