

Procurement Salary Guide and Insights 2017

Key Trends and Findings



Procurement Salary Guide and Insights 2017

Since our last survey, the world has experienced a number of seismic changes as socio-political systems are challenged, economies are increasingly under pressure, and global supply chains are under threat from impending tariffs. However, the procurement profession is a driver of change and innovation.

From Brexit to Trump, the move from globalisation to one of nationalism, protectionism and trade barriers, combined with falling sterling and rising inflation, means organisations need talent in procurement more than ever before. This profession can moderate and indeed create competitive advantage from many of the highs and lows that will impact on markets, businesses and economies in the months and years to come. Which means the highly-skilled will continue to be highly sought-after.

So, it's no surprise that this year's survey sees a rise in the number of procurement jobs created across both the public and private sectors. These professionals are becoming more focussed on strategy and alignment to organisational goals, on relationship building and developing forecasting skills needed to understand the implications of world-changing events.

These skills are all the more crucial as more transactional activities become automated. The speed of technological advancement is astonishing and, therefore we will need to develop a new skillset to make full use of this new disruptive technology.

With the rise of SMEs and sole traders, more and more non-professionals are entering the procurement and supply management space without the mantle of 'professional'. This means that the boundaries of the profession must also change. Procurement must become even more creative, more strategic, and more influential to become elevated to the role of trusted adviser and guardian of the profession, and to promote and develop standards of good practice. This has to be conducted in the most collaborative, supportive and consultative way to bring non-professionals along with us.

The key learning I would take from the report is that once again, MCIPS professionals earn more than non-MCIPS. The value of the designation is clearly recognised, when it comes to salary, bonuses and opportunity. Similarly, the gender gap is closing, but not fast enough. Men earn an average of a quarter more than women at advanced level. That's a shocking statistic in a profession that prides itself on moving away from the stereotypes of old. Our membership is split 50/50 between men and women, so the profession's rewards should too. But, women were less likely to receive a pay rise (63%) as opposed to men (65%) and less likely to receive a bonus (33% compared to 43% for men). One shining beacon of hope is that at least, on average, the percentage of that bonus was roughly the same – 12% of salary.

Procurement professionals are the innovators and the drivers of change. We must continue to equip ourselves with the right skills and abilities to drive our organisations forward and to develop ourselves as individuals. This is the single largest contribution we can make to an organisation, to drive the agenda onwards instead of waiting for change to come.

Andrew Coulcher FCIPS

Director of Membership and Knowledge
Chartered Institute of Procurement and Supply

Increased confidence despite market uncertainty

We are pleased to be partnering with CIPS for a third year to continue to provide insight into the key trends and issues impacting on the procurement and supply chain profession.

2016 was a year of economic and political uncertainty, however within procurement and supply, confidence in the UK economy continues to grow. This is reflected by increased salaries and Hays has seen a higher number of procurement jobs being registered across both the private and public sectors.

We have seen more organisations move from a tactical to a more strategically aligned procurement function as they take advantage of the efficiencies this can bring. There is also continued development in the technological side of procurement, with investment in more sophisticated sourcing tools becoming prevalent. Candidates with the right mix of technical and soft skills are therefore in high demand.

Skills shortages are still affecting many organisations as demand outstrips supply in many areas of procurement. Competition for the best procurement professionals remains fierce, so in order to attract and retain candidates many organisations are reviewing their benefits packages.

We have seen a number of employers investing in training and development of their procurement teams, such as offering the opportunity to achieve the MCIPS qualification.

Employers able to identify skills shortages in their procurement function as well as adapt their benefits offerings will find themselves in good shape to compete for the best talent in the market.

We hope you find this report useful in planning your workforce requirements, and/or as a guide for your own career development.

www.hays.co.uk/procurement

SCOTT DANCE

Director

Hays Procurement & Supply Chain

This year's report continues to report buoyant demand for procurement professionals in both the public and private sector in the UK and globally in MENA, Sub Saharan Africa and Australasia. Salaries paid to procurement professionals continue to outstrip the rate at which salaries are increasing generally in the UK economy.

Furthermore there is clear evidence that procurement employees with professional status, MCIPS and FCIPS, receive a 'pay premium' indicating a clear return to professional development. This effect is further enhanced by the clear indication that employers are exhibiting a preference for procurement professionals with 'soft skill' when recruiting and are willing to pay a premium to attract such employees. Finally, in relation to salaries, it would appear that the differential between male and female salaries is declining with an expectation that this differential will close more rapidly in the future due to legislation that will make reporting of gender differences in pay mandatory.

With buoyant demand and rising wages comes the risk that the labour market for procurement professionals becomes very 'tight'. This report does draw attention to the number of employers reporting difficulties when seeking to employ new hires. The profession therefore must concentrate on marketing careers in procurement and supporting the development of capability within the profession as well as facilitating movement from other professions into procurement.

Dr John Glen

CIPS Economist and
Senior Lecturer Economics

Cranfield School of Management

About this report

The CIPS/Hays Procurement Salary Guide and Insights 2017 allows procurement professionals and employers to:

- Benchmark salary and bonuses for different roles and profiles
- Highlight career aspirations
- Understand perceptions of procurement.

The report is divided into four sections:

SECTION 1

Salaries, bonuses and benefits

SECTION 2

Interims

SECTION 3

Procurement as a career

SECTION 4

Perceptions of procurement

Conclusion

Within each section we have set out the statistical findings of our survey alongside conclusions drawn by the experts involved in putting together the report, as well as six case studies that illustrate examples of best practice.

The findings in this report are based on research conducted in September 2016 via an online survey among professionals currently working in procurement. This year over 4000 professionals globally completed the survey. The results were analysed by the Professional Associations Research Network (PARN).

Statistics throughout this report have been rounded to the nearest decimal point.

Throughout this document different levels of professional seniority have been summarised into five levels of competency. These are described in the chart below along with some examples of job roles that fall into each group.

Competency level

Advanced Professional >

Head of Procurement, Procurement Director, Commercial Director, Chief Procurement Officer, Supply Chain Director, Head of Sourcing.

Professional >

Procurement Manager, Purchasing Manager, Senior Category Manager, Supply Chain Manager, Strategic Procurement Manager, Operations Manager, Commercial Manager, Head of Logistics.

Managerial >

Senior Buyer, Category Manager, Contracts Manager, Contracts Officer, Logistics Manager, Supply Chain Executive.

Operational >

Buyer, Procurement Specialist, Supply Chain Analyst, Procurement Executive, Procurement Officer, Supply Chain Planner, Logistics Analyst.

Tactical >

Purchasing Assistant, Assistant Buyer, Admin. Assistant, Stock Controller, Contracts Administrator, Inventory Planner, Assistant Contracts Officer.

Typical job roles

Section 1

Salaries, bonuses and benefits



This section explores how procurement and supply professionals are remunerated comparing experience, region, sector, MCIPS v non-MCIPS and gender as well as considering bonuses and additional benefits.

For the third year in a row, we have seen an overall growth in salaries, both within the profession itself and in comparison to other disciplines, at 5.3% compared to a national average of 2.2%*. We now have three years of data to compare allowing us to see patterns and trends more clearly, as you will see in this report.

The highest salaries continue to be seen in London, but of particular interest in 2017 has been the regional shift in those most likely to receive a pay increase, with the North West topping the list. Add to this significantly higher salaries in Wales and the East of England, and the emerging picture seems to suggest more activity outside London, which again is supported by Hays recruitment trends. This is likely the result of regional investment or strategic decision making to relocate functions based on increased confidence that the right skills are available regionally.

Once more this year we have seen higher Private Sector salaries, which have overtaken those in the Charity/Not For Profit Sector. This could be a sign, not only that the economy has picked up, but also that the private sector is defying expectations and staying buoyant even as Brexit looms.

MCIPS and FCIPS professionals continue to command higher salaries, and we have seen a 10% growth in the FCIPS community, signifying greater investment in procurement at more senior levels as its organisational value increases. We are also seeing that gender differences seem to be closing in the UK, which could be the result of legislation that will make gender reporting mandatory.

Of course, in addition to the changes seen this year, we are also now seeing consistent patterns year on year, particularly around benefits packages as employers continue to seek to attract and retain talent. It is clear that by offering the benefits that are in high demand from procurement professionals, as shown in this report, organisations have an opportunity to differentiate themselves in an increasingly competitive market.

Salaries

by seniority

£112k

For the third year in a row, we have seen a rise in the average level of pay increase for procurement professionals in the UK, with a 5.3% rise this year compared to 5% in 2016 and 2.5% in 2015. This is again above the national average of 2.2%*.

64% of respondents received a pay increase (compared to 68% in 2016 and 61% in 2015) with the average salary at £44,936. The most significant increases are still being seen between the Professional and Advanced levels, and for the last three years we have seen the role of Buyer being by far the most recruited for. The highest increases are shown at Head of Logistics, Procurement Analyst, Graduate/Trainee Buyer and Sourcing Manager levels.

