PwC Digital Procurement Survey - Australia

May 2022

The survey findings incorporate the following

Australia

- Analysis of 19 responses from seven sector groups including respondents from industries and service sector
- The survey responses for total Australia have been compared against global responses (including all sectors)
- The survey responses for Australian sectors have been compared with responses from the same sector at a global level
- The responses from Australian companies have been compared with responses from the whole sector that the company has mentioned it operates in
- For comparison purposes, we have taken the base value as the number of respondents who have actually answered the question rather than the total number of participants, for both Australia and global
- The priority sectors include healthcare and pharmaceuticals, public sector, and energy and utilities sector
- For consumer goods, chemical and metallurgy, and building and infrastructure sectors where there was only one response from Australia - the responses for key questions have been compared against the global sector
- For calculations - base value is the total number of respondents who have actually answered a particular question. In which case, the base value may vary for corresponding questions
- Exchange rates are as of 11 may 2022 (1 USD = 1.4349 AUD and 1 Euro = 1.5121 AUD)

Global

800+ **Procurement professionals**

64 countries worldwide

in all # 6 continents

4 themes covered including:

- ► The current vision of Procurement organization
- ► Driver of Digitalization & Success Factors
- ► Digital Procurement tools (Status & Level of Digitalization)
- ► Roadmap and future transformation

Agenda

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7	State of Digital Procurement in Australia
20	Sector Insights

Summary

Current state of Digital Procurement

▶ Digital Transformation is progressing on Procurement Director's roadmap, of which process transparency, traceability and fairness spearhead with 75%, followed by cost savings and efficiency with 50%, each (Australia)

▶ Digital transformation is now also motivated by Crisis and risk management and Compliance, in addition to traditional objectives of process optimization and cost reduction, with risk management leading over compliance (Australia)

▶ Source-to-Pay digitalisation has become the "New normal" for Procurement departments as 72% of respondents use both S2C or P2P solutions and 11% (two respondents) do not use any solution (Australia)

▶ 100% of companies with a high level of digitalisation succeed with value creation linked to data availability. However, 86% of companies with low rates of digitalization still struggle to leverage their data (Australia)

Future state of Digital Procurement

▶ Procurement departments set very ambitious digitalisation objectives for 2025, with an average target of 72% of digitalisation. However, perception of actual digitalisation rates of Procurement processes ran into COVID-19 reality, with a 6% decrease to reach an average 41% digitalisation rate. (global survey insight)

▶ Middle market companies plan to strongly increase their investments in Procurement digital transformation (+50% between 2020 and 2022), while large and very large companies will maintain their budgets. (global survey insight)

▶ CPOs are focusing their roadmap on Source-to-Pay digitalisation as well as on innovative use cases of ESG and Supply chain traceability. The trends tend to a shift of digital roadmaps: focusing on proven added-value use cases while shelving exploratory digital use cases. (global survey insight)

▶ The tracking of suppliers' CO_2 emissions is at a starting point to be a "Game-changer" for Procurement departments: already 27% of companies use or experiment this emerging use case within their organization. (global survey insight)

▶ The applicability of Blockchain in Procurement processes still needs to be clarified for 59% of Procurement departments. However, they see it as a vector of valuable improvements for the entire Supply chain processes. (global survey insight)

Find out more in the survey:

Sector benchmarks, Best practices, and more, …

Digital Procurement Trends 2022

The world of procurement has undergone tremendous changes from the past couple of years. According to the latest market report, the Global Procurement Software Market was valued at 6.74 billion AUD in 2021. It is expected to grow at a healthy CAGR of 10.17% to reach 14.64 billion AUD by 2027.

Procurement processes and outcomes reflect the values of the Private sectors, Government and the community.

Source : link

Current Vision

Digital procurement has number of factors on which the procurement is carried out successfully.
These factors can be the strategic priorities,main drivers, emerging technologies etc.

- **Cost reduction:** 37% procurement professionals have declared that they are using the processes to reduce their costs and increase their profits

- **Digital Transformation:** 18% of the respondents are using digital transformation, which radical reconceptualizes and reorganizes the procurement strategy, processes, people, skill sets, and support systems, triggered by new and emerging digital technologies.Digital transformation in the procurement process can cut costs, save time and better inform strategy and decision-making.

Driving Factors

A reliable procurement system is designed for speed, efficiency and accuracy, and one of the best ways to achieve the intended design is to keep things simple.

The complexity in the procurement process is one of the main reasons why procurement has a diminished reputation today. Due to this -

- On a global level, more than 50% of the respondents have raised a hand to have efficiency, simplicity, process transparency, traceability, and fairness in procurement.

Emerging Technologies

Data Analytics & Visualization

- Companies are starting to leverage predictive analytics in the procurement process to forecast revenue, prevent disruption and identify new market opportunities
- New tools such as Big data and AI-based software enable companies to collect vast amounts of data and generate valuable insights
- 83% of the respondents from Australia have raised a hand to have data analytics in the digital procurement transformation projects.

S2P tools

- In the digital age, S2C becomes predictive, with supply bases, prices, and costs all visible, empowering professionals to reach transparent agreements with high-value suppliers.
- After data analytics, 72% of the respondents from Australia are targeting to invest in S2P technology as a part of the digital procurement transformation projects

Automation, AI & RPA Technologies

- Traditional methods in assessing demand for procurement, with spreadsheets and checklists, left too much room for human error.
- Cutting-edge inventory management systems can eliminate the error and ensure the numbers in your software match your physical inventory count.
- Despite these technological advancements, only 35% of the respondents have declared that they are investing in these technologies.

Blockchain

- Blockchain is not just for bitcoin. It's also a technology procurement professionals can leverage to get a better view of the supply chain.
- Blockchain is making the supply chain quicker, easier, and more accurate but still the procurement professionals have not raised a hand toward this technology.

Source: Australia and Global Procurement Survey Analysis

State of Digital Procurement in Australia (Survey Responses)

Cost reduction and Supplier sourcing took number 1 priority among 58% of procurement professionals
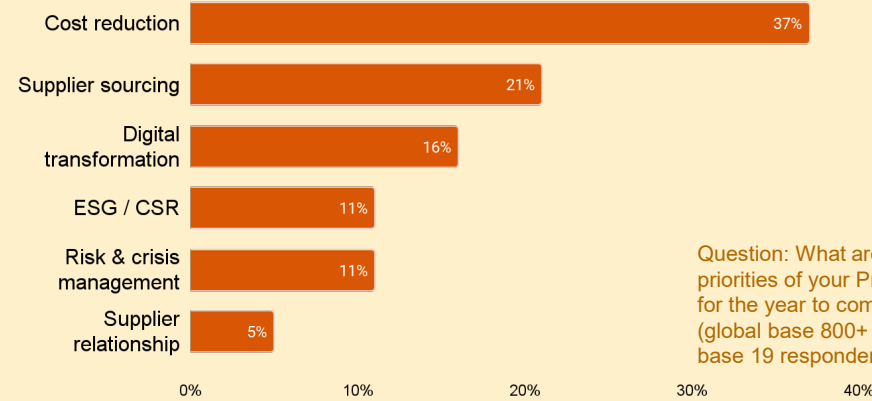- **Reducing cost, ranks as the top priority in the current stage with around 37% of respondents choosing it.**
- **21% of procurement professionals ranked supplier sourcing as their top priority**

Drastic cost saving objectives have recently been heavily underpinned by surge in raw material prices and reduction in overall activities in some sectors

In contrast to supplier sourcing, supplier relationship management was seen as top priority by only 5% of the procurement professionals
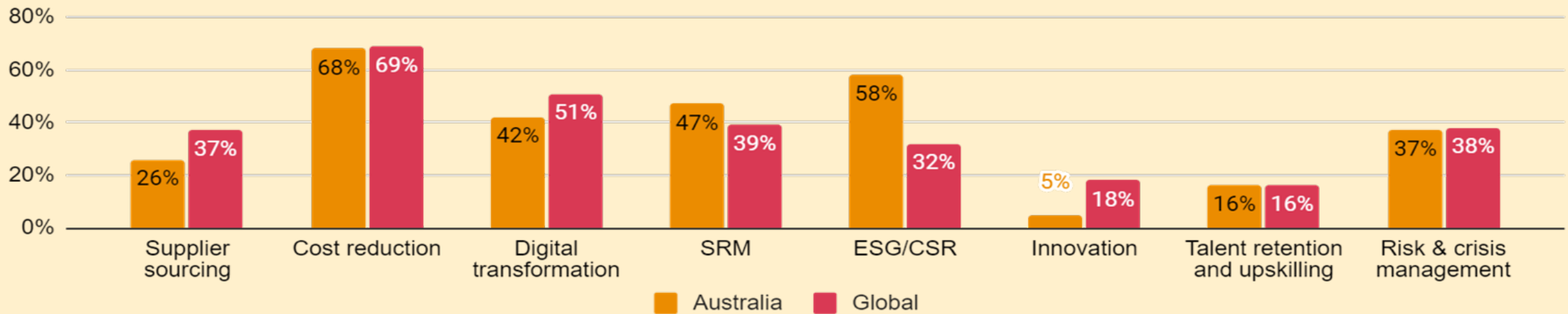
Innovation, talent retention and upskilling **were low on the priority list** for any procurement department of any sector (among all respondents in Australia). Even on global level, priority levels for talent management have presented a strong and consistent deficiency over the years

Top 1 strategic priority for procurement departments (2022)

Priority	%
Cost reduction	37%
Supplier sourcing	21%
Digital transformation	16%
ESG / CSR	11%
Risk & crisis management	11%
Supplier relationship	5%

Question: What are the top 3 strategic priorities of your Procurement department for the year to come? (Ranking from 1 to 3) (global base 800+ respondents) (Australia base 19 respondents)

Top 3 most named strategic priorities for procurement departments (Global vs Australia) 2022

	Supplier sourcing	Cost reduction	Digital transformation	SRM	ESG/CSR	Innovation	Talent retention and upskilling	Risk & crisis management
Australia	26%	68%	42%	47%	58%	5%	16%	37%
Global	37%	69%	51%	39%	32%	18%	16%	38%

Top 3 means that respondents have ranked a particular strategic priority as either 1,2 or 3

Drivers for Digital Transformation

74% of the companies declare process optimization as a key driver for digital transformation in Australia as compared to 59% on the global survey

- Procurement professionals are striving for process **efficiency and transparency** through their initiatives of digital transformation. Indeed, a digital transformation project mostly aims at streamlining processes as well as business practices. It requires a deep knowledge of **Procurement processes and defining an optimized target operating model** that will suit business objectives and solution capabilities. (global insight)
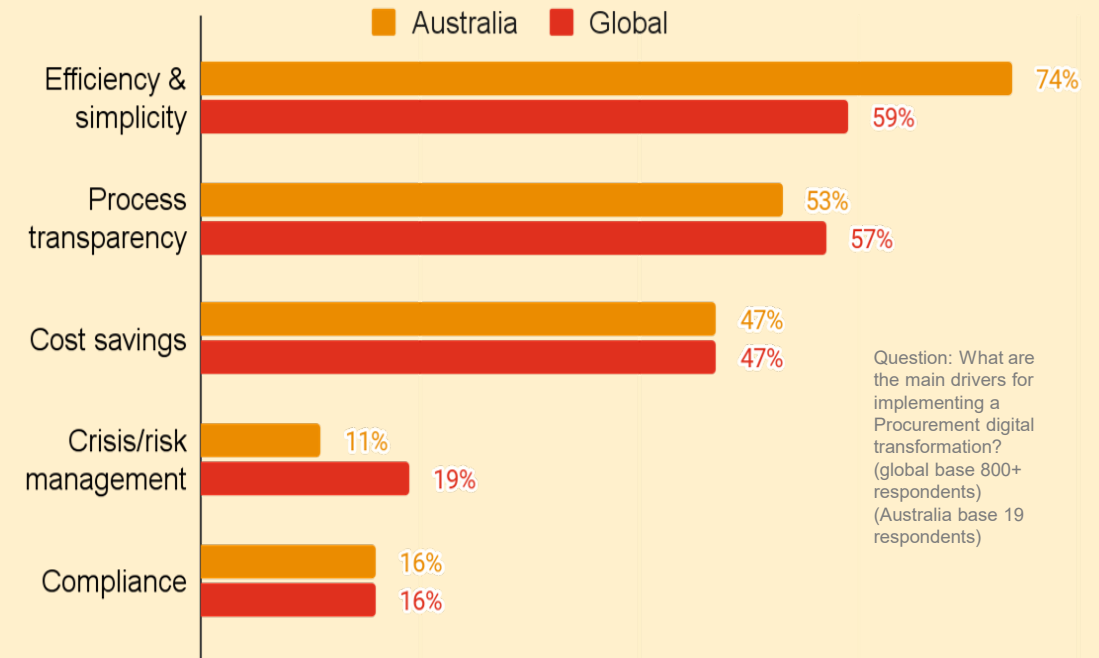
47% of companies aim to achieve cost reduction through digitalisation, both at (Australia and global level)

- Aligned with the high priority level of cost reduction, it is a key driver for digital transformation. It can be obtained through the use of sourcing modules and to leverage supplier data to identify savings opportunities

Risk management and compliance, chosen as a key driver by 11% and 16% of companies, respectively, are considered as **upcoming drivers for digital transformation.**

- COVID-19 highlighted the added value of digital Operations, while challenging companies to ensure business continuity. It also made risks more tangible, especially for Procurement and Supply Chain functions. Managing risks is then pointed out as an important driver for digital transformation and could increase over the next years.
- Compliance is also named as being a driver in itself for Digital Transformation. The growing requirements for transparency, implied by regulations and triggered by customers, are steadily gaining traction and making compliance an essential for all companies.

