

2023 Assessment of Excellence in Procurement

The Assessment of Excellence in Procurement (AEP) is the most globally recognized benchmarking study for identifying best practices in supply management organizations.

- **Comprehensive** evaluation benchmarks against leading practices for demand, category, supplier impact, and teams.
- **Simple**, easy-to-navigate self-assessment takes about 60 minutes.
- **Custom** report provides feedback against industry leaders and gives you a road map for your future of procurement.

Third-party spend is the biggest cost opportunity

Third-party spend is the biggest cost element as percentage of revenue for most companies (average 55% manufacturing, 30% services).

Optimizing this spend via the strategic approach third-party economics (3PE) is a significant means of gaining competitive advantage. Our extensive research shows that less than 10% of companies truly leverage this asset to its fullest extent to achieve a significant cost advantage and generate strategic value for the enterprise.

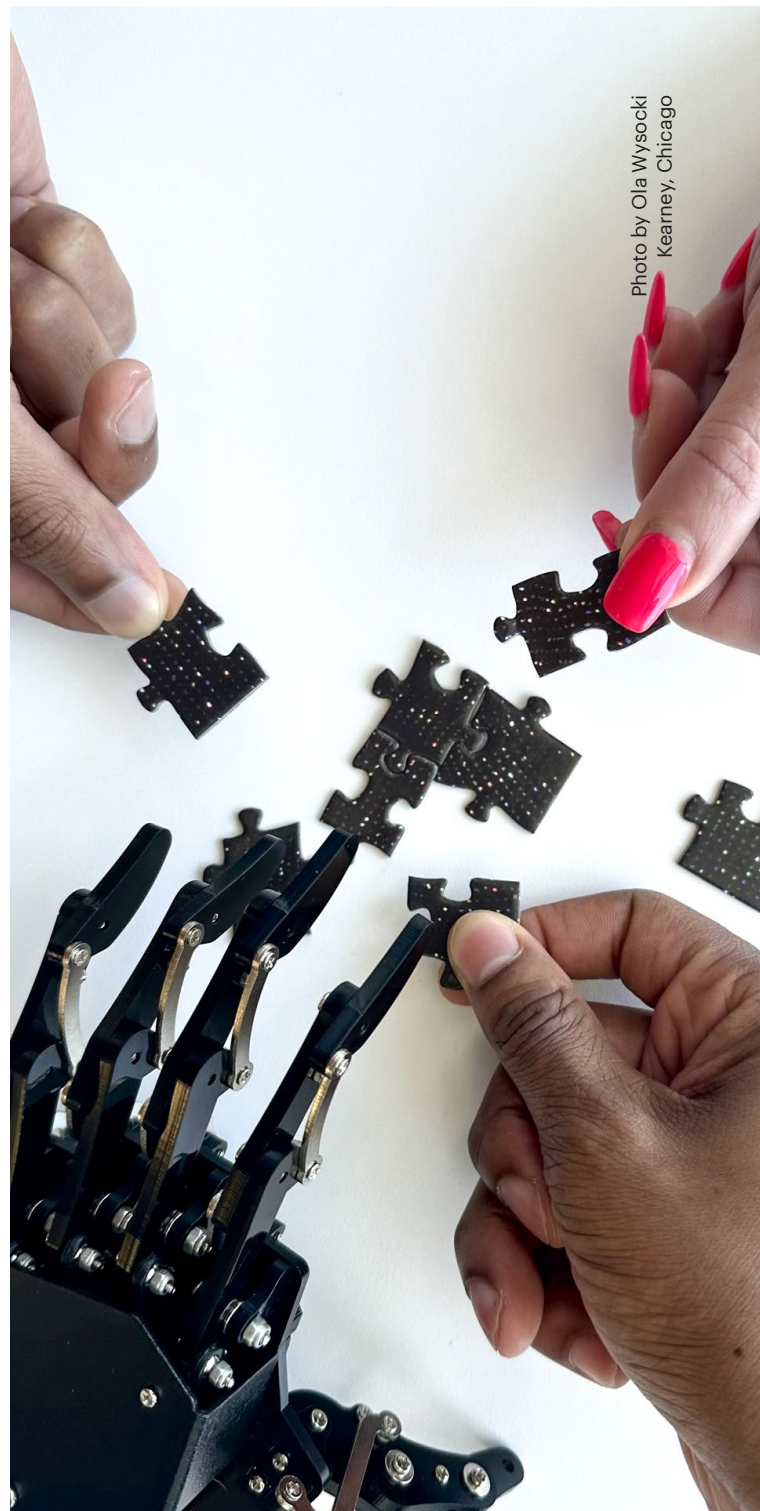
Leaders of supply management, however, are able to generate nearly twice the shareholder return of industry peers.¹

Pillars of procurement excellence

Like the harmony of aircraft executing disciplined maneuvers as one, procurement leaders must achieve synchronicity in four key pillars of excellence:

- **Demand:** Ability to influence and shape demand and specifications
- **Category:** Strategic category management to drive cost reduction and insights
- **Supplier:** Differentiator to harness supplier capabilities
- **Team:** The catalyst for business alignment

¹ More than 3,100 companies in the database



Interested in participating?

For more information or to participate in the study, please contact the AEP team at AEPStudy@kearney.com.

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