Again, our survey has identified that those who have been in the profession longer are more likely to receive a salary increase. The increase does reduce with seniority but tends to be a smaller percentage of a higher salary so the value is higher. Similarly to last year, 68% of those working in procurement for over 20 years received an increase averaging 3% of their salary, while 68% of those working in procurement for over four years and up to six years received an increase averaging 6% of annual salary.

*ONS statistics, September 2016

AVERAGE SALARY

Chief Procurement Officer

The UK average salary for all procurement and supply professionals is £44,936



MCIPS brings credibility to your career and confidence to employers. Join today† and start the journey to your professional licence.

Requirement for CIPS qualifications differs slightly between Public and Private Sectors. Almost every organisation Hays recruits for in the Public Sector requests MCIPS full membership, or studying towards achieving MCIPS membership as a pre-requisite for their procurement roles. Private Sector employers are less likely to request MCIPS as a mandatory requirement, although increasing numbers of commercial organisations do now list qualification at MCIPS membership level as desirable. Most organisations will be flexible and accept a professional without MCIPS membership if they deem that they have the right procurement experience. However it definitely puts you one step ahead of those who don't have it.

†www.cips.org/joinonline

18.5%

AVERAGE SALARY DISPARITY

Procurement Director

FCIPS v non-FCIPS

The higher earning power of MCIPS members

22%

AVERAGE SALARY DISPARITY

MCIPS v non-MCIPS

£54,062

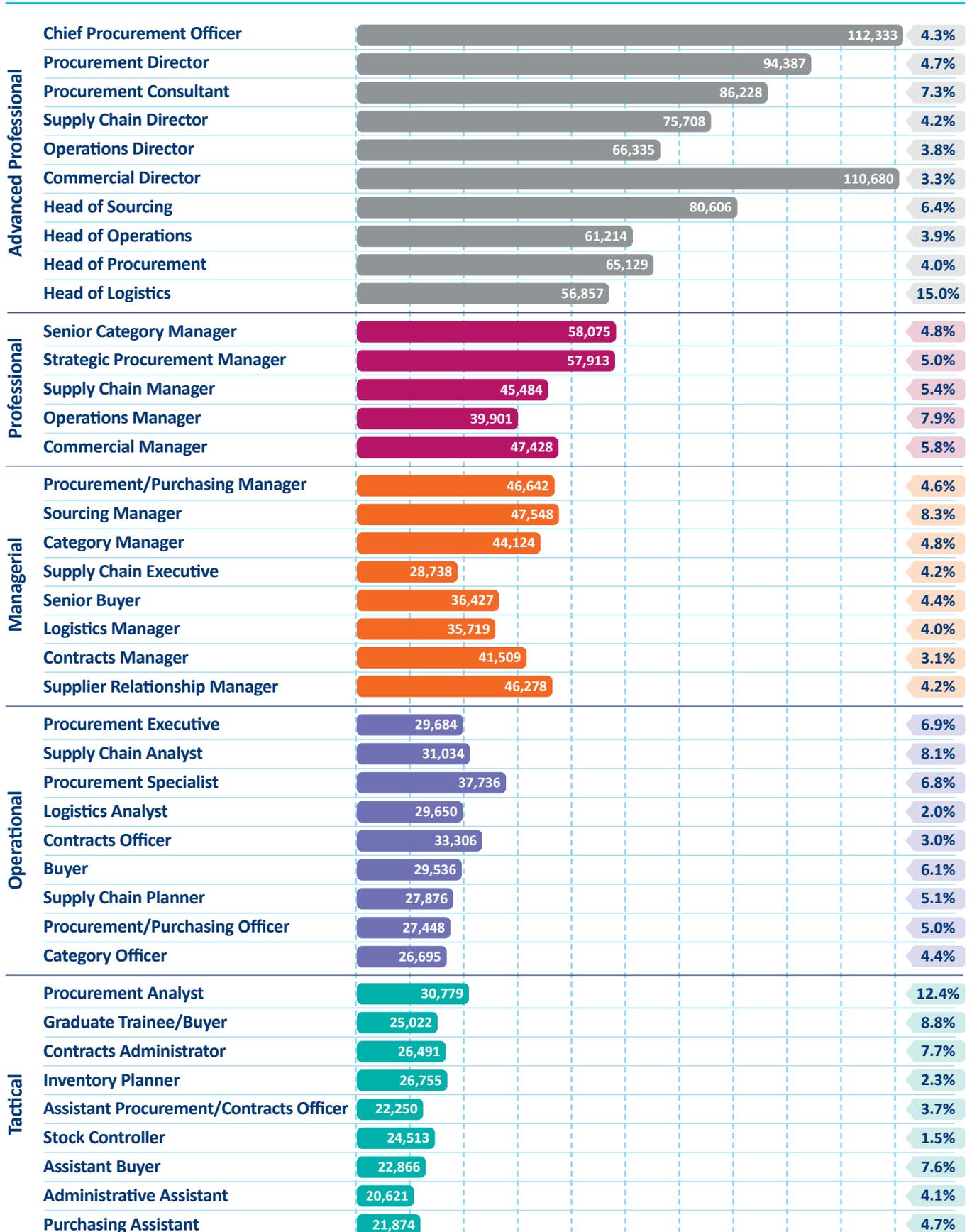
MCIPS

£44,430

Non-MCIPS

UK average salary by job title

Average % salary increase



*ONS statistics, April 2016

GBP 000s 10 20 30 40 50 60 70 80 90 100 110

Salaries

by region

£44.9k

As in 2016, professionals in London reported the highest salaries with an average of £57,664. Although this is a decrease from £59,000 in 2016.

Last year those in London were also more likely to receive a salary increase but this year the North West came out top at 7.2%. Meanwhile, in the East of England and Wales significantly higher average salaries were reported compared to previous years: £47,000 compared to £41,000 in 2016 for the

East of England, and £39,100 compared to £35,500 in Wales. This is very positive, particularly for Wales which last year showed the lowest average salaries, and could be a signal of increasing investment in the country leading to greater career prospects. The same is true of the North West.

Also in Wales, 10% fewer respondents this year received a salary increase but those that did reported a higher percentage increase.