Key drivers for digital procurement transformation

Australia, Global

Driver	Australia	Global
Efficiency & simplicity	74%	59%
Process transparency	53%	57%
Cost savings	47%	47%
Crisis/risk management	11%	19%
Compliance	16%	16%

Question: What are the main drivers for implementing a Procurement digital transformation? (global base 800+ respondents) (Australia base 19 respondents)

Reducing both internal and external costs as well as adding value are two key challenges faced by procurement professionals. However, as several respondents have ranked process optimizations as key driver, it is becoming evident that just cutting cost is not enough.

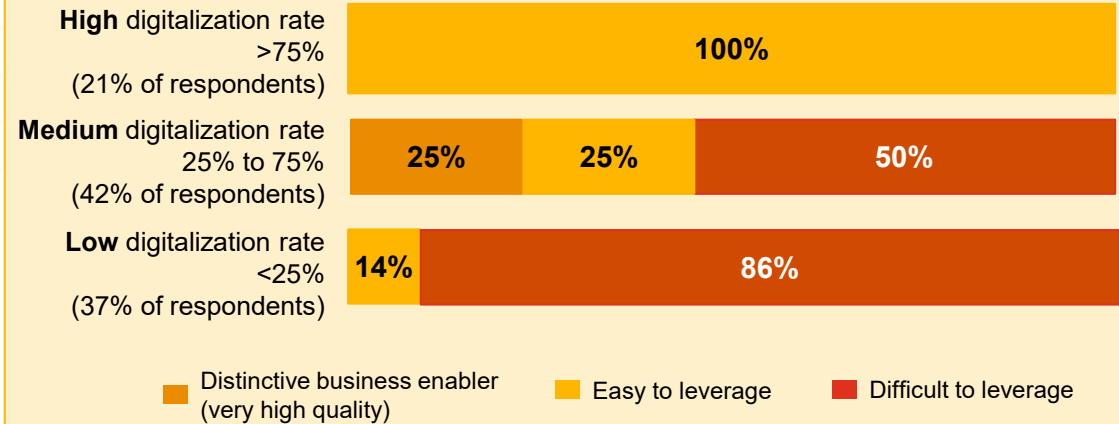# Quality Level of Procurement Data (vs digitalization rates)

100% **of companies with a high level of process digitalization create value from their Procurement data (82% for global)**

- The ability to exploit and leverage data is directly linked to the digital maturity of Procurement departments making digitalization a real driver of data quality management. Indeed, around 50% of companies with a medium level of digitalization within their Procurement department declare having difficulties leveraging their data.
- The majority of respondents with medium level of digitalization also struggle with Data Management, while only 25%% claim that the quality level of their Procurement data is high enough to be a real distinctive business enabler.

86% **of respondents with low or very low digitalization rates struggle to make most of their data, showing that a lack of process digitalization makes it difficult to use data for procurement decision making**

- In the 2017 global edition of the Digital Procurement survey (global), 43% of respondents stated that their biggest challenge in using Procurement data analytics was its very low quality whereas 34% noted a lack of expertise in leveraging their data. Data management is still a struggle for many Procurement departments, whereas process digitalization is a significant driver of data quality and leads to data value creation

Precepted quality level of procurement data depending on process digitalization rate in Australia

High digitalization rate >75% (21% of respondents)	100%
Medium digitalization rate 25% to 75% (42% of respondents)	25% / 25% / 50%
Low digitalization rate <25% (37% of respondents)	14% / 86%

- Distinctive business enabler (very high quality)
- Easy to leverage
- Difficult to leverage

Question : How would you assess the quality level of your Procurement data? (suppliers, articles/SKUs, spend, contracts, ...)
Processes digitalization rates : High >75% - Medium 25% to 75% - Low <25%

Throwback to 2017 (Global Insight)

43% Poor existing data quality

33% Poor access to relevant data

34% Lack of skills in Procurement staff

**19%** Inability to identify relevant data

Level Of Digitalization Across the Sectors

Companies in Australia are focusing on the **transactional, strategic, and reporting processes** within the procurement department for digitalization

Current level of Digitalization

Transactional Processes

- Very low (5%)
- Low (32%)
- Medium (21%)
- Intermediate (21%)
- Strong (21%)

> **Question:** Today, what is the current degree of digitalization of transactional processes within your Procurement department?
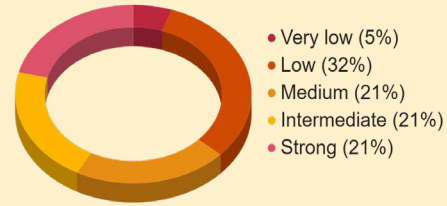
For CPO the POCs (Proof of Concepts) has been developed to automate all the processes

Strategic Processes

> **Question:** Today, what is the current level of digitalization of strategic processes within your Procurement department?
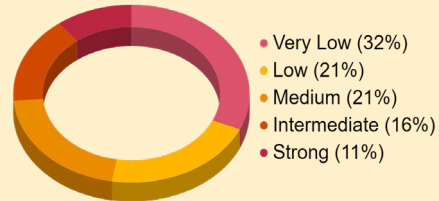
The average rate of current level of digitalization for Procurement Director is 28%

- Very Low (32%)
- Low (21%)
- Medium (21%)
- Intermediate (16%)
- Strong (11%)

Purchasing Reporting Processes

- Very Low (11%)
- Low (21%)
- Medium (21%)
- Intermediate (21%)
- Strong (16%)
- Very Strong (11%)

> **Question:** Today, what is the current level of digitalization of the purchasing reporting process within your Procurement department?
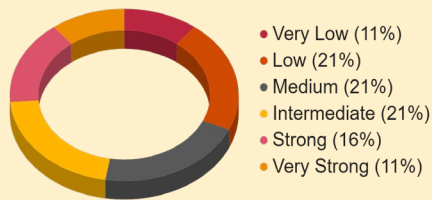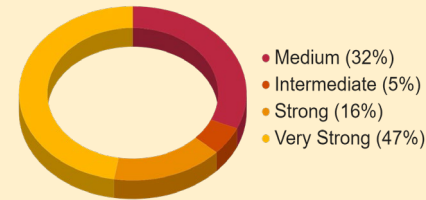
40% of healthcare and pharmaceutical sectors have almost all the purchasing reporting processes automated

Future level of Digitalization

Transactional Processes

- Medium (32%)
- Intermediate (5%)
- Strong (16%)
- Very Strong (47%)

> **Question:** By 2025, what will be the targeted level of digitalization of transactional processes within your Procurement department?

By 2025, Almost all the transactional processes will be automated for Purchasing Manager / Project manager

Strategic Processes

> **Question:** By 2025, what will be the targeted level of digitalization of strategic processes within your Procurement department?

By 2025, it is estimated from the survey that the average rate of the level of digitalization for Procurement Director would be approx. 64%

- Very Low (5%)
- Medium (31%)
- Intermediate (16%)
- Strong (16%)
- Very Strong (32%)
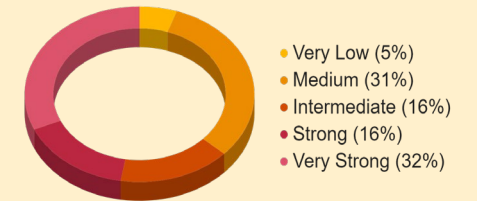
- Companies that opt for digitized procurement can gain a competitive edge through a stronger customer focus and the necessary agility to satisfy ever more rapidly changing customer requirements

- With the implementation of advanced analytics, automation tools,data-driven optimization, and AL, procurement can be transformed into the epicenter of value creation

Source-to-Contract (S2C) and Procure-to-Pay (P2P) solutions are witnessing growing adoption

94% **of companies are already onboard : P2P digitalization stands as must-have and no longer a nice-to-have**

The great majority of companies are already equipped with a P2P or S2C solution, or even both for 81% of them, confirming the shared vision on the fundamental aspect of the digitalisation of this processes.

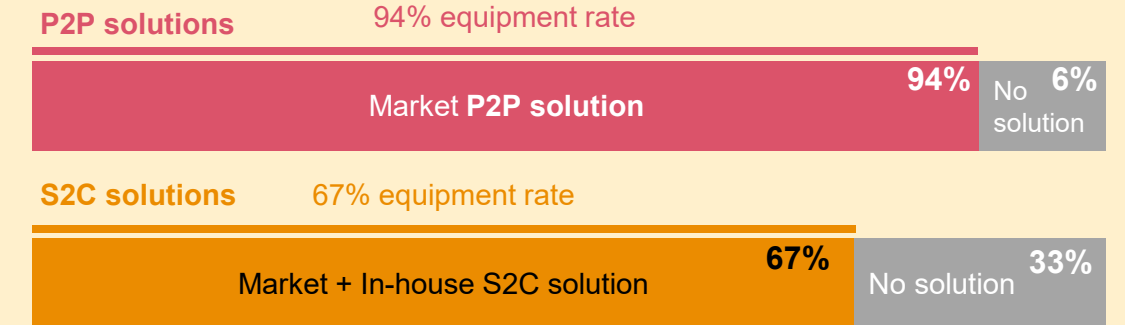The efforts of transforming the Source-to-Pay processes has been a long-lasting effort and is today the new normal for Procurement departments.

However, among the companies using a dedicated solution for S2C or P2P, only 1 company responded having an in-house solution. Moreover, on a global level, , where around one out of 5 companies is equipped with an in-house solution, the evolving IT ecosystem will complexify the operability of such solutions in time. These in-house solutions will be more and more difficult to maintain.

33% **of the companies are still non-equipped with S2C solutions**

- Only 6% of respondents do not use a P2P solution to manage their Procurement processes.
- One large company (responding from Australia) mentions to not have a S2C or P2P solutions (market solution or in-house).
- Three respondents from the group of very large companies in Australia mentioned to not have any S2C solutions.

Digital solution equipment rate of Procurement departments (Australia)

P2P solutions　　94% equipment rate

| Market **P2P solution** | **94%** | No solution **6%** |

S2C solutions　　67% equipment rate

| Market + In-house S2C solution | **67%** | No solution **33%** |

Questions : Which digital Procurement solution does your company currently use for Source-to-Contract process? Which digital Procurement solution does your company currently use for Procure-to-Pay process? (18 responses in Australia)

Digital solution equipment rate of Procurement departments (Australia)
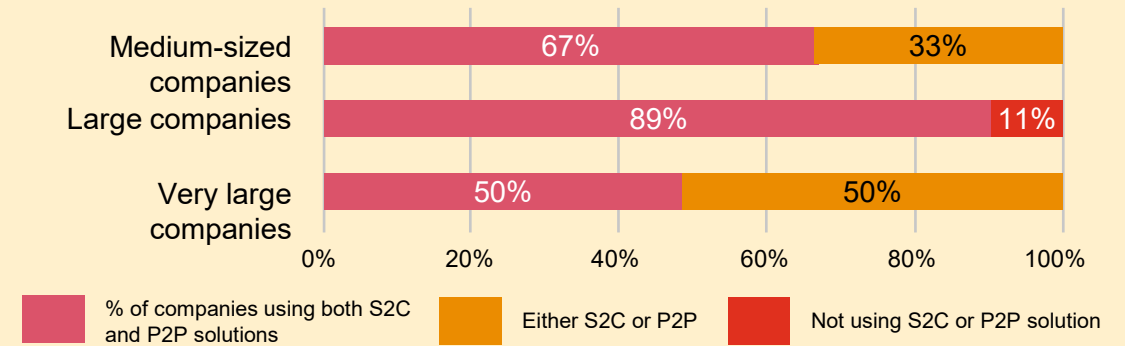
Medium-sized companies	67%	33%
Large companies	89%	11%
Very large companies	50%	50%

0%　20%　40%　60%　80%　100%

■ % of companies using both S2C and P2P solutions　　■ Either S2C or P2P　　■ Not using S2C or P2P solution

Questions : Which digital Procurement solution does your company currently use for Source-to-Contract process? Which digital Procurement solution does your company currently use for Procure-to-Pay process?

