



# Catching the Buyer Pulse: Redefining Partnerships Through Strategic Procurement Outsourcing (PO) Engagements

June 2024: Complimentary Abstract / Table of Contents

Market Report  
Procurement and Supply Chain



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- ▶ Talent Genius™
- ▶ Technology Skills and Talent
- ▶ Trust and Safety
- ▶ Value and Quality Assurance (VQA)

# Contents

04	<b>Introduction and overview</b>	24	<b>Evolving expectations from PO providers to become strategic partners</b>
05	Research methodology	25	Hygiene aspect of outsourcing engagements
06	Everest Group PO process map	26	Provider characteristics to be recognized as a strategic partner
08	Background and scope of the research	27	Differentiators that impact service provider selection
09	<b>Understanding the current state of outsourcing</b>	28	<b>Opportunities for PO providers</b>
10	Executive summary	29	Evolution of procurement outsourcing engagements
11	Business challenges concerning enterprises in 2024	30	Enterprise focus areas in 2024-25
12	Enterprise expectations from global services to navigate challenges	31	Current focus areas for service providers
13	Desired service provider capabilities	32	Building capability roadmap and addressing current gaps
14	Challenges faced by procurement teams	33	How can service providers add more value?
15	Emergence of value-adding capabilities expected from PO providers	35	<b>Appendix</b>
17	<b>Performance snapshot of PO providers</b>	36	Glossary
18	Shift in enterprise satisfaction on outsourcing engagements	37	Research calendar
19	Evolving significance of value-adding outsourcing parameters		
20	Snapshot of PO providers' performance		
21	What worked for enterprises in 2023		
22	What did not work for enterprises in 2023		
23	Impact of dropping buyer satisfaction levels on service providers		

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# Background and scope of the research

Procurement Outsourcing (PO) providers have been instrumental in reducing costs and enhancing the efficiency of procurement operations. Service providers have helped enterprises maintain business continuity during tumultuous periods such as the COVID-19 pandemic, economic slowdown, technological disruptions, and leadership transitions. Enterprises expect service providers' capabilities to further evolve to better help them navigate their current set of challenges.

Enterprises are mostly satisfied with service provider capability in process expertise, traditional technology leverage, and implementation services. However, they are also seeking results on value-adding factors such as innovation, proactiveness, and advanced technologies in their PO engagements. The failure of many service providers in recognizing and meeting enterprise expectations on the value-adding engagement parameters over the last two years has led to a drop in enterprise satisfaction scores concerning PO engagements.

This report outlines the challenges faced by procurement teams and their influence on evolving enterprise expectations from service provider engagements. It outlines the expected capabilities and qualities of service providers, and the unique characteristics to become a strategic partner for enterprises.

The research focuses on service provider investments, current gaps in offerings, and strategies for PO providers to position themselves as strategic partners for enterprises.

## Scope of this report

**Geography:** Global

**Industry:** All

**Services:** Procurement services

# Overview and abbreviated summary of key messages

## Overview

This report highlights the declining buyer satisfaction scores and evolving enterprise expectations from outsourcing engagements. It emphasizes the need for PO providers to elevate their offerings based on identified gaps to become trusted and valued strategic partners for enterprises.

## Some of the findings in this report, among others, are:

### Decreasing enterprise satisfaction scores on PO services

Enterprises are grappling with various hurdles including economic instability, geopolitical tensions, evolving customer preferences, and internal operational shifts. Concurrently, they are encountering shortcomings in PO providers meeting their requirements, resulting in decreased satisfaction ratings in their interactions with PO providers.

### Evolving enterprise expectations from service providers; focus on value-adding factors

The decline in enterprise satisfaction with PO engagements cannot solely be attributed to a lack of commitment by PO providers to enhancing capabilities. Instead, enterprises are looking for providers to demonstrate dedication to surpassing traditional standards and emphasize on value-adding factors such as innovation and customer satisfaction.

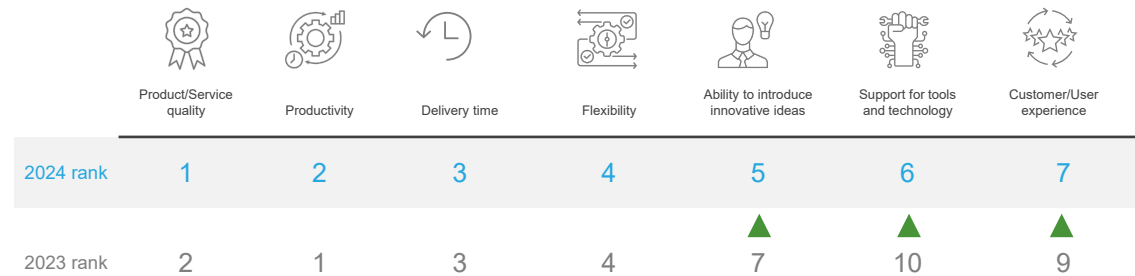
### Service providers to focus on being a strategic partner to enterprises

The primary approach to boosting enterprise satisfaction with service providers involves being recognized as a trusted and strategic partner that comprehends the concerns and priorities of the enterprises. This also entails devising customized solutions that incorporate value-adding engagement criteria and addressing them seamlessly through a phased implementation approach.

