



# Post Covid-19: **Procurement key priorities and challenges** in the digital era in **South Africa**

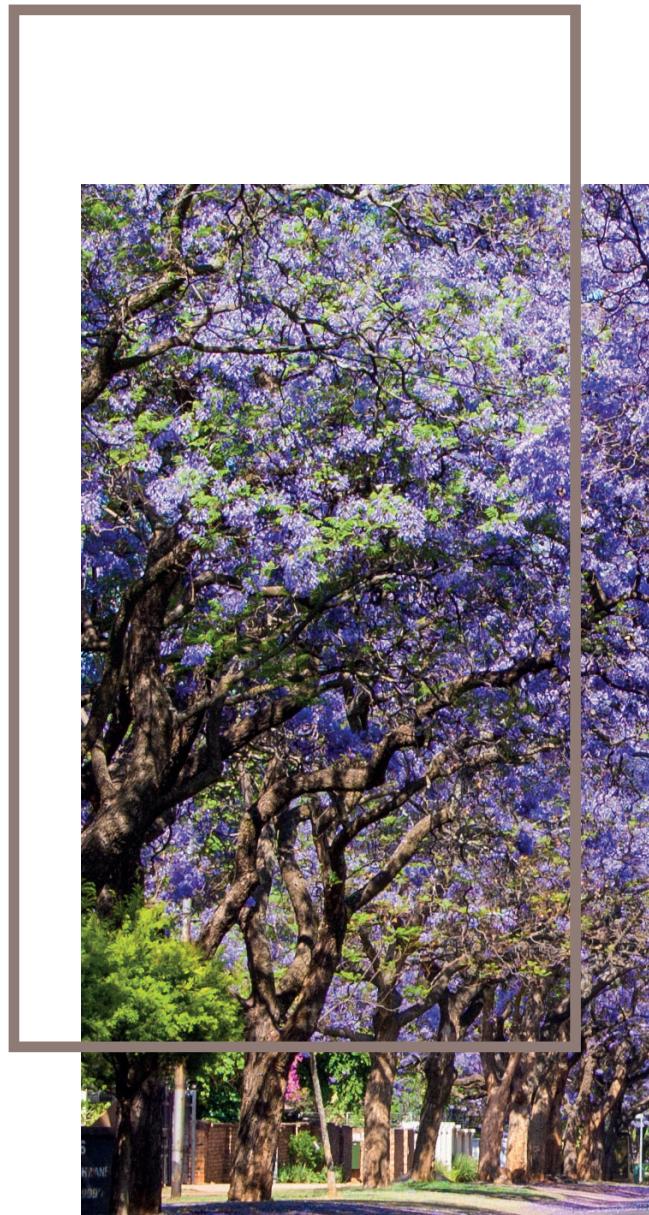


Oxalys





# FOREWORD



The concept behind this survey was developed well before the global health crisis remodeled our daily lives, making our private and business activities more and more digital.

Conducted during this unforeseeable period, the survey draws new perspectives for the upcoming world and points out key challenges that all procurement professionals should bear in mind in order to understand and benefit from the ongoing digital transformation.

We would like to express warm thanks to all contributors whose individual hints have deepened the meanings of the wide panorama of tomorrow's procurement.

We wish to thank our partners, CIPS and Smart Procurement World, who played a large part in amplifying the echo of this joined initiative.

Dear reader, I wish that the findings of this survey will inspire a fruitful dialogue.



**Anne-Emmanuelle Grené**  
Head of Oxalys South Africa



**Pierre Joudiou**  
Chairman Oxalys

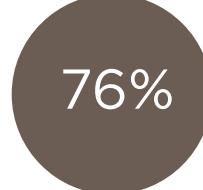


# KEY FINDINGS



82%

of companies have experienced **supply chain disruption** and 72% have **delayed projects** due to the pandemic



76%

of respondents perceive **Procurement as an effective strategic business partner**



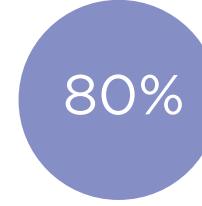
**Reducing costs** (91%) and **managing risks** (81%) will be the top procurement priorities for 2021



**Budget restrictions and lack of understanding** are the main obstacles when considering the implementation of a procurement system



**Change management** is the greatest challenge of digital transformation



80%

of respondents estimate that their organisations will adopt a **digital procurement solution in more than a year**



The main areas that should be improved in procurement management are **supplier management** (70 %), **costs optimisation** (59%) and **risk management** (51%)



**Improved process efficiency** (83%) and **reduced risks** (67%) are the top perceived benefits of digitalisation



26%

of the organisations **have involved their suppliers in their digital transformation**