Benefits from Procurement Digital Transformation go beyond Source-to-Pay

The most common perception of improvements brought by digital solutions is on the end-to-end Source-to-Pay processes

As 67% and 94% of respondents are equipped with S2C and P2P solutions, respectively, the greatest improvements brought by digital are without surprise focused on the processes addressed by these solutions. P2P is one of the transactional processes that is the most digitized and represent the first step to the path of Procurement digital transformation. P2P is recognized as a process that provides visible short-term ROI while being less cumbersome than others to digitalize.
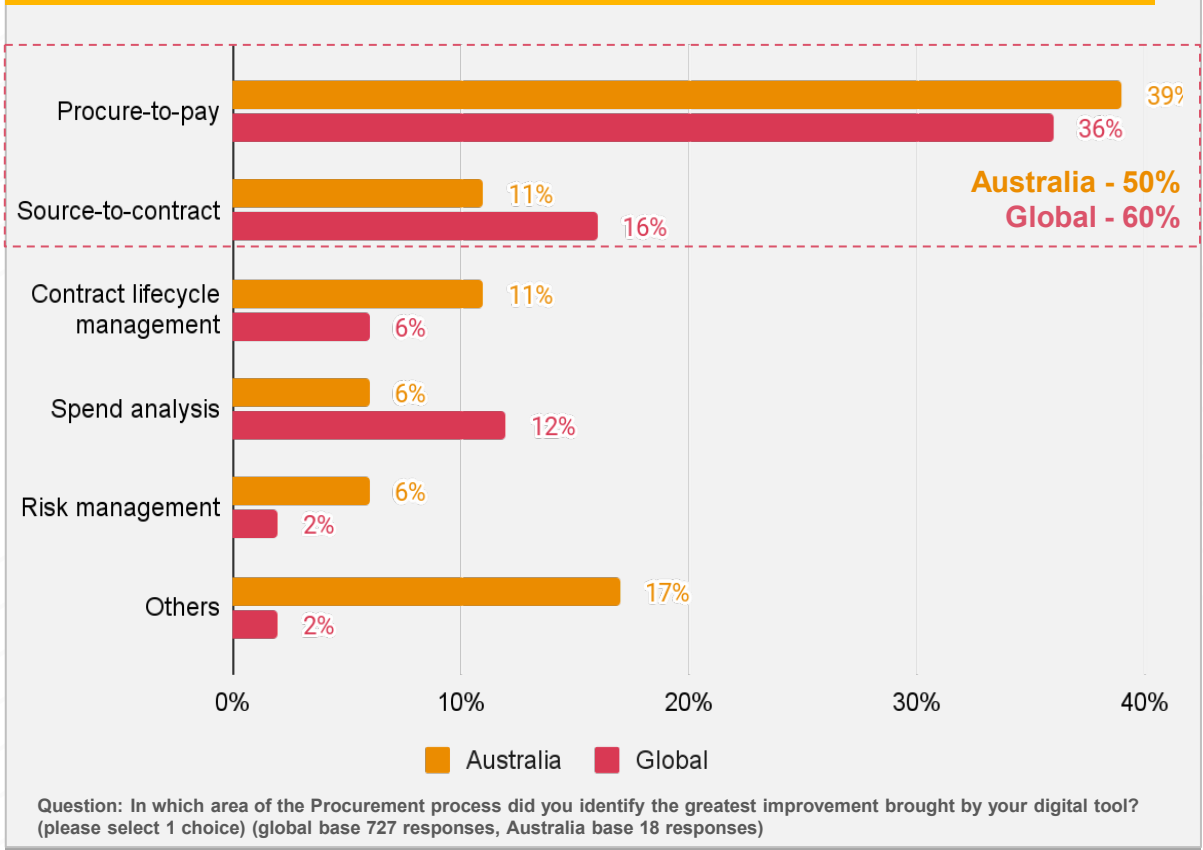
However, around 50% of respondents in Australia perceive the best added value through spot processes

The digital transformation of Procurement departments does not limit itself to the S2C & P2P processes, it can cover the Procurement processes on a 360° perspective, from strategy to execution to reporting. Spend analysis, SRM, CLM, Performance and Risk management are fully part of the role of Procurement departments within the company, and can be strongly enabled by Digital Transformation.

Perception of improvements on process is the reflection of digital solution vendor market

Digital solution market is composed by two main categories of vendors: the full suite S2P editors, and the specialists on specific processes. The specific solution providers are often best-of-breed solutions on their segment and will allow a comprehensive coverage of Procurement processes. However, implementation can appear as more complex as integration with numerous other systems has to be developed.

Which Procurement process improved the most with digitalization?

Process	Australia	Global
Procure-to-pay	39%	36%
Source-to-contract	11%	16%
Contract lifecycle management	11%	6%
Spend analysis	6%	12%
Risk management	6%	2%
Others	17%	2%

Australia - 50%
Global - 60%

Question: In which area of the Procurement process did you identify the greatest improvement brought by your digital tool? (please select 1 choice) (global base 727 responses, Australia base 18 responses)

PwC best practice: ROI consideration (Global Insight)
Respondents responding "Others" to this question declare having difficulties to identify the improvements brought by digital transformation due to unclear vision on ROI. The digital transformation of Procurement departments is to be considered as an investment, and should be based on a business case for validating the opportunity, and make sure that the added value tracking plan is prepared for monitoring the results of such an initiative. It is advisable to start the transformation with less complex Procurement processes. This results in higher acceptance as well as immediate efficiency gains. For Australia, other process included initial procurement, approval, procure to pay module (not end to end), or the solution is currently under-utilised and poorly adhered to.

100% Public Sector has declared the Involvement of internal stakeholders (business players, sponsors, etc.) as a key success factor for implementing a digital Procurement solution in Australia as compared to 81% on Global Survey 2022

- Public Sector is focusing on the two key factors for the implementation of procurement solutions i.e. 100% on "Involvement of internal stakeholders" and 67% on "Review of best practice to modify existing processes"; however, Healthcare and Pharmaceuticals sector has given 80% priority to "Integrator / Project management support selection" followed by 60% to "Change management investment" in Australia

- 67% Energy & Utilities sector is aiming at an adaptation of existing processes to the digital solution

Involvement of internal stakeholders	**75%**
Review of best practice to modify existing processes	**63%**
Adaptation of existing processes to the digital solution	**50%**
Change management investment	**50%**
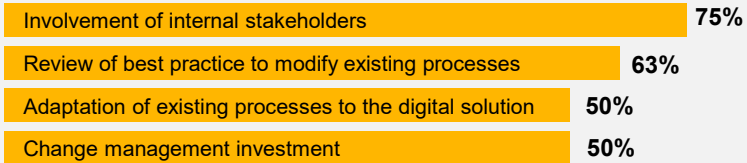
Top 4 key success factors declared by Procurement Director in Australia

Other Key Success Factors

- **Healthcare and Pharmaceuticals sector has also declared** "Return on investment" as one additional key success factor for the implementation of digital procurement solution

- Transparency; efficiencies with the procurement process being conducted online in one system, is also considered a key success factor by the public sector in Australia

- The other sectors such as the resource and mining sectors have also declared that "Involvement of internal stakeholders and "Review of best practice to modify existing processes" are the key success factors

Key success factors for implementing a digital Procurement solution

Factor	Australia	Global
Internal stakeholders	72%	57%
Change management	50%	42%
Review of best practice	44%	40%
Integrator/project management	39%	30%
Digitize existing processes	39%	51%
Vendor selection	17%	34%
Corporate culture	17%	23%
Supplier enrollment	11%	20%

Question: In your opinion, what are the key success factors for implementing a digital Procurement solution? (please select 3 choices) (global base 726 respondents) (Australia base 18 respondents)

■ Australia ■ Global

Selecting the key success factors isn't the only way to implement a digital procurement solution successfully. it's critically important to choose the option that will provide the most value.

Need of external support

- 83% Public and 80% of Healthcare & Pharmaceuticals sectors have raised a hand for "Change management & Employee digital upskilling" and "Master data & spend transparency" respectively as the greatest need of external support in digital Procurement transformation in Australia
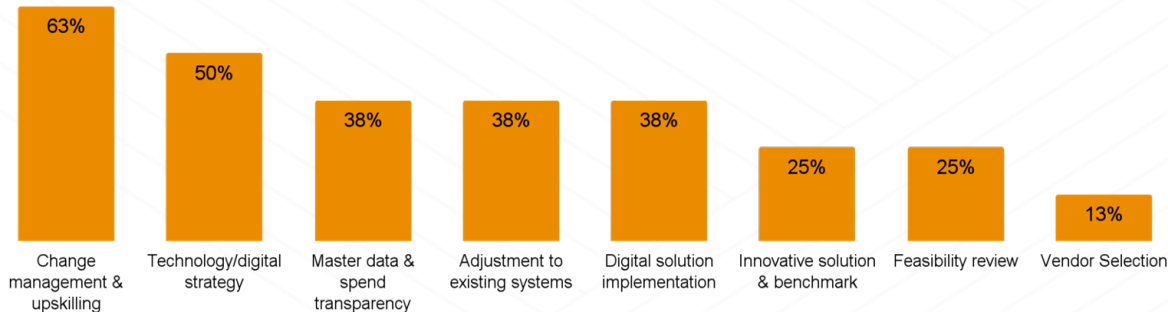
- Though Master data & spend transparency is one of the greatest needs of external support almost in all sectors, in contrast, the Energy and Utility sectors have not considered it and given the top priority to "Identification of innovative solution & benchmark" as the greatest need of external support

Top 2 Priorities by Top Sectors

Public Sector	Healthcare and Pharmaceuticals	Energy & Utilities
Change management & Employee digital upskilling	Master data & spend transparency	Identification of innovative solution & benchmark
Adjustment to existing systems	Identification of innovative solution & benchmark	Digital solution implementation support

Priorities for Procurement Directors

Priority	%
Change management & upskilling	63%
Technology/digital strategy	50%
Master data & spend transparency	38%
Adjustment to existing systems	38%
Digital solution implementation	38%
Innovative solution & benchmark	25%
Feasibility review	25%
Vendor Selection	13%

Areas with need of external support in digital Procurement transformation

Area	Australia	Global
Change management & upskilling	56%	47%
Innovative solution & benchmark	44%	36%
Digital solution implementation support	44%	53%
Master data & spend transparency	44%	32%
Technology & digital strategy	33%	50%
Feasibility review	22%	19%
Adjustment to existing systems	22%	33%
Vendor selection	17%	27%
Others	17%	5%

Question: Where do you see the greatest need of external support in digital Procurement transformation? (please select 3 choices) (global base 727 respondents) (Australia base 18 respondents)

Procurement professionals also believe that learning from similar implementation, specialized knowledge and experience, and calculation of business case/value for money could also be the need for external support in digital procurement transformation

Cybersecurity Concern

Never experienced cybersecurity issues but it is a concern for the organization
- Global: 58%
- Australia: 39%

Experienced cybersecurity intrusion and corrective measures have been initiated
- Global: 24%
- Australia: 50%

It's not a concern for the organization
- Global: 10%
- Australia: 0%

Identified a cybersecurity breach in the organization
- Global: 5%
- Australia: 6%

Experienced cybersecurity intrusion but no corrective measures have been initiated
- Global: 3%
- Australia: 6%

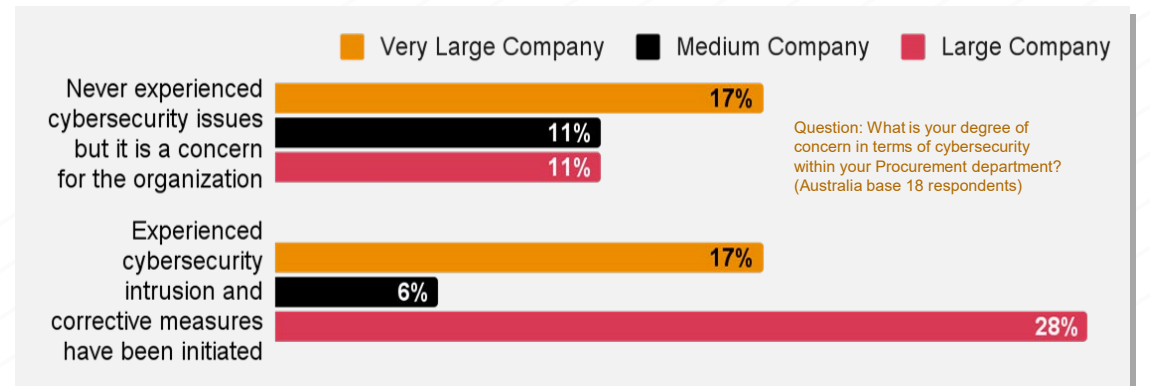In Australia, 28% of Large companies have taken corrective measures when experiencing a cybersecurity intrusion, and 17% of very-large companies have never experienced the intrusion. It might be possible that they have strong cybersecurity postures, or the sample size is not big enough to say with absolute certainty.

