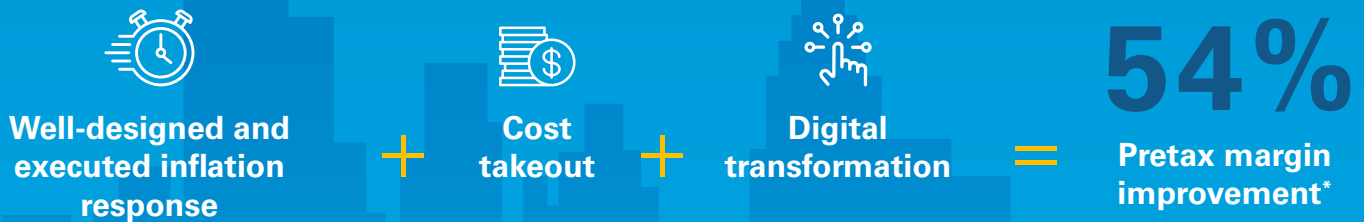


# Sizing Up the Digital World Class™ Procurement Advantage

Digital World Class matters. It's a key part of the performance equation during inflationary times.



Without digital transformation, pretax margin improvement opportunity drops almost in half.

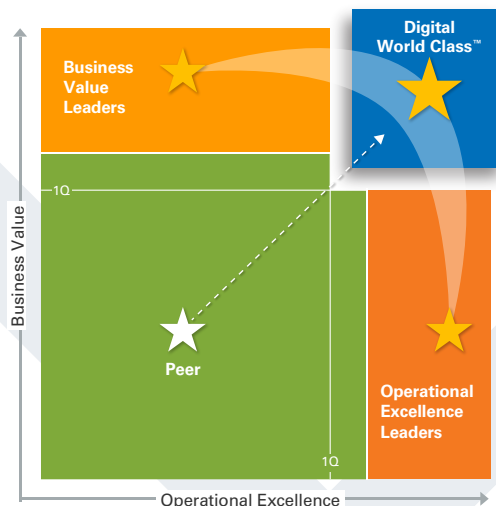


\*Inflation response analysis, The Hackett Group, April 2022

Digital World Class procurement organizations perform in the top quartile on two key dimensions:



**Business Value =**  
Effectiveness,  
Experience,  
Digital Business  
Enablement



**Operational Excellence =**  
Efficiency,  
Business  
Process  
Automation

# How they drive greater business value:

## They have a higher degree of digital business enablement:

Percentage of spend sourced through an electronic auction



Percentage of spend supported by eRFx solutions



## This makes them more effective:

Cost reduction savings as a percentage of spend



Procurement return on investment



Percentage of spend influenced or managed by procurement



## And provides a better experience for stakeholders:

Viewed by stakeholders as a valued business partner



Internal customer rates procurement as "exceeded expectations"



# How they achieve operational excellence:

## They automate more:

Percentage of purchase requisitions processed electronically



Percentage of purchase orders processed electronically



## This makes their staff more efficient:

FTEs per billion of spend

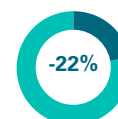


Process cost per purchase order



## Their superior efficiency translates to lower operating cost:

Procurement cost as a percentage of spend



Cost advantage for a company with \$10 billion in annual revenue

**\$7 million**

Lower cost means more ability to invest in and increase the Digital World Class™ advantage.

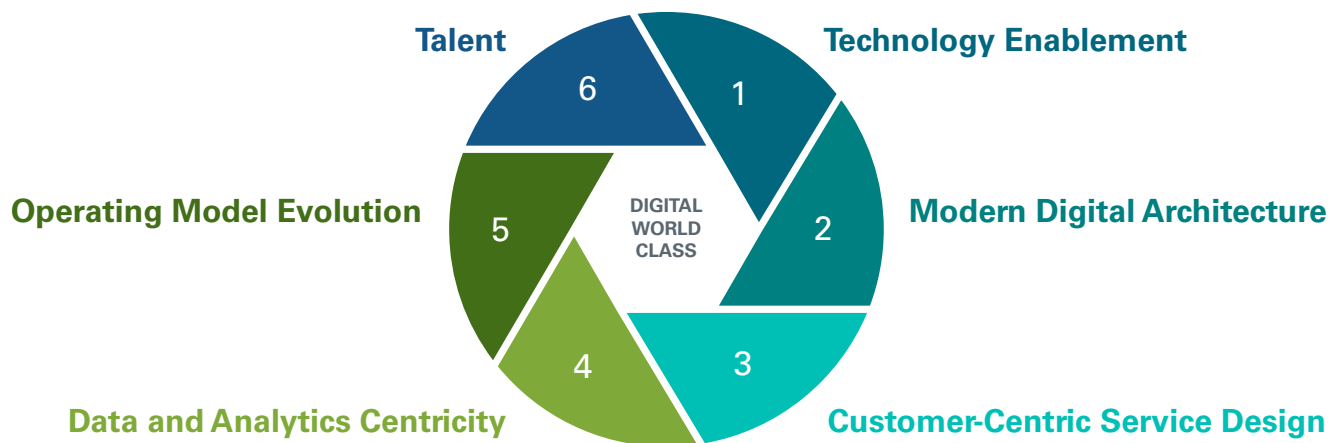
# Performance advantage isn't limited to the Digital World Class™

Business value and operational excellence leaders also excel – in some cases even more than the Digital World Class. For example:



## How can you accelerate the performance of your procurement organization?

By transforming six core capabilities:



## Are you ready to close the gap to Digital World Class procurement performance?