# This study offers five distinct chapters providing a deep dive into key aspects of the procurement outsourcing engagements; below are four charts to illustrate the depth of the report

## Desired service provider capabilities

**Key capability expectations of enterprises from providers**  
Percentage of respondents selecting as top priority



Source: Everest Group Key Issues Studies 2024 and 2023

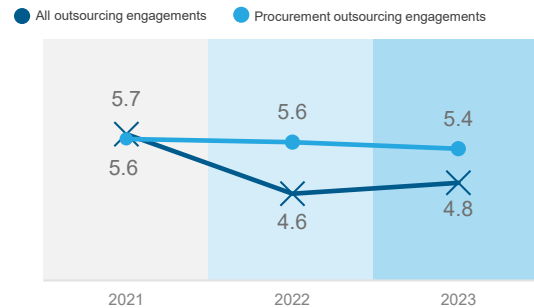
## Emergence of value-adding capabilities expected from PO providers

**Expectations from procurement service providers**

	Traditional			Value-adding			
<b>Operational</b>	Cost savings	Shorter time-to-value realization	Process efficiency	Ramped up leverage of technology	User experience	Market intelligence	Risk mitigation
<b>Account management</b>	Proactive account management	Leadership involvement	Cultural alignment	Progress tracking	Skilled procurement staff	Global presence	Reputed roster of clients
<b>Engagement evolution</b>	Consistency	Agility and flexibility	Scope expansion	Strategic partnership	Co-innovation	Aid in firm's expansion and growth	Center of Excellence (CoE) support

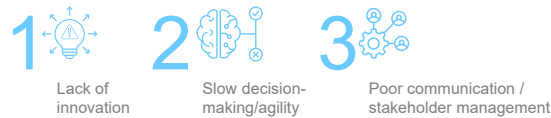
## Shift in enterprise satisfaction on outsourcing engagements

**Average enterprise satisfaction with their service providers**  
Rating on a scale of 1 to 7, with 7 being highly satisfied and 1 being highly dissatisfied



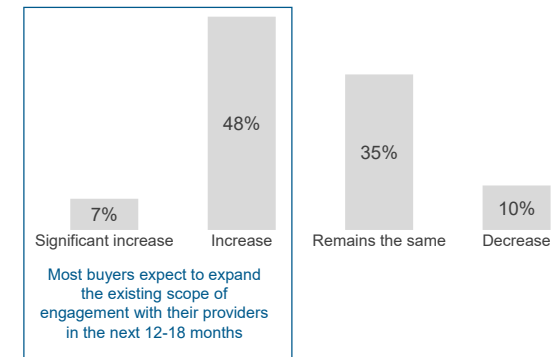
Source: Everest Group Key Issues Studies 2024, 2023, and 2022

**Top factors driving enterprise dissatisfaction**



## Evolution of procurement outsourcing engagements

**Expected changes in the engagement scope in the next 12-18 months**  
Percentage of buyer responses in 2023



# Research calendar

## Procurement and Supply Chain

Published **Current release** Planned

Reports title	Release date
Procurement Transformation in the Age of Generative AI	January 2024
Transforming Supplier Relationship Management with Technology – Market Overview and Provider Landscape	January 2024
Webinar Deck: Decoding Supplier Relationship Management Technologies: What are the Best-in-class Functionalities and Features?	February 2024
Talent Demand Trends   India IT Services – H2 2023	February 2024
Procurement Transformation in the Age of Generative AI	February 2024
Smart Logistics: Harnessing Technology for Seamless Supply Chain Operations	March 2024
<b>Catching the Buyer Pulse: Redefining Partnerships Through Strategic Procurement Outsourcing (PO) Engagements</b>	<b>June 2024</b>
Exploring Circularity in the Supply Chain	Q3 2024
Procurement Outsourcing (PO) - Services PEAK Matrix® Assessment 2024	Q3 2024
Procurement Outsourcing (PO) Service Provider Compendium 2024	Q3 2024
Exploring Supply Chain Management (SCM) Planning Providers 2024	Q4 2024
Evolution of Spend Analytics in Procurement	Q4 2024
Procure-to-Pay (P2P) Products PEAK Matrix® Assessment 2025	Q1 2025
Generative AI in Supply Chain Management: Separating Reality from Hype	Q1 2025
The Evolving Contract Lifecycle Management Landscape	Q1 2025

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