



# 2026 Assessment of Excellence in Procurement

**The Assessment of Excellence in Procurement (AEP)** is the most globally recognized study for benchmarking a company's procurement/supply management team against best practice capabilities and business impact. Kearney's AEP has been conducted continuously since 1992.

## Third-party spend: your biggest cost opportunity

Third-party spend represents the biggest cost element as a percentage of revenue for most companies, averaging more than 60 percent in manufacturing and 30 percent in services industries. Optimizing this spend strategically through a third-party-economics (3PE) lens directly drives a company's competitive advantage. Our research shows that fewer than 10 percent of companies leverage this capability to its fullest extent. Leaders in third-party economics generate nearly 2X higher shareholder returns and achieve a 2-3X higher return on their procurement assets based on delivered cost reduction and strategic value (e.g., growth enablement, resilience, access to supplier-led innovation, speed/agility, and ESG impact).

## Pillars of procurement excellence

To excel, procurement leaders must synchronize four key pillars:

1. **Team:** Readiness to leverage cutting-edge technology to make a step change in value creation and stakeholder engagement. Talent that combines procurement and business domain expertise and whose performance is consistently measured and leveraged by the CFO.
2. **Demand:** Ability to challenge and shape product design/specifications and service level requirements to optimize demand.
3. **Category:** Depth and breadth of multiyear category strategies to optimize cost and strategic value while providing insights from the supplier ecosystem to inform business enterprise-wide goals.
4. **Supplier:** A focus on the few key/critical suppliers to harness their capabilities for innovation, resilience, supply chain agility, structural cost, sustainability, and social responsibility.

## Why now?

Given the increasing pace of technology, the rise of agentic AI, and geopolitical uncertainties impacting global supply chains, it's time to pressure test your procurement capabilities to maximize business impact now and in the future.

## Interested in participating?

For more information or to participate in the study, contact the AEP team at [AEPStudy@kearney.com](mailto:AEPStudy@kearney.com). The self-assessment, which takes about 60 minutes, is easy to navigate, provides a customized feedback report comparing your organization against procurement leaders, and equips you with a strategic road map for the future of your procurement and supply management capabilities.

*If you complete the survey by November 15, 2025, you will receive your tailored feedback report in Q1 2026 to help shape your priorities for the year.*

**KEARNEY**

**AEP 2026**

Assessment of Excellence in Procurement