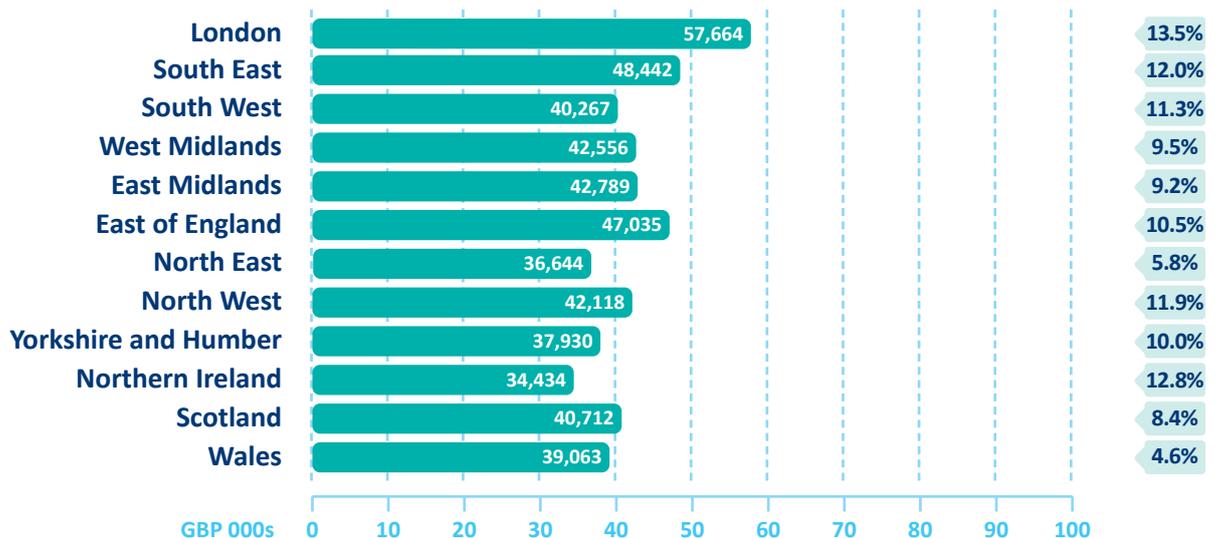
AVERAGE NATIONAL SALARY

Procurement Professional



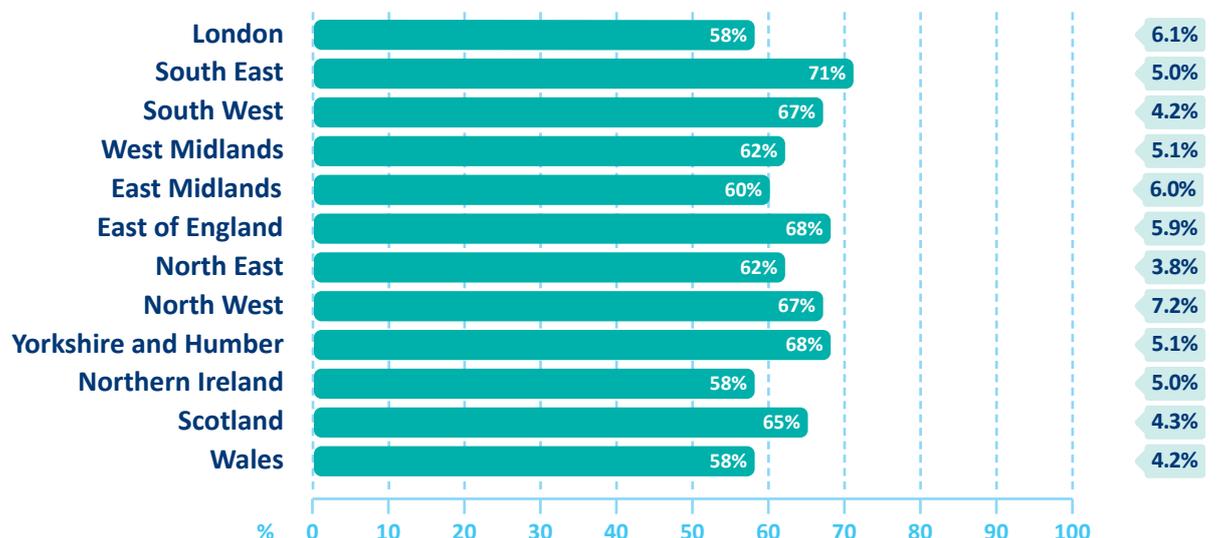
UK average salary by region

Average bonus as % of salary



% of UK respondents receiving a salary increase

UK average % increase



Salaries

by sector

67%

Last year we were surprised to see the highest average salaries and percentage of professionals receiving a salary increase was in the Charity/Not For Profit Sector. This year there has been a rebalance and we are seeing the Private Sector come out top, with average salaries at £46,825 and 67% receiving a salary increase. This is followed by the Charity/Not For Profit Sector and then the Public Sector, which is more in line with expectations.

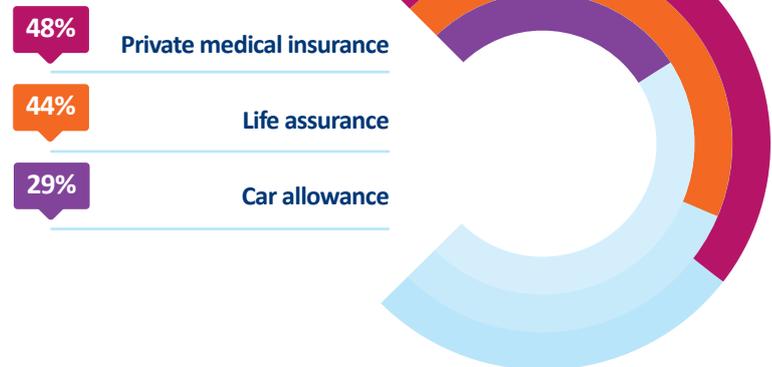
The Private Sector also boasts the highest average pay increases, at 6% of salary compared to 5.6% in 2016. The Charity/Not For Profit Sector also saw a rise in average pay increases from 3.4% to 4.4% in 2017, but there was a slight decrease in the Public Sector from 3.5% to 3.3%.

Those in the Private Sector are still more likely to receive other financial benefits such as private medical insurance, car allowance and life assurance. However, in the wake of Brexit and the uncertainty it has engendered, we believe that many organisations will be cautious about upgrading their benefits schemes and we will continue to keep an eye on trends in future reports.

RECEIVED A SALARY INCREASE

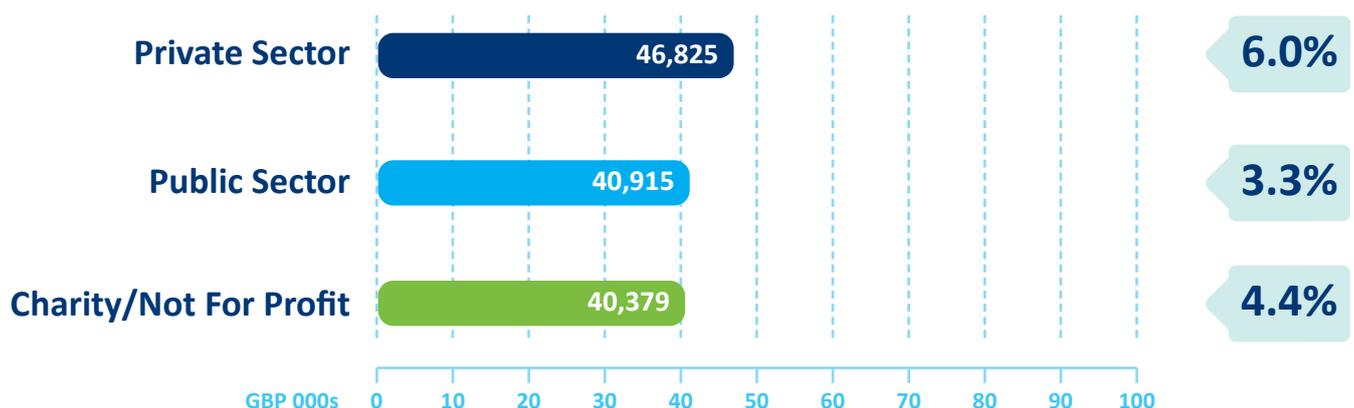
Private Sector

% of professionals receiving a salary increase



UK average salary by sector

UK average sector pay increases as % of salary



Salaries

Private Sector breakdown

12.6%

AVERAGE PRIVATE SECTOR PROCUREMENT PAY RISES FOR Agriculture, Forestry and Fishing



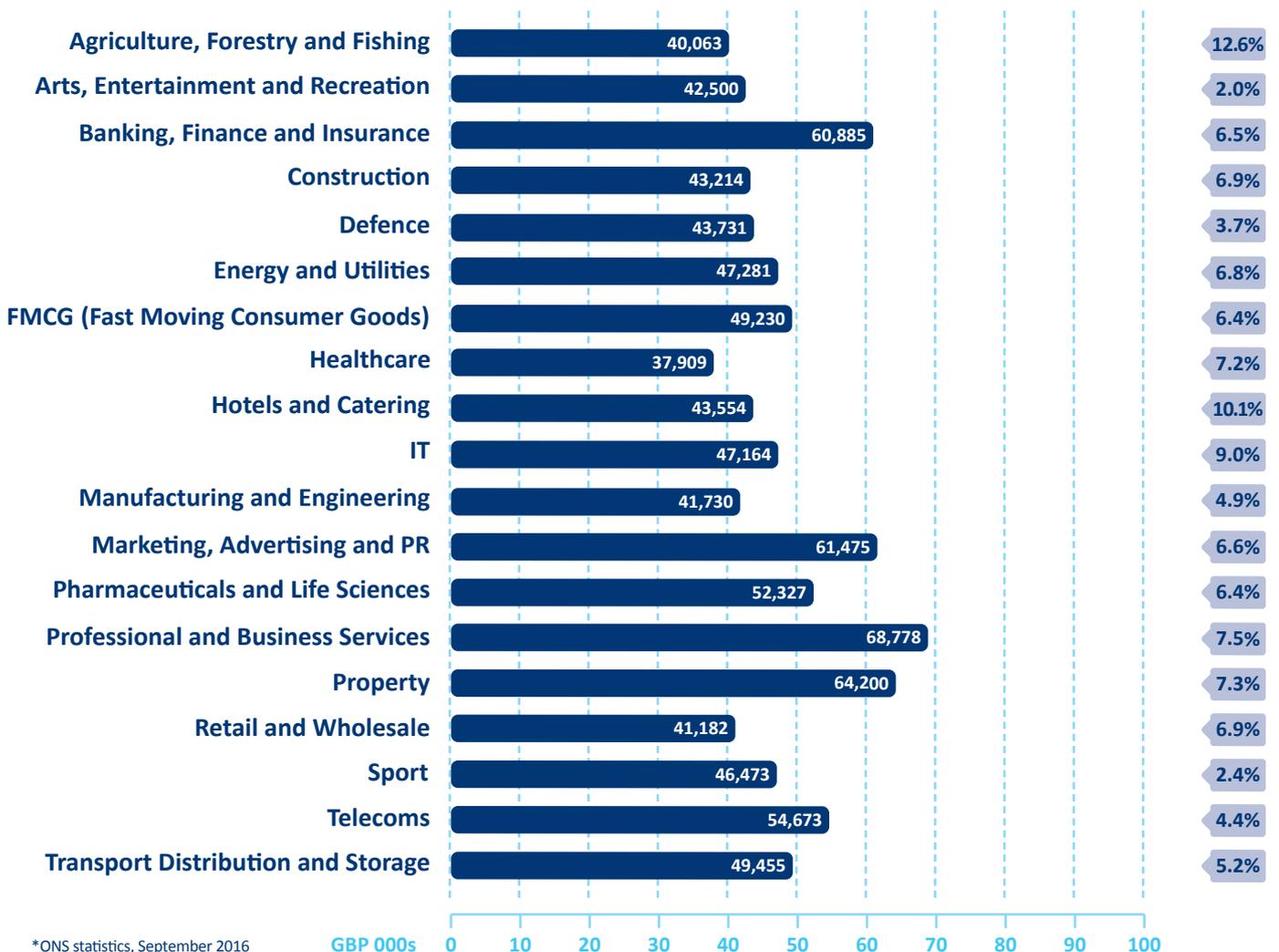
Drilling down into specific industries, we can see the greatest increases are in Agriculture, Forestry and Fishing at 12.6% average salary increase, and Hotels and Catering at 10.1%.

