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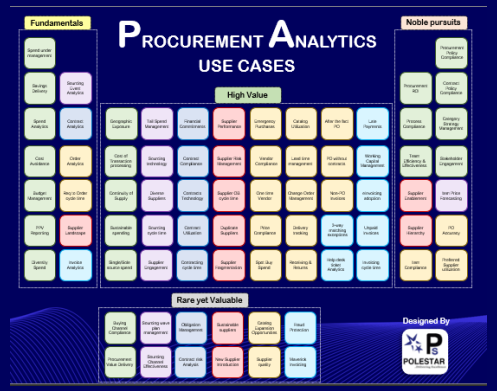
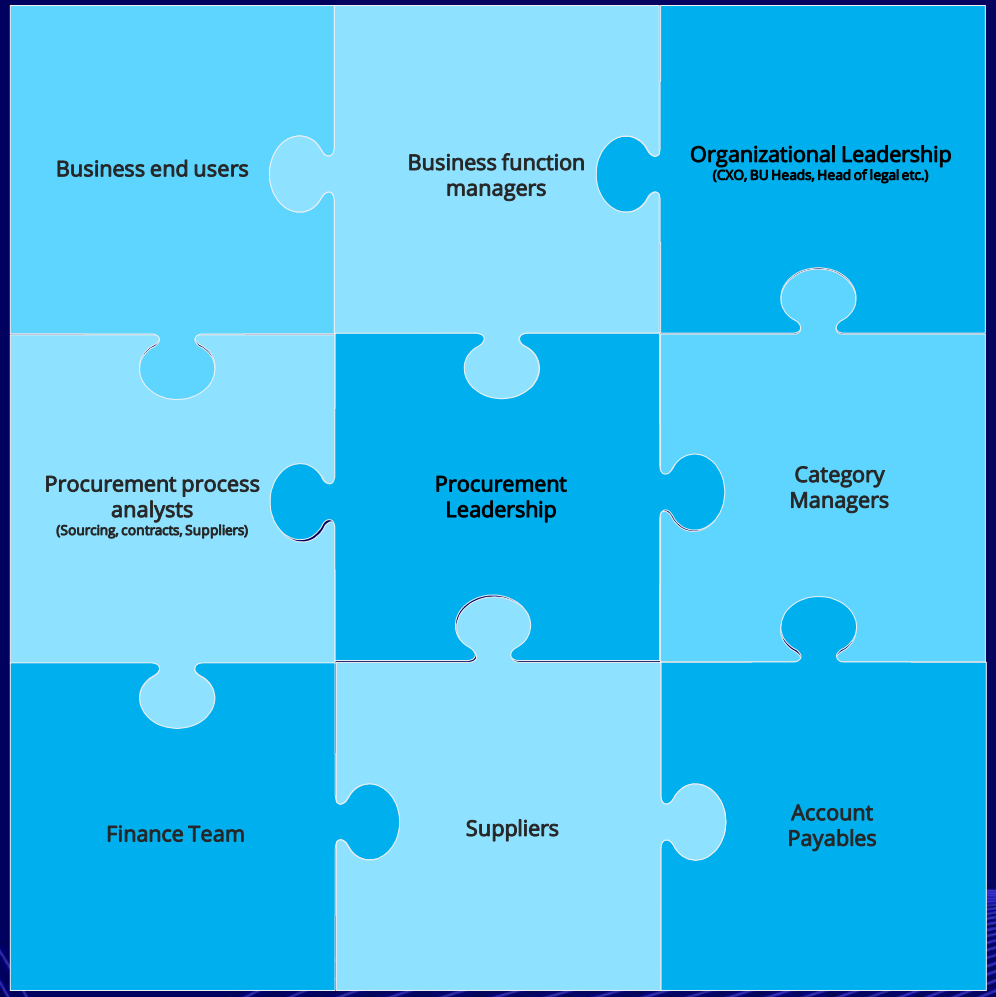


