



# PwC Digital Procurement Survey

3<sup>rd</sup> edition

2020-2021



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**Isabelle Carradine**  
PwC France  
Partner  
Strategic Supply  
Management

On behalf of the PwC Partners and employees who have been working hard during the pandemic, I am proud to present the third edition of the PwC Digital Procurement Survey. This year, we received more than 400 responses in almost 30 countries. I would like to wholeheartedly thank the more than 100 French purchasing departments who took the time to answer our questions.

France remains ambitious and continues to look for ways to accelerate digitisation practices, with a particular focus on risk management, the importance of which has been highlighted during the health crisis.

## Authors



**Alexandre Roux**  
Consultant  
France



**Philippe Gaurois**  
Senior Manager  
France



**Florian Tue**  
Consultant  
France

## Key findings from the survey

1

### **Digital transformation remains a major challenge, although the current context is prompting purchasing departments to refocus on their core operations:**

- Process digitisation remains the third strategic priority, and is regarded as a driver of agility and resilience.
- Cost reduction and supplier sourcing are the top two priorities. They enable companies to meet their objectives of securing external resources and improving financial performance, which have been particularly exacerbated by the health crisis.
- The Covid-19 crisis has led to a change in strategy by purchasing departments: more than 60% of them have reconsidered their priorities in response to the crisis. Cost reduction and risk management were favoured in the short term while, in the medium term, process digitisation and supplier sourcing were reprioritised in order to prepare for the future.

2

### **The digital transformation of procurement processes has been steadily progressing over the years and is taking shape more quickly than expected, while continuing to be supported by substantial investment:**

- The level of increase in digitisation has exceeded 2017 targets, demonstrating purchasing departments' commitment to digital transformation projects, as well as the growing role of digital technology in the purchasing function. This trend is set to intensify over the next two years, thanks to significant investment by companies of all sizes.

3

### **The digital transformation of procurement practices can be seen in the use of fundamental use cases, and offers various short-term development perspectives:**

- Certain digital use cases – including procure-to-pay, source-to-contract, and data analysis and management – have become the basis for the digitisation of the purchasing function. They are the most commonly used today and represent the highest investment intentions for the next two years.
- Use cases that are currently not widely used – such as smart sourcing/relocation sourcing, risk management and virtual purchasing assistants – are expected to gain traction, with the number of users within purchasing departments set to double over the next two years. Such use cases will enable them to respond to the new challenges of agility and resilience.
- The Covid-19 crisis has tested the resilience of both the digital tools available to purchasing departments, and digital transformation roadmaps. European roadmaps have been consolidated, while in Africa, two-year investment intentions have been significantly redistributed both upwards and downwards, in direct correlation with the digital use cases that were lacking during the crisis.

4

### **Making optimum use of digital solutions generates significant performance gains within purchasing organisations:**

- On average, 79% of purchasing departments say that they have seen improvements in business performance and organisational benefits as a result of deploying a digital solution. This is especially true in companies where the solution is strongly taken up by users and its features are used in full.

5

### **Among the key success factors for digital transformation projects, adapting procurement processes to the chosen solution and investing heavily in change management are identified as major factors, while the choice of technology or integrator are less important:**

- Purchasing departments share a common view on the crucial role of business process transformation in the success of a digital deployment project. Time spent on process redesign and change management will bring more value to a digital transformation project than the technical aspects of choosing the solution and the integrator.

400+  participants

 **3 major global regions**  
Europe – Africa – Middle East

 **29 countries represented**

Some of the most representative countries in their region:

- Europe: France, Turkey, Sweden, Germany, Spain
- Africa: Kenya, Uganda, Zambia
- Middle East: United Arab Emirates, Qatar

Other countries: Austria, Bahrain, Belgium, Côte d'Ivoire, Denmark, Egypt, Gabon, Lebanon, Luxembourg, Morocco, Netherlands, Nigeria, Norway, Oman, Saudi Arabia, South Africa, Switzerland, Tanzania, United Kingdom

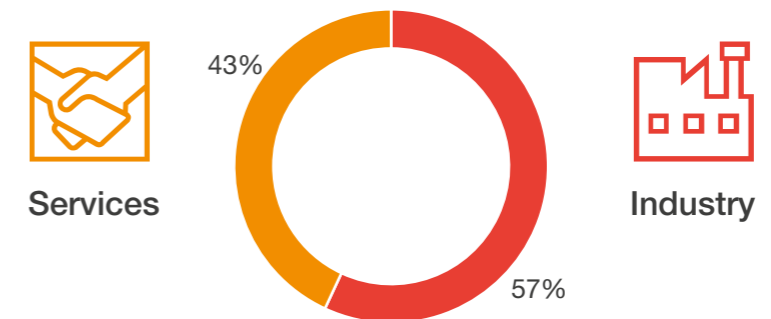
 **12 themes covered**

Including:

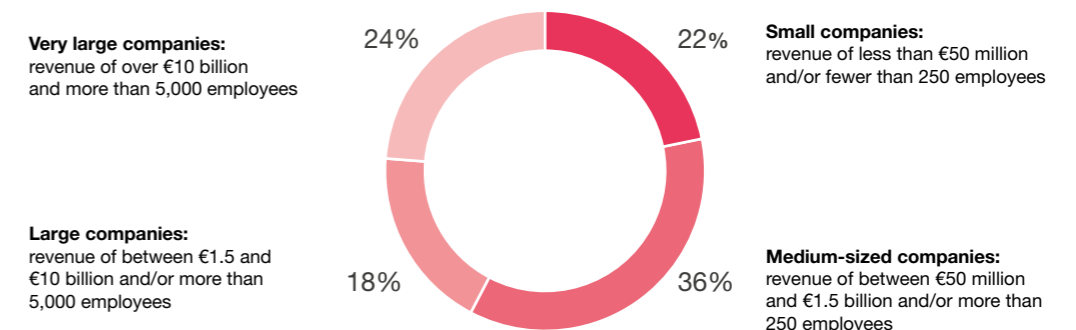
- Strategic priorities of purchasing departments
- Digital roadmaps and future investment
- Impact of Covid-19 on the digitisation of procurement processes
- Digital use cases and perceived value

Responses received between March and September 2020

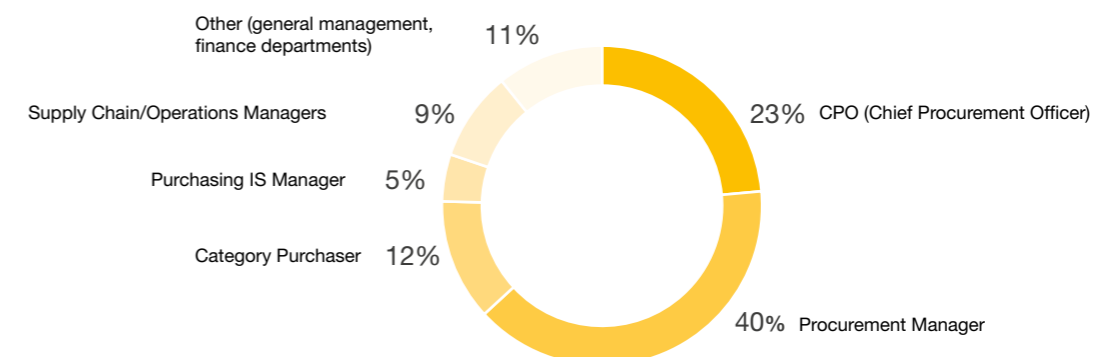
#### Business sectors



#### Company profiles



#### Participant profiles





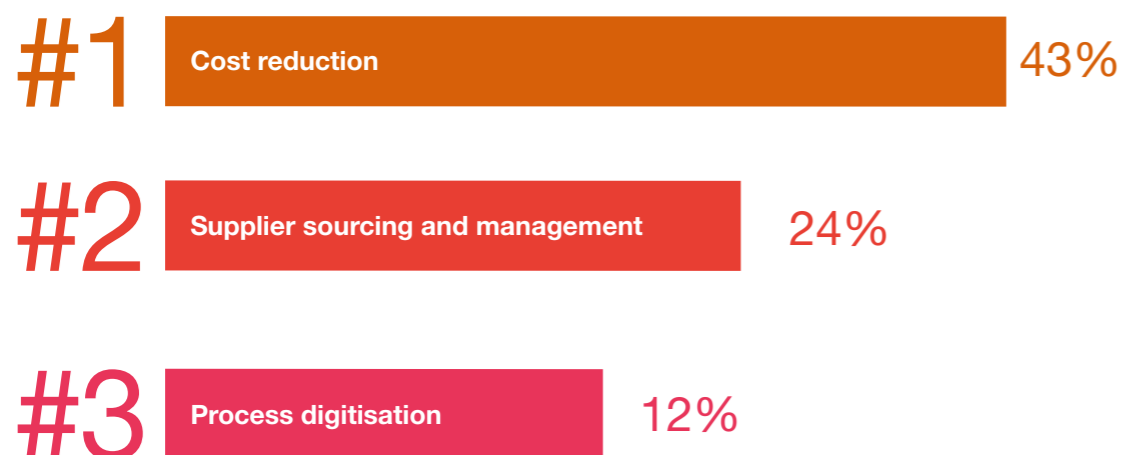
1

Survey results

Digital transformation remains a strategic priority, although the current context is prompting purchasing departments to refocus on cost issues and supplier sourcing

## 3<sup>rd</sup> Digital transformation is the third strategic priority for purchasing departments

Top three strategic priorities for purchasing departments

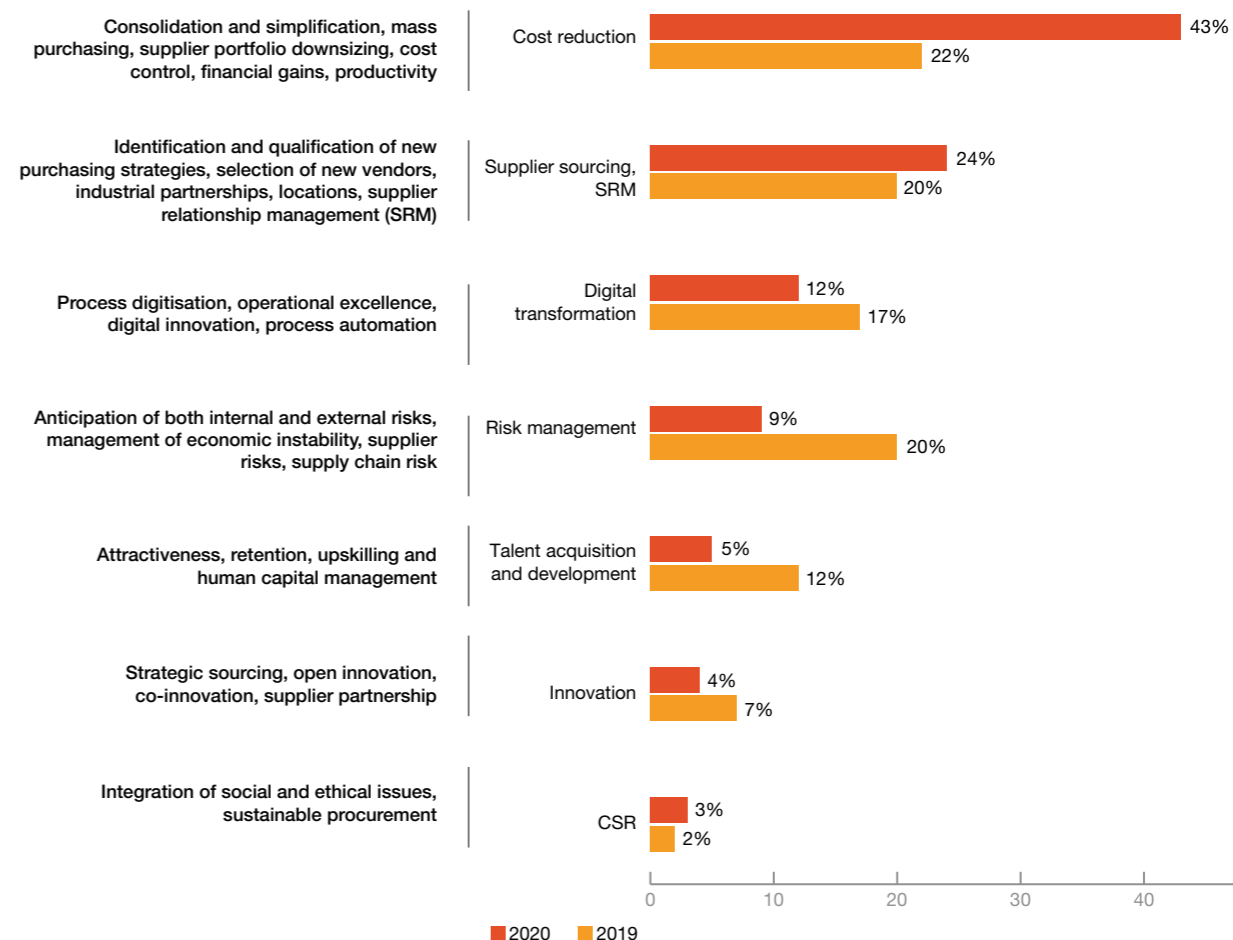


In response to the current challenges of improving financial performance and increasing supply chain security, purchasing departments are refocusing on their core operations by reprioritising cost reduction and supplier sourcing.