Last year's highest increases were seen in Marketing, Advertising and PR at 9.5%. Compared to the national average increase of 2.2%*, all industry categories except for Arts, Entertainment and Recreation showed a greater increase. This signifies that procurement is performing well against other professions. The highest average salaries are found in the Professional and Business Services industry, likely because the majority of these roles tend to be based in London where the highest salaries are seen.

*ONS statistics, September 2016

UK average Private Sector procurement salaries

UK average pay increases as % of salary by sector



*ONS statistics, September 2016

UK average Private Sector receiving salary increases

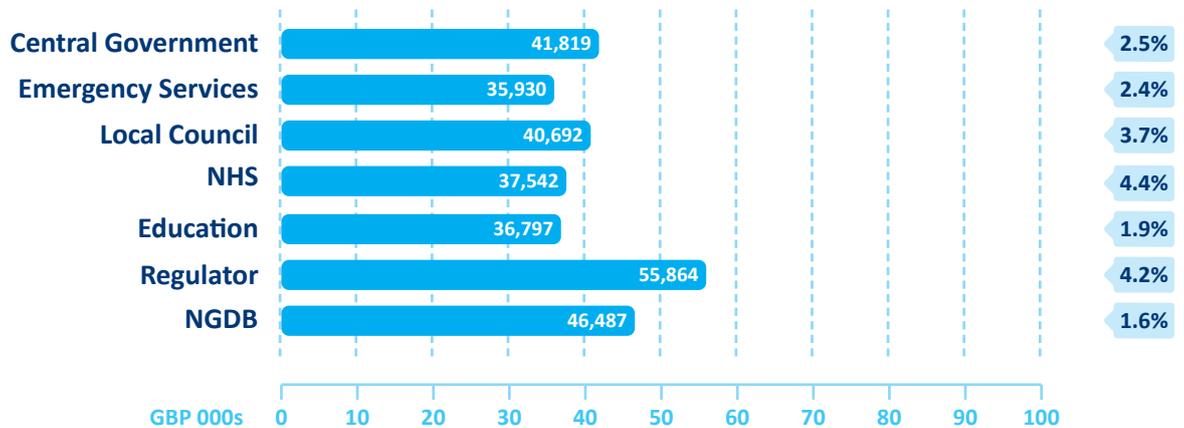


Public Sector breakdown

In the Public Sector, the highest average salary increases were reported by respondents working in the NHS, at 4.4%. This indicates an increase in professionals being promoted to higher salary bandings, perhaps as a means to retain talent in the NHS. In the Charity/Not For Profit sector, the Housing Association industry saw the highest average pay increases at 5.7%.

UK average Public Sector procurement salaries

UK average pay increases as % of salary by sector



Charity/Not For Profit Sector breakdown

UK average Charity/Not For Profit sector procurement salaries

UK average pay increases as % of salary by sector



Salaries

by sector and seniority

25%

This year, Private Sector salaries predominantly remain higher than those in the Public Sector with the exception of Operational roles; last year salaries in Tactical roles were negligibly higher in the Public Sector.

The greatest disparity is at Advanced Professional level, where salaries are 25% higher in the Private Sector. However this has decreased from last year when the disparity was 30% higher. The biggest increase we have seen this year is the jump in disparity for Managerial level salaries, which go from being 5% higher in 2016 in the Private Sector to 17% in 2017. This could be due to increased competition from other organisations in the Private Sector to attract the best candidates with managerial experience.

HIGHER AVERAGE SALARIES

Private Sector

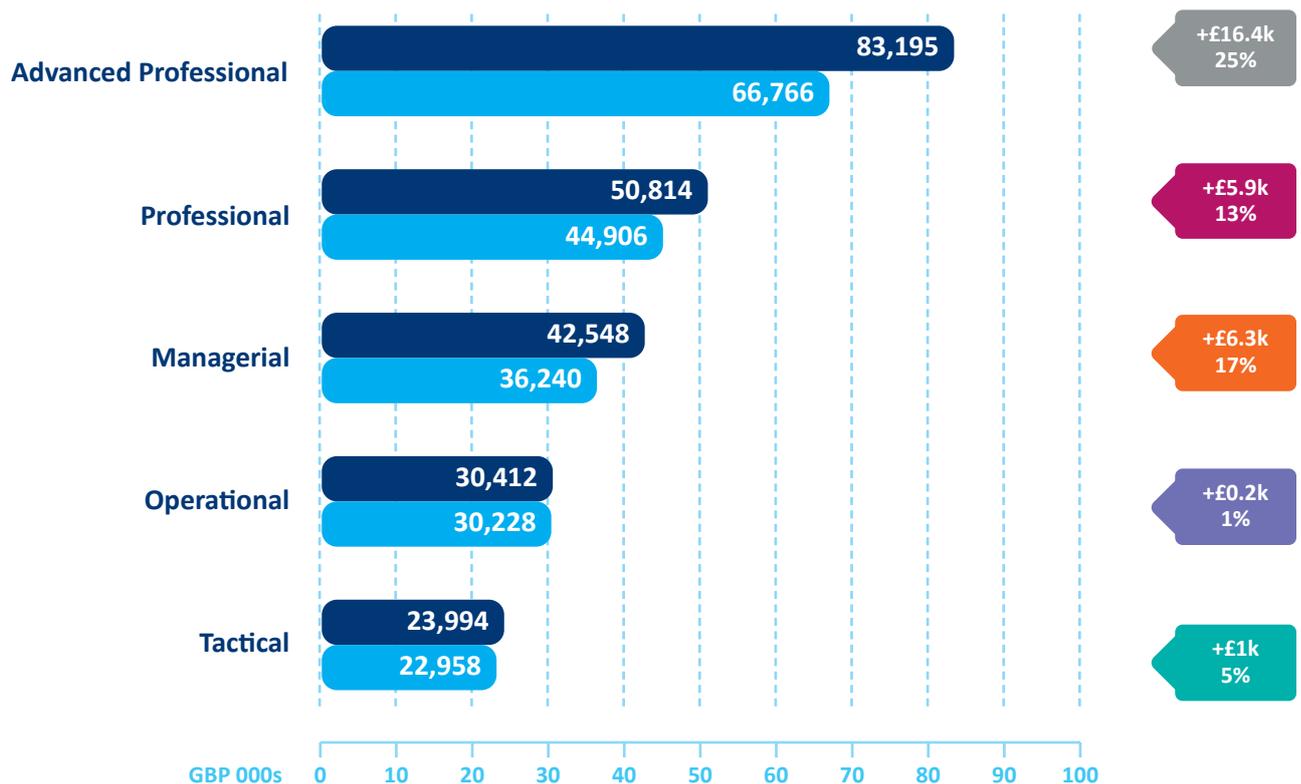
Advanced Professional level

£83.2k Private Sector
£66.8k Public Sector



Average Private v Public Sector salaries

Salary differentials at each seniority level



Salaries

by sector and region

15%

We continue to monitor the disparity between Private and Public Sector salaries as a trend right across the UK, and this year we are seeing some major increases in the South West (11% in 2016 to 20% in 2017), North East (4% to 19%) and Wales (a dramatic rise from 2% to 21%).

In 2016, the pay disparity was most marked in London, but this is no longer the case and has in fact reduced significantly from 29% in 2016 to 15% in 2017. This year we are seeing the biggest pay disparities in the East Midlands (27%), Wales (21%) and Scotland (20%). Scotland was second only to London last year with a 23% pay difference. In the North West and Northern Ireland the story is very different and Public Sector salaries here are higher than in the Private Sector. This may be due to the larger proportion of publicly funded positions compared to private in these regions, particularly within central government organisations.