Question: What is your degree of concern in terms of cybersecurity within your Procurement department?
(global base 727 respondents) (Australia base 18 respondents)

Legend: Global / Australia

50% of Procurement professionals from all the sectors in Australia have claimed that they have experienced cyber security intrusion and corrective measures have been initiated. 39% claimed that it is a concern for the organization but they have never experienced such a threat.

Overall Status of Companies (Australia)

50% of companies in Australia have claimed that they have initiated corrective measures when experienced cyber security intrusion

Legend: Very Large Company / Medium Company / Large Company

Never experienced cybersecurity issues but it is a concern for the organization
- Very Large Company: 17%
- Medium Company: 11%
- Large Company: 11%

Experienced cybersecurity intrusion and corrective measures have been initiated
- Very Large Company: 17%
- Medium Company: 6%
- Large Company: 28%

Question: What is your degree of concern in terms of cybersecurity within your Procurement department? (Australia base 18 respondents)

Public Sector

- The public sector might be an easier target than the other sector due to outdated technology, security, poor funding, inadequate training, or a combination of these. To create a more secure environment a sector should have strong frameworks and policies but it is processes and systems that ultimately keep cyber threats and cybercriminals away.

- In Australia, **67% of Procurement professionals** claimed that the organization never experienced cybersecurity issues but it is a concern for the organization. **33% of Procurement professionals** claimed that the organization experienced cyber security intrusion and corrective measures have been initiated *(Australia public sector survey responses)*

- Each year in Australia, thousands of cyber breaches affect businesses. While most of these breaches affect smaller businesses, occasionally there are major cyber breaches that impact large organisations and a huge number of people.

- 2022's biggest cybersecurity threats for small to large businesses are Phishing, Identity Fraud and Business E-mail Compromise.

- Australian organisations must have an enhanced cybersecurity posture for taking the corrective measures

Key targets to invest in by 2025: Priority use cases for digital transformation
Procurement departments are shifting their digital roadmaps, focusing on proven added value use cases while shelving exploratory use cases

Fundamental use cases are the target of increasing investments

These use cases related to core Procurement activities were already the main targets of digital transformation in 2020, and is even on the roadmap of more companies this year. Procurement departments are more likely to invest on proven added value use cases.
50% of companies declare process optimization as a main driver for digital transformation, and confirm this objective by setting S2P use cases and automation as top investment targets.

Fundamental use cases are the target of increasing investments

These use cases related to core Procurement activities were already the main targets of digital transformation in 2020, and is even on the roadmap of more companies this year. Procurement departments are more likely to invest on proven added value use cases.
50% of companies declare process optimization as a main driver for digital transformation, and confirm this objective by setting S2P use cases and automation as top investment targets.
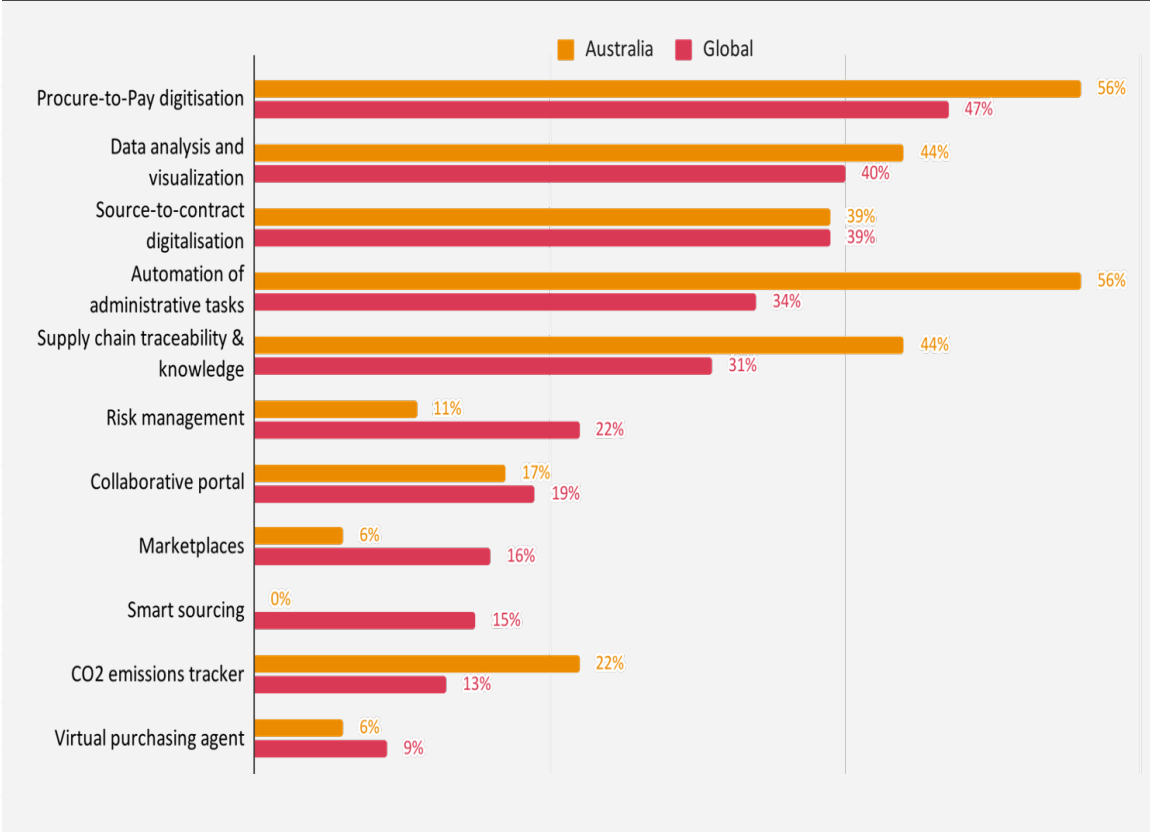
Most of developing and high potential use cases are deprioritized on a short term perspective

Many use cases that showed interesting development perspective have been de-prioritized by Procurement departments for the coming years.
These use cases are seen as a risky ROI, that may not be worth the effort of implementation on a 3-year perspective at this time.

Sustainability use case makes a good entrance on Procurement digital roadmaps

The use case for monitoring CO_2 emissions from Procurement perspective makes its first entry in the list with 13% of global respondents and 22% from Australia claiming it to be on their digital roadmap for the coming years, supporting the general growing interest in applying sustainability in Procurement.

Procurement roadmaps of digital use cases: Targets to invest by 2025

Legend: ■ Australia ■ Global

Use case	Australia	Global
Procure-to-Pay digitisation	56%	47%
Data analysis and visualization	44%	40%
Source-to-contract digitalisation	39%	39%
Automation of administrative tasks	56%	34%
Supply chain traceability & knowledge	44%	31%
Risk management	11%	22%
Collaborative portal	17%	19%
Marketplaces	6%	16%
Smart sourcing	0%	15%
CO_2 emissions tracker	22%	13%
Virtual purchasing agent	6%	9%

Question: By 2025, which will be the priority use cases to be targeted in the digital transformation project of your Procurement department? (3 choices maximum)
(Australia base 18 respondents, global base 691 respondents)
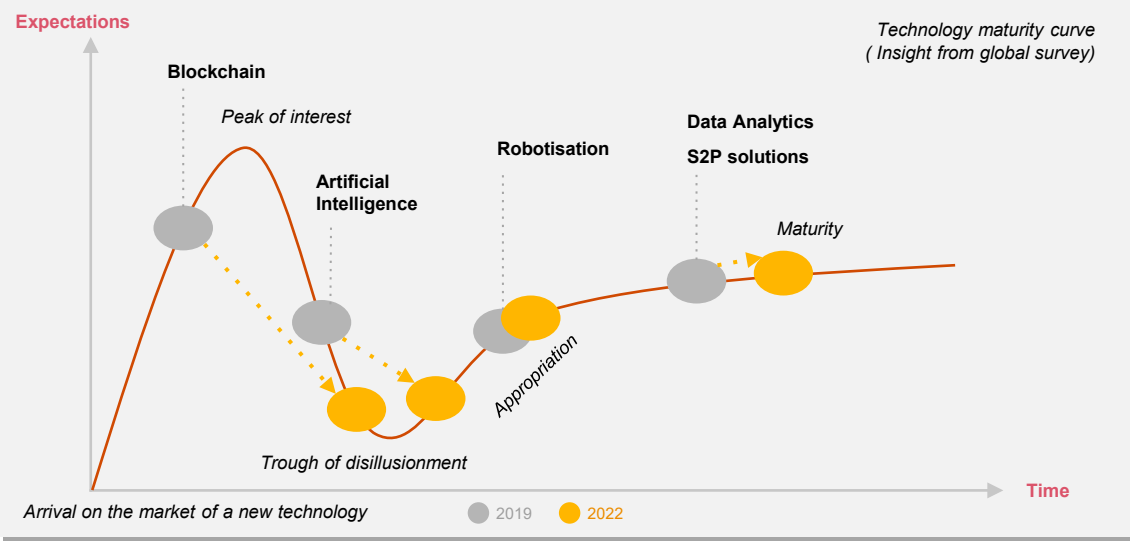
Technological roadmap of procurement departments seems to be quitting experimenting mode, with decreasing interest on emerging technologies such as Blockchain & AI and increasing on S2P and Analytics

Procurement professionals are not into an experimenting mode anymore as many technologies like 'blockchain' witness low interest
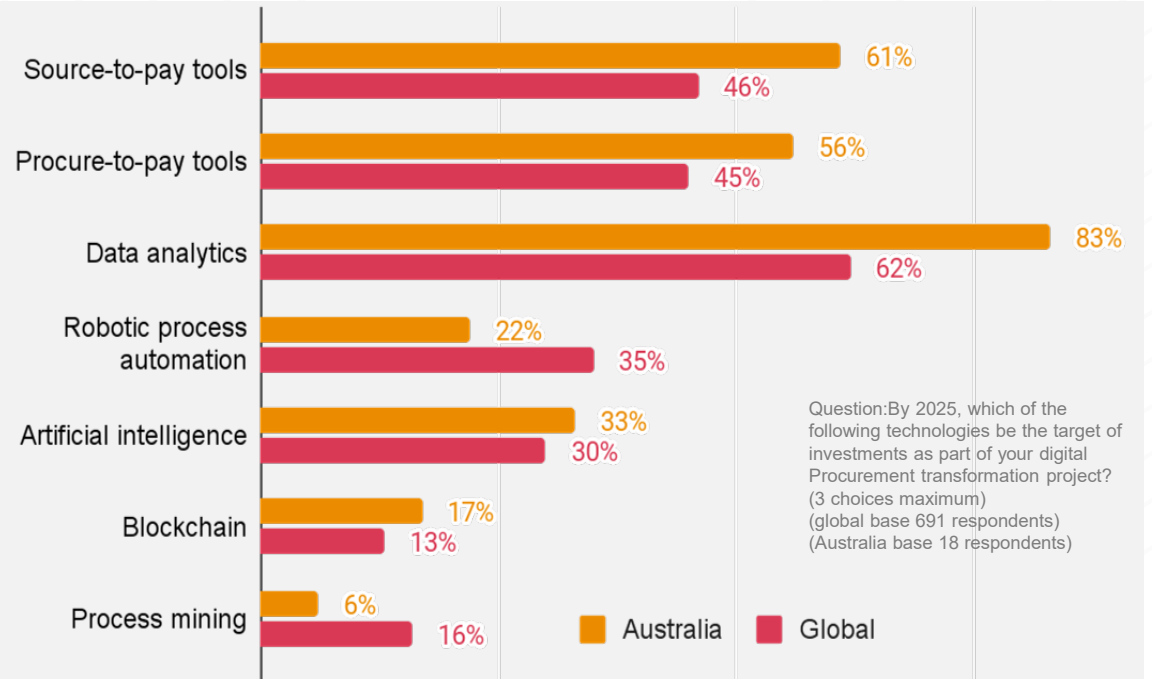
Procurement technology of Source-to-Pay solutions and Data analytics are still animating a large interest through procurement professionals roadmap. Robotics, AI, and Blockchain are witnessing loss of interest on transformation roadmaps over the years, especially at a global level.

Investments intentions are concentrating on the proven added value technologies providing applicable use cases, while the "hype" around new technologies is running out of steam.

If technological investment is not an objective in itself anymore, these technologies are nevertheless being implemented in more and more companies through full suite solutions that integrate Artificial Intelligence in their solutions

Expectations

Technology maturity curve (Insight from global survey)

Blockchain

Peak of interest

Artificial Intelligence

Data Analytics
S2P solutions

Robotisation

Maturity

Appropriation

Trough of disillusionment

Arrival on the market of a new technology

● 2019 ● 2022

Time

Key technologies to invest by 2025

Technology	Australia	Global
Source-to-pay tools	61%	46%
Procure-to-pay tools	56%	45%
Data analytics	83%	62%
Robotic process automation	22%	35%
Artificial intelligence	33%	30%
Blockchain	17%	13%
Process mining	6%	16%

Question:By 2025, which of the following technologies be the target of investments as part of your digital Procurement transformation project? (3 choices maximum) (global base 691 respondents) (Australia base 18 respondents)

■ Australia ■ Global

The number of targeted technologies on roadmap is getting rationalized over the years

Average number of technologies on procurement departments' roadmaps (global)

2019	2020	2022
3.6 Technologies	**2.9 Technologies**	**2.2 Technologies**

Large and very large companies plan significant investments in coming years

42% of Procurement professionals do not have a clear vision on their investments (insight from global survey)

Many professionals claim not knowing the investment budget of their company within Procurement transformation, 15% of them being CPOs. Apart from the confidential nature of this information, this important proportion reveals that many Procurement departments do not have yet a comprehensive vision on their digital roadmap.