However, process digitisation remains a key concern, particularly as we are seeing a shift towards remote working practices.

Despite the crisis, digital transformation remains a fundamental trend

Changes in purchasing departments' strategic priorities between 2019 and 2020



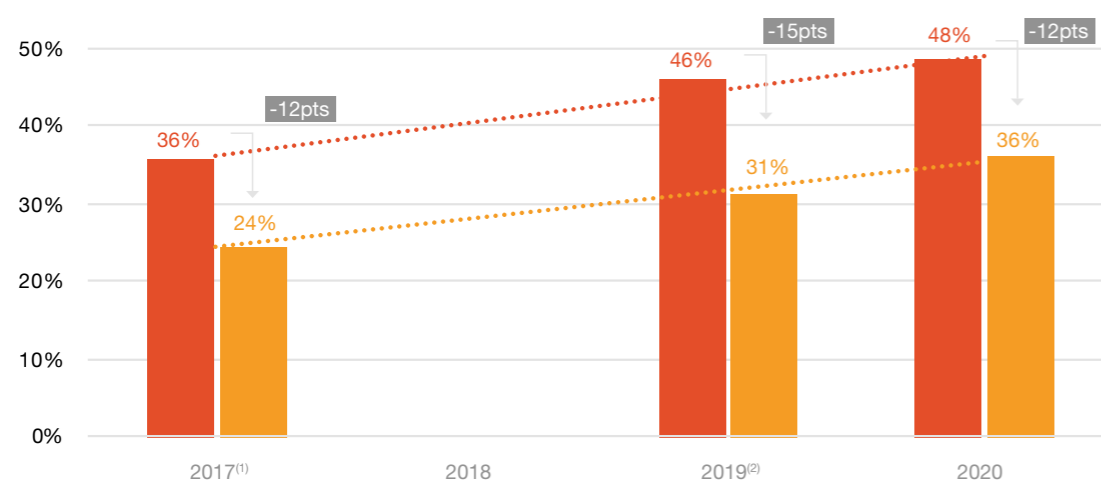
Digital transformation remains a strategic priority: not only does it increase resilience and enable companies to react to the economic context, it is also a driver of agility and a source of competitiveness in the longer term.

The digital transformation of procurement processes is steadily progressing and has exceeded 2017 forecasts

## The digital transformation of procurement processes – both transactional and strategic – continues to progress

The projects undertaken by purchasing departments in all industries are showing results year after year, and demonstrate the importance placed on automating procurement processes. But there is still a long way to go to take full advantage of digitisation.

### Rate of automation of procurement processes



#### Transactional processes:

From purchase ordering to payment (procure-to-pay), e-invoicing

#### Strategic processes:

From strategic sourcing to contractualisation (tendering process, contract management, supplier relationship management, risk anticipation)

#### Process automation rate:

Proportion of processes partially or fully automated by a digital solution

(1) PwC Digital Procurement Survey 2017/(2) PwC Digital Procurement Survey 2019

## Procurement process automation has exceeded 2017 forecasts

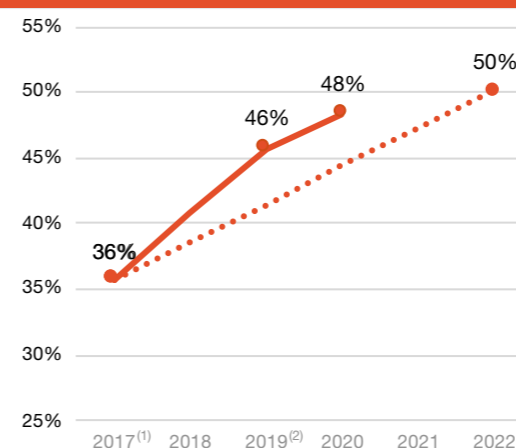
Procurement process automation rates have exceeded the targets set by the 2017 Digital Procurement Survey, demonstrating the purchasing function's strong commitment to companies' digital transformation.

### Rate of process automation:

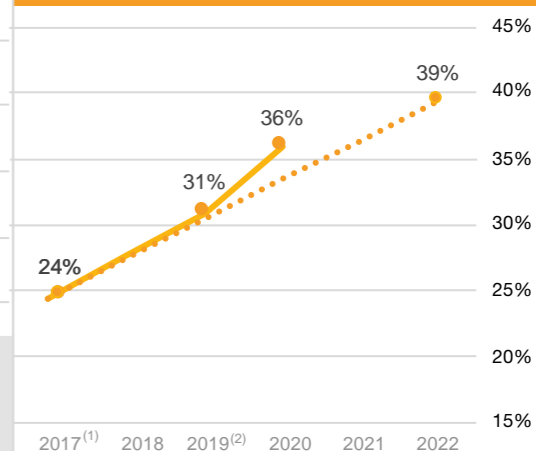
Achieved

To be achieved by 2022  
(2017 projections)

#### Automation of transactional processes 2017 projections vs 2020 achievement



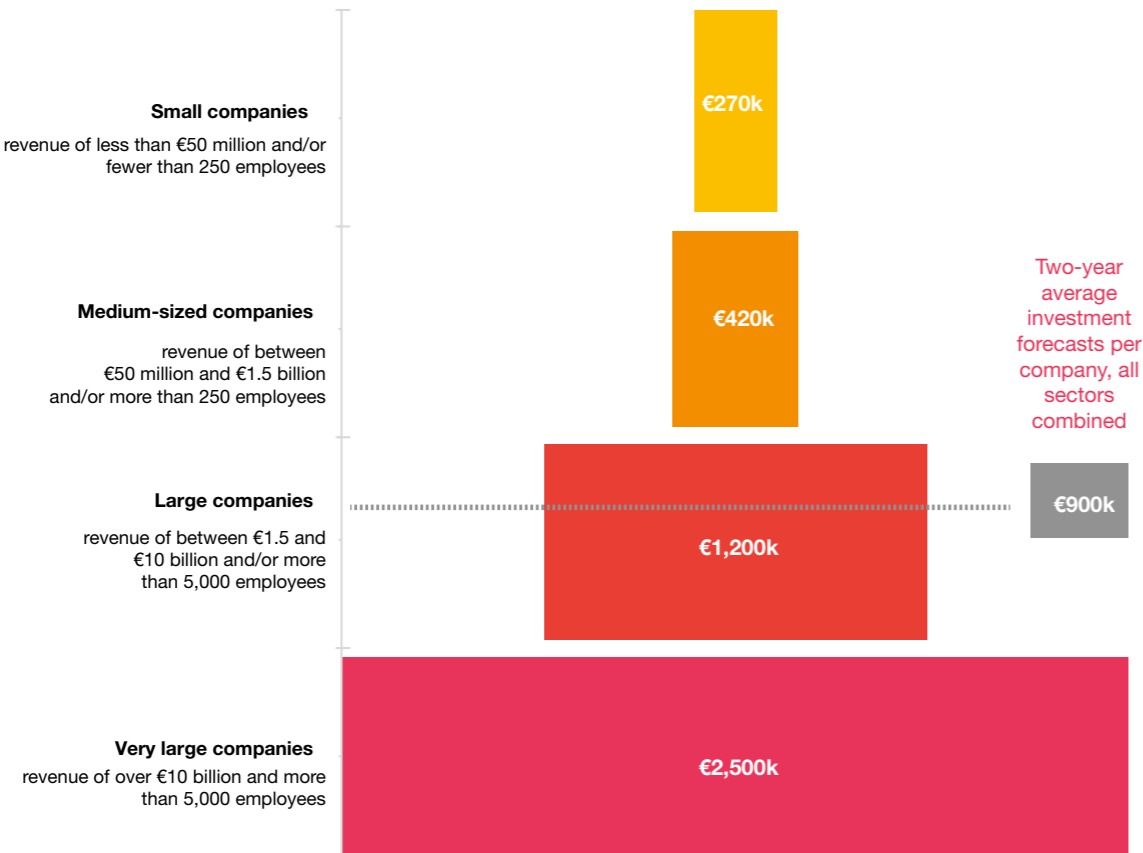
#### Automation of strategic process 2017 projections vs 2020 achievement



(1) PwC Digital Procurement Survey 2017/(2) PwC Digital Procurement Survey 2019

# Significant investment planned to support the digital transformation of purchasing departments

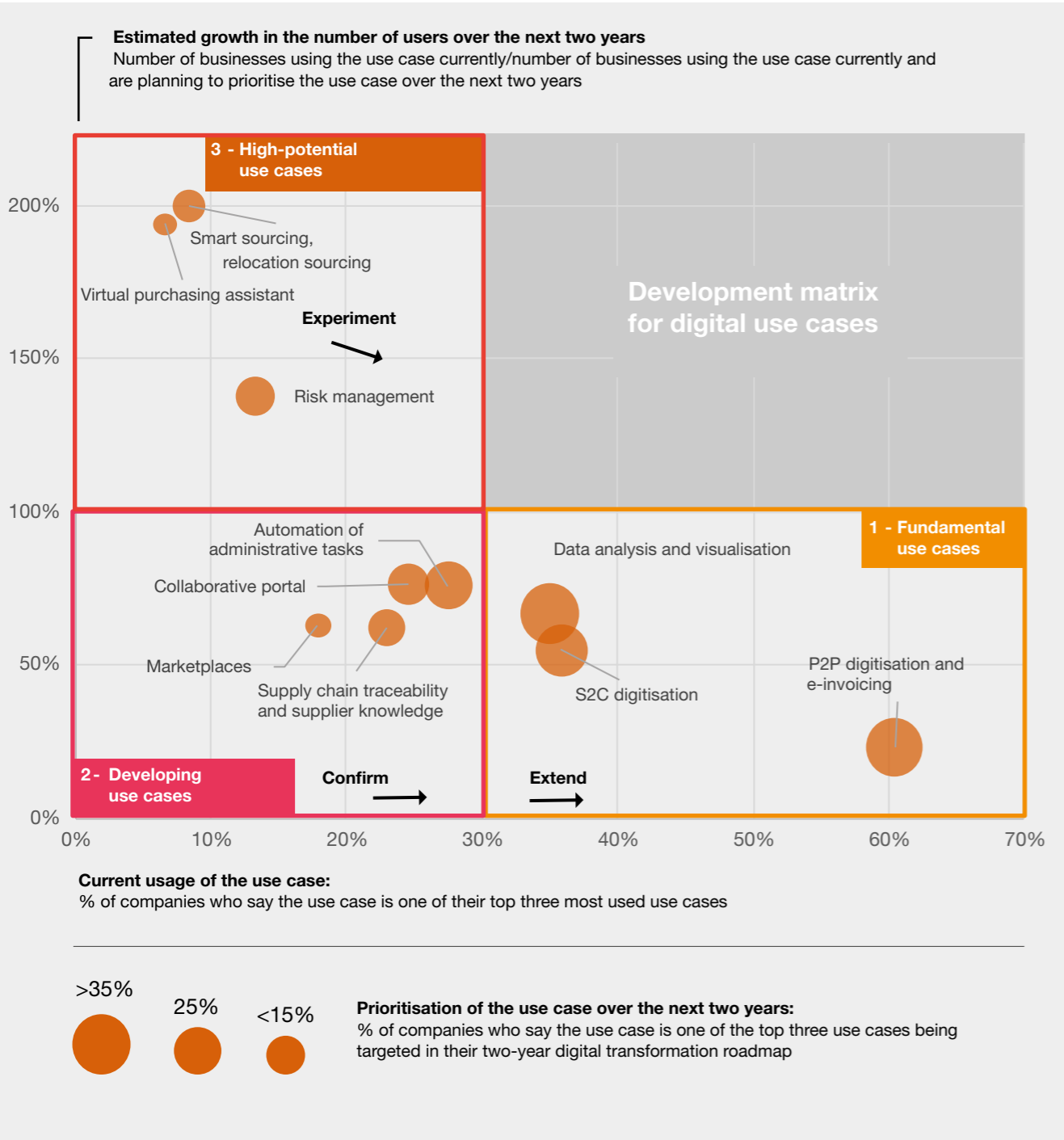
Investment forecasts for the digital transformation of purchasing departments over the next two years



These ambitious investment forecasts offer support for the implementation of purchasing departments' digital roadmaps. They show the expected tangible return on investment and therefore, the importance given to the digital transformation of the purchasing function.



The survey highlights three groups of digital use cases for which we propose a different development strategy



Purchasing departments' digital roadmaps highlight three groups of use cases based on their stage of development. We recommend implementing different development strategies in order to continue the digital transformation.