Periodic Table of Procurement Analytics

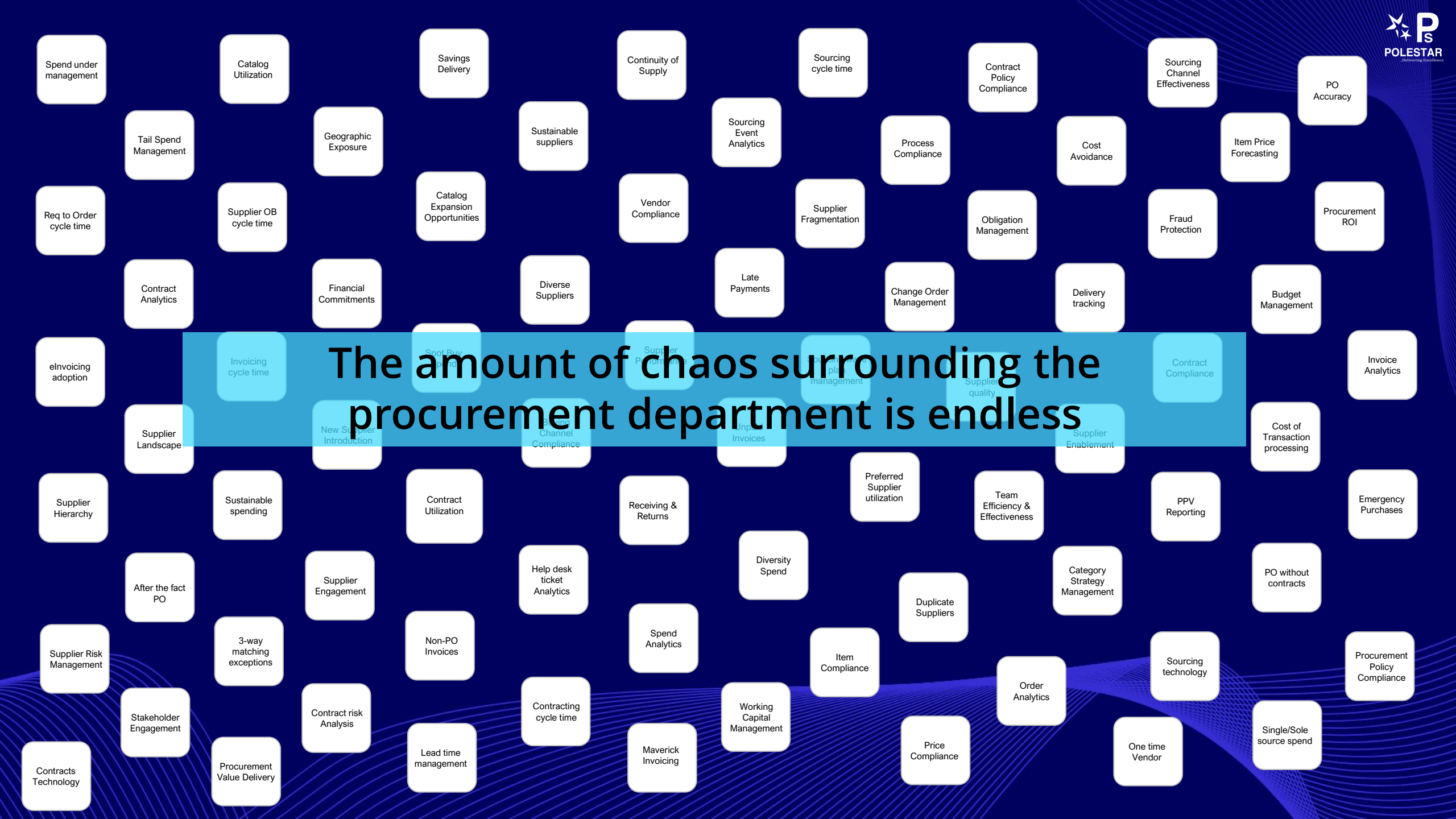
An approach to gauging maturity of your Procurement Practice.

Procurement processes touch several **stakeholders** within Organization



Due to this cross-section with multiple departments, Procurement leaders are subjected to humongous amount of data and its management, that comes with its own set of challenges.