On average, the companies will invest AUD 2 million annually in the coming years to support their digital transformation (insight from global survey)

These ambitious investment forecasts offer support for the implementation of Procurement departments' digital roadmaps. They show the expected tangible return on investment and therefore, the importance given to the digital transformation of the Procurement function.

CEO vision (Global Insight)

In 2021, nearly half of CEOs planned to increase their rates of digital investments by 10% or more

Today's digital focus contrasts with the situation in 2010, after the global financial crisis, when the biggest investment priority for CEOs in our survey was gaining cost efficiencies.

Increase moderately 3-9%

34%

Increase significantly >10%

49%

- **Question:** How do you plan to change your long-term investments in the following areas over the next three years, as a result of the COVID-19 crisis? *Source: PwC 24th Annual Global CEO Survey*

Annual investment forecast for the digital transformation of Procurement departments over the next two years (USD million) (Australia)
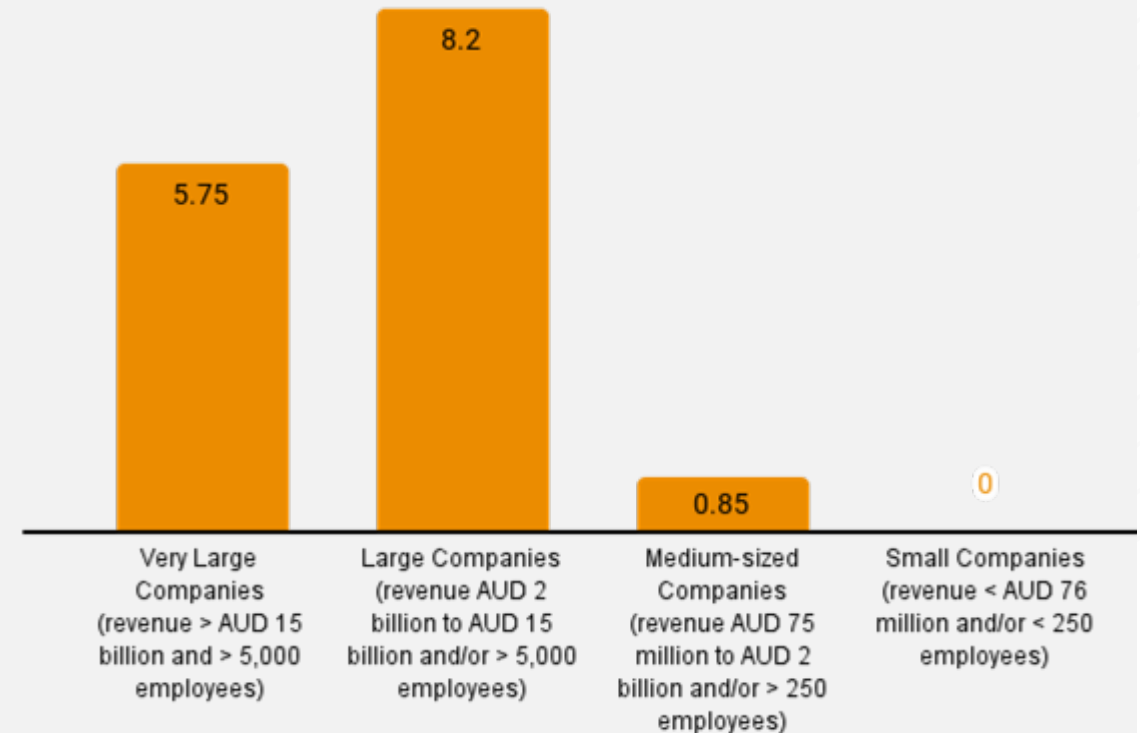
Questions :By 2025, what will be your annual investment level dedicated to your Procurement digital transformation? (Investment can include: e.g. e-Procurement license, maintenance fees, upskilling training, etc.) (19 responses in Australia)

- **No respondent mentioned small company in Australia**
- 42% respondents from Australia did not have information regarding planned investment amounts
- Planned investment amount values may not present accurate picture of total planned investments as the sample was not big enough to represent entire Australian landscape
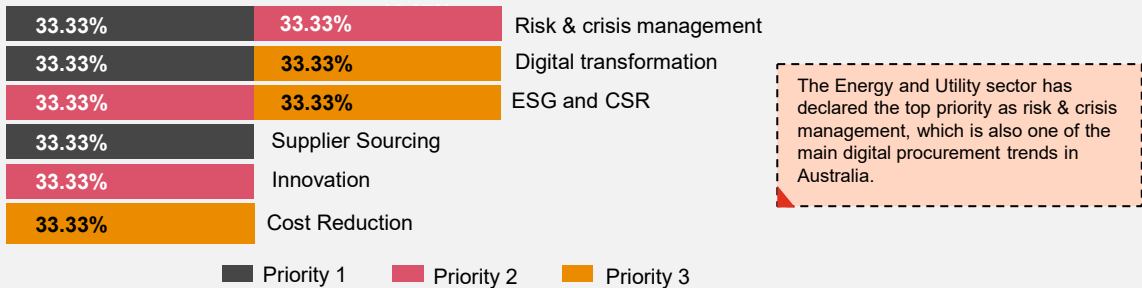
Sector Insights

Current & Future State of Digital Procurement

The digitization of procurement processes also enables the generation of new data, which could be used in turn to perform more detailed analyses of procurement practices, consumption models, and supplier transactions
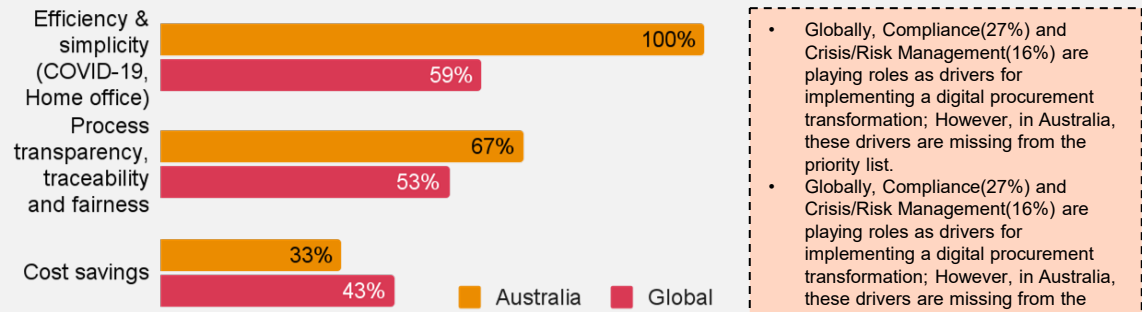
Strategic priorities of Procurement departments (Australia)

33.33%	33.33%	Risk & crisis management
33.33%	33.33%	Digital transformation
33.33%	33.33%	ESG and CSR
33.33%		Supplier Sourcing
33.33%		Innovation
33.33%		Cost Reduction

Priority 1   Priority 2   Priority 3

The Energy and Utility sector has declared the top priority as risk & crisis management, which is also one of the main digital procurement trends in Australia.

- Global Survey tells a different strategic prioritization. Priority-wise Cost Reduction, Digital Transformation, Supplier Sourcing and Risk and Crisis management are being top strategic priorities by energy and utility sector across the world.
- Energy and Utility sectors have not considered Supplier Relationship Management and Talent Retention and Upskilling as the strategic priority of the procurement department.

Main drivers for implementing a digital Procurement transformation

Efficiency & simplicity (COVID-19, Home office): Australia 100%, Global 59%

Process transparency, traceability and fairness: Australia 67%, Global 53%

Cost savings: Australia 33%, Global 43%

Australia   Global

Question: Drivers for implementing a digital Procurement transformation? (Global base 86 respondents) (Australia base 3 respondents)

- Globally, Compliance(27%) and Crisis/Risk Management(16%) are playing roles as drivers for implementing a digital procurement transformation; However, in Australia, these drivers are missing from the priority list.
- Globally, Compliance(27%) and Crisis/Risk Management(16%) are playing roles as drivers for implementing a digital procurement transformation; However, in Australia, these drivers are missing from the priority list.

Company Size

All the responses are from the large companies having AUD 2.61Bn to AUD 17.43Bn (USD1.8Bn to USD12Bn), revenue and/or over 5,000 employees so the large company means more roles, more functions, and more opportunities
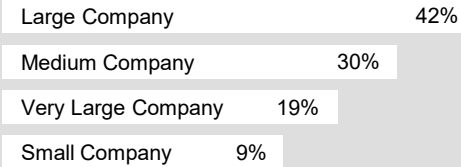
Global Survey   **Australian Survey**

|	
Large Company	42%
Medium Company	30%
Very Large Company	19%
Small Company	9%

Large companies with multiple business units are typically faced with the question of how to tackle their procurement function, providing continuity of supply; minimizing risk and leveraging spend across the organization.

Current and Future level of digitization

In Australia, at present some of the processes are automated; However globally, part of the processes are automated for all these three processes within procurement department of energy and utility sector

Transactional Processes 54%
Strategic Process 54%
Purchasing reporting processes 46%.
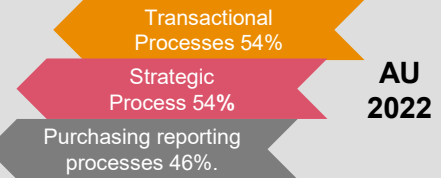
AU 2022

In Australia, almost all the processes in the procurement department within the energy and utility sector will be automated by 2025

Transactional Processes 75%
Strategic Process 75%
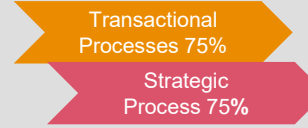
AU 2025

- The idea is to dematerialize source-to-pay and all other activities and processes, and all resulting interfaces with in-house stakeholders and suppliers.
- The potential gains in efficiency are massive and would liberate resources to be reallocated to higher-value tasks.

Digital Procurement solutions

Digital procurement solutions are enabling this future by providing access to previously unavailable data, or bringing order to massive (but unstructured) data sets; driving more complex analysis and better supplier strategies; and enabling more efficient operations

Digitalization Status (Australia)

Processes	Digital Procurement Solution (Australia)	Improvement brought by Digital tool
Source -to-Contract	SAP Ariba (67%) SAP MM,SAP SRM,In-house built solution (33.33%) Other (34%)	Procure-to-Pay (end to end) Source-to-Contract (end to end)
Procure -to-Pay	SAP S/4HANA SAP MM,SAP SRM, Other: Best of Breed, Workflow automation, RPA and Visualisation Applications, SAP ECC	

Key success factor

- Digital procurement solutions are allowing for many more physical and digital inputs to be connected, driving better decision making and improving efficiency, and ultimately producing results in the form of:
  - Improved insights and strategies, leading to accelerated cost leadership
  - Enhanced process excellence, leading to greater organizational efficiency and effectiveness
  - Better assurance of supply and improved risk mitigation

Australia	KSF	Global
67%	Involvement of internal stakeholders	48%
67%	Adaptation of existing processes to the digital solution	44%
67%	Change management investment	46%
33%	Review of best practice to modify existing processes	49%
33%	Vendor selection	35%

Greatest need of external support

Australia	Need of external support	Global
100%	Identification of innovative solution & benchmark	39%
67%	Digital solution implementation support	61%
33%	Change management & Employee digital upskilling	50%
33%	Feasibility review	21%
-	Technology / Digital strategy roadmap	45%
-	Master data & spend transparency	29%
-	Selection of the right vendor	27%
-	Adjustment to existing systems	24%

Question: Where do you see the greatest need of external support in digital Procurement transformation? (please select 3 choices)(global base 82 respondents) (Australia base 3 respondents)

- Digital influences all areas of procurement – both the tangible and intangible, including negotiations with suppliers.

- There is a key to analyze how automation can positively influence the business environment, changing a businesses' agility to react, and significantly changing its entire value proposition and overall organization.