PwC recommendations	
<b>1 – Fundamental use cases</b> Procure-to-pay (P2P), source-to-contract (S2C), and data analysis tools are the use cases <b>most frequently used</b> by purchasing departments today, and which <b>represent the highest investment intentions</b> . They form <b>the basis of the purchasing department's digital transformation</b> .	<b>Extend</b> <ul style="list-style-type: none"><li>Continue to develop best practices and harmonise processes</li><li>Increase the number of users and the purchasing scope</li></ul>
<b>2 – Developing use cases</b> They are <b>already used by a large number, but not the majority, of purchasing departments</b> . Nevertheless, they remain the focus of significant investments.	<b>Confirm</b> <ul style="list-style-type: none"><li>Measure the value contributed by the use case</li><li>Accelerate the development of the most promising use cases</li><li>Roll out across the organisation</li></ul>
<b>3 – High-potential use cases</b> These are the use cases that offer <b>the strongest development potential</b> over the next two years compared to their current use. They respond to the <b>new challenges of supply chain agility and resilience</b> , and should see their number of users increase significantly over the next few years.	<b>Experiment</b> <ul style="list-style-type: none"><li>Test use cases</li><li>Confirm the ROI</li></ul>

PwC's vision: the digital journey of tomorrow's purchaser can be illustrated using high-potential use cases

By 2025, the purchaser's journey will be supported by numerous high-potential digital use cases to facilitate day-to-day tasks and boost the added value of the purchasing function. The results of the survey confirm PwC's vision of procurement process digitisation. PwC is always on the hunt for innovative technology, and helps its clients identify and deploy digital innovations.

**Industry Lab:** Located at PwC's premises in Neuilly-sur-Seine, France, the Industry Lab is an immersive space dedicated to Industry 4.0 that provides technological demonstrators and use cases relating to industrial processes and technological innovations. This infographic shows an example of a purchaser's journey, presented at the lab during a digital immersion session.



**Tail spend automation:**  
Automate the purchasing department's management process for low-value tenders to allow purchasers to focus on strategic suppliers and tenders.

**Relocation sourcing and supplier risk management:**  
Map high-risk suppliers (e.g., based on financial situation, dependency, location, market tensions, CSR criteria) and identify potential alternatives through the use of the "AGIR-PwC" app for the digital management of risks and relocation sourcing.

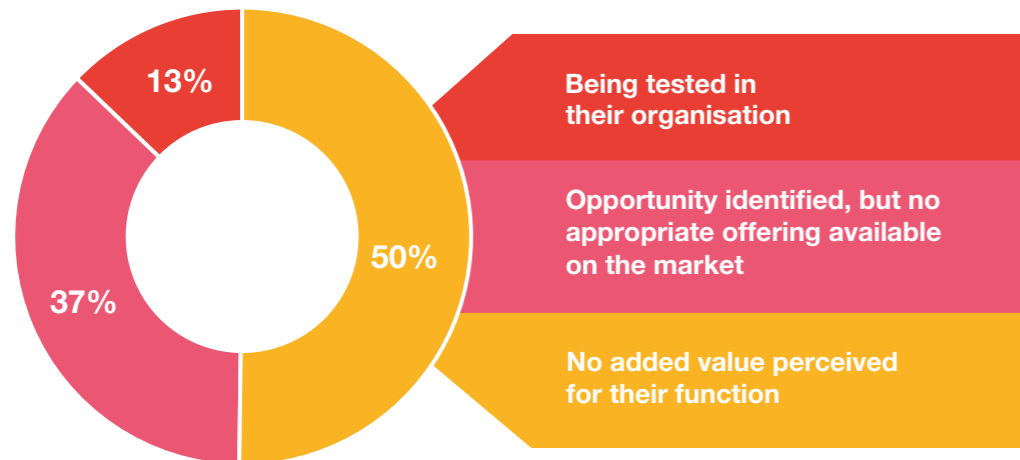
**Process intelligence:**  
Optimise procure-to-pay and accounts payable processes by using data mining and advanced data analysis to identify bottlenecks and establish action plans.

**Virtual purchasing assistant:**  
Automate communications between suppliers and accounts payable teams, enabling them to track the status of their invoice directly without having to contact the purchaser



Despite its still limited uptake by purchasing departments, blockchain technology represents a big development opportunity

Perception of Blockchain technology by purchasing departments in 2020



Blockchain technology is not currently widely used by purchasing departments, however, it represents a good development opportunity. Many companies are considering certain applications of the technology – for example in the areas of supply chain traceability or traceability of quality-related events – in order to improve risk management.

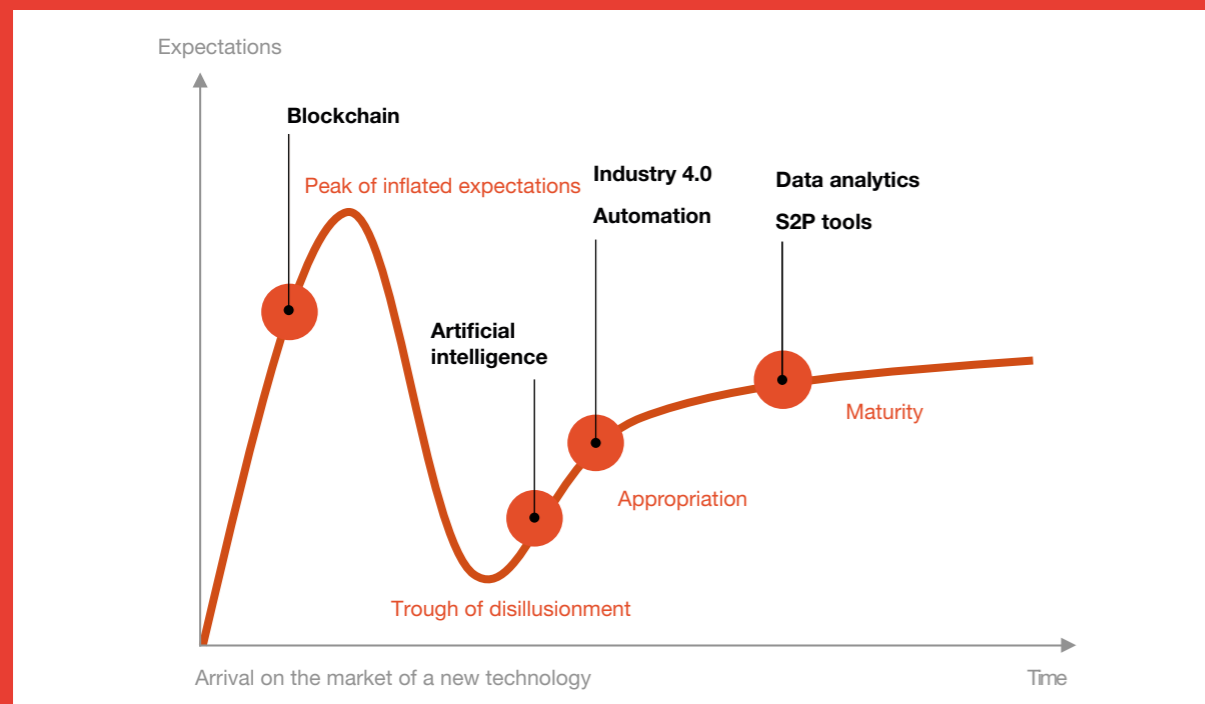
## A concrete example of the use of Blockchain in a purchasing organisation:

### Supply chain security:

Blockchain tools help to secure supply chains and maintain sovereignty in a context of interdependence. They can also be used to:

- give each stakeholder the possibility to **transparently monitor supply chain flows**, including complex supply chains such as those for medical devices, while **increasing the overall responsiveness of the supply chain**;
- create a platform to **certify the origin of** components of products or services;
- **generate a digital ID** for each of the different stakeholders in the supply chain;
- draw up a **map of n-tier suppliers** to protect the company's sovereignty in the event of a systemic crisis.

The 2019 survey found that purchasing departments were already exploring this technology:



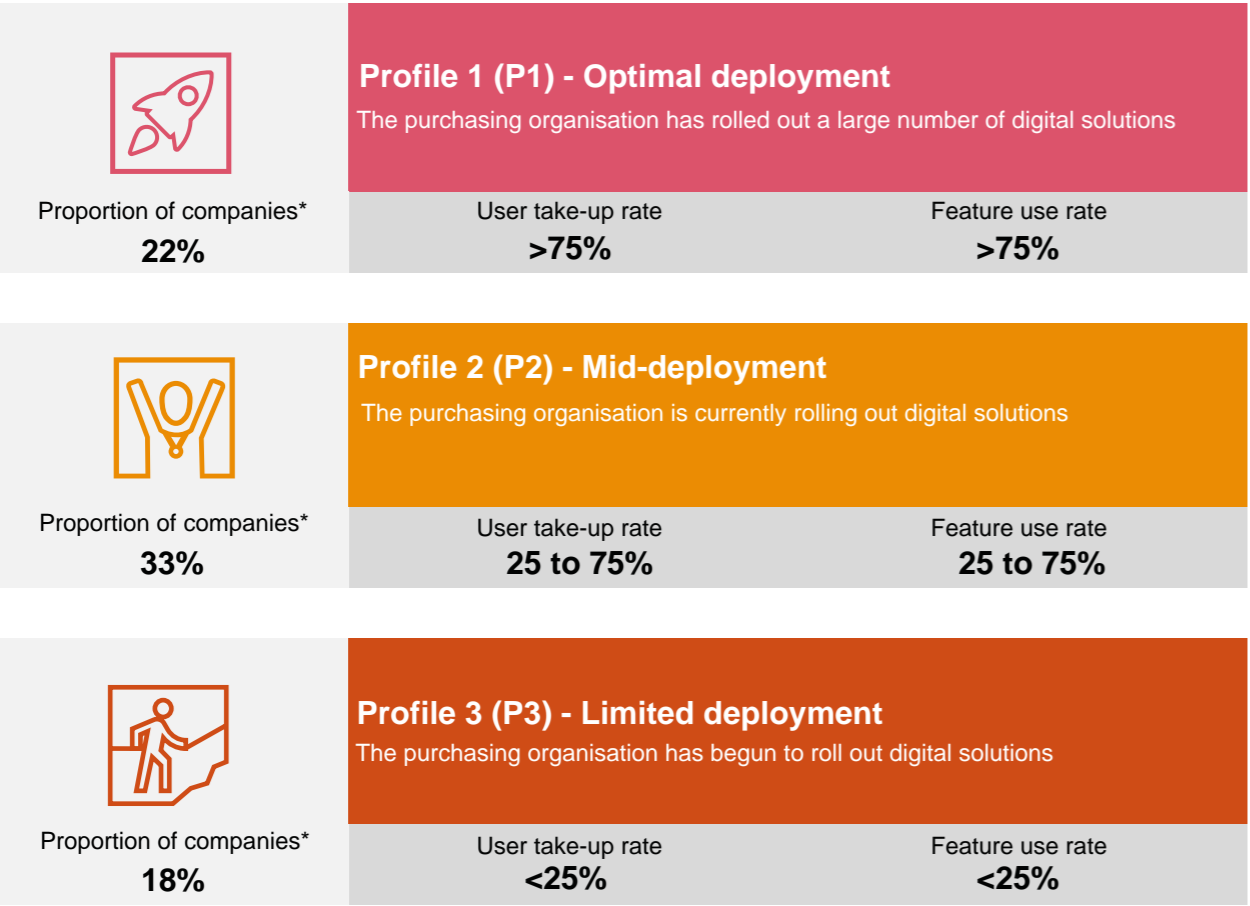
Source: PwC Digital Procurement survey 2019



The higher the take-up of digital technology, the greater the benefits companies see on purchasing department performance

2 in 10 purchasing departments say that they are making optimum, long-lasting use of their digital solutions (22%)

Companies can be divided into three profiles based on the rate of user take-up and feature use:

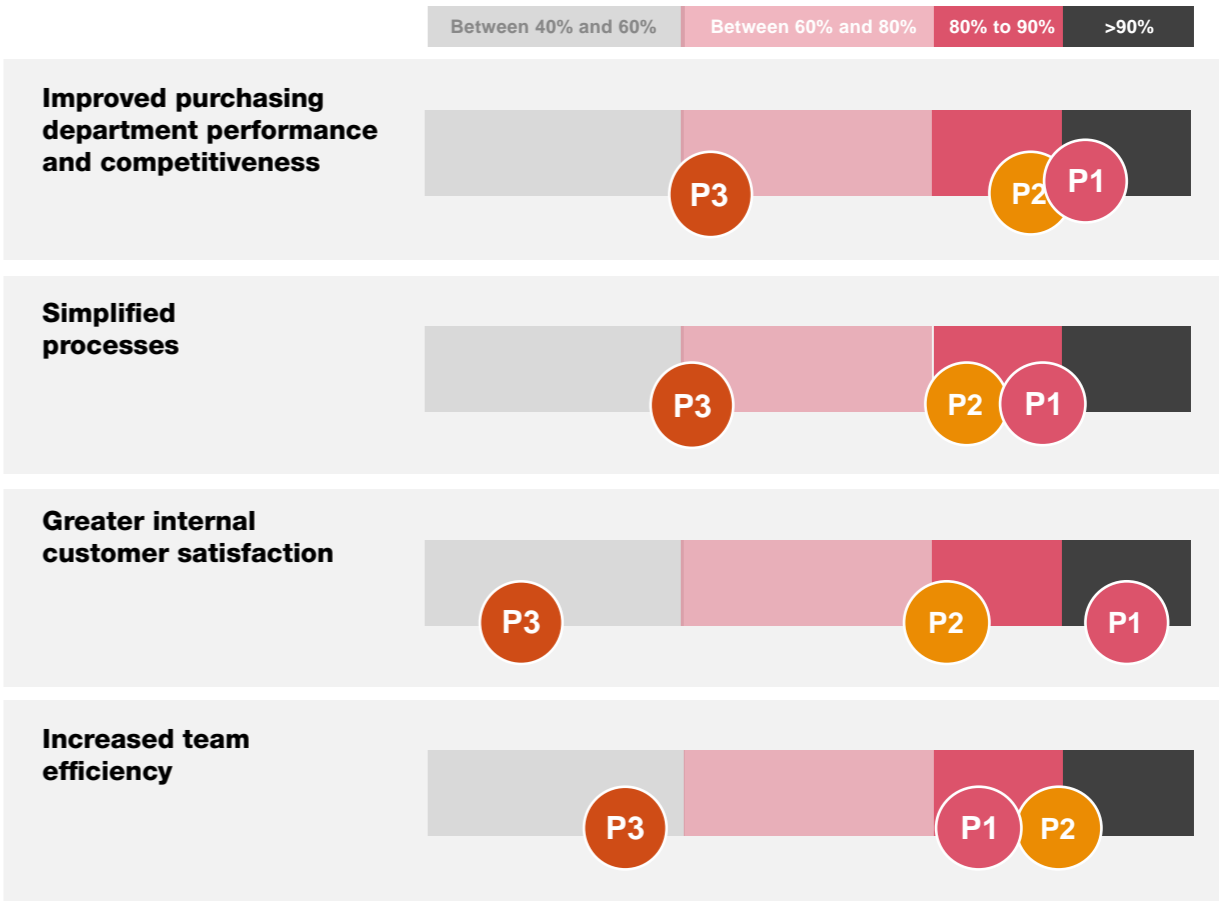


\* Proportion of companies not represented (companies that do not meet the selected criteria): 27%

8 in 10 purchasing departments have noticed a positive impact on their organisation and performance (79%). The perceived value of these positive impacts is directly correlated with the company's profile.

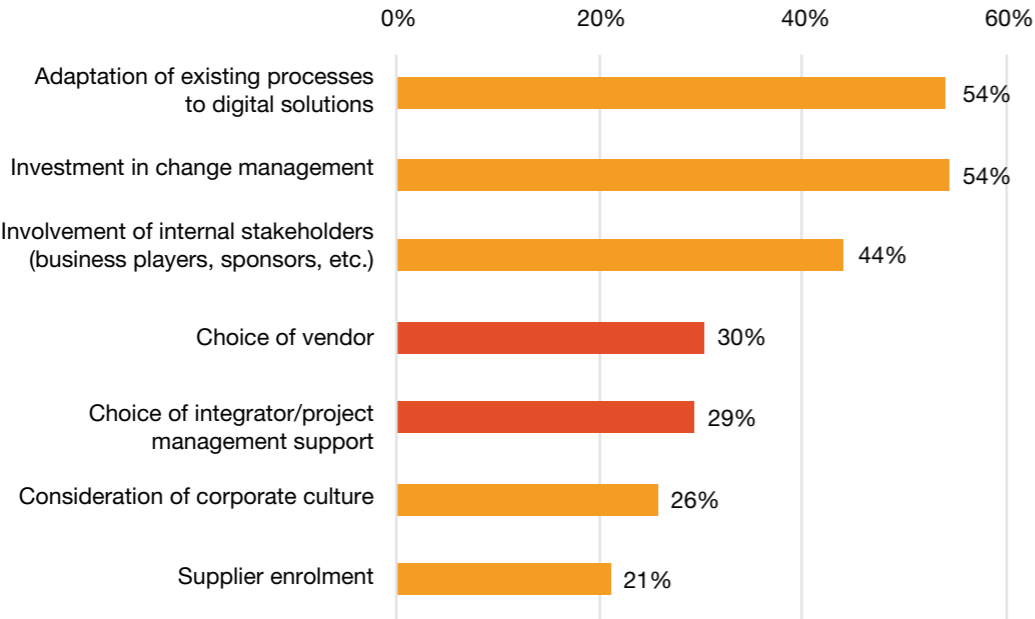
Perception of positive impacts by company profile:

% of companies having noticed an improvement in their performance following the deployment of a digital solution



Success factors for the digital transformation of the purchasing function: process adaptation and change management come out ahead of the choice of technology or integrator

Success factors for the digital transformation of the purchasing function: process adaptation and change management come out ahead of the choice of technology or integrator:



Business process transformation is the main success factor in digital solution deployment projects

Support for the transformation of purchasing practices

Choice of digital solution and integrator

Purchasing departments share a common view on the crucial role of **business process transformation** in the success of a digital deployment project.

Time spent on **process redesign** and **change management** will bring more value to a digital transformation project than the **technical aspects of choosing the solution and the integrator**.

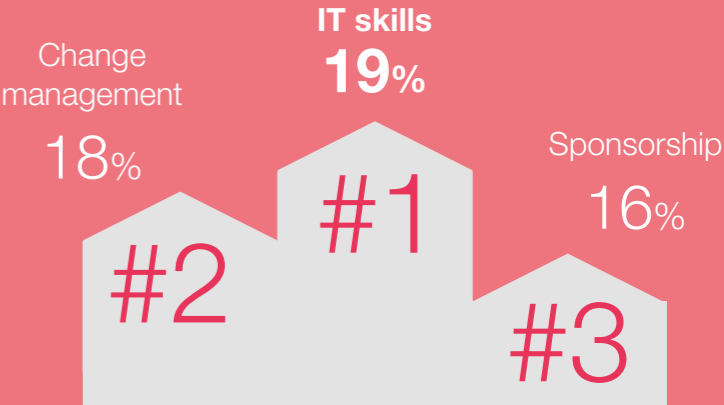
Digital transformation can also be seen as a driver of business process transformation.

The success of a digital deployment project depends on the company's ability to standardise and implement processes.

Purchasing IS Manager for a large automotive company

In the 2019 **Digital Procurement Survey**, the main obstacles preventing companies with a high rate of digitisation from implementing technologies were skills, closely followed by change management and sponsorship.

The 2020 and 2019 findings confirm the crucial importance of business process transformation, and in particular change management, in a digital transformation project. These are factors for success, but can also become sources of failure.



To go a step further, PwC's Digital Procurement Maturity Model can be used as a starting point to build a digital roadmap aligned with your purchasing function's development objectives

#### PwC's Digital Procurement Maturity Model

PwC has developed a tool to evaluate purchasing department's digital maturity. It looks at 8 different aspects to provide an assessment of the level of process digitisation within purchasing departments, which can then be used to refine their roadmaps.



# 2 Impact of Covid-19

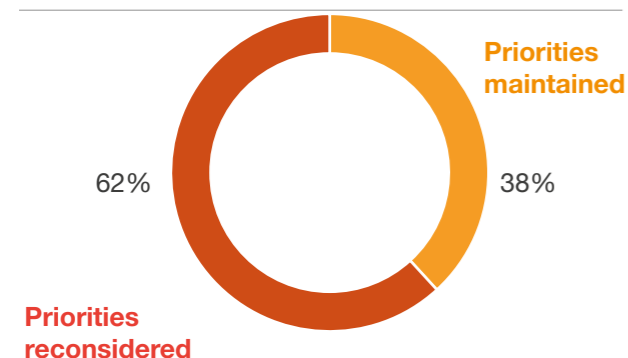


Purchasing departments are adapting their strategy and reconsidering their priorities to respond to the crisis in the short and medium term

2/3

purchasing departments have reconsidered their priorities following the Covid-19 crisis

Percentage of respondents who have reconsidered their priorities as a result of the Covid-19 crisis



#### Purchasing departments' strategic priorities have been affected by the Covid-19 crisis

The short-term financial impact has led to greater priority being given to cost reduction, while the need for agility in an uncertain environment has pushed companies to capitalise on risk management, digital transformation and sourcing.

Companies are aiming to build their finances back up before continuing their operations in a more agile way so that they are ready to face future crises.

>50%

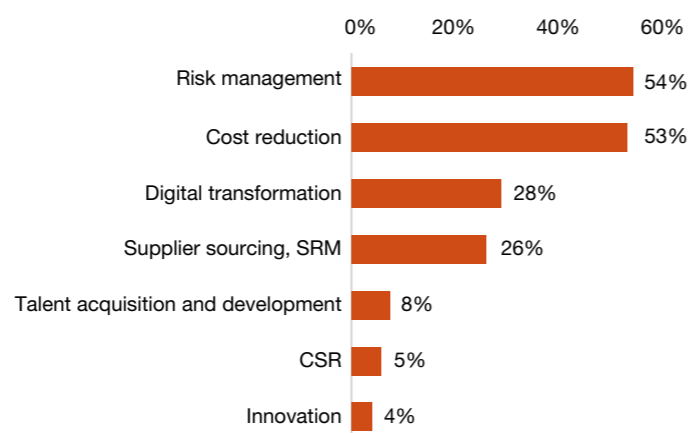
of purchasing departments that have reconsidered their priorities following the Covid-19 crisis want to promote risk management and cost reduction within their organisation

#### Changes in purchasing department priorities are consistent with their company's strategy

According to the PwC CFO survey\*, which gauged the views of Chief Financial Officers following the Covid-19 crisis, cost control is the main priority being adopted (for 82% of respondents).

CFOs also believe that developing alternative supply sources will be their priority for the supply chain.

#### Reconsideration of purchasing department's strategic priorities following the Covid-19 crisis:



2<sup>nd</sup>

Risk management ranked as second most used digital use case in response to the crisis

#### Most common use cases in a non-crisis environment

Fundamental use case  
(the most used and attracting the most investments)

- #1 P2P digitisation & e-invoicing
- #2 Source-to-contract digitisation
- #3 Data analysis

#### Most common use cases during the Covid-19 crisis

High-potential use cases  
(potential for strong growth in use)

- #1 P2P digitisation & e-invoicing
- #2 Risk management
- #3 Data analysis

#### The Covid-19 crisis has tested the resilience of the digital tools available to purchasing departments

Procure-to-pay continues to form the basis of purchasing department digitisation and has been the most widely used use case during the crisis. Data management also remains crucial in normal circumstances as well as in times of crisis.

More exceptional use cases have highlighted the advantages of having a high capacity for digital resilience.

The use case that saw the largest increase in use during the Covid-19 crisis is risk management. The ability of purchasing departments to provide solutions to immediate risks has been put to the test, underlining the importance of implementing a digital transformation that increases the versatility of purchasing practices.

\* PwC's COVID-19 CFO Pulse Survey (April 2020)

Covid-19 has consolidated European roadmaps and accelerated them in Africa

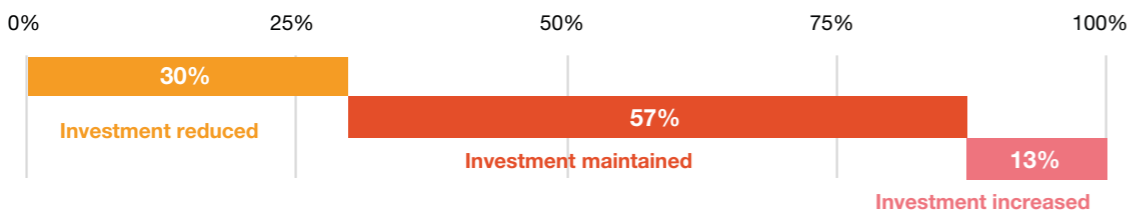
57%  
of respondents in the region are maintaining their investment

Europe

The roadmaps of European purchasing departments appear to have been largely unaffected by the crisis, in terms of both investment and roadmap content. The Covid-19 crisis has consolidated their digital priorities for the next two years.

Investment

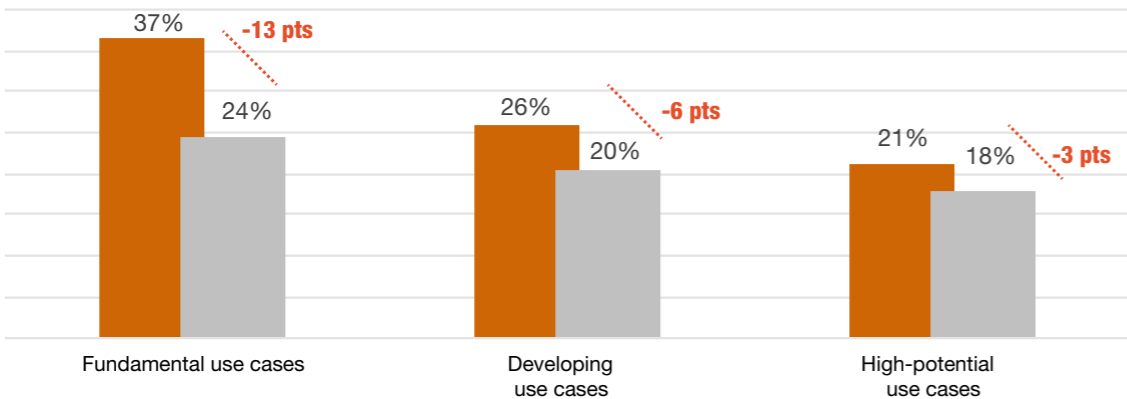
Changes in investment in Europe following the Covid-19 crisis



Digital roadmaps

High-potential use cases are those for which there is the greatest correlation between the **lack of these uses during the crisis and the resulting prioritisation over the next two years**. This correlation is less significant for fundamental use cases, for which the crisis has simply reinforced their prioritisation.

