

The Challenges of Direct Procurement



Procurement Magazine surveyed organizations

to understand how well their direct procurement teams are collaborating with contract manufacturers to optimize and automate for agility and negotiate with maximum buying power.

Are direct procurement teams using the tools available to transform the opportunities presented by a global trading partner network, normalize data, process or visibility solutions and artificial intelligence into a strategic advantage?



Collaboration

Companies that collaborate effectively benefit from improved relationships, increased buying power and lower product costs.

» **30%**
Struggle to effectively collaborate in the buy-sell, three-way trading process

Establishing centralized purchasing on behalf of all trading partners lowers materials costs and helps achieve economies of scale through the strategic execution of buying power.

» **33%**
Face significant challenges managing scheduling agreements

Collaborating on scheduling agreements enables shorter processing times and reduces paperwork within the enterprise.



Optimization

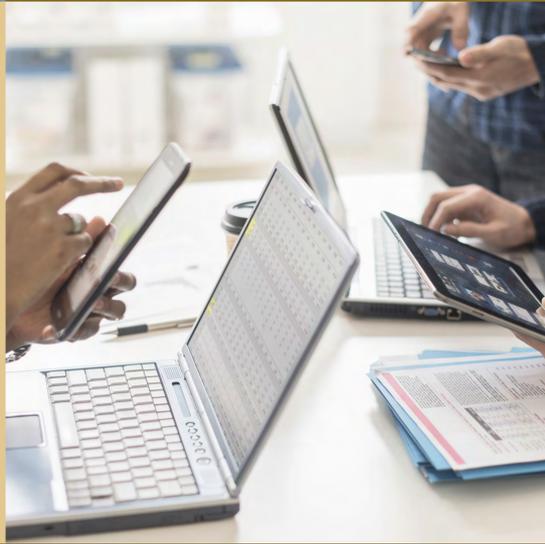
Companies that optimize their procurement processes are more agile in ever-changing market conditions.

» **30%**
Are unable to optimize the bill-of-materials costs across contract manufacturers and suppliers

Gaining visibility into the actual costs of raw materials promotes strategic sourcing decisions and flexibility.

Automation

Companies that automate their direct procurement achieve a higher level of operational efficiency and productivity.



» **40%**
Have not fully integrated new product introductions into the direct procurement process

Streamlining the product lifecycle helps move finished goods to market faster and with higher profitability.

» **74%**
Require manual allocation of certain orders across similar suppliers

Automating order allocation allows for tactical distribution and increases supply assurance.

» **50%**
Lack the tools to effectively manage the invoice tax compliance process

Creating an automated, compliant and audit-ready process lowers the risks associated with tax compliance across all suppliers.

Negotiation

Companies that utilize cost visibility and predictability have greater negotiating power and enable strategic data-driven sourcing decisions.



» **33%**
Struggle to successfully negotiate via a detailed and consolidated view of the bill of materials

Achieving a consolidated view of materials and costs drives increased control over margins.

E2open brings all essential **direct procurement functions together on a single operating platform** connected to a global trading partner network to provide the data, applications and artificial intelligence (AI) required to transition your direct procurement processes and resources from tactical to strategic.



Transition to the strategic advantage

Contact **e2open**

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