

An aerial photograph of a calm lake surrounded by a dense forest. The water is a deep blue, reflecting the sky and trees. A yellow dotted line starts from the left side of the frame, curves down to a yellow kayak in the middle of the lake, and then curves back up to the right side. Below the yellow kayak, three red kayakers are paddling in a line towards the bottom of the frame. The Gartner logo is in the top left, and the title text is on the left side of the image.

Gartner®

Chief Procurement Officer Leadership Vision 2023

4 strategic actions for success

Key issues for Chief Procurement Officers (CPOs) for 2023



Complex tradeoffs

Stakeholders now expect a diverse set of value contributions from procurement that go well beyond cost, quality and speed.



CPO challenges

How do we make better tradeoffs between competing demands?



CPO actions

Develop category strategies not just to optimize sourcing, but also to make progress against emerging issues like sustainability, innovation and risk.



Cognitive overload

Staff are experiencing extreme levels of burnout, giving rise to trends like the “great resignation” and “quiet quitting.”



How do we manage and reduce staff cognitive overload?



Narrow the focus of procurement roles to not only reduce cognitive overload, but also to build expertise in the areas you're making transformation investments, further increasing productivity.



Employee engagement

The labor market has changed and employee engagement is suffering.



How can we improve our employee experience to retain and attract the right talent?



Establish your employment offering. Strengthen operating models and ensure critical workflows are defended. Lead with empathy.



Secure technology

The gap between digital winners and losers is widening.

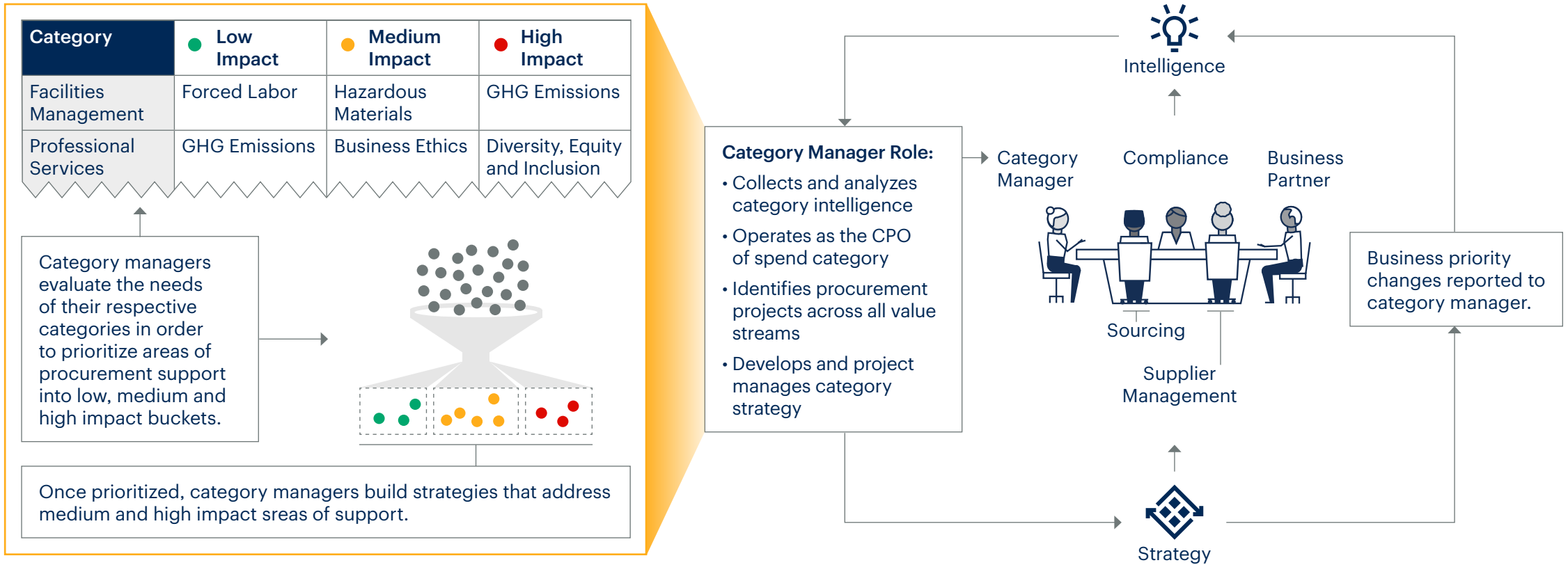


How can we ensure that procurement has the technology it needs to be successful?