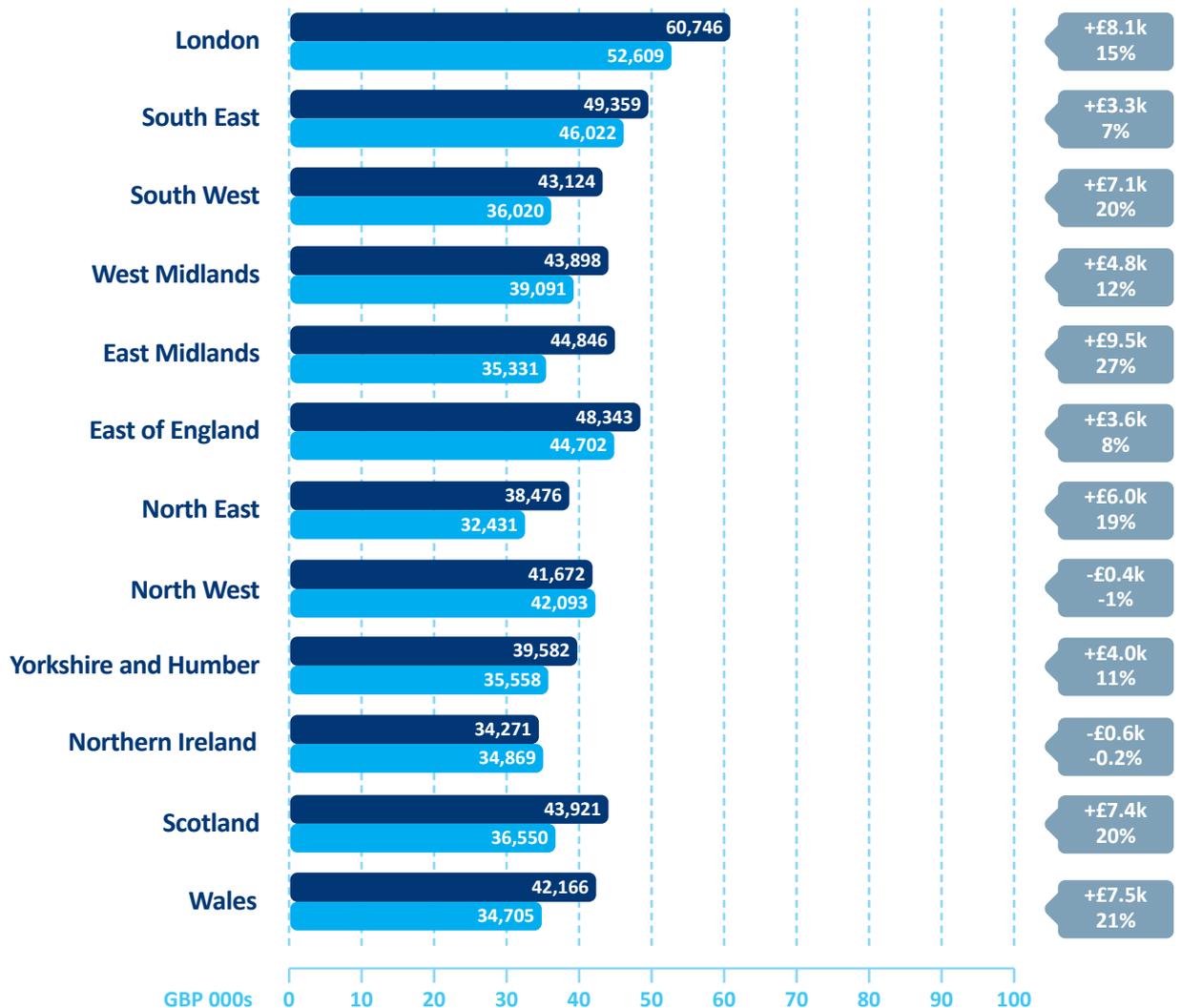
DISPARITY IN LONDON Private Sector and Public Sector

Average salaries for London



UK average Private v Public Sector salary by region

Disparity between Private Sector and Public Sector



Salaries

by gender

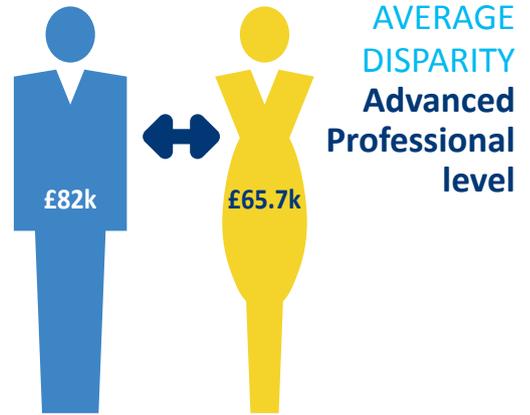
£16.4k

In the last 12 months, women were slightly less likely to have received a salary increase: 63% compared to 65% of men. However, this discrepancy has reduced from 2016 when 71% of men received an increase compared to 65% of women, a positive move no doubt influenced by upcoming pay gap reporting legislation.

The most striking disparity remains at Advanced Striking level where men earn an average 25% more than women: at other levels this tends to be between 2% and 7%. However, we are also seeing some job roles where women earn more than men:

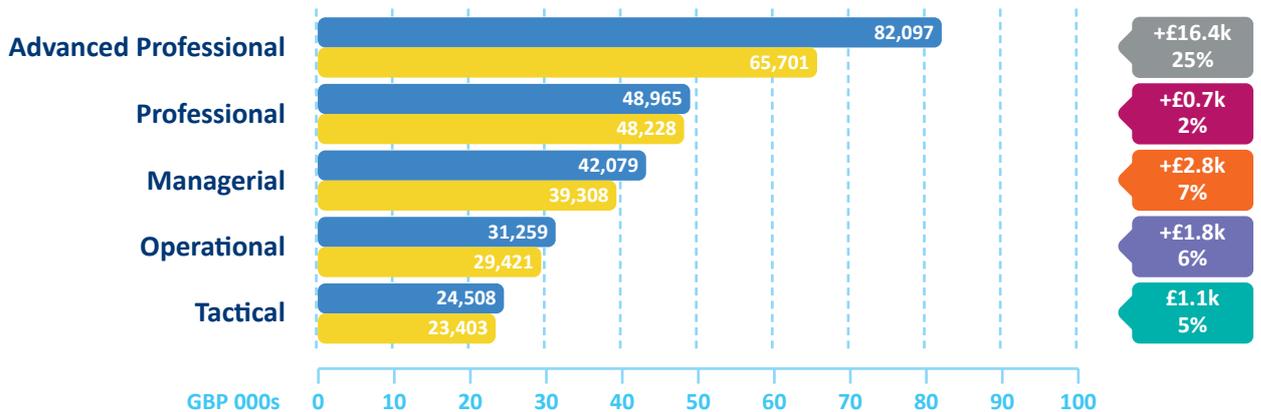
female Procurement Executives, Supply Chain Planners and Assistant Procurement/ Contract Officers earned on average 9% more than their male counterparts.

For those who did receive a salary increase, the increase itself was again about the same for both men at 5.4%, and women at 5.0%. Last year we suggested that this may have signalled a step towards gender pay equality, and this year the additional reduction in disparity seems to bear this out. However, pay gaps by sector also need to be considered as discussed on the following page.



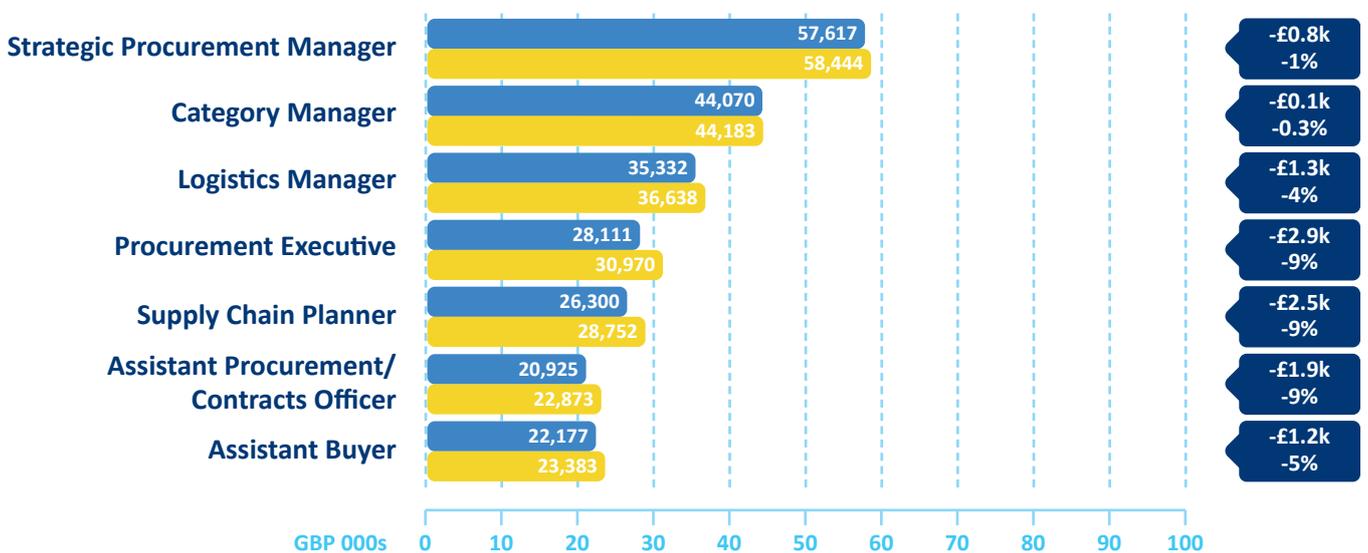
UK average salary by gender

Male v female average salary difference



Roles in which men earned less than women

Male v female average salary difference



Case study 1

Improving equality, diversity and inclusion in the public sector

HS2

Mark Lomas took up the role of Head of Equality, Diversity and Inclusion for HS2 in January 2016 following his experience in a number of sectors. His work on procurement in the legal sector won the ENEI Inclusive Procurement Award in 2012. Mark discusses the HS2 project in more detail and their diversity policy which aims to improve equality and diversity within procurement in the public sector.