■ Use case being prioritised over the next 2 years ■ Uses cases lacking during the Covid-19 crisis



**Fundamental use cases**  
P2P digitisation & e-invoicing,  
S2C digitisation, data analysis and visualisation

**High-potential use cases**  
Smart sourcing and relocation sourcing, risk management,  
virtual purchasing assistants

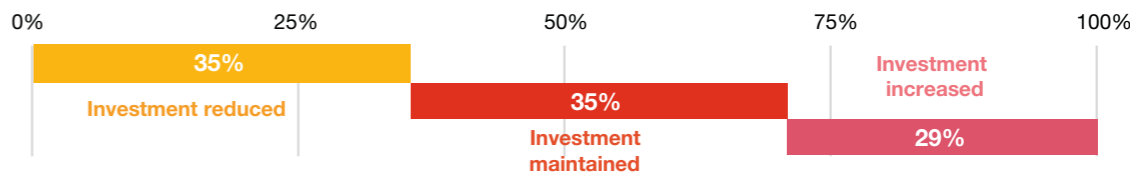
64%  
of the region's respondents say their investment intentions were disrupted (up or down) by the Covid-19 crisis

Africa

African purchasing departments have been more heavily impacted by Covid-19: investment intentions have been disrupted, and certain use cases that were lacking during the crisis have been reprioritised in company roadmaps. The Covid-19 crisis has revealed possible digital weaknesses, thereby accelerating the digital transformation planned over the next two years.

Investment

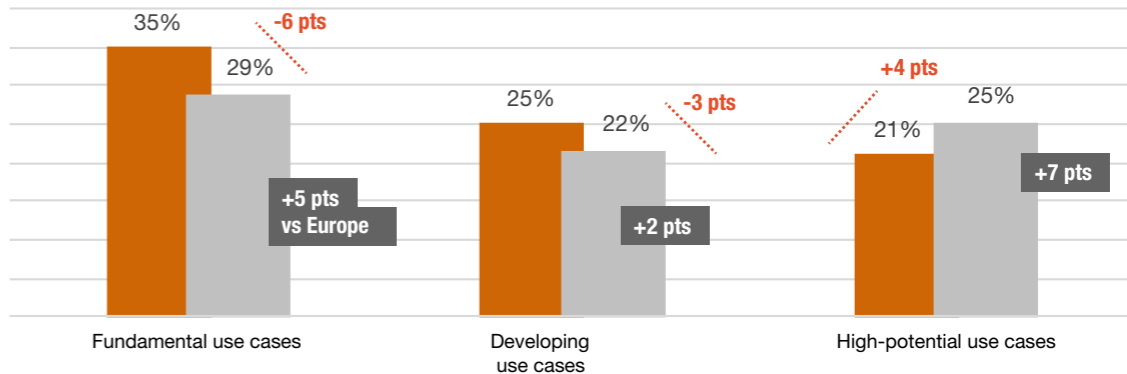
Changes in investment in Africa following the Covid-19 crisis



Digital roadmaps

**The lack of digital capabilities during the Covid-19 crisis was felt most acutely in Africa.** There is therefore a greater correlation between the use cases that were seen to be lacking during the Covid-19 crisis and the digital use cases being prioritised over the next two years, showing that the crisis has accelerated companies' roadmaps.

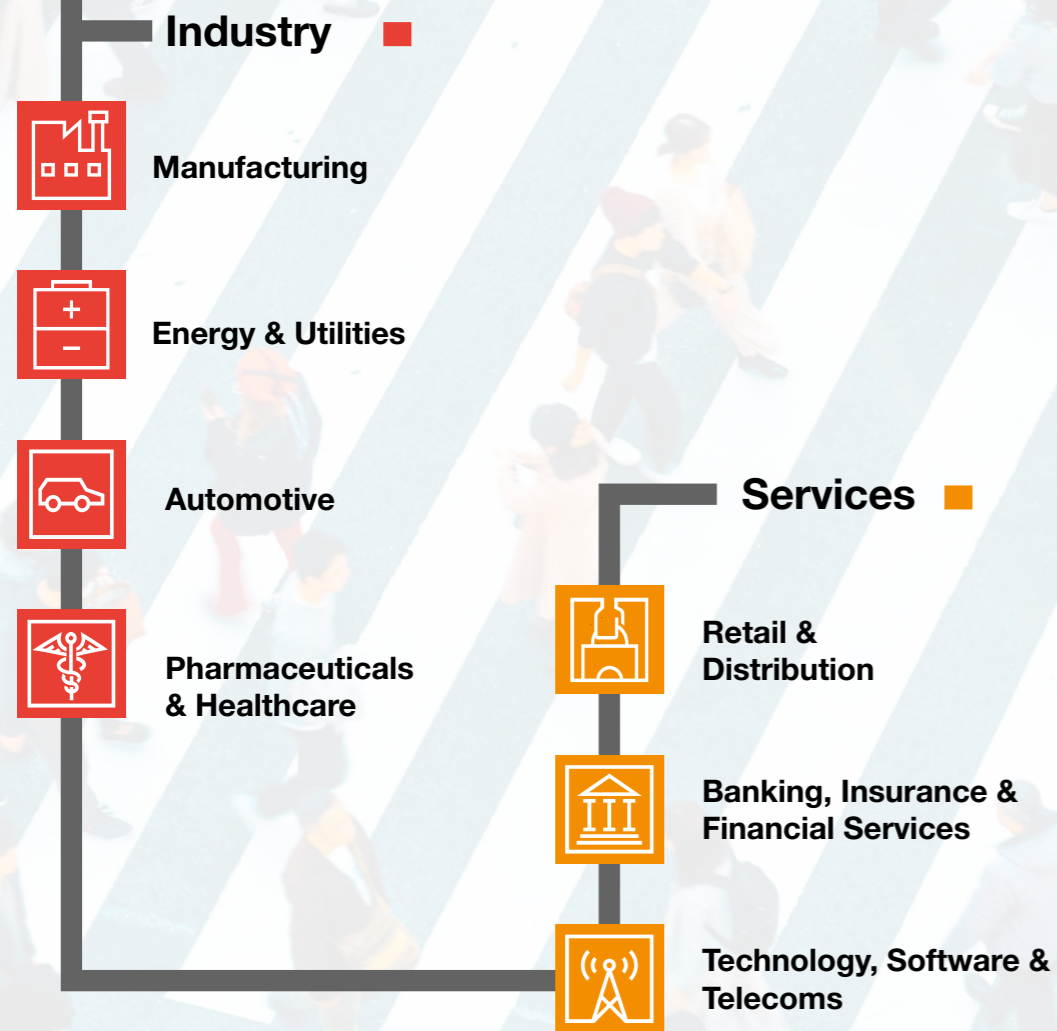
■ Use cases being prioritised over the next 2 years ■ Use cases lacking during the Covid-19 crisis



**Developing use cases**  
Automation of administrative tasks, marketplaces, collaborative portals, supply chain traceability and supplier knowledge

## Find out more

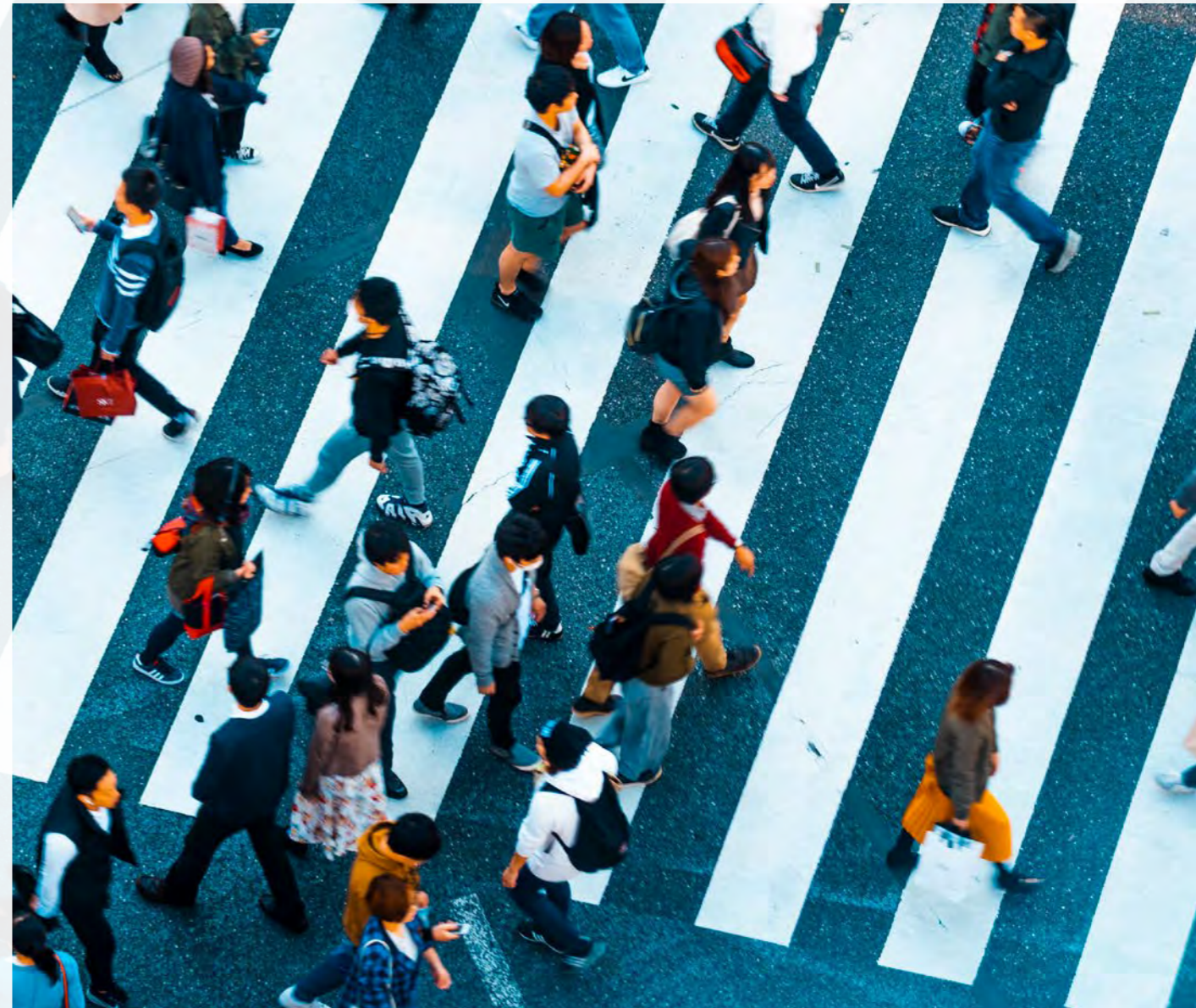
Purchasing issues and practices can vary widely from one industry to another. That's why we wanted to study the digital characteristics of purchasing departments in the industries most represented in this survey\*, so as to benchmark them within their sector and observe what is specific about them.