## 03 PROCUREMENT KEY ISSUES AND PRIORITIES IN 2021

04 TOWARDS THE DIGITALISATION OF PROCUREMENT IN SOUTH AFRICA

05 PREPARING FOR THE FUTURE

06 ABOUT OXALYS

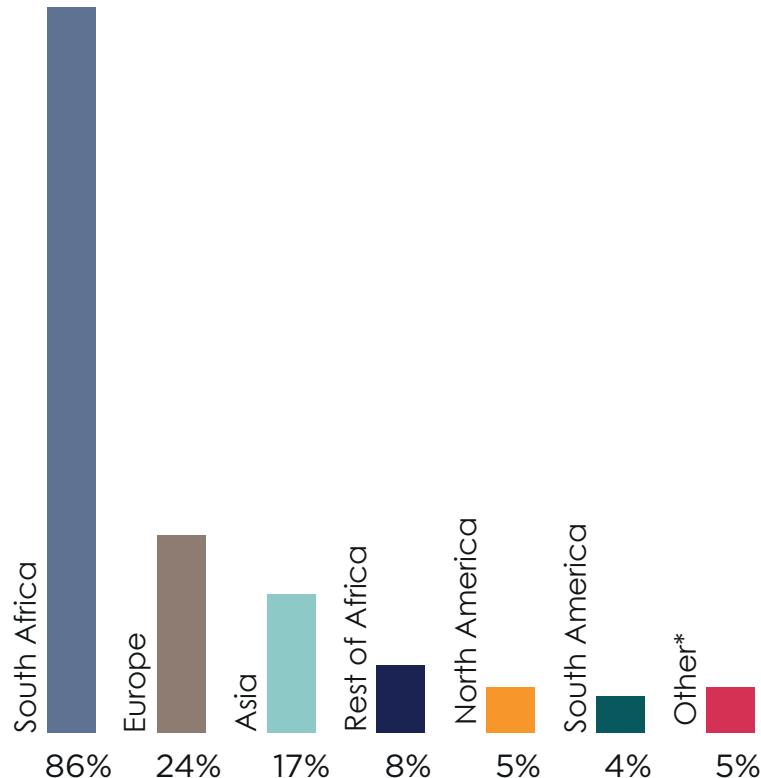
07 SURVEY RESPONDENT'S PROFILE



## OVERVIEW OF THE PROCUREMENT FUNCTION IN SOUTH AFRICA

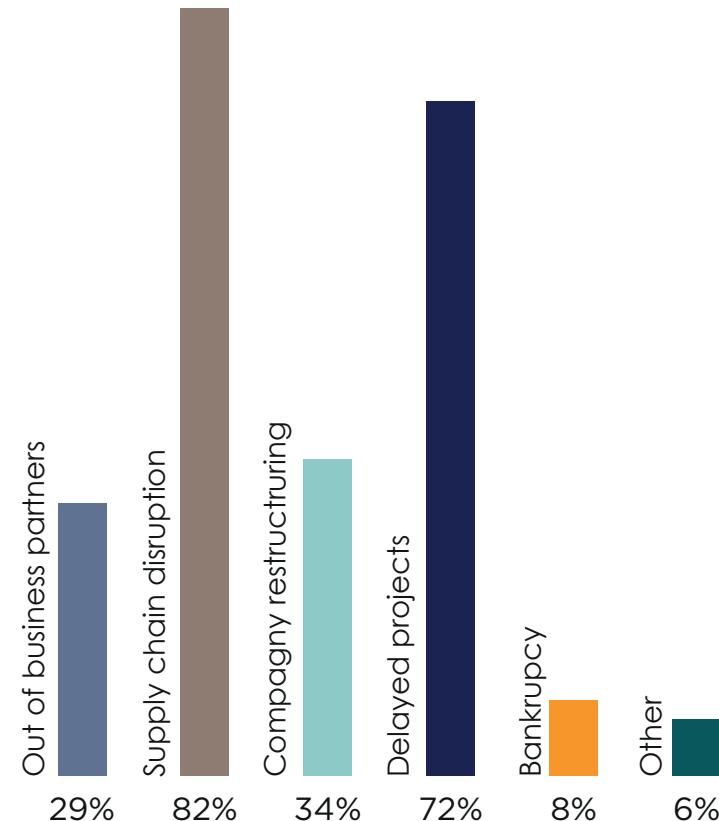
*The ability to source locally has proven to be a major asset for South African organisations in times of pandemic even though supply chain disruptions have been widely experienced.*

86% of SA organisation's suppliers are local



**Figure 1: Where are your main suppliers located?**

Supply chain disruptions and delayed projects as major consequences of the Covid-19 pandemic



**Figure 2: What Covid-19-related challenges has your procurement department faced?**



## Somewhere between tactical and strategic

Place orders  
19%

Negotiate the best price  
54%

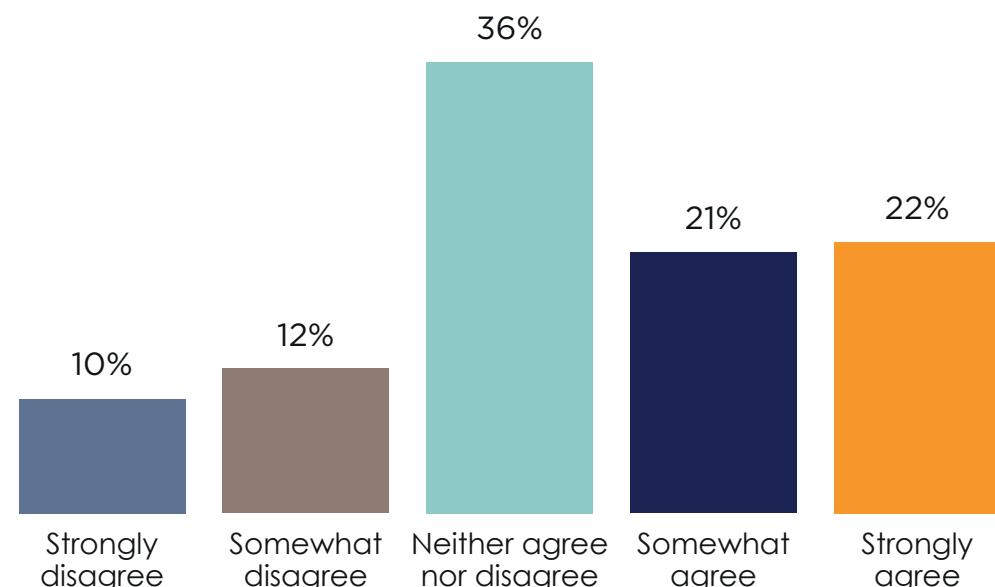
Bring innovation to internal partners  
20%