Scroll ahead to know how they look>>



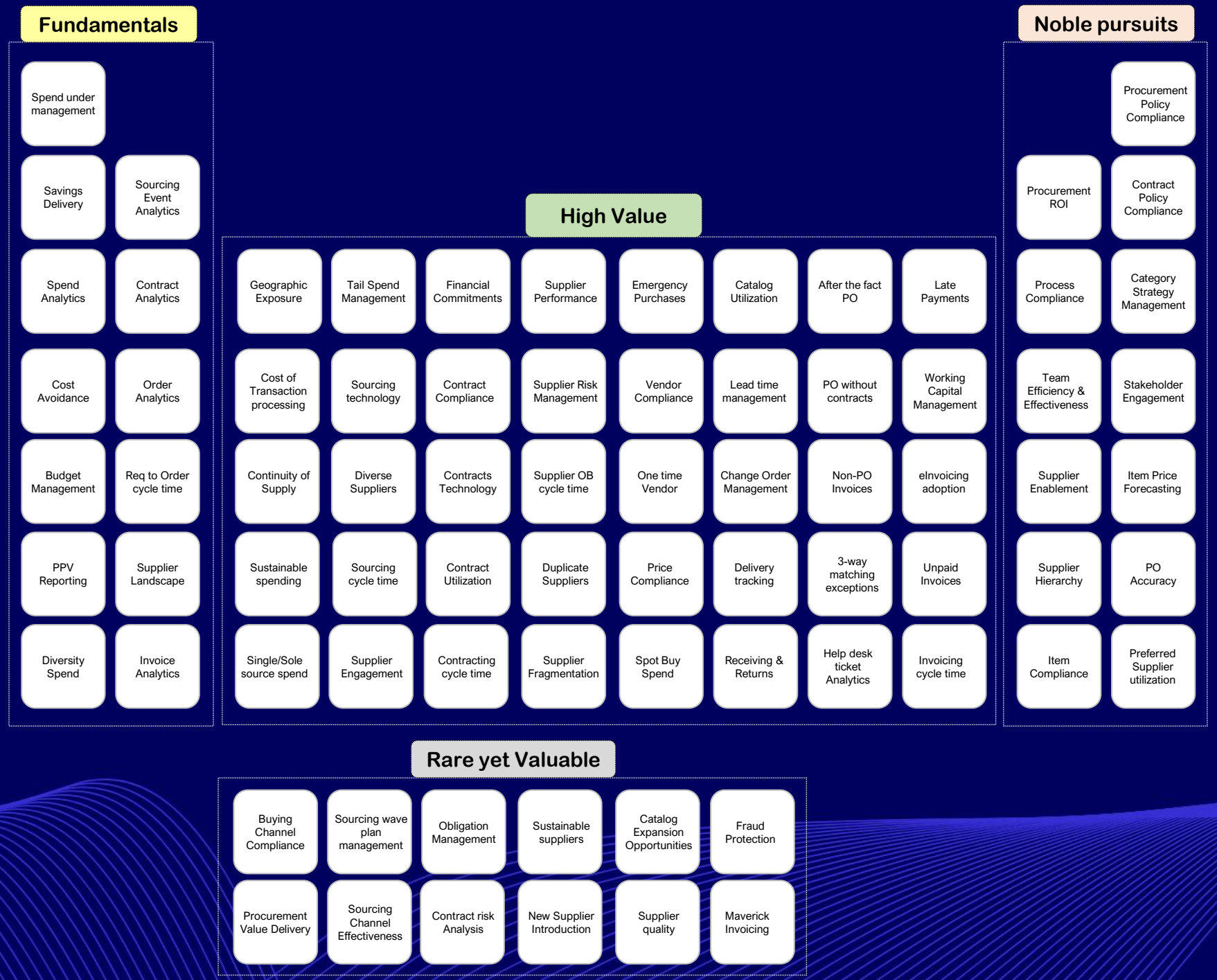
The amount of chaos surrounding the procurement department is endless

To navigate the complexities of Procurement Analytics landscape we recommend 5 step framework:

1. Prioritize analytics use cases
2. Perform maturity assessment of identified use cases
3. Build a reliable and comprehensive data estate using trusted data sources
4. Identify right use cases to extract information from the data
5. Construct a roadmap to drive continuous value add from the analytics use case



The last three steps are out of the scope of this eBook.



Legend

Fundamentals	Analytics use cases that are table stakes for any procurement Organization
High Value	Analytics use cases that are commonly addressed by high performing Procurement Organizations
Noble pursuits	Analytics use cases that may be good to track for long term value delivery
Rare yet Valuable	Uncommon analytics use cases that may be challenging to implement, however, may add tremendous value

Right Personas need the **Right Dashboards**





To avoid overwhelming stakeholders with a surfeit of information, it is prudent to segment key performance indicators (KPIs) according to the specific personas and objectives they relate to. Such targeted reporting enhances compliance with established processes and augments overall adoption rates.