- In Australian sectors, procurement professionals also believe that the specialized knowledge and experience, and calculation of business case/value for money could also be important in digital procurement transformation
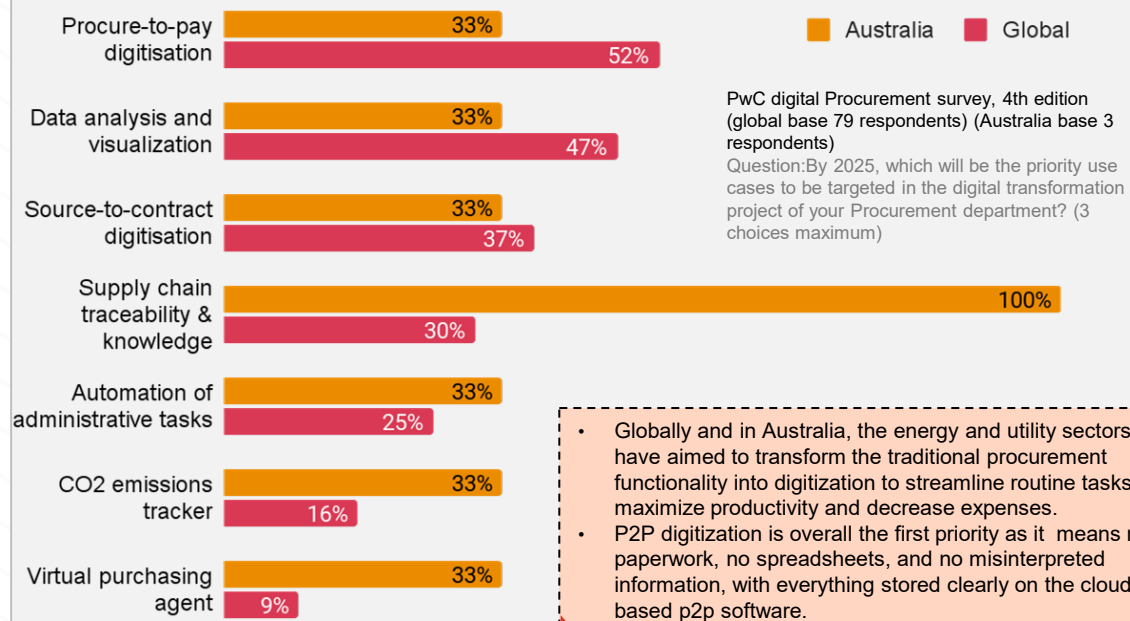
Cybersecurity

Globally, due to strong frameworks, policies, secure processes and systems, 57.3% of companies in energy and utility sector have not experienced cybersecurity issues and 31.7% of companies have taken the corrective measures when experienced cybersecurity issue.

Transformation roadmap and future of digital Procurement

By 2025, the annual investment level dedicated to Procurement digital transformation by energy and utility sectors across Australia will be between €0.5 and €1 Million [(USD 0.6M to USD 1.2M),(AUD 0.87M to AUD 1.74M)]

Priority use cases to be targeted in the digital transformation project

■ Australia ■ Global

Use case	Australia	Global
Procure-to-pay digitisation	33%	52%
Data analysis and visualization	33%	47%
Source-to-contract digitisation	33%	37%
Supply chain traceability & knowledge	100%	30%
Automation of administrative tasks	33%	25%
CO2 emissions tracker	33%	16%
Virtual purchasing agent	33%	9%

PwC digital Procurement survey, 4th edition (global base 79 respondents) (Australia base 3 respondents)
Question:By 2025, which will be the priority use cases to be targeted in the digital transformation project of your Procurement department? (3 choices maximum)

- Globally and in Australia, the energy and utility sectors have aimed to transform the traditional procurement functionality into digitization to streamline routine tasks to maximize productivity and decrease expenses.
- P2P digitization is overall the first priority as it means no paperwork, no spreadsheets, and no misinterpreted information, with everything stored clearly on the cloud-based p2p software.

Target Investment -Technologies

Rapid advancements in digital technologies are remaking business supply chains, and are poised to transform how the procurement function delivers value.

PwC digital Procurement survey, 4th edition (global base 78 respondents) (Australia base 3 respondents)
Question: By 2025, which of the following technologies be the target of investments as part of your digital Procurement transformation project? (3 choices maximum)

Australia	Technology	Global
100%	Data Analytics	65%
67%	RPA	25%
67%	Artificial Intelligence	22%
33%	Source-to-Pay Tools	47%
33%	Blockchain	10%
NA	Process mining	13%

- The energy and utility sector is strongly looking to invest in Data analytics as core technology to collect and analyze procurement data to get the meaningful insights and aid effective business decision making and to determine the optimal supplier for critical project completion and many more.
- Globally, 48% of the respondents have raised a hand for investment in P2P tool technology.
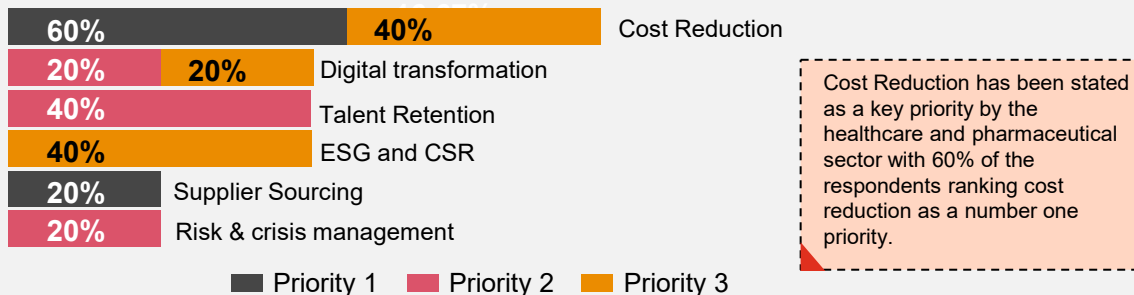
Use Case: Blockchain

- **Globally 39% and 67% in Australia,** Procurement professionals have identified an opportunity for blockchain though it is a technology with high complexity. Procurement professionals also think that there is no relevant offer available in the market.
- **52% Globally and 33% in Australia,** Procurement Professionals claimed that they cannot appreciate the potential value for the procurement department due to unclear value and benefits, high implementation costs of blockchain.
- Blockchain has the potential to transform all kinds of digital transactions, including in procurement and supply chain. blockchain technology in supply chain could deliver a new level of trust and transparency while enabling the procure-to-pay process to realize huge operational benefits. **Only 3% industries are using blockchain on a global level**

Use Case: CO2 Tracker

- As more companies focus on reducing their carbon footprint, only 33% of Large companies in the energy and utility sector use CO2 emission trackers regularly.
- 33% of larger companies have identified an opportunity to use CO2 emission tracker and another 33% do not see any potential use of CO2 emission tracker in the procurement department.
- Globally, approximate 85% companies within the energy and utility sector do not have CO2 emission tracker in their supply chain

Current & Future State of Digital Procurement

Procurement departments need to strengthen their digital transformation to gain supply resilience and reactivity.
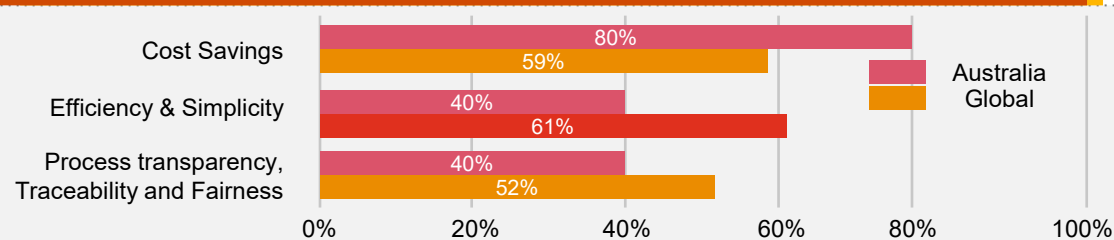
Strategic priorities of Procurement departments (Australia)

Priority 1	Priority 2	Priority 3	Category
60%		40%	Cost Reduction
20%	20%		Digital transformation
40%			Talent Retention
		40%	ESG and CSR
20%			Supplier Sourcing
20%			Risk & crisis management

Legend: ■ Priority 1 ■ Priority 2 ■ Priority 3

Cost Reduction has been stated as a key priority by the healthcare and pharmaceutical sector with 60% of the respondents ranking cost reduction as a number one priority.

- On a global level, the healthcare and pharmaceutical sector also ranks cost reduction as the top strategic priority with 36% of the respondents ranking it as a top priority,
- ESG and talent retention which was ranked as a top priority by 40% of respondents did not find a place in the top 4 list at the global level.

Top 3 drivers for implementing a digital Procurement transformation

| Driver	Australia	Global
Cost Savings	80%	59%
Efficiency & Simplicity	40%	61%
Process transparency, Traceability and Fairness	40%	52%

Legend: ■ Australia ■ Global

Question: What are the main drivers for implementing a digital Procurement transformation?(global base 56 respondents) (Australia base 5 respondents)

Company Size

Australian Survey

80% of the responses are from large companies having AUD 2.61 Bn to 17.43 Bn (USD1.8 Bn to USD 12 Bn) revenue and/or over 5,000 employees and 20% of the responses are form very large companies which means more roles, more functions, and more opportunities

Global Survey

Company	%
Medium Company	41%
Large Company	36%
Very Large Company	16%
Small Company	7%
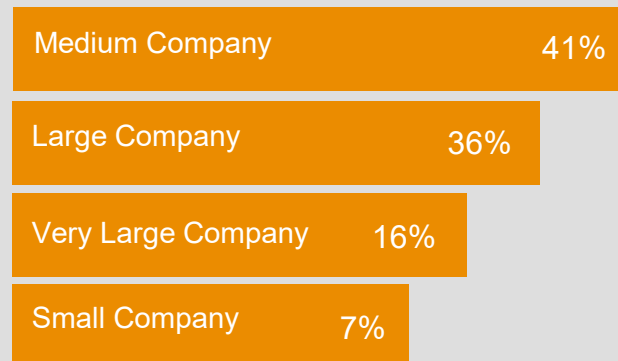
Current and Future level of digitization of Respondents

Australia	Current (2022)	By 2025
Transactional Process	Low 60% Intermediate 20% Medium 20%	Medium 60% Strong 40%
Strategic Process	No Automation 40% Low 20% Intermediate 40% Medium 40%	Intermediate 20% Medium 40% Strong 40%

This sector has a lower degree of digitalisation than the average, but intends to catch up by 2025. Indeed, digitalisation has proven to be a major support in these crisis times, especially in a sector where capacity needs have not stopped increasing and where supply interruption is absolutely undesirable

Transformation roadmap and future of digital Procurement

On the front line of health crisis, Procurement departments are now aiming at ensuring their digital transformation to gain supply resilience and reactivity

Priority use cases to be targeted in the digital transformation project

Procure-to-pay digitalization — Australia 40%, Global 48%
Data analysis and visualization — Australia 80%, Global 54%
Source-to-contract digitalization — Australia 20%, Global 31%
Automation of administrative tasks — Australia 60%, Global 35%
Supply chain traceability — Australia 40%, Global 31%
Risk management — Australia 20%, Global 29%
Collaborative portal — Australia 20%, Global 15%
CO2 emissions tracker — Australia 20%, Global 13%

Legend: Australia, Global

Question: By 2025, which will be the priority use cases to be targeted in the digital transformation project of your Procurement department? (3 choices maximum) (global base 48 respondents) (Australia base 5 respondents)

Target Investment -Technologies

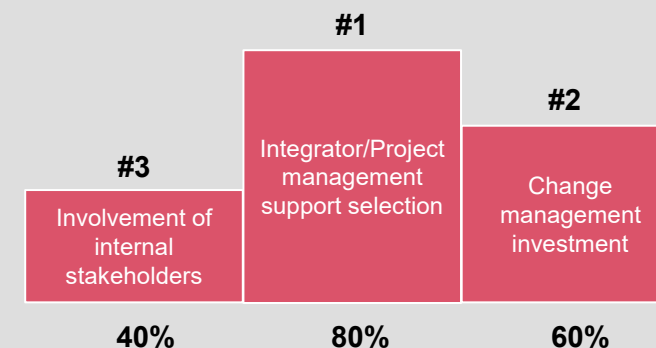| Australia	Technology	Global
80%	Data Analytics	73%
60%	Source-to-Pay	40%
80%	Procure-to-Pay	42%
60%	Artificial Intelligence	40%
20%	Process mining	23%
0%	RPA	33%
0%	Blockchain	13%

Question: By 2025, which of the following technologies be the target of investments as part of your digital Procurement transformation project? (3 choices maximum) (global base 48 respondents) (Australia base 5 respondents)

Use Case: Blockchain

- **Globally 12% and 0% in Healthcare sector responses in Australia**
- Procurement professionals in the healthcare sector have identified an opportunity for blockchain though it is a technology with high complexity. Procurement professionals also think that there is no relevant offer available in the market.
- In Australia, including all sectors, only around 6% respondents mention that they have been running Proof of Concepts (POCs) and/or experiments in Blockchain.

Key Success Factors (top 3- Australia)

On the global level, the healthcare and pharmaceutical sector ranks involvement of internal stakeholders as the top success factor as compared to Australia where the same factor is ranked at number three.