Dispatch contracts and information to the rest of the department  
10%

Contribute to the organisation overall strategy  
68%

Involve suppliers in the company strategy  
26%

## Greater communication to make procurement a shared performance driver



**Figure 3: According to you, what are the 2 most important roles of the procurement department ?**

**Figure 4: The procurement strategy is known and followed throughout my organisation**



## Somewhere between tactical and strategic

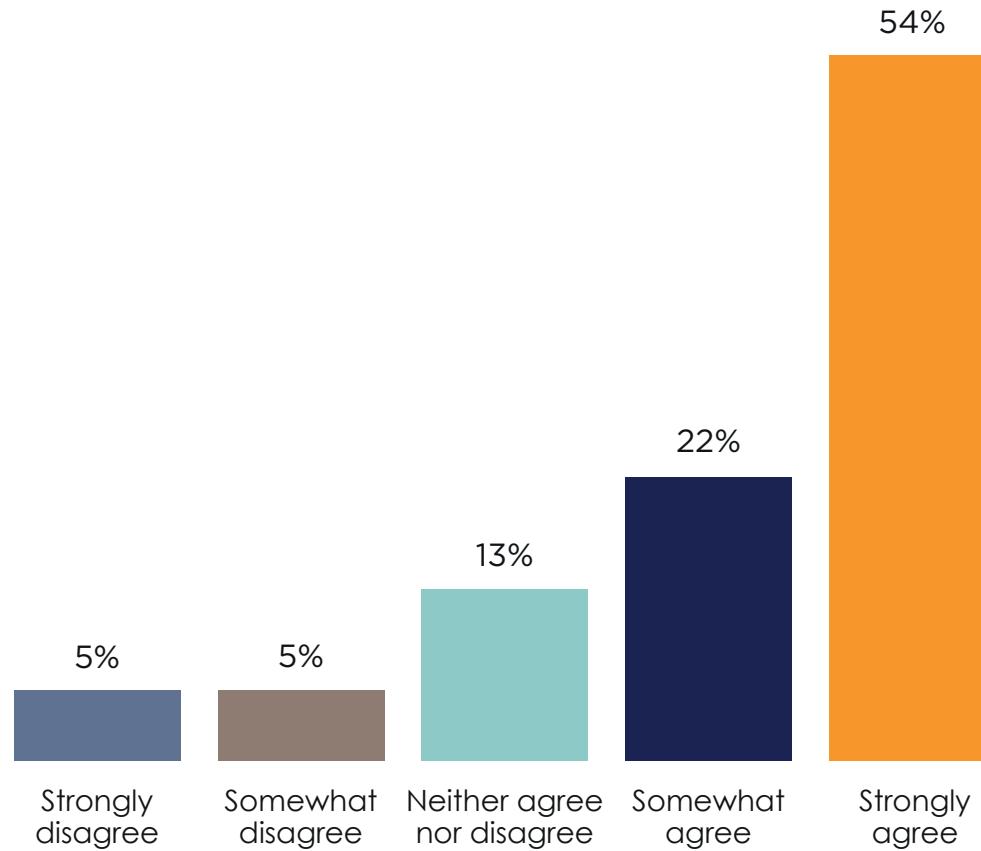
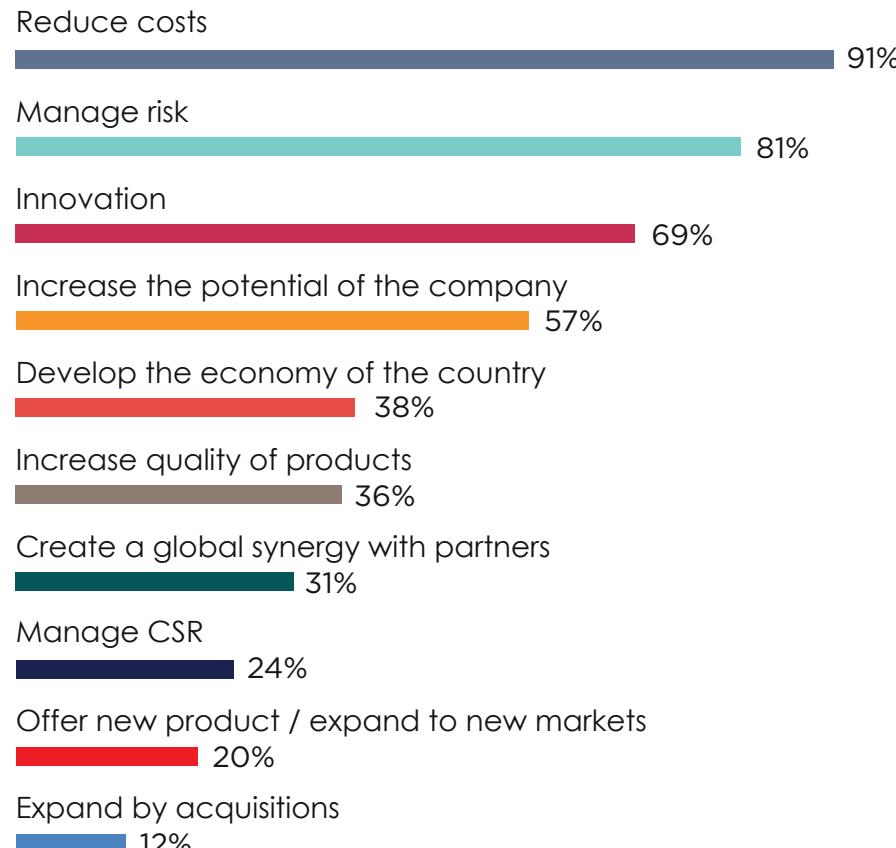


Figure 5: The procurement department is effective as a strategic business partner