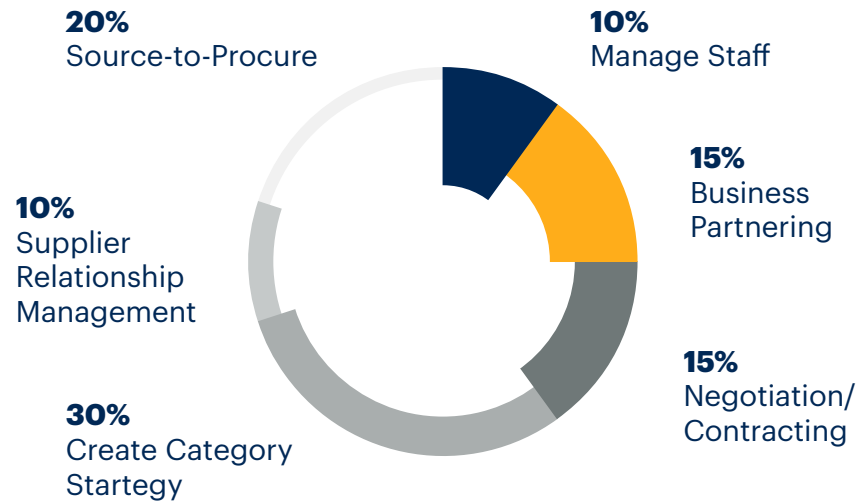
Improve the persuasiveness of the business case for digital technology in procurement.

Leverage category strategy to advance against emerging issues



Specialize roles by procurement activity types

Typical Required Core Work



Typical category managers perform a large range of activities. It's unlikely any individual is equally skilled in all aspects.

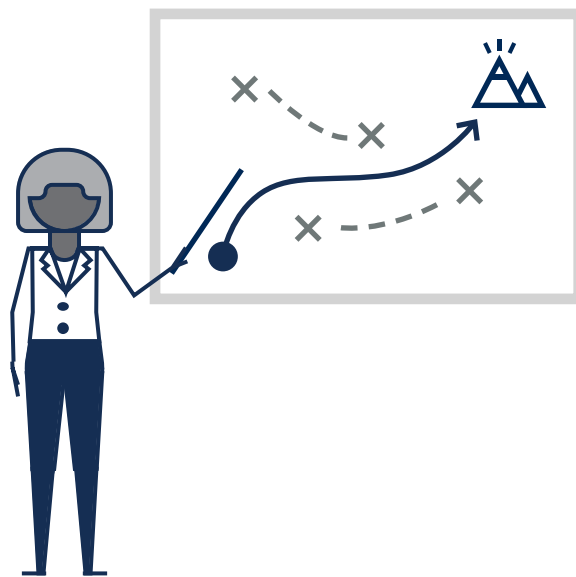
Required Core Work of Specialized Roles



By focusing roles on activity types, staff can develop skills and expertise, allowing for greater productivity.

Help your procurement team deal with uncertainty

Establish your employment offering.



Strengthen operating models and ensure critical workflows are defended.



Prioritize
Critical
Workflows



Fix Hard
Work



Tackle
Work
Friction



Lead with empathy.

What can I help
you with?



Make the business case for procurement technology more persuasive



Method of persuasion

Craft a more compelling narrative by identifying the outcome of the technology (e.g., speed, efficiency, ease of use, shareholder value). Provide clarity on facts and figures in the business case.

Build a coalition of support before submitting the business case to decision makers. Understand from key stakeholders and influencers how the technology will impact individuals and teams across the business.




Impact on business case approval

1.5x higher full approval rate

2.0x higher full approval rate

Summary

Priority

	Complex tradeoffs
	Cognitive overload
	Employee engagement
	Secure technology

Trend

Today's procurement professional is responsible for not just more work, but more new-in-kind work.

With each new investment in procurement transformation, procurement staff are given new responsibilities, asked to support new value streams, perform against new metrics, etc.

Several major economic and talent trends have converged: High inflation, disrupted supply chains, a competitive labor market and low unemployment.

Though digital technology in procurement is expected to drive performance over the next 1-2 years, it will be harder to fund it amid economic headwinds.

Challenge

As complexity in procurement continues to grow, tradeoff decisions become harder to make.

Unabated, staff cognitive overload limits the CPO's ability to mature their functional capabilities.

Hybrid work policies aren't enough to retain and attract the right talent.

Procurement is able to get exactly the technology it wants only 17% of the time.

Action

Offset growing complexity by making decisions about emerging issues (e.g., sustainability, innovation, risk) at the category of spend level.





Focus roles on activity types instead of entire categories to enable staff to develop skills and expertise — allowing for greater productivity.

Help your procurement team deal with uncertainty. The employment value proposition, accountable autonomy and connector managers are key levers.

Improving business case data isn't enough to secure stakeholder buy-in. You must also craft a compelling narrative and build a coalition of support.

Actionable, objective insight

Explore these additional complimentary resources and tools for sourcing and procurement leaders:

 <p>Tool Key Sourcing and Procurement Activities</p> <p>See the 29 essential activities for managing sourcing and procurement.</p> <p>Download Tool</p>	 <p>Case Study Leveraging Supplier Category Intelligence</p> <p>Explore how Gartner helped a VP of Procurement achieve cost reductions of \$600,000 with a critical supplier.</p> <p>Read Case Study</p>	 <p>Report Automated Supplier Scorecard</p> <p>Drive supplier innovation, cost optimization and supply base efficiency.</p> <p>View Report</p>	 <p>Playbook Optimize Costs in Sourcing and Procurement</p> <p>Identify goals, timing and actions for three top sourcing and procurement cost optimization initiatives.</p> <p>Download Playbook</p>
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