#3 Involvement of internal stakeholders — 40%
#1 Integrator/Project management support selection — 80%
#2 Change management investment — 60%

Use Case: CO2 Tracker

- Only one respondent from Australian healthcare and pharmaceutical sector, a large company, declared CO2 emission trackers as a priority use case to be targeted in the digital transformation project of their Procurement department by 2025
- From the global survey, approximate 88% companies within the healthcare and sector do not have CO2 emission tracker as a key target to invest in by 2025
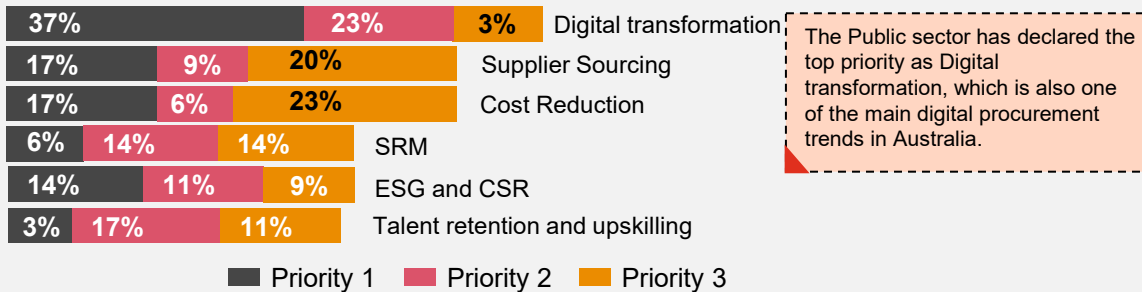
Current & Future State of Digital Procurement

Procurement automation focuses on business-critical activities like decision-making and strategizing. It transforms the procure-to-pay process while keeping the cost down

Strategic priorities of Procurement departments (Australia)

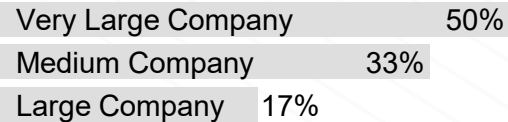|	Priority 1	Priority 2	Priority 3	
Digital transformation	37%	23%	3%	
Supplier Sourcing	17%	9%	20%	
Cost Reduction	17%	6%	23%	
SRM	6%	14%	14%	
ESG and CSR	14%	11%	9%	
Talent retention and upskilling	3%	17%	11%	

The Public sector has declared the top priority as Digital transformation, which is also one of the main digital procurement trends in Australia.
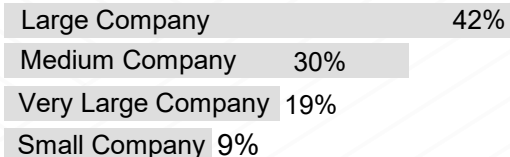
Legend: ■ Priority 1 ■ Priority 2 ■ Priority 3

- Global Survey tells a different strategic prioritization. Priority-wise Cost Reduction, Digital Transformation, Supplier Sourcing, and Risk and Crisis management are being top strategic priorities by the public sector across the world.
- Public sectors have given the least preference to "Innovation" as the strategic priority of the procurement department.

Company Size

Australian Survey

Very Large Company	50%
Medium Company	33%
Large Company	17%

Global Survey

Large Company	42%
Medium Company	30%
Very Large Company	19%
Small Company	9%

Large companies with multiple business units are typically faced with the question of how to tackle their procurement function, providing continuity of supply; minimizing risk and leveraging spend across the organization.
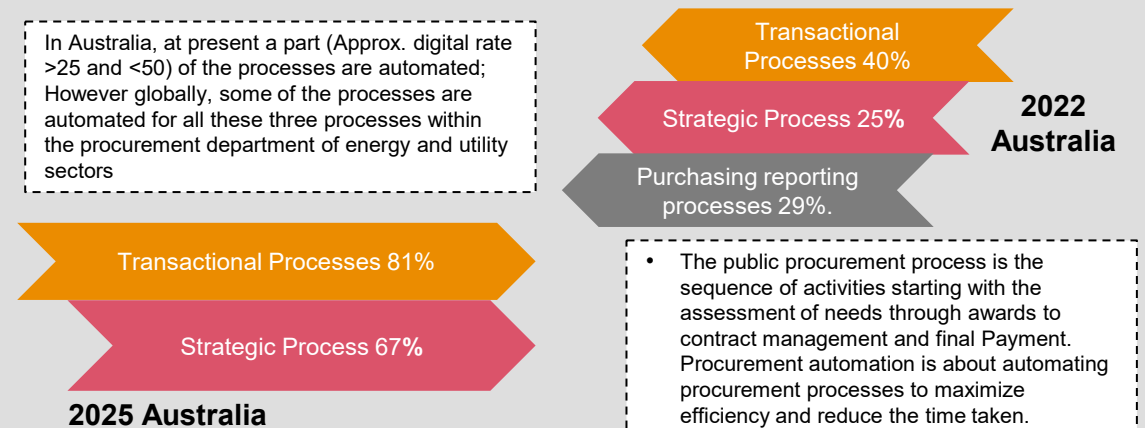
Main drivers for implementing a digital Procurement transformation
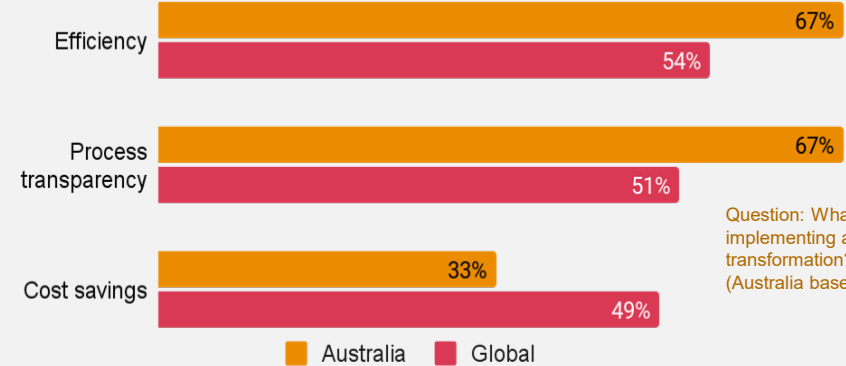
Driver	Australia	Global
Efficiency	67%	54%
Process transparency	67%	51%
Cost savings	33%	49%

Question: What are the main drivers for implementing a digital Procurement transformation? (global base 35 respondents) (Australia base 6 respondents)

Legend: ■ Australia ■ Global

Current and Future level of digitization

In Australia, at present a part (Approx. digital rate >25 and <50) of the processes are automated; However globally, some of the processes are automated for all these three processes within the procurement department of energy and utility sectors

2022 Australia
- Transactional Processes 40%
- Strategic Process 25%
- Purchasing reporting processes 29%.

2025 Australia
- Transactional Processes 81%
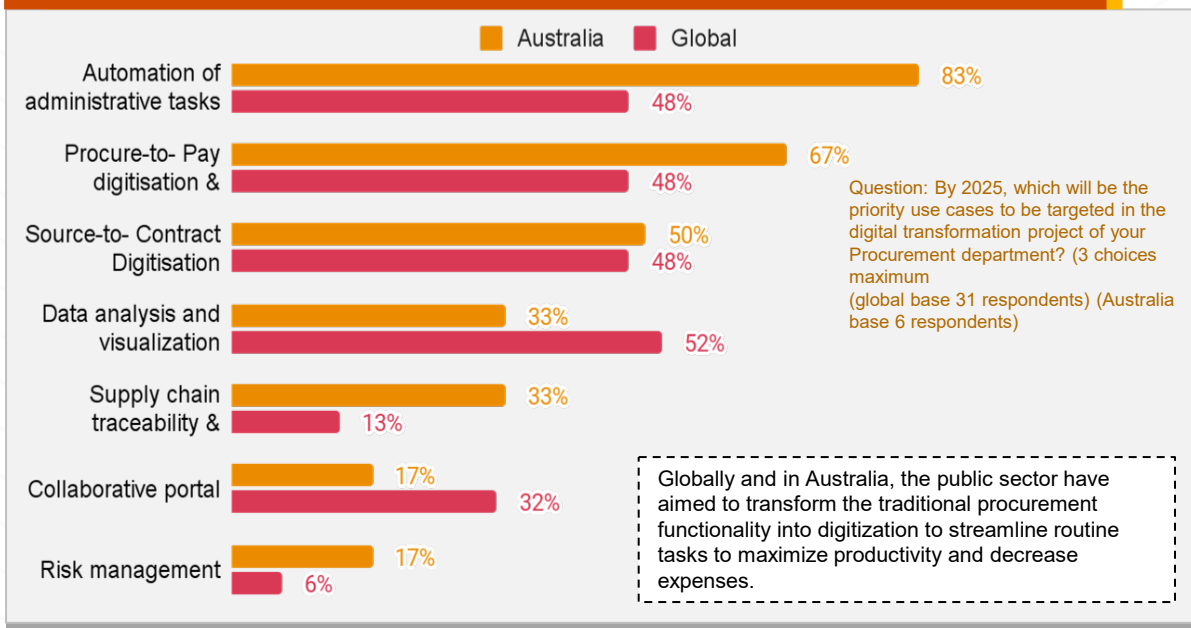- Strategic Process 67%

- The public procurement process is the sequence of activities starting with the assessment of needs through awards to contract management and final Payment. Procurement automation is about automating procurement processes to maximize efficiency and reduce the time taken.

Transformation roadmap and future of digital Procurement

Over 50% of procurement professionals put their annual investment for digital transformation between AUD 0.87Mn to 5.23Mn (USD 0.6 million to USD 3.6 million)

Priority use cases to be targeted in the digital transformation project

Australia Global

Use case	Australia	Global
Automation of administrative tasks	83%	48%
Procure-to- Pay digitisation &	67%	48%
Source-to- Contract Digitisation	50%	48%
Data analysis and visualization	33%	52%
Supply chain traceability &	33%	13%
Collaborative portal	17%	32%
Risk management	17%	6%

Question: By 2025, which will be the priority use cases to be targeted in the digital transformation project of your Procurement department? (3 choices maximum
(global base 31 respondents) (Australia base 6 respondents)

Globally and in Australia, the public sector have aimed to transform the traditional procurement functionality into digitization to streamline routine tasks to maximize productivity and decrease expenses.

Use Case: CO2 Tracker

- In Australia, As more companies focus on reducing their carbon footprint, only 17% of companies in the public sector have been developing the proof of concepts for CO2 emission tracker.
- 33% of companies have identified an opportunity to use CO2 emission tracker and another 50% do not see any potential use of CO2 emission tracker in the procurement department.
- Gobally, Gobally, 39% of companies have identified an opportunity to use CO2 emission tracker and another 36% do not see any potential use of CO2 emission tracker in the procurement department. Only 10% of companies are using CO2 emission tracker

Target Investment -Technologies

Rapid advancements in digital technologies are remaking business supply chains and are poised to transform how the procurement function delivers value.

Question: By 2025, which of the following technologies be the target of investments as part of your digital Procurement transformation project? (3 choices maximum) (global base 31 respondents) (Australia base 6 respondents)

Australia	Technology	Global
83%	Data Analytics	71%
67%	Source-to-Pay Tools	62%
67%	Procure-to-Pay Tools	55%
33%	Blockchain	13%
17%	Artificial Intelligence	19%
-	RPA	26%
-	Process mining	16%

The public sector is strongly looking to invest in Data analytics as core technology. Technology-enabled data and analytics strategy can unlock hidden value for government agencies through increased transparency, proactive risk management, integrated automation and predictive analytics.

Use Case: Blockchain

- **Globally 32% and 33% in Australia,** Procurement professionals have identified an opportunity for blockchain though it is a technology with high complexity. Procurement professionals also think that there is no relevant offer available in the market.
- **61% Globally and 67% in Australia,** Procurement Professionals claimed that they can not appreciate the potential value for the procurement department due to Lack of skilled resources internally,High implementation costs,Unclear added value & benefits and High complexity of the technology
- Blockchain has the potential to transform all kinds of digital transactions, including in procurement and supply chain. blockchain technology in supply chain could deliver a new level of trust and transparency while enabling the procure-to-pay process to realize huge operational benefits. **Only 3% industries are using blockchain across the world**

Digital Procurement solutions

In Australia, 67% public sectors have not experienced cybersecurity issues and 33% sectors have taken the corrective measures when experienced cybersecurity issue.