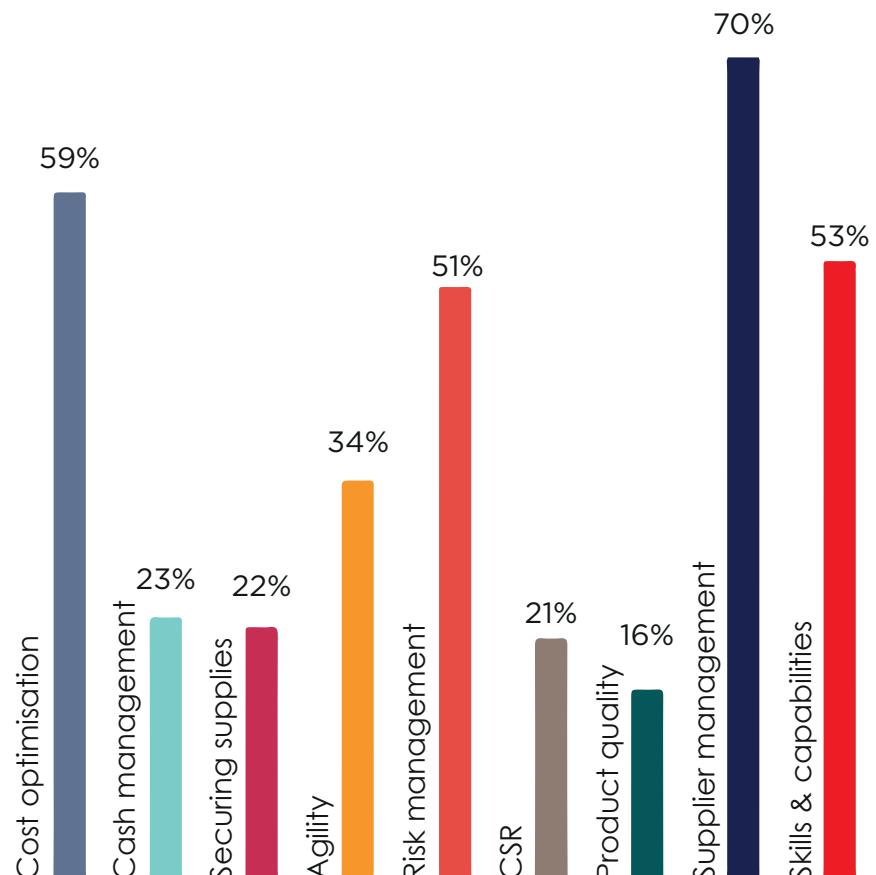
## KEY PERSPECTIVES FOR PROCUREMENT IN 2021 : COST, COST, COST

### Understanding procurement top priorities in 2021

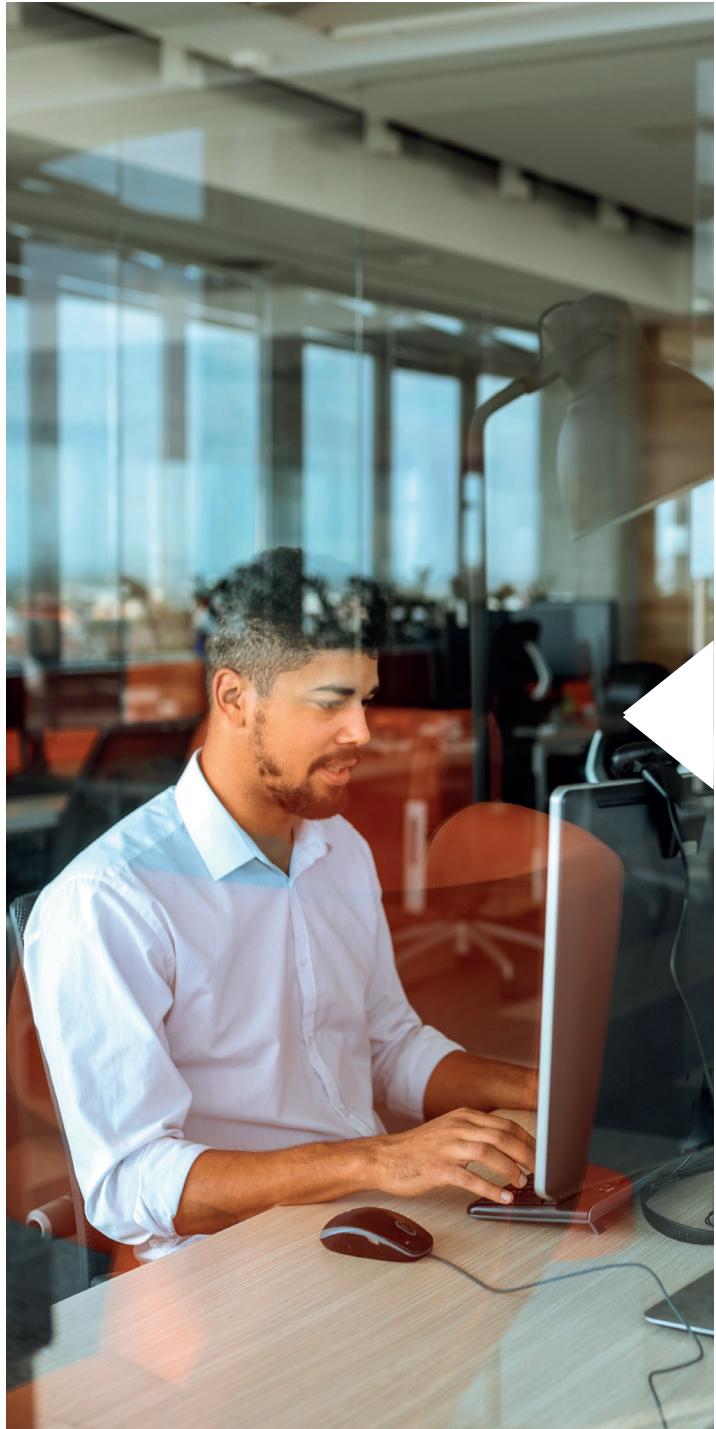


**Figure 6: What will be the procurement department's top priorities in 2021?**

### 70 % of the respondents think supplier management should be improved



**Figure 7: What precisely should be improved in the procurement management of your organisation?**



**01 PROCUREMENT KEY ISSUES AND PRIORITIES IN 2020**

## **02 TOWARDS THE DIGITALISATION OF THE PROCUREMENT FUNCTION IN SOUTH AFRICA**

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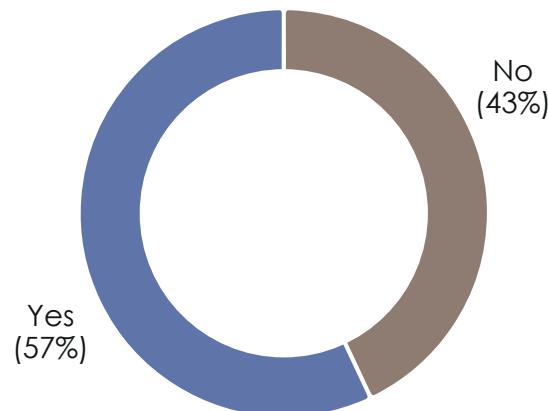
**05 SURVEY RESPONDENT'S PROFILE**