The HS2 infrastructure project will transform travel in the UK, connecting eight of the 10 largest cities in the country, as well as improving capacity for consumers and productivity for the economy.

The scale and duration allows the HS2 programme to make wide-spread and long-lasting changes in the UK, including around 25,000 jobs across a huge range of sectors and 2,000 apprenticeships.

The HS2 procurement function is made up of 90 staff and manages corporate and contract procurement. HS2 will likely engage with over a thousand companies during the course of the project from their direct Tier 1 contracts through to SME's.

EDI at the heart of procurement

The HS2 project set out from the beginning to put in place a stringent equality, diversity and inclusion (EDI) policy to meet its responsibilities in relation to the Equality Act 2010. This policy applies to all suppliers and contractors working with HS2.

EDI is embedded into all aspects of the organisation by delivering against their EDI Strategy Development Model. Year 1 of the EDI Development Model includes 'Understanding the current state'. HS2 conducted a Feasibility Study in 2016, delivered by a third party, that reviewed best practice in relation to EDI in the sector and explored their proposed approach to EDI in procurement.

One of the four goals of the HS2 EDI strategy refers to their supply chain, and aims to improve representation levels compared to the sector as a whole on all HS2 contracts. This can be achieved via direct employment and sub-contracting and supplier opportunities.

HS2, through the size of investment in the sector, is providing the industry the opportunity to implement far reaching change across areas including policies and practices, models of recruitment, training, achieving an accredited EDI standard, supplier diversity and inclusive design.

How is this implemented?

Any procurement manager will tell you that every percentage point matters on a bid for a major contract. On HS2, EDI and SEE (Skills, Education & Employment) requirements tend to equal a minimum of 4% and therefore EDI can really play a key role when bidding for a contract.

EDI is ingrained into the HS2 procurement process at each stage:

- Project initiation – EDI input is determined, and EDI requirements are set for contracts below and above £5 million.

- PQQ or initial qualification stage – Compliance questions are asked and scored.
- Technical or ITT assessment – Specific EDI questions are asked covering both workforce and supply chain.
- Evaluation – Each EDI response is evaluated with evidence of impact and effectiveness scoring higher than volume of inputs or activities.
- Contract mobilisation – An EDI strategy must be produced, addressing all aspects of the works information.
- Performance management – Contractors report across agreed metrics on a quarterly or bi-annual basis.

The HS2 EDI team acts as consultants to their supply chain, supporting them with the creation of EDI tools, advice and guidance. Their approach is based on all parties working together in a collaborative manner to achieve maximum impact.

This can raise challenges, such as ensuring there is a clear narrative describing what needs to be achieved and preparedness to support contractors with tools, guidance and sharing best practice in addition to regularly monitoring contract performance. A key success factor for HS2 has been active performance monitoring and supporting contractors to deliver.

Although early in the programme, HS2 have seen a number of benefits including:

- Increased take up of EDI accreditation across the sector.
- Organisations investing in new technologies to meet HS2 monitoring requirements.
- Innovative working practices being proposed by Tier 1 contractors to improve attraction of diverse groups.
- Effective monitoring of SME and Supplier Diversity representation and spend.
- Increased engagement with Supplier Diversity organisations driven by the supplier diversity requirements in HS2 EDI Scope/Works Information.

Recommendations for others in the sector

To help the public sector improve its performance around EDI in procurement, a more coherent and aligned approach is needed across the infrastructure sector. The HS2 approach to EDI is setting a new level of expectation for organisations in the infrastructure sector competing for large contracts, and promotes the sharing of good practice and learning across the sector to help drive forward positive change.

MARK LOMAS

Head of Equality Diversity and Inclusion HS2

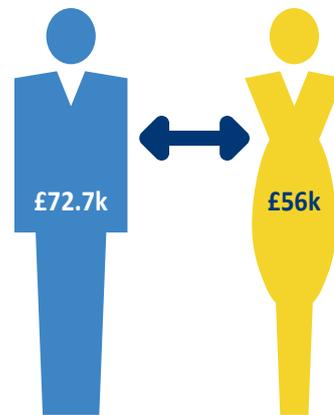
Salaries

by gender and sector

30%

In our first two years of reporting we saw an increase in the Private Sector gender pay gap from 13% to 21% at Advanced Professional level. This year, the most significant gender pay gap is seen, yet again, at this level, which is 19% in the Private Sector and has jumped from 10% to 30% in the Public Sector.

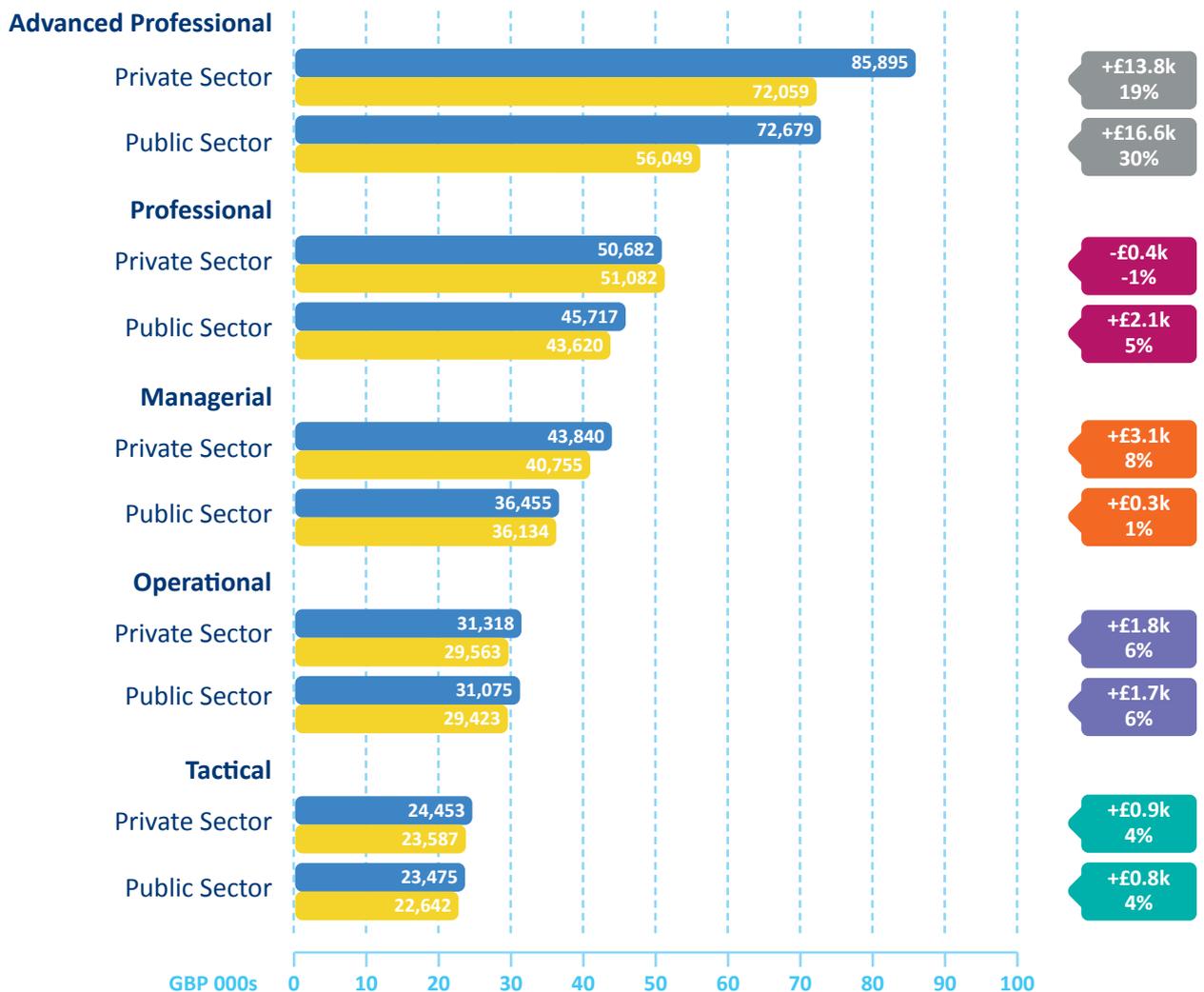
This may have been impacted by some government organisations recruiting very senior people and implementing new remuneration models that allow them to pay highly competitive salaries, albeit it at the expense of less generous pension arrangements. If fewer women are being recruited at the senior level this could also drive a bigger gender pay gap. It is important for organisations to ensure they are attracting a diverse workforce at all levels of seniority which can bring benefits such as varied idea generation, and a more inclusive workplace culture.