PROCUREMENT ANALYTICS USE CASES

Fundamentals

- Spend under management
- Savings Delivery
- Sourcing Event Analytics
- Spend Analytics
- Contract Analytics
- Cost Avoidance
- Order Analytics
- Budget Management
- Req to Order cycle time
- PPV Reporting
- Supplier Landscape
- Diversity Spend
- Invoice Analytics

High Value

- Geographic Exposure
- Tail Spend Management
- Financial Commitments
- Supplier Performance
- Emergency Purchases
- Catalog Utilization
- After the fact PO
- Late Payments
- Cost of Transaction processing
- Sourcing technology
- Contract Compliance
- Supplier Risk Management
- Vendor Compliance
- Lead time management
- PO without contracts
- Working Capital Management
- Continuity of Supply
- Diverse Suppliers
- Contracts Technology
- Supplier OB cycle time
- One time Vendor
- Change Order Management
- Non-PO Invoices
- eInvoicing adoption
- Sustainable spending
- Sourcing cycle time
- Contract Utilization
- Duplicate Suppliers
- Price Compliance
- Delivery tracking
- 3-way matching exceptions
- Unpaid Invoices
- Single/Sole source spend
- Supplier Engagement
- Contracting cycle time
- Supplier Fragmentation
- Spot Buy Spend
- Receiving & Returns
- Help desk ticket Analytics
- Invoicing cycle time

Noble pursuits

- Procurement Policy Compliance
- Procurement ROI
- Contract Policy Compliance
- Process Compliance
- Category Strategy Management
- Team Efficiency & Effectiveness
- Stakeholder Engagement
- Supplier Enablement
- Item Price Forecasting
- Supplier Hierarchy
- PO Accuracy
- Item Compliance
- Preferred Supplier utilization

Rare yet Valuable

- Buying Channel Compliance
- Sourcing wave plan management
- Obligation Management
- Sustainable suppliers
- Catalog Expansion Opportunities
- Fraud Protection
- Procurement Value Delivery
- Sourcing Channel Effectiveness
- Contract risk Analysis
- New Supplier Introduction
- Supplier quality
- Maverick Invoicing

Legend

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- Category Management
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13 ■ Invoice Analytics

High Value

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16 ● Continuity of Supply
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Legend

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★ Financial Importance
● Strategic Importance
■ Operational Importance