## CURRENT STATE OF DIGITAL PROCUREMENT IN SOUTH AFRICA

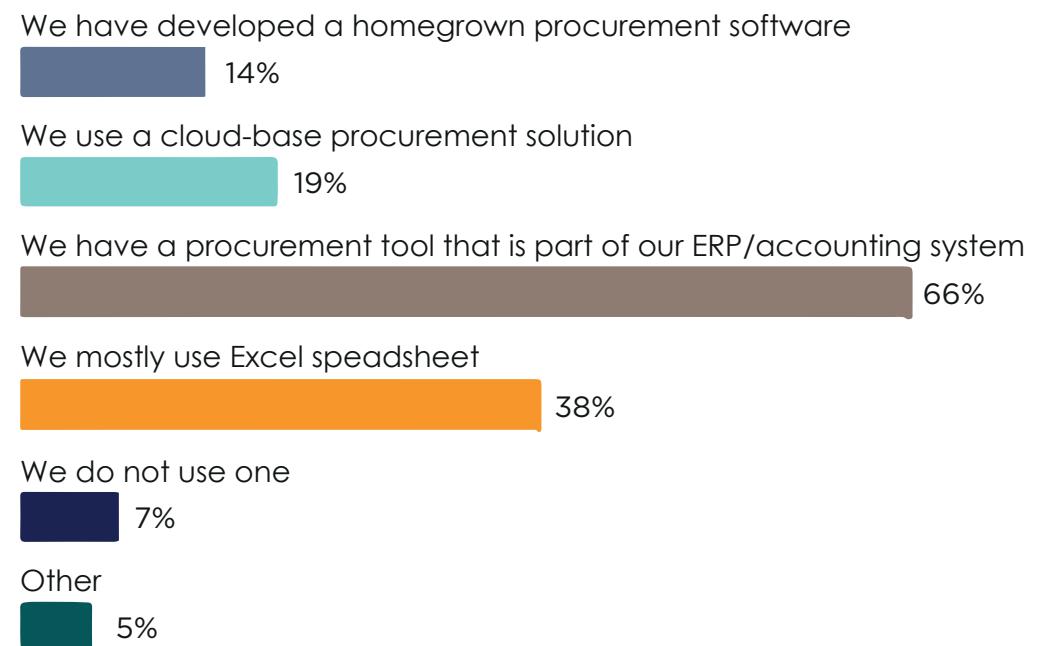
*Digital procurement is not yet a reality for many organisations....*

43% of South African organisations have not yet started the digitalisation of their procurement processes



**Figure 8:**  
Has your company started the digitalisation of its procurement process?

38 % of respondents still mostly use Excel spread sheets as an automation tool for their procurement process.



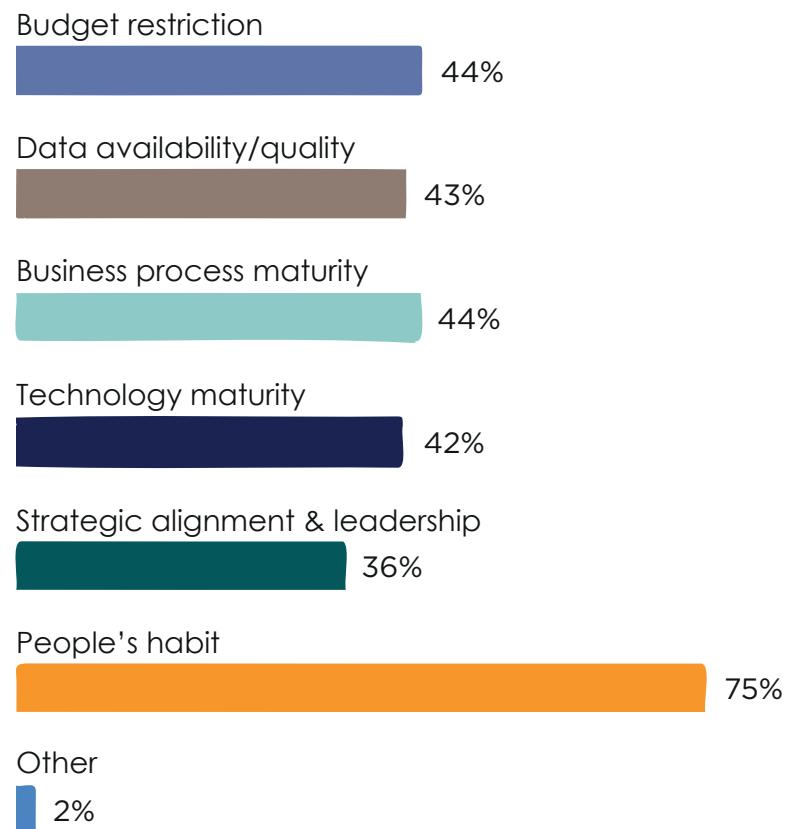
**Figure 9:**  
What type of procurement automation tool do you use?



## CURRENT STATE OF DIGITAL PROCUREMENT IN SOUTH AFRICA

*Digital procurement is not yet a reality for many organisations....*

**Change management is the greatest challenge of digital transformation**



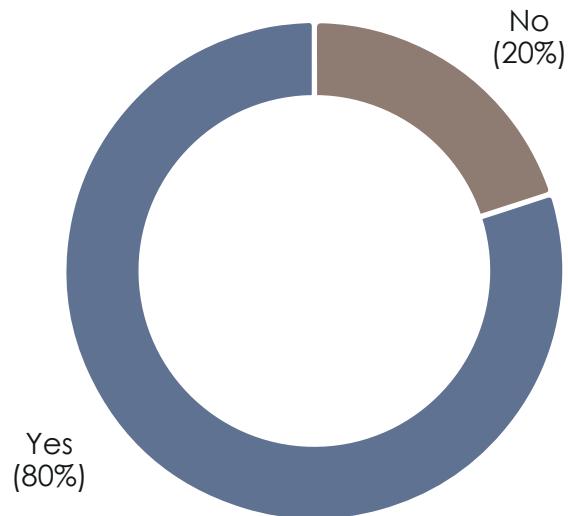
**Figure 10: What challenges did your company faced when implementing its procurement system?**