AVERAGE GENDER SALARY GAP
Public Sector
Advanced Professional

UK average salaries by gender and sector

Male v female average salary difference



Bonuses

by seniority

20%

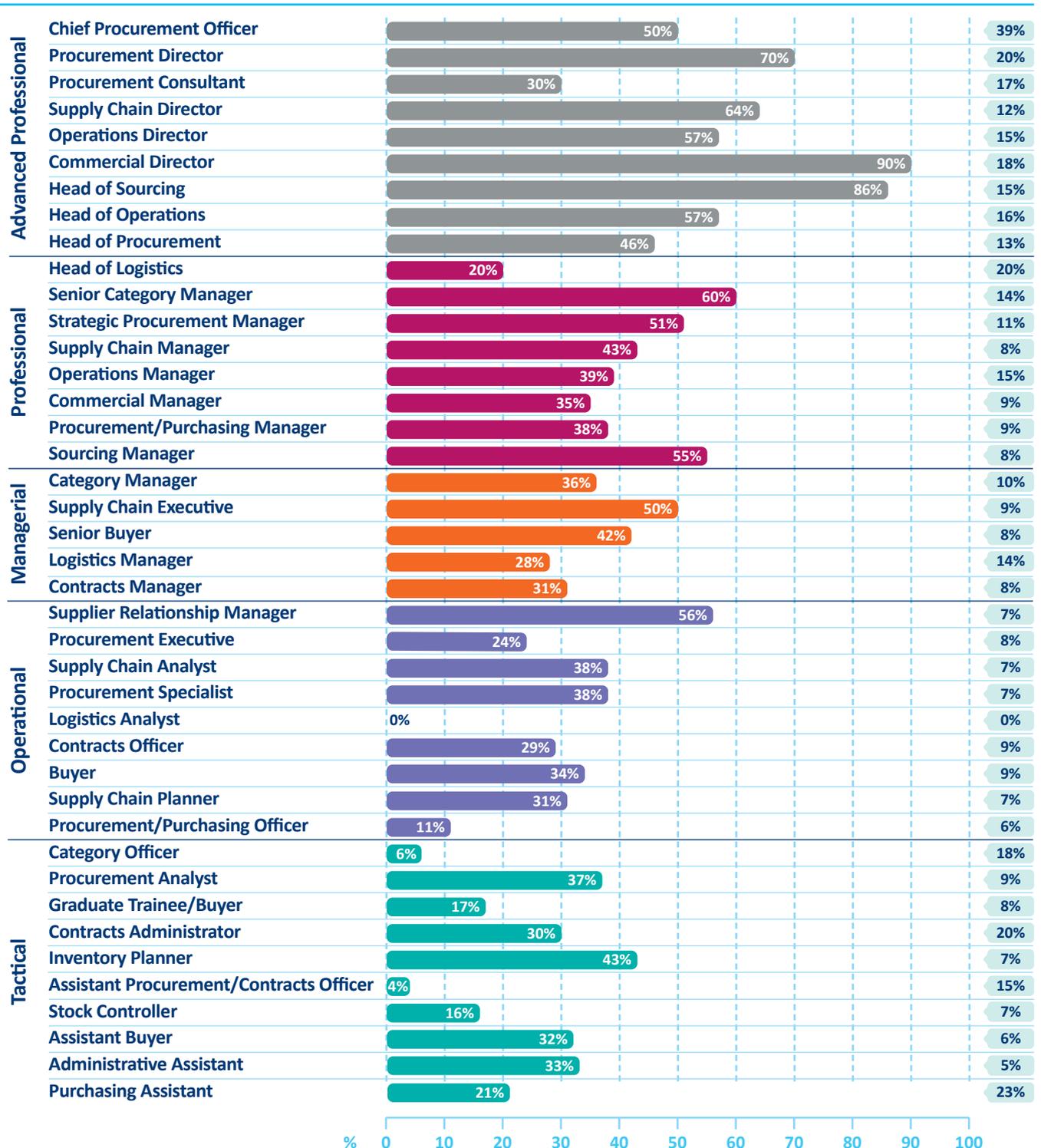
Although the number of Procurement Directors receiving a bonus has decreased from 76% in 2016 to 70% in 2017, the average bonus has risen a small amount to 20% of salary (19% in 2016). There has been an increase in some professionals receiving bonuses in 2017 compared to 2016. For example, 55% of Sourcing Managers compared to 42% in 2016, and 57% of Heads of Operations compared to just 39% last year.

AVERAGE BONUSES
Procurement Directors

70% RECEIVED A BONUS

Breakdown of bonuses received by seniority

Average bonus as % of salary



Bonuses

by sector and industry

50%

There is a consistent trend that those in the Private Sector are more likely to be eligible for, and to actually receive, a bonus. Around 50% of our Private Sector respondents received one in the last 12 months compared to just 13% in the Public Sector and 9% in Charity/Not For Profit organisations.

The top performing industry in the Private Sector was Telecoms, which saw 80% of professionals receive a bonus, closely followed by Pharmaceuticals and Life Sciences, and Sport with 73%. With procurement growing within the Sport industry, bonuses may be playing a role in helping to attract the senior level professionals needed to build procurement teams.

In the Public Sector, half of those in the Regulator industry received a bonus. Regulators tend to be less bound by structured salary packages than others in the Public Sector, reflected in the higher percentage receiving a bonus payment.

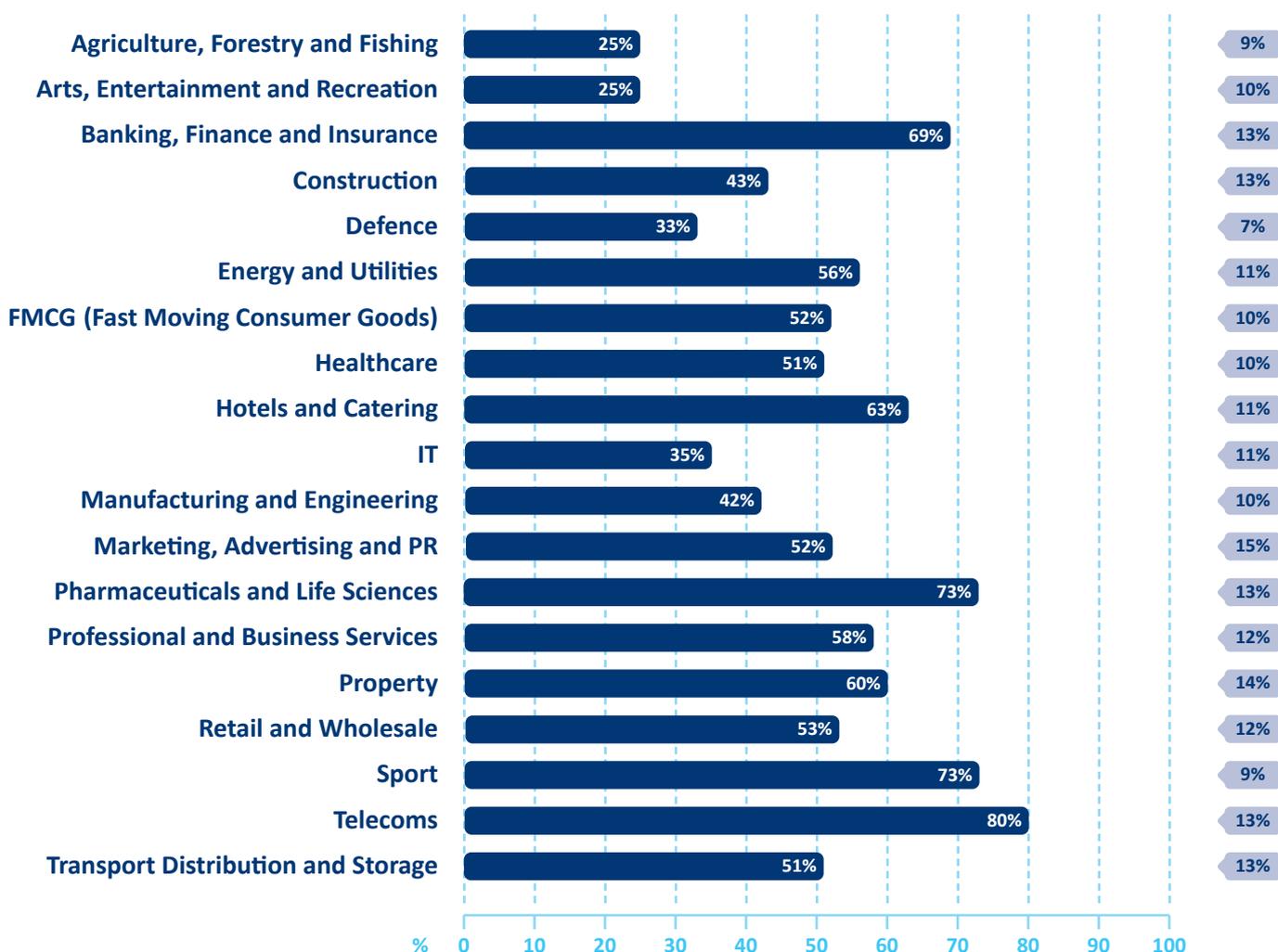
ON AVERAGE RECEIVED A BONUS Private Sector