Segmenting the KPIs on the basis of relevance for personas

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High Value

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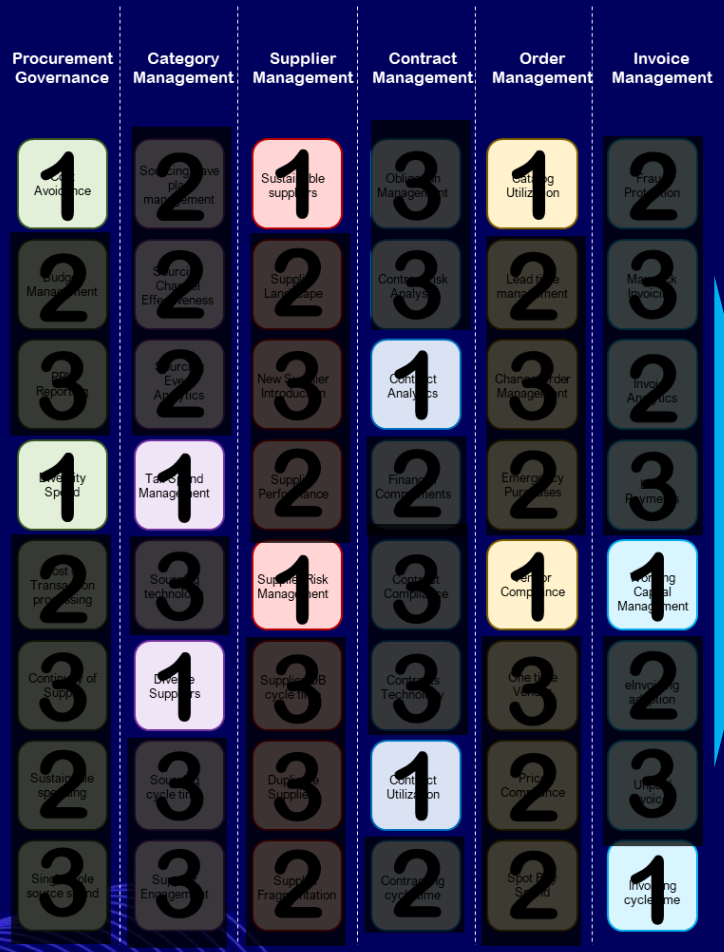
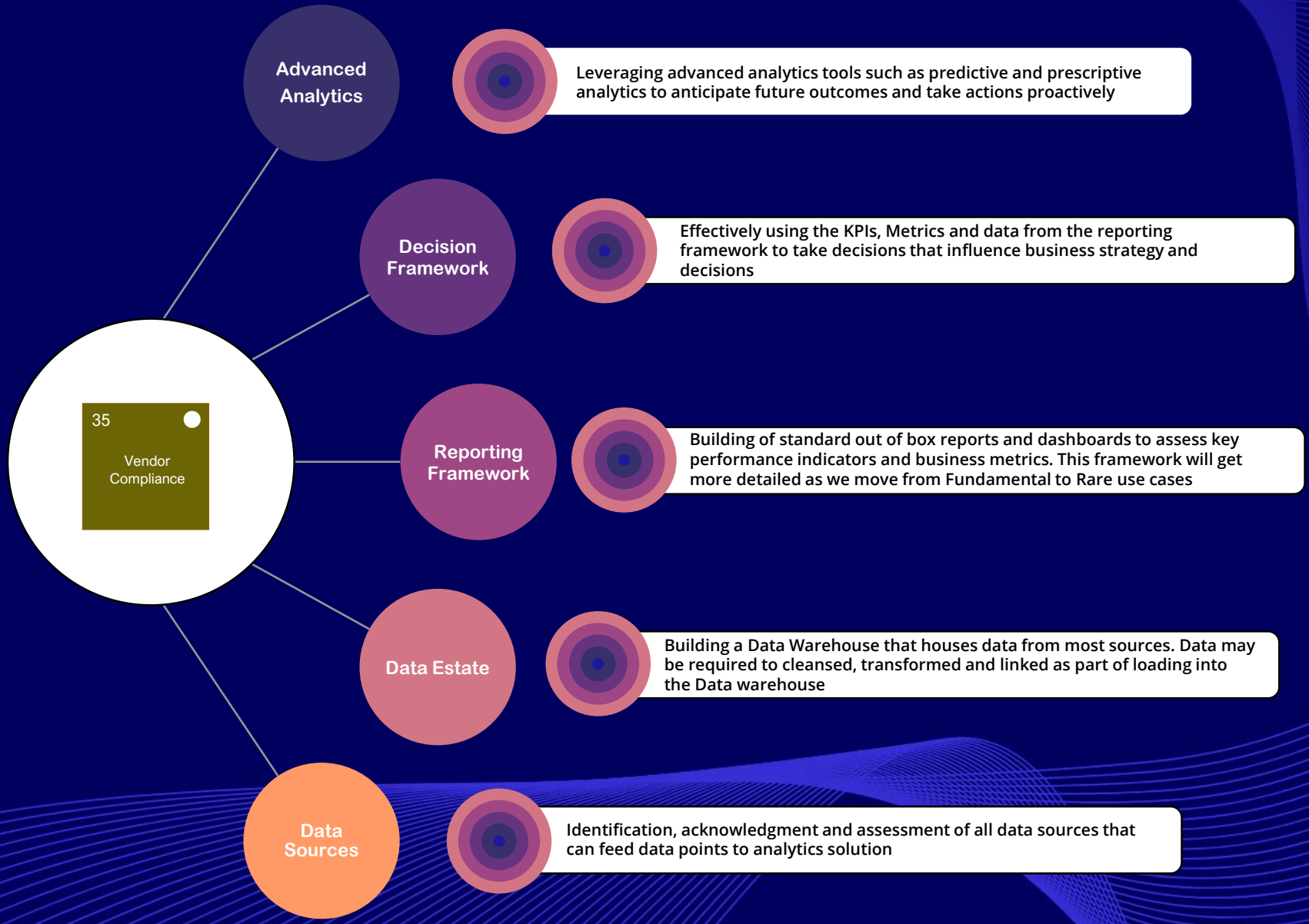
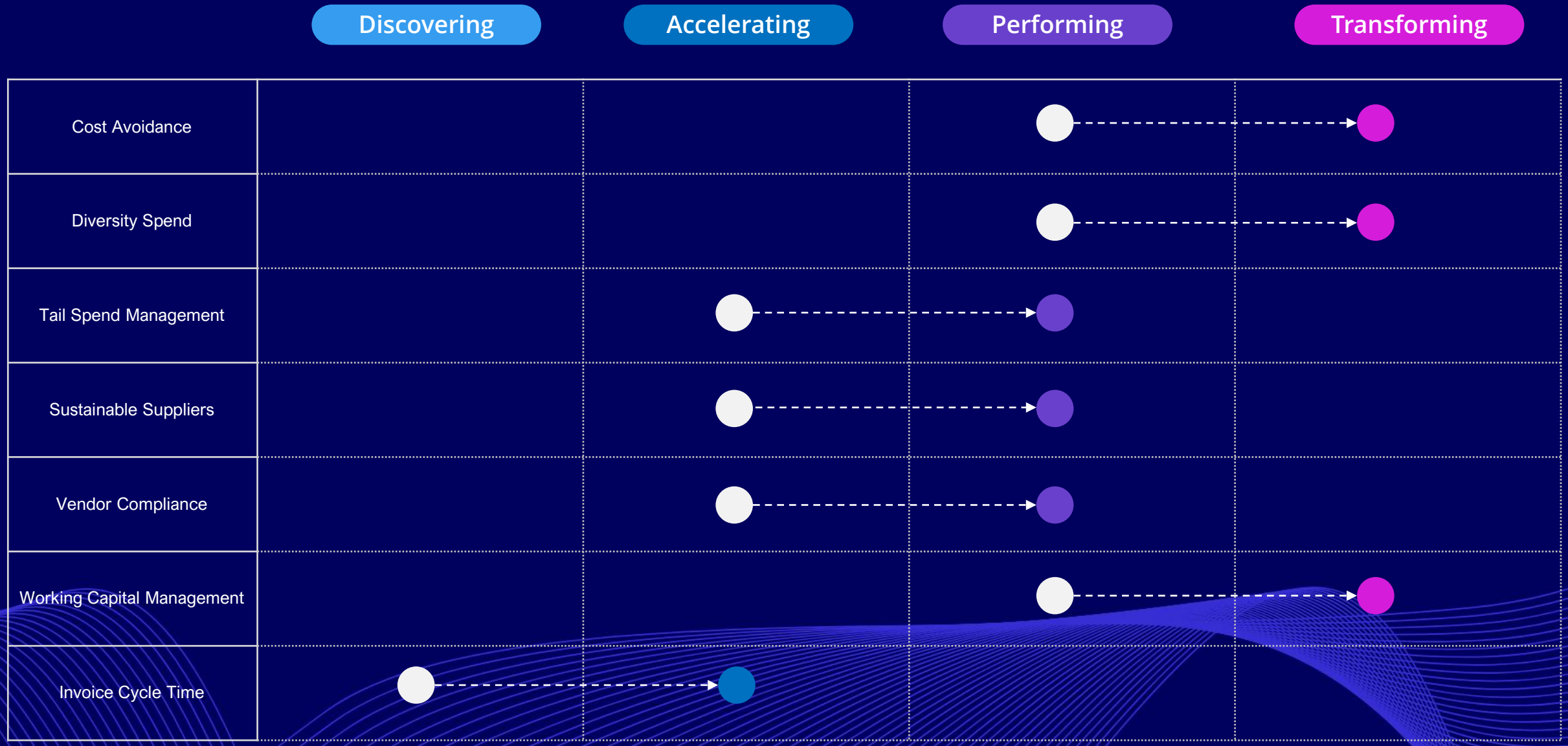
The prioritized use cases should be evaluated on a **5 Key attributes** to define their existing **maturity** and **gap to expectations**





Based on assessment finding, a **practical roadmap** needs to be built to take the proficiency of the prioritized use case to next level



About the Author



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Siddharth (Sid) Poddar is a Senior Vice President at Polestar Solutions and is the global lead for the Procurement analytics vertical.

A procurement enthusiast over the past 18 years, he has led many procurement transformation engagements for clients across the globe for Fortune 500 companies, large and mid-size global organizations.

Prior to joining Polestar, Sid was part of GEP, a leading procurement strategy and technology firm, Dell, and Syntel. He hails from the lovely city of Houston, Texas and his areas of interests include CPG and retail industry, procurement strategy, supplier relationship management, business intelligence; and fantasy movies and books.

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