*....Yet, when implemented, 80% of the respondents report improvements*

80% of our respondents report improvements since the implementation of a digital procurement solution

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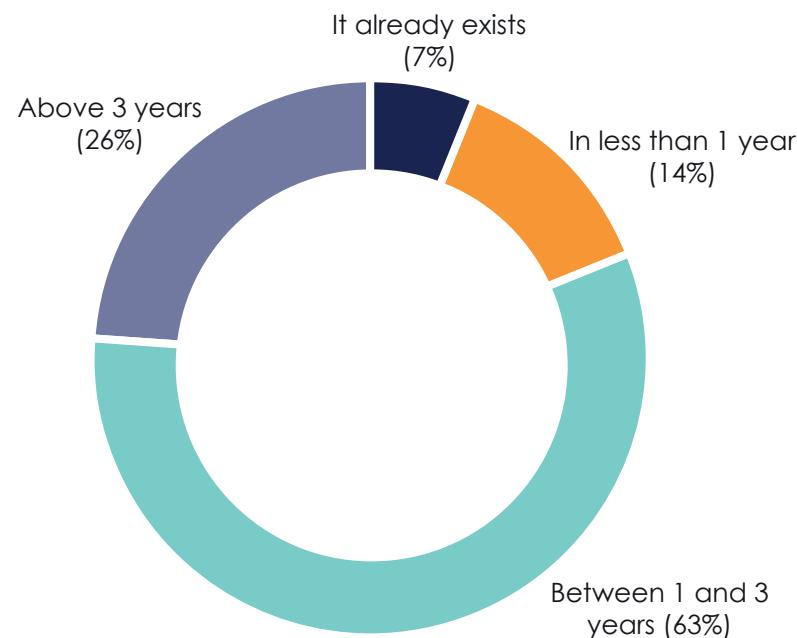


**Figure 11: Have you noticed any improvements in your procurement process since this implementation?**



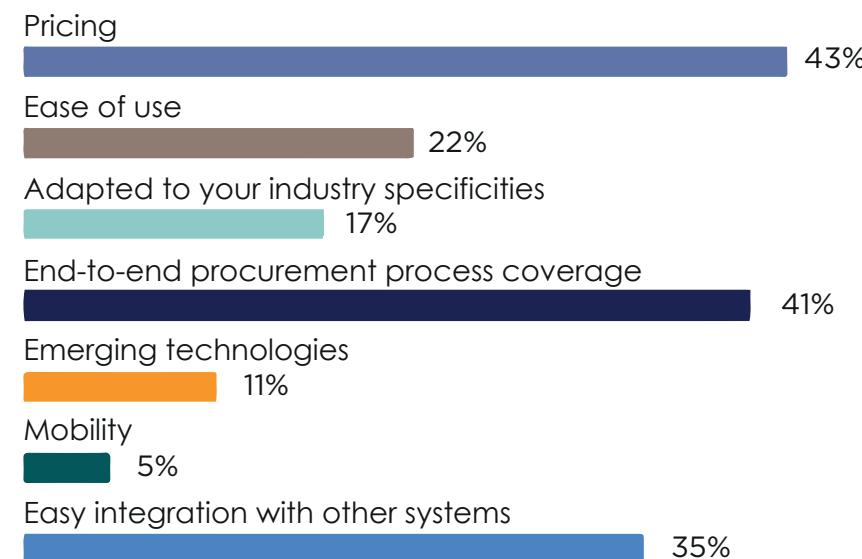
*Digital procurement is definitely around the corner and cost will be a decisive factor in its adoption.*

Nearly 80% of respondents estimate their organisation will adopt a digital procurement solution in less than 3 years



**Figure 12: When do you estimate your organisation will adopt a digital procurement solution?**

Cost is still the most important criteria when selecting a digital procurement solution



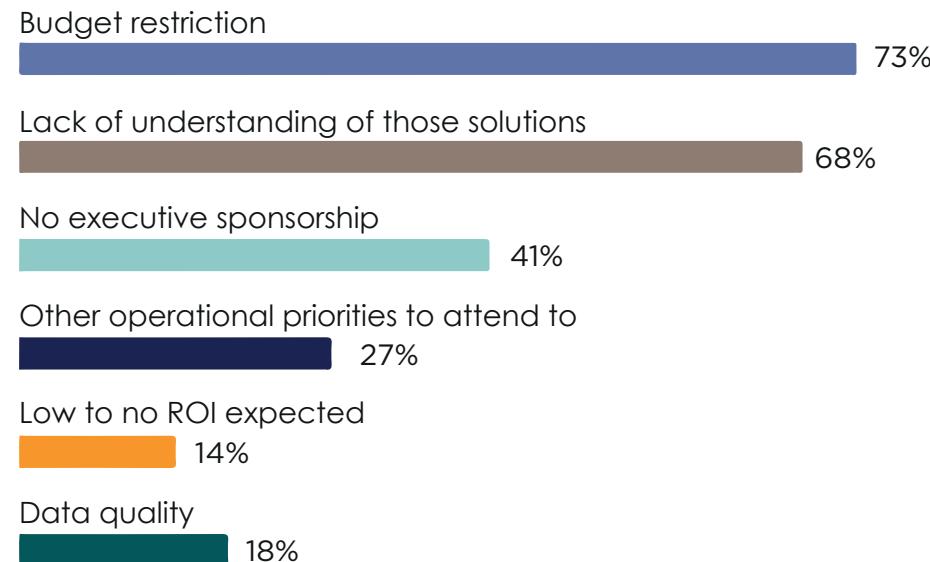
**Figure 13: Which of the following criteria will be most important in influencing your organisation's decision to adopt a digital procurement solution?**



*Digital procurement is definitely around the corner and cost will be a decisive factor in its adoption.*

Digital procurement market players need to strengthen and clarify their communication

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**Figure 14: According to you, what are the greatest barriers to digital procurement in your organisation?**



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# PREPARING FOR THE FUTURE: 4 KEY CONSIDERATIONS



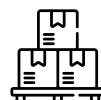
## Improving cost-efficiency: “Save more” vs “Save smarter”

Beyond the “how to save more” approach, organisations will need to save smarter in order to plan for the future and build resilience. Digital procurement will certainly position them in a better place for structural cost advantage and strategic recovery.