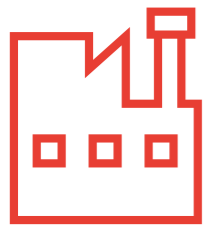


\* Industries not analysed: Aerospace, Defence & Security; Construction & Infrastructure; Consumer Goods; Chemicals & Metallurgy; Entertainment, Communications & Media; Agri-Food; Public Sector; Business Services; and Transport & Logistics

# 3

## Close-up on industries

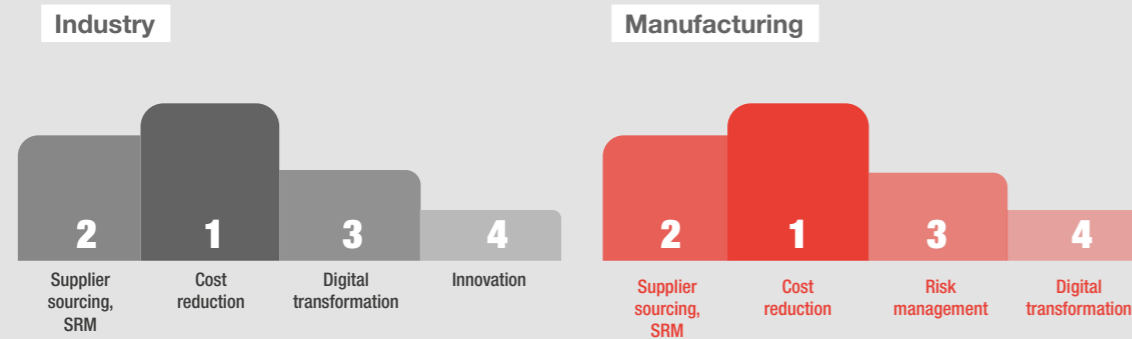




## Manufacturing

Manufacturing businesses use digital transformation to increase their visibility across their supply chain

### Strategic priorities of purchasing departments



### Digital transformation performance

Industry	% of businesses rolling out their digital solutions in an optimal way		% of businesses seeing an improvement in their average performance
	High user take-up rate*	High feature use rate**	
Industry	31%	26%	79%
Manufacturing	26%	24%	84%

\* solution used by more than 75% of targeted users

\*\* solution used in an efficient way thanks to use of more than 75% of its features

### Digital roadmap

Industry	Manufacturing
Current most used digital use cases	
1 P2P digitisation & e-invoicing	P2P digitisation & e-invoicing
2 Data analysis and visualisation	S2C digitisation
3 S2C digitisation	Supply chain traceability
Use cases receiving the most investment	
1 Data analysis and visualisation	Automation of administrative tasks
2 S2C digitisation	S2C digitisation
3 Automation of administrative tasks	Data analysis and visualisation
High-potential use cases	
1 Smart sourcing, relocation sourcing	Virtual purchasing assistant
2 Automation of administrative tasks	Marketplaces
3 Risk management	Data analysis and visualisation
Average investment over 2 years	
€1,075k	€880k

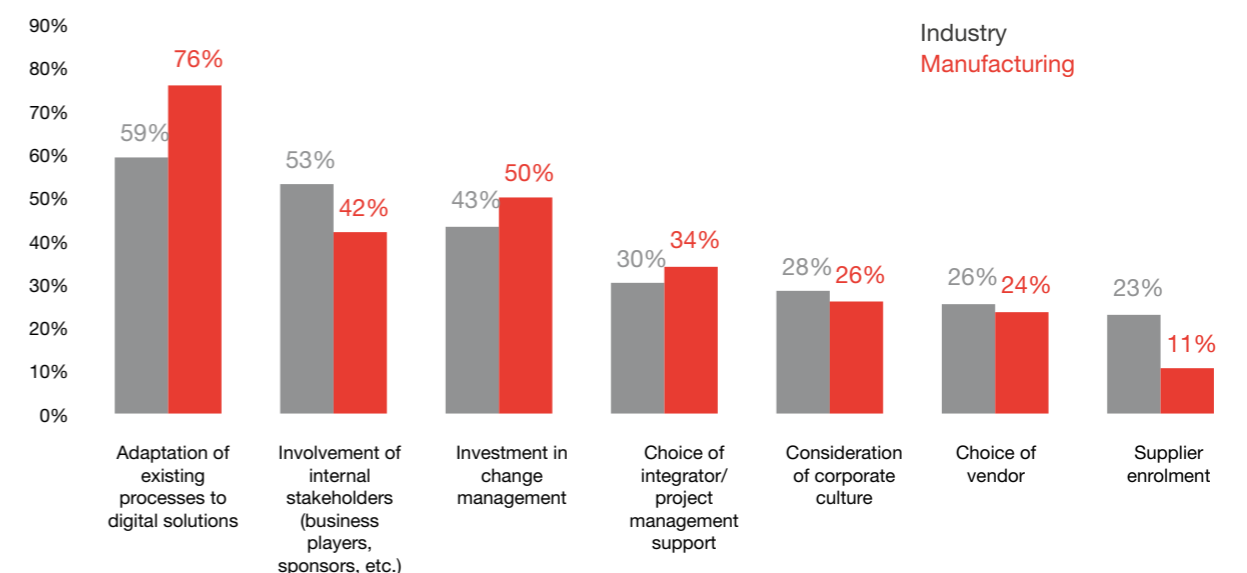
While cost reduction is the top priority for purchasing departments in manufacturing companies, digital transformation is not widely perceived as a strategic priority, and will therefore see a more moderate level of investment than the average for industry over the next two years.

Manufacturing companies mainly use digital tools for transactional purposes (P2P and S2P).

Supply chain traceability seems to be a common use case for manufacturing companies, as a response to the need to (i) secure significant supply risks, and (ii) know who their suppliers are outside of tier 1.

Although manufacturing companies seem to have **more difficulty deploying digital solutions** than their counterparts in industry, they are able to effectively leverage the added value of digital solutions. Manufacturing companies are in agreement that adapting processes in line with digital solutions is the primary success factor for their digitisation projects, which suggests that this was lacking previously. When **integrating with complex processes and business practices, the interface of a digital solution is of paramount importance**. It is therefore key to gain an understanding of these processes before launching any digital transformation project.

### Key success factors for digital transformation



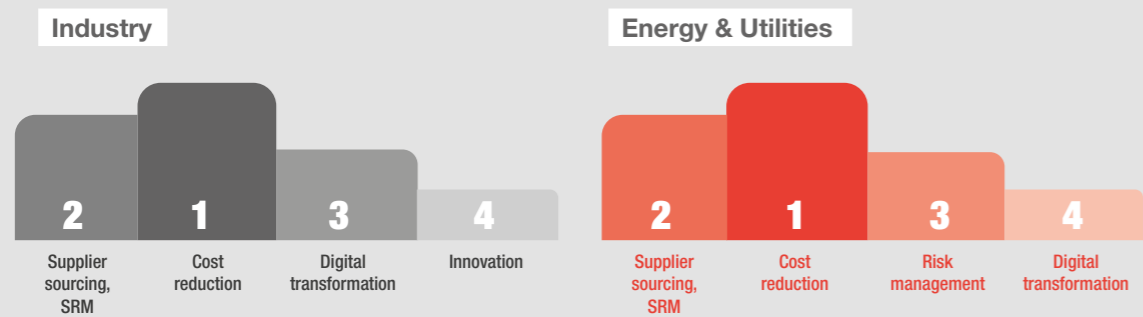
Base: 54 respondents



# Energy & Utilities

Moderate use of digital technology despite excellent performance from rollout of solutions

## Strategic priorities of purchasing departments



## Digital roadmap

Industry	Energy & Utilities
Current most used digital use cases	
1 P2P digitisation & e-invoicing	P2P digitisation & e-invoicing
2 Data analysis and visualisation	Data analysis and visualisation
3 S2C digitisation	S2C digitisation
Use cases receiving the most investment	
1 Data analysis and visualisation	Data analysis and visualisation
2 S2C digitisation	P2P digitisation & e-invoicing
3 Automation of administrative tasks	S2C digitisation
High-potential use cases	
1 Smart sourcing, relocation sourcing	Smart sourcing, relocation sourcing
2 Automation of administrative tasks	Automation of administrative tasks
3 Risk management	P2P digitisation & e-invoicing
Average investment over 2 years	
€1,075k	€950k

The procure-to-pay process is the use case targeted as a priority by purchasing departments in the energy industry. It is the most widespread today and accounts for enough investment for it to be considered a high potential use case.

This fundamental use case appears to present fewer prospects for development in the industry sector.

The wide range of purchases potentially makes it more complicated to implement a digital P2P solution for the energy industry: less than half of companies regularly use one, compared to two thirds in the industry sector.

## Digital transformation performance

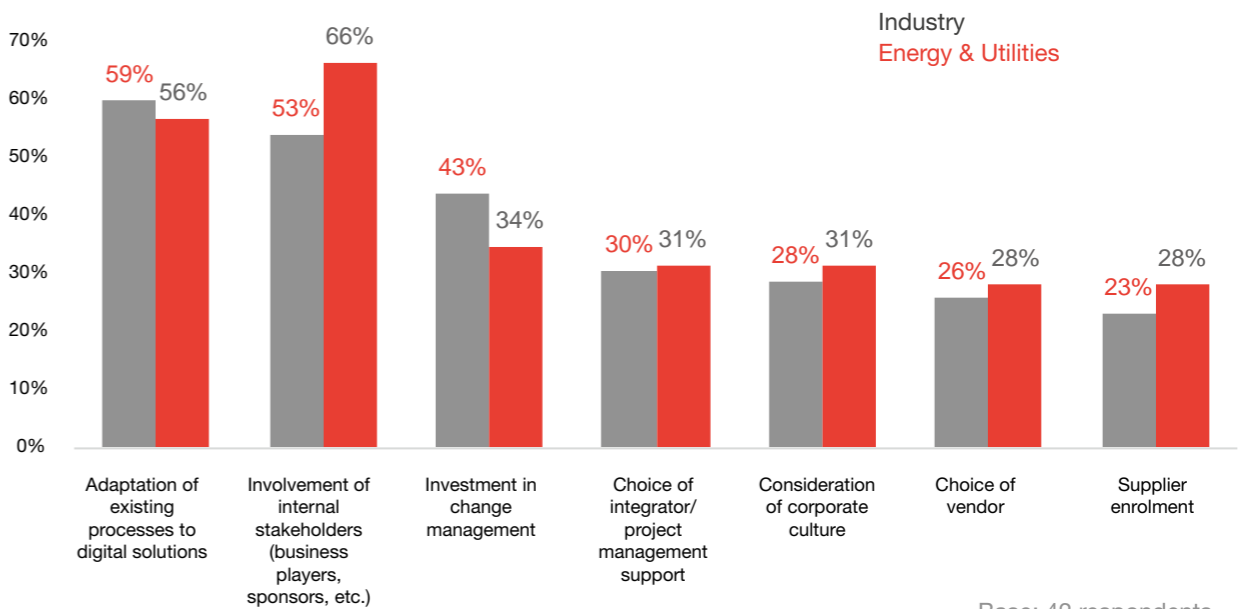
Industry	% of businesses rolling out their digital solutions in an optimal way		% of businesses seeing an improvement in their average performance
	High user take-up rate*	High feature use rate**	
Industry	31%	26%	79%
Energy & Utilities	50%	40%	68%

\* solution used by more than 75% of targeted users

\*\* solution used in an efficient way thanks to use of more than 75% of its features

The Energy & Utilities industry has shown excellent performance in the rollout of digital solutions, both in terms of user take-up and the use of technical features. It is one of the leading industries for the digital transformation of purchasing departments. Bringing stakeholders on board is seen as the main success factor for digital transformation projects, which explains a high rate of take-up by business players within the company. However, the perceived performance gains remain lower than for its counterparts in the industry sector, which can be explained by a less advanced usage of digital solutions.

## Key success factors for digital transformation



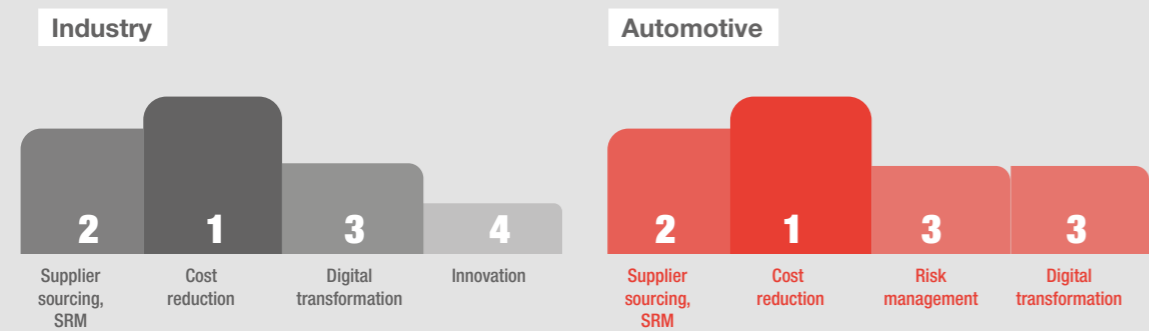
Base: 42 respondents



Automotive

A well-controlled digital transformation focused on suppliers to secure the supply chain

Strategic priorities of purchasing departments



Digital transformation performance

Industry	% of businesses rolling out their digital solutions in an optimal way		% of businesses seeing an improvement in their average performance
	High user take-up rate*	High feature use rate**	
Industry	31%	26%	79%
Automotive	47%	41%	85%

\* solution used by more than 75% of targeted users

\*\* solution used in an efficient way thanks to use of more than 75% of its features

Digital roadmap

Industry	Automotive
Current most used digital use cases	
1 P2P digitisation & e-invoicing	P2P digitisation & e-invoicing
2 Data analysis and visualisation	S2C digitisation
3 S2C digitisation	Supply chain traceability
Use cases receiving the most investment	
1 Data analysis and visualisation	Data analysis and visualisation
2 S2C digitisation	S2C digitisation
3 Automation of administrative tasks	Supply chain traceability
High-potential use cases	
1 Smart sourcing, relocation sourcing	Data analysis and visualisation
2 Automation of administrative tasks	Supply chain traceability
3 Risk management	S2C digitisation
Average investment over 2 years	
€1,075k	€1,200k

Purchasing departments in the automotive industry are rolling out and maximising their digital solutions to ensure traceability in their supply chains and consolidate their knowledge of their suppliers.

