



## Procurement excellence - The next phase of margin improvement for technology businesses

Rapid top-line growth for technology companies has rightly been the prime focus; grabbing market share and establishing product dominance. However, as growth naturally slows, focus must turn to margin, and the management of costs as well as revenue.

Identifying savings | Delivering savings | Maintaining savings

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Despite very sophisticated approaches to development, sales and service, many technology organisations fail to harness the power of best-in-class procurement to improve profitability. Procura's work in this sector highlights a number of common challenges organisations are facing and some key areas for consideration;

- Procurement in technology companies is often a back-office 'transactional' function, without any proactive savings delivery focus. The impact of best-practice procurement can be significant
- Technology companies often buy a lot of technology – all priced in US\$ - and with a 20% slide in exchange rate following the Brexit vote, a margin impact is inevitable
- Technology companies spend significant sums on categories such as marketing where the involvement of procurement can generate significantly more marketing impact for the budgets that are available
- Categories of core corporate expenditure such as Utilities, Facilities Management, Cleaning, Catering, Office Supplies and Telecoms will yield savings and, hence, margin improvement when sourced professionally.

The technology businesses we work with are already seeing how improvements in procurement can deliver substantial, sustainable cost savings, while also improving the quality of purchased goods and services. Management as the approach and core process for procurement. With its focus on stakeholder engagement, demand challenge and supplier-led innovation Category Management is ideally suited to this sector.



## Procura

COST REDUCTION. DELIVERED.

We are specialists in procurement cost reduction. Our consultants work closely with all kinds of organisations to improve their profitability through identifying, delivering and maintaining savings in procurement expenditure. A relentless focus on bottom-line results combined with our deep supply-market knowledge ensures that spend is optimised – and stays optimised.

- Our team has achieved over £25m in savings
- Projects are self-funding with no risk for clients
- We work closely with your people to embed best practice
- Our unique spend intelligence service ensures ongoing savings

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