## Data availability and quality

As we cannot analyse and optimise what we do not see and understand, data availability and quality are critical to overcome the various challenges brought by the global pandemic.



## Procurement process maturity

South African organisations must focus on optimising their processes first before implementing a procurement system as technology only replicates – or magnifies– the efficiency or inefficiency of the existing processes.



## Addressing the change management challenge:

- Boost internal communication at all management levels
- Beyond communication, involve all business partners in the project
- Invest in the right talents and the right technology



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# ABOUT US

As we see every day, digital procurement plays a major role in the transformation of companies and organisations. Because its process is cross-functional, it has a profound impact on the way they operate both internally and externally. Working to improve procurement processes quickly brings positive financial, organisational and ethical results.

As a software vendor pure player in Procurement, Oxalys is the preferred partner of mid-sized and large organisations from all industries in more than 25 countries around the world.

The Oxalys solution helps you digitalise the entire spend and procurement process: Sourcing and contracts, purchasing and invoices, supplier relations and procurement steering.

It is a pragmatic solution developed in full awareness of operational needs. Today, our Procurement management software stands out for its ability to address all procurement-related tasks, while being extremely adaptable, quick to implement and easy to use.

Our objective is to make digital procurement easy for all private and public organisations.

Together, let's make your procurement a driving force for your performance!



**A complete Source-to-pay solution to manage your procurement**



Source to contract



Purchase to pay



Supplier relationship



Procurement steering

**An international presence**  
Over 100 references across the world

**25%**

of turnover  
reinvested in R&D

**100%**

delivery lead-times  
and budgets met

**+30**

years of  
experience

**+1000**

implementations



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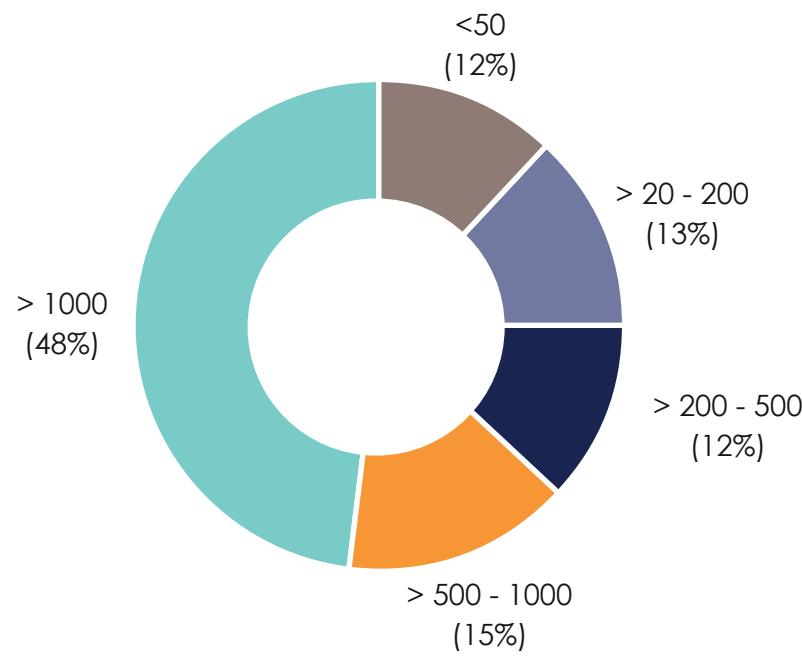
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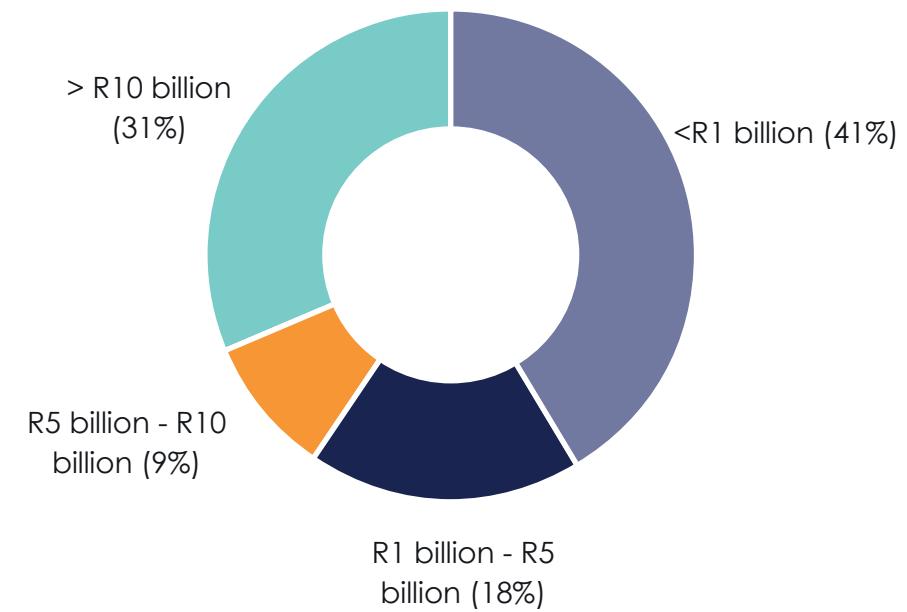
# Organisation size

This report and its results are based on an online survey conducted from October to November 2020. 222 procurement professionals and influencers submitted their responses. Their profile is detailed in the following figures.