Digitalization Status (Australia)

Processes	Digital Procurement Solution (Australia)	Improvement brought by Digital tool
Source -to-Contract	Company doesn't use any digital procurement solution (50%) Oracle (33%) Other: hTrak(33%)	Spend analysis(17%) Risk management (17%) Contract Lifecycle Management(17%) Other: (33%)
Procure -to-Pay	SAP S/4HANA(33%) Oracle (50%) Other (17%)	

Key success factor

- Digital procurement solutions are allowing for many more physical and digital inputs to be connected, driving better decision making and improving efficiency, and ultimately producing results in the form of:
  - Improved insights and strategies, leading to accelerated cost leadership
  - Enhanced process excellence, leading to greater organizational efficiency and effectiveness
  - Better assurance of supply and improved risk mitigation

Australia	KSF	Global
100%	Involvement of internal stakeholders	81%
67%	Review of best practice to modify existing processes	38%
33%	Adaptation of existing processes to the digital solution	28%
33%	Change management investment	47%
17%	Vendor selection	28%

Global based 32 respondents and Australia based 6

Greatest need of external support

Australia	Need of external support	Global
83%	Change management & Employee digital upskilling	56%
50%	Adjustment to existing systems	28%
33%	Feasibility review	16%
33%	Technology / Digital strategy roadmap	66%
33%	Digital solution implementation support	56%
33%	Master data & spend transparency	22%
16%	Other	9%
NA	Selection of the right vendor	16%

Question: Where do you see the greatest need of external support in digital Procurement transformation? (please select 3 choices)(global base 32 respondents) (Australia base 6 respondents)

- Digital influences all areas of procurement – both the tangible and intangible, including negotiations with suppliers.
- There is a key to analyze how automation can positively influence the business environment, changing a businesses' agility to react, and significantly changing its entire value proposition and overall organization.
- In Australian sectors, procurement professionals also believe that the "Transparency; efficiencies with the procurement process being conducted online in one system" could also be important in digital procurement transformation

Cybersecurity

Globally, due to strong frameworks, policies, secure processes and systems, 63% public sectors have not experienced cybersecurity issues and 25% sectors have taken the corrective measures when experienced cybersecurity issue.
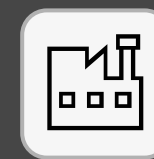
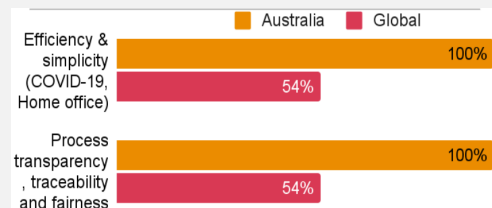## Current & Future State of Digital Procurement

Globally, 56% professionals have claimed that they have never experienced the cybersecurity issue; however 31% have taken the corrective measure when experienced the cybersecurity intrusion.

Strategic priorities of procurement departments (Australia)

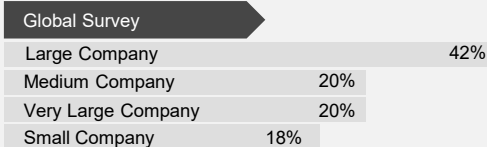|	
100%	Risk & crisis management
100%	Cost Reduction
100%	ESG and CSR

■ Priority 1 ■ Priority 2 ■ Priority 3

Globally, the Building and Infrastructure sector has declared the top 3 priorities i.e. Cost management (36%), Digital transformation (23%), Supplier Sourcing(15%).

Main drivers for implementing a digital Procurement transformation

Company Size

| Efficiency & simplicity (COVID-19, Home office) | Australia 100% / Global 54% |
| Process transparency, traceability and fairness | Australia 100% / Global 54% |

■ Australia ■ Global

Global Survey

Large Company	42%
Medium Company	20%
Very Large Company	20%
Small Company	18%

Question: What are the main drivers for implementing a digital Procurement transformation? (global base 46 respondents) (Australia base 1 respondent)

- Globally, **Cost savings(59%)**, Compliance(13%%) and Crisis/Risk Management(13%) are playing roles as drivers for implementing a digital procurement transformation.

Current and Future level of digitization (Australia)

In building and infrastructure sectors, at present some of the processes are automated, and by 2025, almost all the processes would be automated within transactional, strategic, and purchasing reporting processes

Digital Procurement solutions (Global Survey)

Digitalization Status (Global)

Processes	Digital Procurement Solution (Australia)	Improvement brought by Digital tool
Source -to-Contract	In-house built solution, SAP MM, other	Spend analysis (22%) Procure-to-Pay (end to end) - 22% Source-to-Contract (end to end) - 14% Supplier Management - 11%
Procure -to-Pay	SAP MM, In-house built solution, ORACLE SAP Ariba	

Digitalization Status (Global)

Australia	KSF	Global
NA	Involvement of internal stakeholders	58%
NA	Adaptation of existing processes to the digital solution	56%
NA	Vendor Selection	28%
NA	Review of best practice to modify existing processes	33%
NA	Change management investment	64%

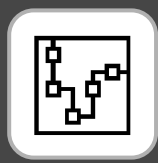### Priority use cases to be targeted in the digital transformation project (Global)

Top Priorities	Australia	Global
Automation of administrative tasks	NA	36%
Procure-to-Pay digitisation & dematerialization of invoices	NA	50%
Source-to-Contract Digitisation	NA	31%

Target Investment - Technologies (Global)

The building and infrastructure sector is looking forward to invest in Source-to-Pay tools (44%), Data Analytics (69%), Procure-to-Pay tools (53%)RPA (34%), AI (31%) technologies.
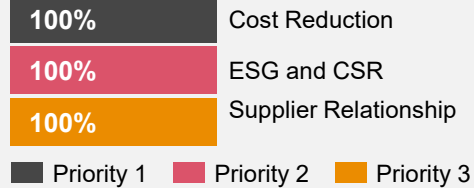
Greatest need of external support (Global)

Australia	Need of external support (Top 2)	Global
NA	Change Management & Employee digital upskilling	64%
NA	Technology / Digital strategy roadmap	50%

Note: Based on one response from Australia
Global base = all companies who responded to the question
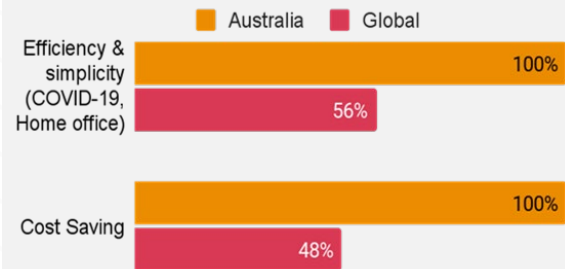
Current & Future State of Digital Procurement

The procurement professionals within this sector have Identified the opportunities for Blockchain and CO2 emission tracker but there are no relevant offer is available in the market

Strategic priorities of Procurement departments (Australia)

100%	Cost Reduction
100%	ESG and CSR
100%	Supplier Relationship

■ Priority 1 ■ Priority 2 ■ Priority 3

> Globally, the Building and Infrastructure sector has declared the top 3 priorities i.e. Cost management (36%), Supplier Sourcing(24%), Digital transformation (16%),

Main drivers for implementing a digital Procurement transformation

■ Australia ■ Global

Efficiency & simplicity (COVID-19, Home office)
- Australia: 100%
- Global: 56%

Cost Saving
- Australia: 100%
- Global: 48%

- Globally, Process transparency, traceability and fairness(48%), Compliance(32%) and Crisis/Risk Management(16%) are playing roles as drivers for implementing a digital procurement transformation.

Company Size

Global Survey

Very Large Company	40%
Large Company	24%
Medium Company	24%
Small Company	12%
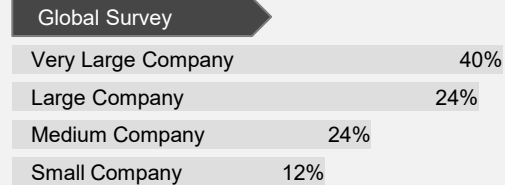
Question: What are the main drivers for implementing a digital Procurement transformation?(global base 25 respondents) (Australia base 1 respondents)

Current and Future level of digitization (Australia)

In this sectors, at present there are very less processes that is being automated, only proof of concepts have been developed within this sector. By 2025, it might be possible that some of the processes would be automated within transactional, strategic, and purchasing reporting processes

Digital Procurement solutions (Global Survey)

Digitalization Status (Australia)

Processes	Digital Procurement Solution (Australia)	Improvement brought by Digital tool
Source -to-Contract	SAP Ariba	Procure-to-pay (end to end)
Procure -to-Pay	SAP Ariba	

Key success factor

Australia	KSF	Global
100%	Involvement of internal stakeholders	63%
100%	Adaptation of existing processes to the digital solution	25%
NA	Vendor selection	21%
NA	Review of best practice to modify existing processes	38%
NA	Change management investment	46%

(global base 24 respondents, Australia base 1 respondents)

Greatest need of external support

Australia	Need of external support	Global
100%	Digital solution implementation support	67%
100%	Identification of innovative solution & benchmark	46%
100%	Change management & Employee digital upskilling	38%

Key success factor

Top Priorities	Australia	Global
Procure-to-Pay digitisation & dematerialization of invoices	100%	67%
Data analysis and visualization	100%	33%
Source-to-Contract Digitisation	100%	33%

Target Investment -Technologies (Australia)

The chemical and metallurgy sector is looking to invest in Source-to-Pay Tools, Procure-to-Pay Tools, and Data Analytics technologies.

Globally, Technology / Digital strategy roadmap (25%),Selection of the right vendor(29%), and Adjustment to existing systems (38%) are also the need of external support
(global base 24 respondents, Australia base 1 respondents)

Note: Based on one response from Australia
Global base = all companies who responded to the question
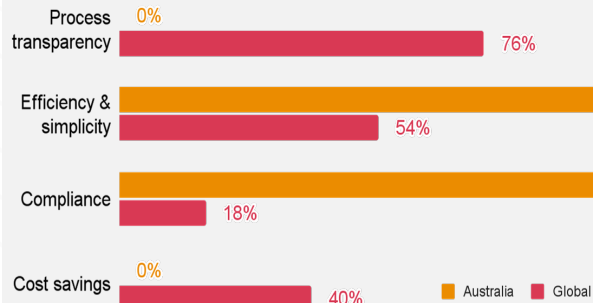
Current & Future State of Digital Procurement

Globally, 59% professionals have claimed that they have never experienced the cybersecurity issue; however 28% have taken the corrective measure when experienced the cybersecurity intrusion.

Strategic priorities of Procurement departments (Australia)

100%	Cost Reduction
100%	ESG and CSR
100%	Risk and Crisis Management

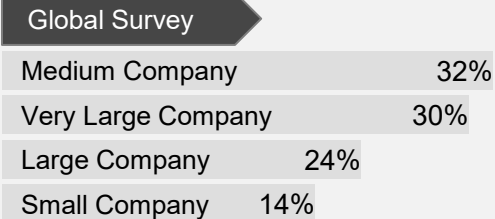Priority 1 | Priority 2 | Priority 3

- Globally, the consumer sector has declared the top priorities i.e. Cost management (38%), Supplier Sourcing(18%), Risk and Crisis Management(16%), Digital transformation (12%)
- Global pressures on consumer goods makers will only increase in the coming years. Improving supplier relationships will ensure that the sectors are ready for the changes.

Main drivers for implementing a digital Procurement transformation

Process transparency: 0% / 76%
Efficiency & simplicity: 54%
Compliance: 18%
Cost savings: 0% / 40%

Australia | Global

Company Size

Global Survey

Medium Company	32%
Very Large Company	30%
Large Company	24%
Small Company	14%

Question: What are the main drivers for implementing a digital Procurement transformation?(global base 50 respondents) (Australia base 1 respondents)

Current and Future level of digitization (Australia)

At present, the sector is focusing on implementing automation within the industries. Some industries within the sector have already developed the proof of concepts and in many industries, some or part of the processes are being automated. By 2025, the rate of automation will increase as the procurement professionals have claimed that, almost all the processes will be automated for transactional and strategic processes.

Digital Procurement solutions (Global Survey)

Digitalization Status (Australia)

Processes	Digital Procurement Solution (Australia)	Improvement brought by Digital tool
Source -to-Contract	SAP Ariba	Source-to-Contract (end to end)
Procure -to-Pay	SAP MM,Others: Dynamics	

Key success factor

Australia	KSF	Global
100%	Involvement of internal stakeholders	57%
100%	Adaptation of existing processes to the digital solution	52%
NA	Vendor selection	37%
NA	Review of best practice to modify existing processes	35%
100%	Change management investment	43%

(global base 46 respondents, Australia base 1 respondents)

Key success factor

Top Priorities	Australia	Global
Procure-to-Pay digitisation & dematerialization of invoices	100%	36%
Source-to-Contract Digitisation	100%	40%
Data analysis and visualization	100%	54%

Target Investment -Technologies (Australia)

The consumer sector is looking to invest in Data Analytics, RPA, Blockchain in Australia, and S2P & P2P Tool on a global level

Greatest need of external support

Australia	Need of external support	Global
100%	Technology / Digital strategy roadmap	54%
100%	Digital solution implementation support	52%
100%	Adjustment to existing systems	41%

(global base 46 respondents, Australia base 1 respondents)

Globally, Master data & spend transparency (37%), Identification of innovative solution & benchmark (35%), and Change management & Employee digital upskilling (33%) are also the need of external support

Note: Based on one response from Australia
Global base = all companies who responded to the question

Thank you