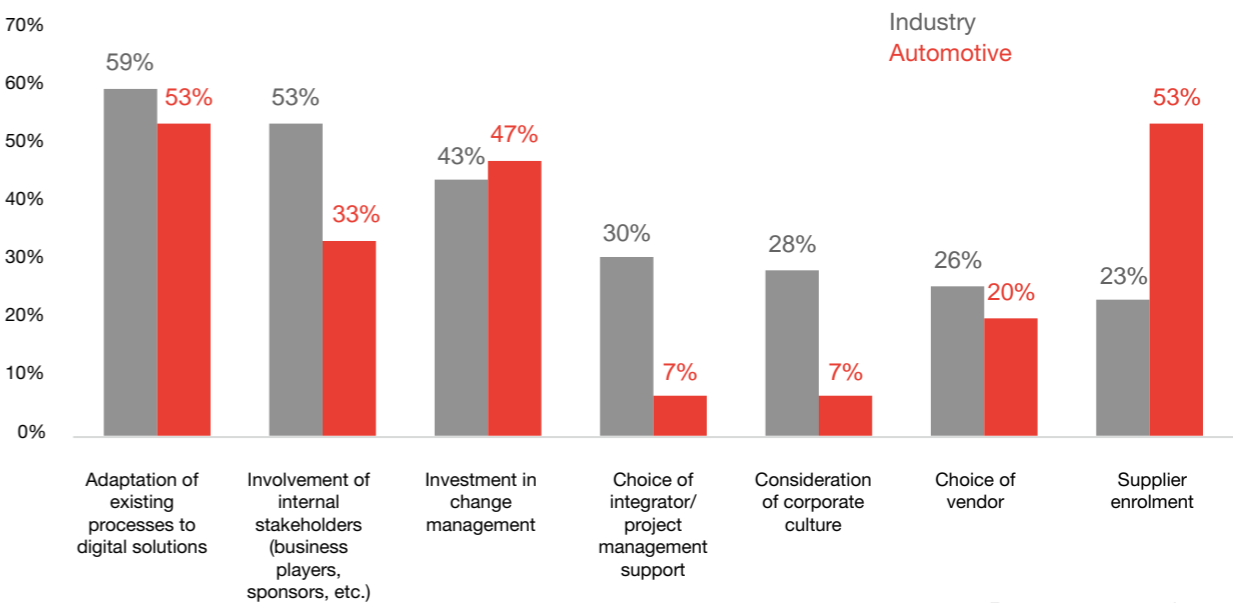
This digital use case is one of the most-used today, and presents considerable prospects for development.

Digital transformation is used to address procurement challenges specific to the automotive industry, in terms of managing relationships with suppliers at tier 1 level and below, and the associated risks.

The Automotive industry is successfully optimising the rollout and use of its digital tools and maximising performance gains in its operations. It is performing better than its counterparts in the industry sector.

It bears highlighting that bringing suppliers on board is the main factor for the success of digital transformation projects. It would appear that efforts made to involve suppliers and encourage them to use the digital tools are bearing fruit, resulting in performance gains.

Key success factors for digital transformation

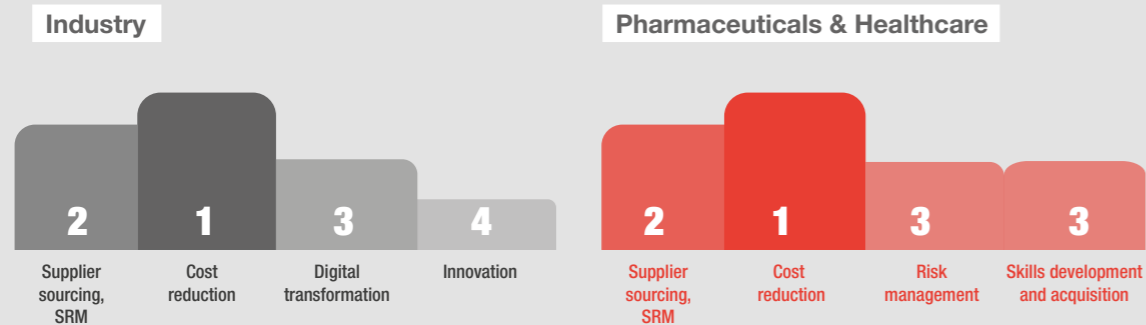


Base: 27 respondents



## Pharmaceuticals & Healthcare

### Strategic priorities of purchasing departments



### Digital roadmap

Industry	Pharmaceuticals & Healthcare
Current most used digital use cases	
1 P2P digitisation & e-invoicing	P2P digitisation & e-invoicing
2 Data analysis and visualisation	S2C digitisation
3 S2C digitisation	Data analysis and visualisation
Use cases receiving the most investment	
1 Data analysis and visualisation	Data analysis and visualisation
2 S2C digitisation	S2C digitisation
3 Automation of administrative tasks	Supply chain traceability
High-potential use cases	
1 Smart sourcing, relocation sourcing	Supply chain traceability
2 Automation of administrative tasks	Risk management
3 Risk management	Data analysis and visualisation
Average investment over 2 years	
€1,075k	€515k

Data analysis and supply chain traceability are the use cases accounting for the most significant investments and with the highest development potential over the next two years. They help manage complex and technical purchasing categories and meet standards specific to the Pharmaceuticals & Healthcare industry. In addition, they contribute to securing the supply chain, an issue whose critical importance was made even clearer by the Covid-19 crisis.

It bears highlighting that skills development and acquisition is positioned as the third priority of purchasing departments in the industry, demonstrating the importance of talent management over the long term, both in terms of hiring and retaining employees and supporting their upskilling.

## Digital transformation to support securing complex and critical purchases in a highly standardised environment

### Digital transformation performance

Industry	% of businesses rolling out their digital solutions in an optimal way		% of businesses seeing an improvement in their average performance
	High user take-up rate*	High feature use rate**	
Industry	31%	26%	79%
Pharmaceuticals & Healthcare	23%	23%	77%

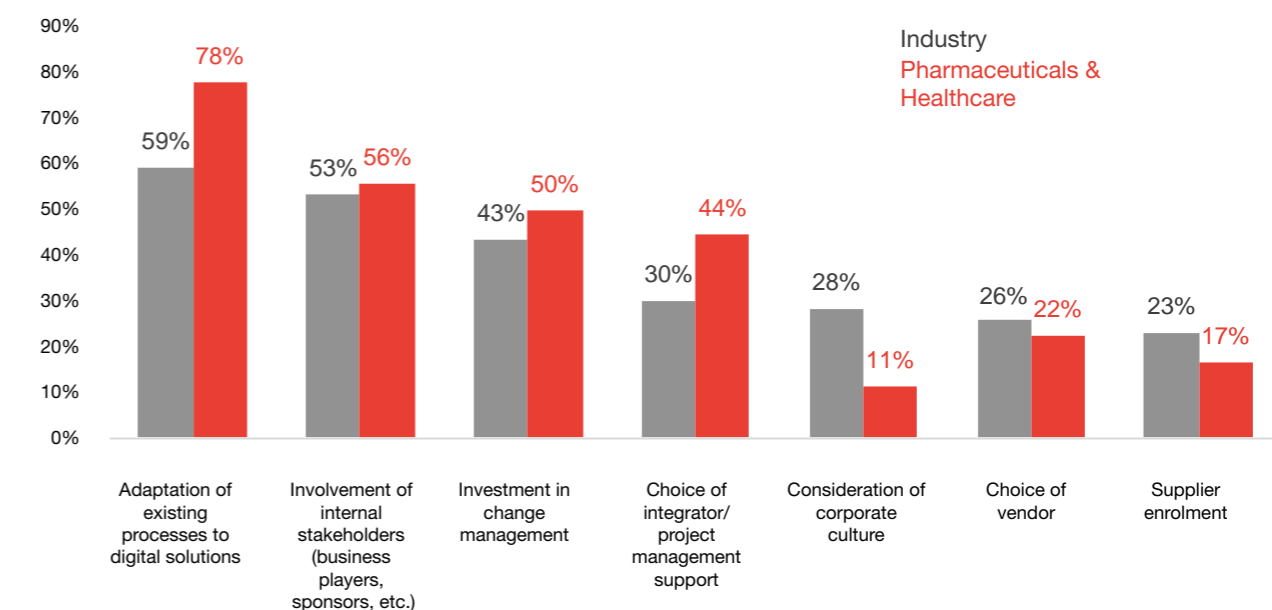
\* solution used by more than 75% of targeted users

\*\* solution used in an efficient way thanks to use of more than 75% of its features

Although the user take-up rate is lower for purchasing departments in the Pharmaceuticals industry than for their counterparts in the industry sector, the performance gains are almost equivalent. The potential to improve performance is promising, provided that investments are increased considerably.

Take-up by and upskilling in digital solutions for employees should therefore be a priority in the coming years for purchasing departments in this industry. There is a widespread observation among players in the Pharmaceuticals & Healthcare industry that performance gains are primarily generated by business process transformation.

### Key success factors for digital transformation



Base: 25 respondents



# Retail & Distribution

# Digital transformation to support purchasing as a source of competitive advantages

## Strategic priorities of purchasing departments



## Digital transformation performance

	% of businesses rolling out their digital solutions in an optimal way		% of businesses seeing an improvement in their average performance
	High user take-up rate*	High feature use rate**	
Service sector	37%	34%	78%
Retail & Distribution	21%	37%	81%

\* solution used by more than 75% of targeted users

\*\* solution used in an efficient way thanks to use of more than 75% of its features

## Digital roadmap

Service sector	Retail & Distribution
Current most used digital use cases	
1 P2P digitisation & e-invoicing	P2P digitisation & e-invoicing
2 S2C digitisation	Data analysis and visualisation
3 Collaborative portal	Collaborative portal
Use cases receiving the most investment	
1 P2P digitisation & e-invoicing	Data analysis and visualisation
2 Data analysis and visualisation	P2P digitisation & e-invoicing
3 Risk management	Risk management
High-potential use cases	
1 Risk management	Risk management
2 Virtual purchasing assistant	Supply chain traceability
3 Data analysis and visualisation	Automation of administrative tasks
Average investment over 2 years	
€820k	€1,470k

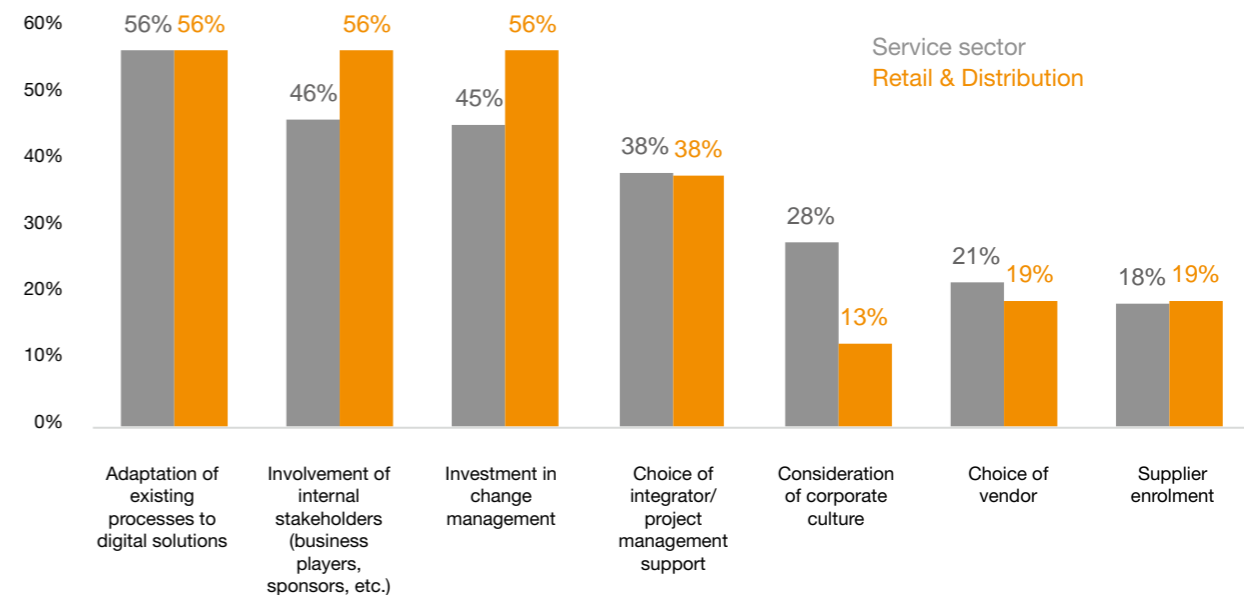
Digital tools are mainly used for data management, and this trend is set to intensify thanks to significant targeted investments.

The use and monitoring of data can generate competitive advantages in Retail & Distribution in terms of sales, of course, but also earlier in the chain at the purchasing stage.

In addition, supply chain traceability is a high-potential digital use case. It is a way to make transactions more reliable and secure supply while also taking into account CSR issues (e.g., respect for the environment, fight against undeclared work, etc.), which represent a growing concern for customers.

The industry appears to be experiencing difficulties reaching high levels of take-up of digital solutions by employees. An essential part of digital transformation is the accompanying transformation of business processes, particularly through the promotion of upskilling and changes in practices for employees. The importance of integrating digital solutions may also be underestimated, explaining why the user take-up rate is significantly below average.