**Figure 21.a**  
**How many people are employed in your company?**



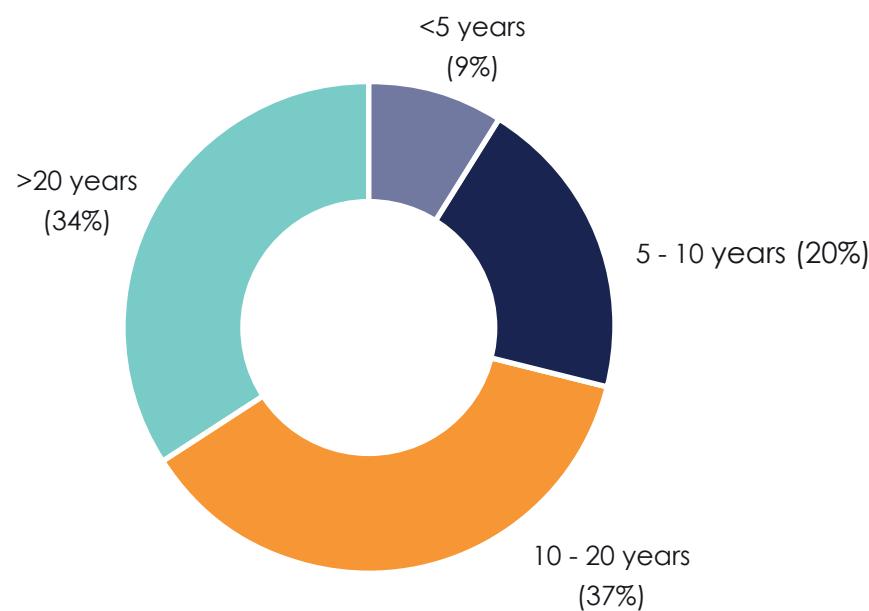
**Figure 21.b**  
**What is your company latest annual revenue?**



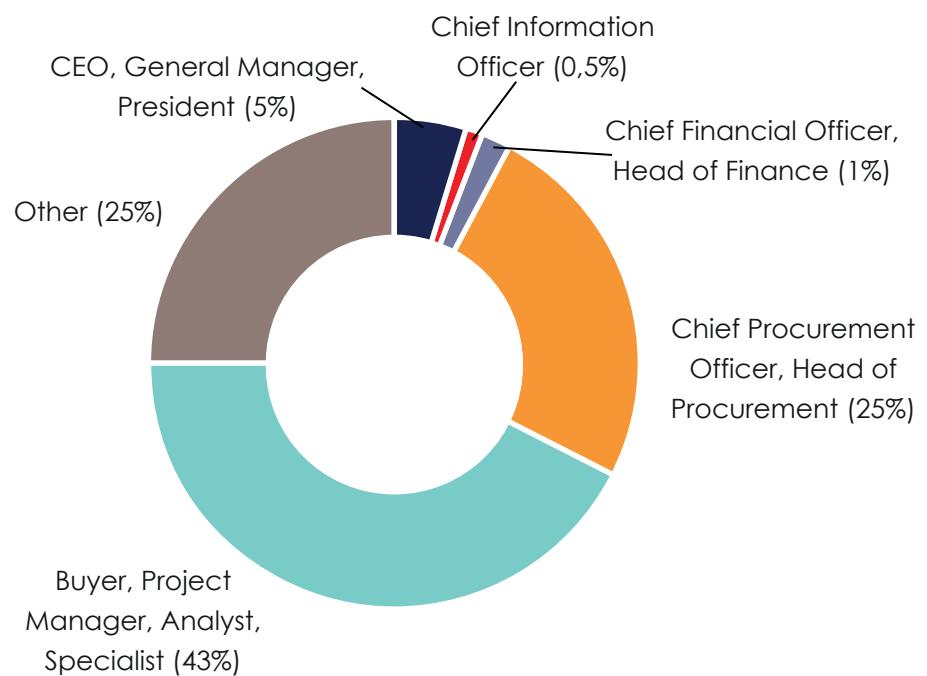


## Respondent's role and seniority

**Figure 22.a**  
How long have you been in employment?



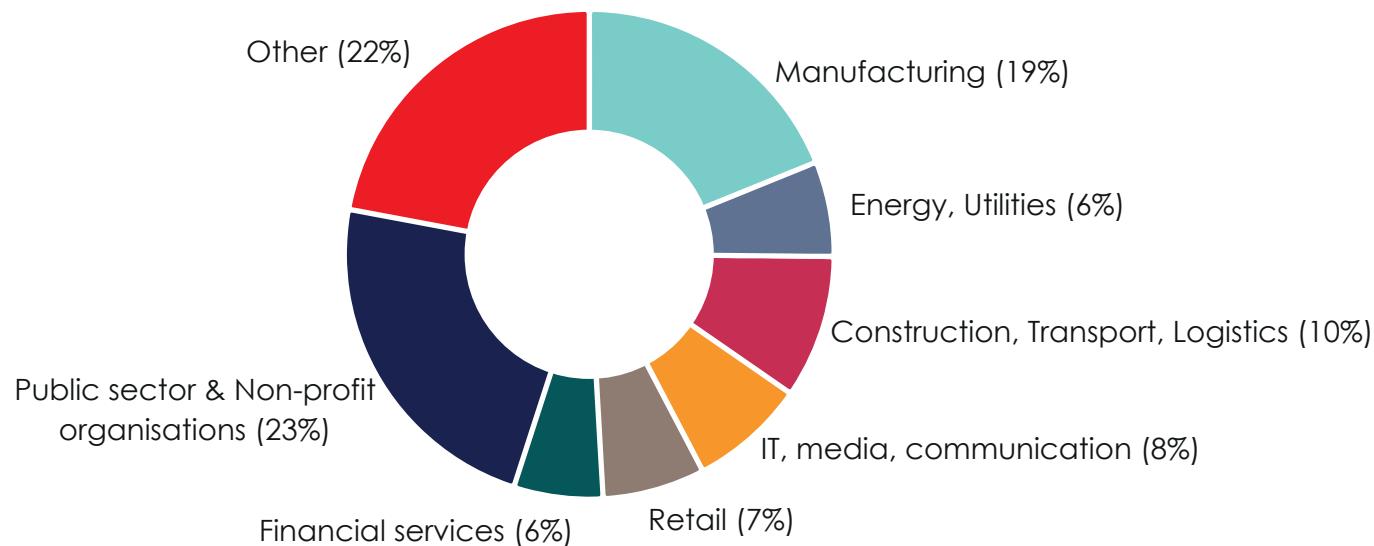
**Figure 22.b**  
What is your position?





# Industry distribution

**Figure 23: What industry describes best your company?**





This is a summarised version of the full survey report.

[DOWNLOAD THE FULL REPORT](#)



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