## Key success factors for digital transformation



Base: 29 respondents



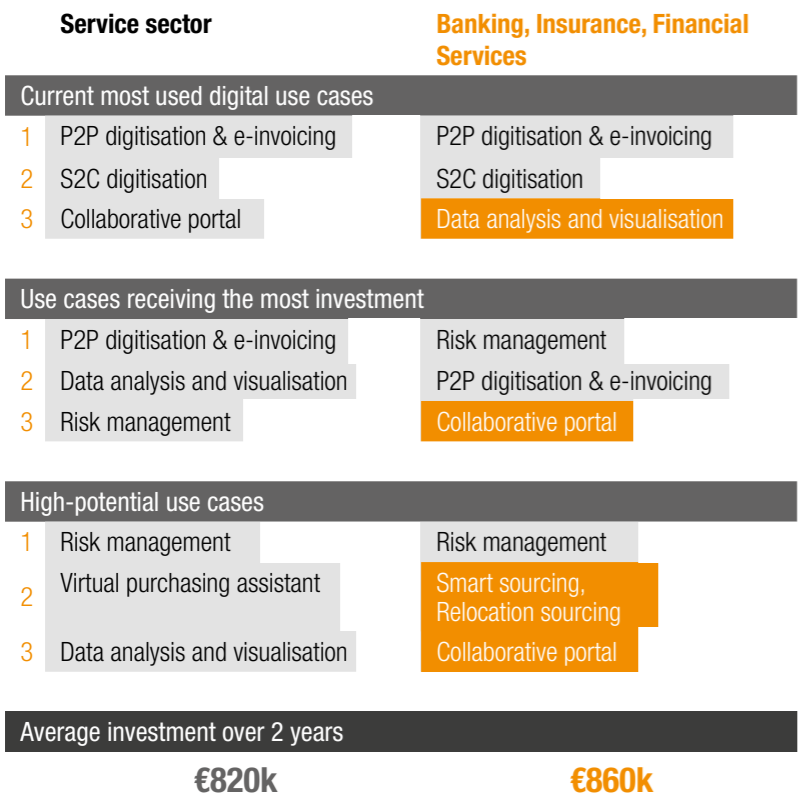
# Banking, Insurance & Financial Services

A digital transformation dynamic driven by the goal to manage risks in a competitive environment

## Strategic priorities of purchasing departments



## Digital roadmap



The Banking, Insurance & Financial services industry is catching up on the use of collaborative portals, which are already well integrated by other service sector players. Such tools help streamline interactions between purchasing advisors, purchasing departments and suppliers.

With data security and cybersecurity having become key issues for the industry, risk management is now the second strategic priority. This use case is set to see the highest levels of investment and the most rapid development.

The arrival of new “digital native” competitors on the market is accelerating the industry's digital transformation and inciting companies to rethink their approach to business processes.

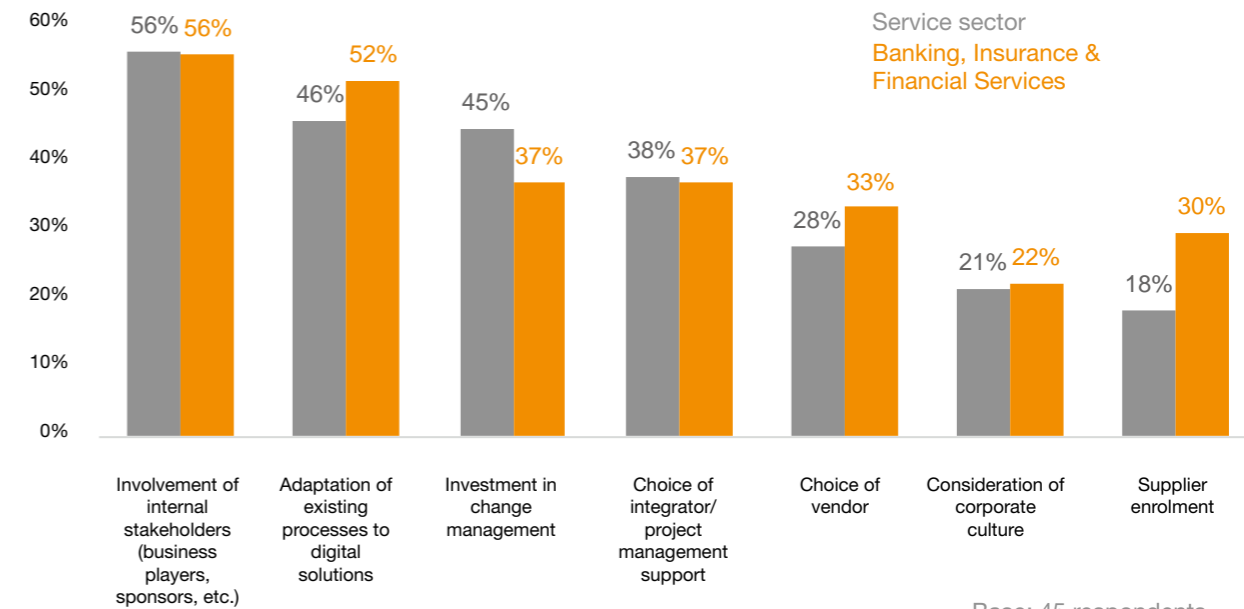
## Digital transformation performance

Service sector	% of businesses rolling out their digital solutions in an optimal way		% of businesses seeing an improvement in their average performance
	High user take-up rate*	High feature use rate**	
Service sector	37%	34%	78%
Retail & Distribution	47%	41%	74%

\* solution used by more than 75% of targeted users  
\*\* solution used in an efficient way thanks to use of more than 75% of its features

The rapid development of fintech and the need for agility to meet customer requirements have led businesses in the industry to implement their digital transformation more quickly than their counterparts in the service sector, which explains why they are a step ahead with the deployment of digital solutions.

## Key success factors for digital transformation



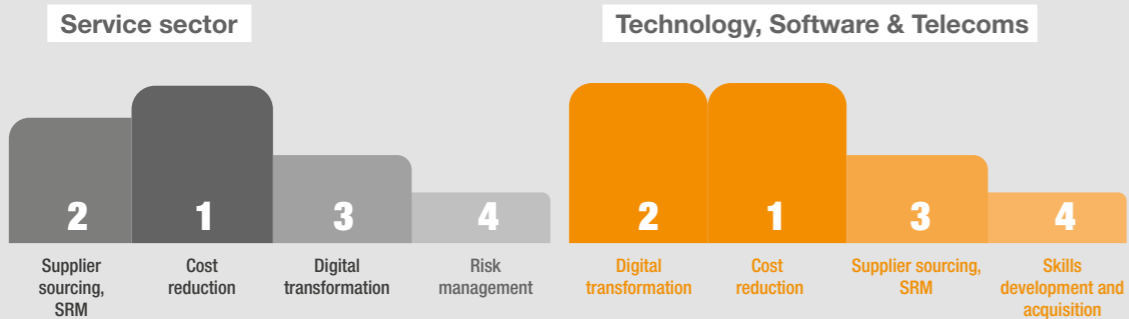
Base: 45 respondents



# Technology, Software & Telecoms

Purchasing departments are concentrating on the digital transformation of their transactional processes

## Strategic priorities of purchasing departments



## Digital transformation performance

	% of businesses rolling out their digital solutions in an optimal way		% of businesses seeing an improvement in their average performance
	High user take-up rate*	High feature use rate**	
Service sector	37%	34%	78%
Technology, Software & Telecoms	44%	40%	87%

\* solution used by more than 75% of targeted users

\*\* solution used in an efficient way thanks to use of more than 75% of its features

## Digital roadmap

Service sector	Technology, Software & Telecoms
Current most used digital use cases	
1 P2P digitisation & e-invoicing	P2P digitisation & e-invoicing
2 S2C digitisation	Collaborative portal
3 Collaborative portal	Automation of administrative tasks
Use cases receiving the most investment	
1 P2P digitisation & e-invoicing	P2P digitisation & e-invoicing
2 Data analysis and visualisation	Collaborative portal
3 Risk management	Data analysis and visualisation
High-potential use cases	
1 Risk management	Virtual purchasing assistant
2 Virtual purchasing assistant	Supply chain traceability
3 Data analysis and visualisation	Data analysis and visualisation
Average investment over 2 years	
€820k	€1,070k

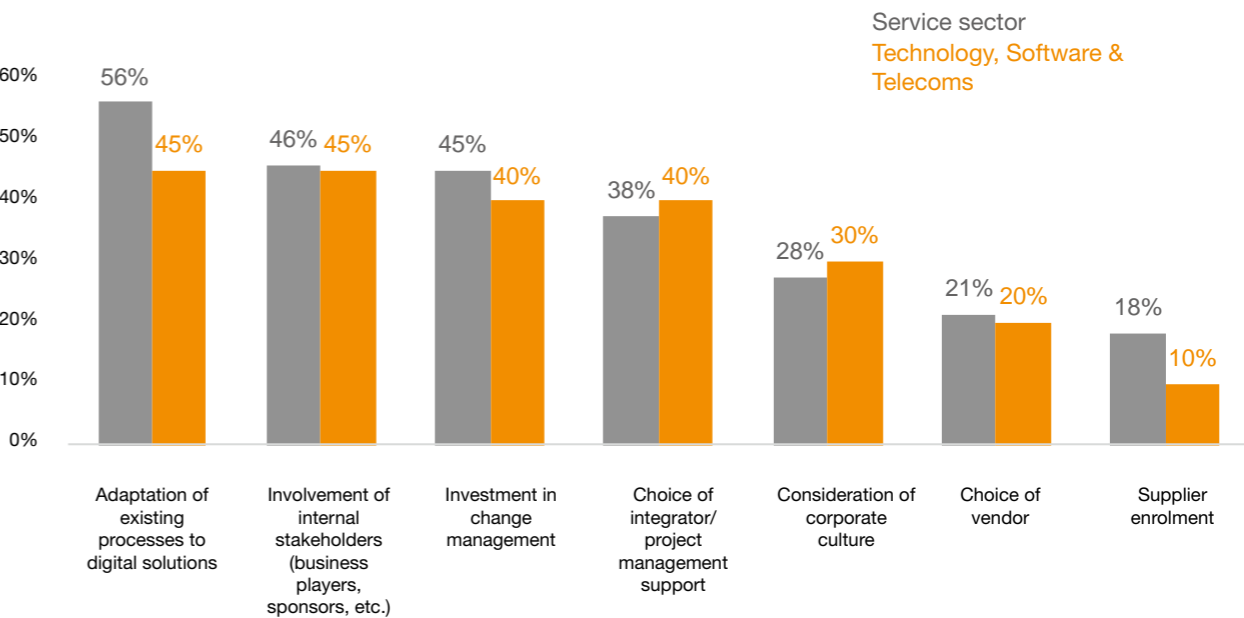
One third of respondents said that digital transformation was the top priority for purchasing departments in the Technology, Software & Telecoms industry, tied with cost reduction.

This trend reflects the digital transformation challenges that these companies are experiencing on their markets, beyond purchasing department level.

The use of digital tools is concentrated on automating transactional processes, such as procure-to-pay and administrative tasks. These trends are set to intensify thanks to investments planned over the next two years, particularly virtual purchasing assistants, which have the highest growth potential in terms of number of users.

The Technology, Software & Telecoms industry is successfully maximising performance gains from digital transformation. The automation of transactional processes helps generate visible benefits in standardised purchasing categories with a moderate level of complexity.

## Key success factors for digital transformation



Base: 29 respondents

## Your EMEA contacts

**Dr Norbert F. Fischer**  
Germany  
norbert-f.fischer@de.pwc.com

**Jan Herrmann**  
Germany  
jan.herrmann@pwc.com

**Robert Weissbarth**  
Germany  
robert.weissbarth@pwc.com

**Lorenzo Paolo Brunello**  
Italy  
lorenzo.paolo.brunello@pwc.com

**Dr Bashar El-Jawhari**  
Middle East  
bashar.el-jawhari@pwc.com

**Mark McKeever**  
Ireland  
mark.mckeever@pwc.com

**Fabian Roosen**  
Belgium  
fabian.roosen@pwc.com

**Manuel Diaz Delgado**  
Spain  
manuel.diaz.delgado@  
es.pwc.com

**Isabelle Carradine**  
France  
isabelle.carradine@pwc.com

**Ceyhun Togo**  
Switzerland  
ceyhun.togo@pwc.com

**Staffan Hellberg**  
Sweden  
staffan.hellberg@pwc.com

**Henrik Olsson**  
Sweden  
henrik.olsson@pwc.com

**Leon Smith**  
United Kingdom  
leon.c.smith@pwc.com

**Mathieu Rosier**  
Netherlands  
mathieu.rosier@pwc.com

**Ismail Karakis**  
Turkey  
ismail.karakis@pwc.com

**Vera Abaturova**  
Russia  
vera.abaturova@pwc.com

**Harald Dutzler**  
Austria  
harald.dutzler@pwc.com

**Alex Murage**  
East Africa  
alex.murage@pwc.com

**Frederic Chapelle**  
Luxembourg  
frederic.chapelle@pwc.com

**Thomas Siersbæk Heller-Njor**  
Denmark  
thomas.siersbaek.heller-  
njor@pwc.com

**Pekka Pesonen**  
Finland  
pekka.v.pesonen@pwc.com

**Selim Sumer**  
Norway  
selim.sumer@pwc.com



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