Received a bonus



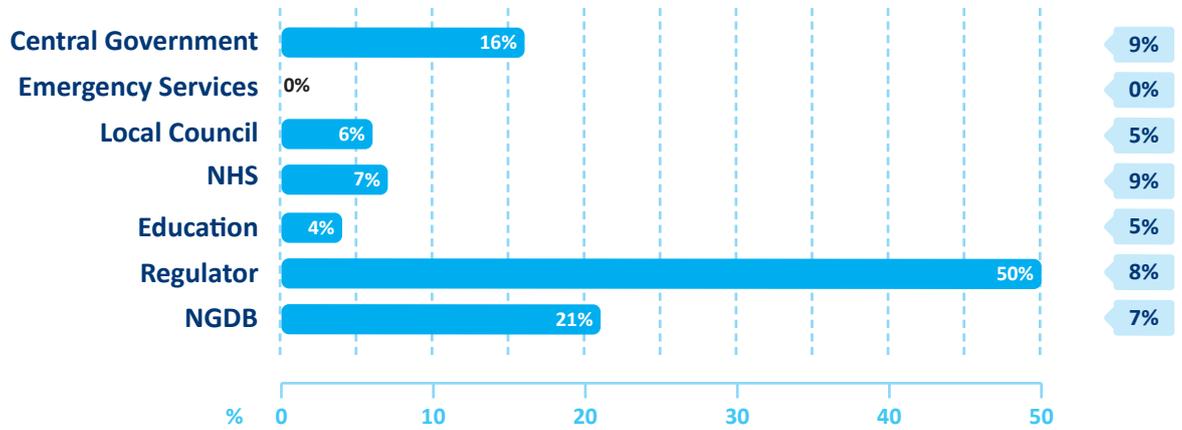
Breakdown of bonuses – Private Sector

Average bonus as % of salary



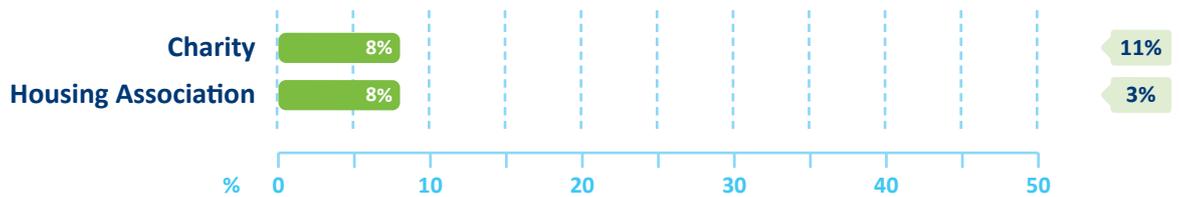
Breakdown of bonuses received – Public Sector

Average bonus as % of salary



Breakdown of bonuses received – Charity/Not for Profit

Average bonus as % of salary



Bonuses received – FCIPS v non-FCIPS

Those with FCIPS membership are not only more likely to receive a bonus, but also receive a higher payment as a percentage of their salary than non-FCIPS. This indicates the value placed on the FCIPS award and the benefits that it brings.

FCIPS (on average overall)

Non-FCIPS (on average overall)



Bonuses

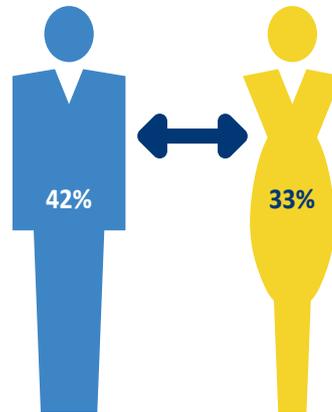
by gender and region

12%

Yet again, more men than women were eligible for, and actually received, a bonus. In fact the percentage in both figures has increased since 2016. The actual size of the bonus received was the same for both sexes at 12%.

We have also seen an increase this year in the regional breakdown of bonuses: for example, in 2017 35% of respondents in the East Midlands received a bonus compared to 29% in 2016.

BONUS AS AVERAGE % OF SALARY received by men



42% v 33%

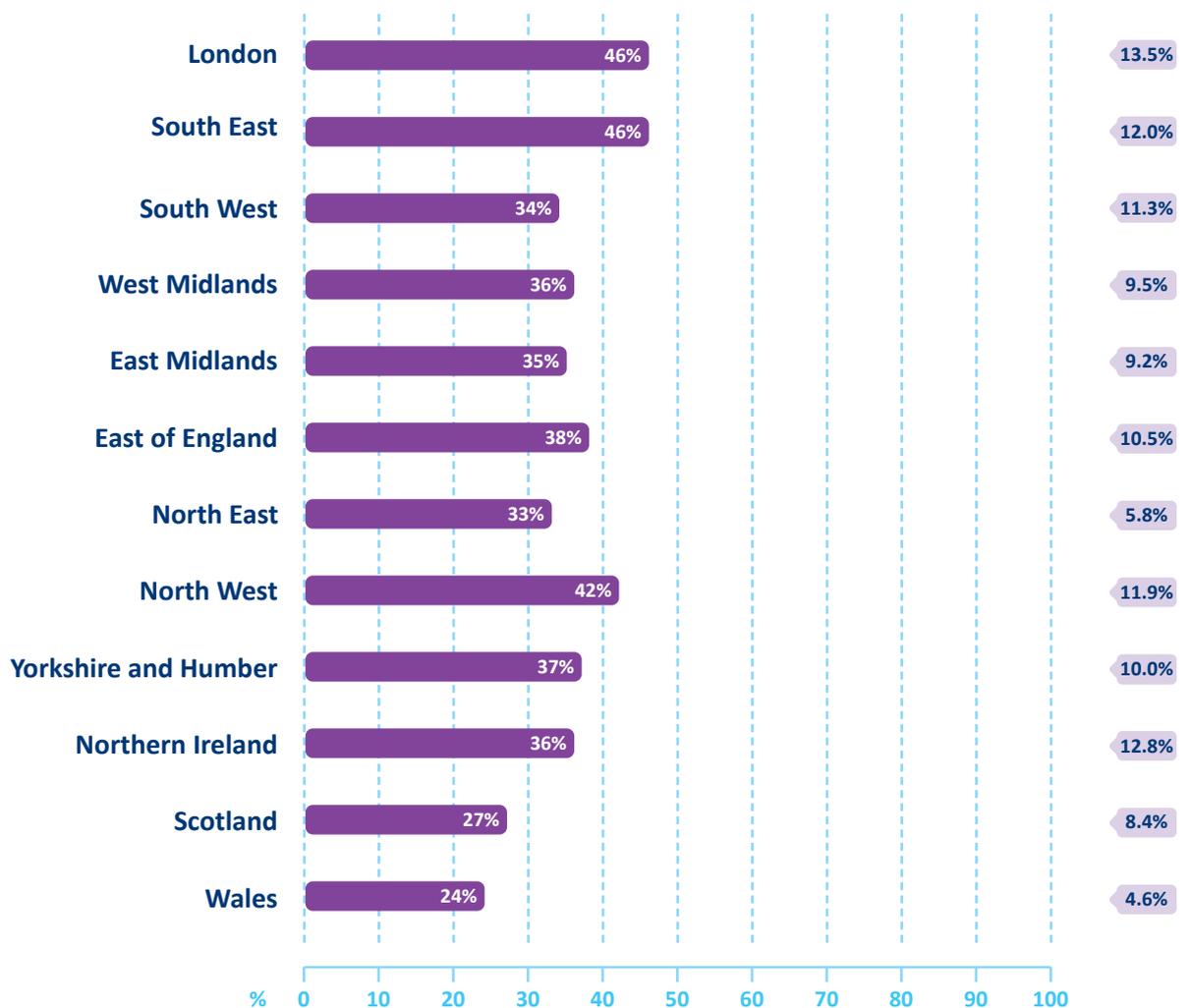
More men than women received a bonus

55% v 43%

More men than women eligible to receive a bonus

Breakdown of bonuses received by region

Average bonus as % of salary



Case study 2

Building a new procurement team

Freshfields Bruckhaus Deringer

As a leading global law firm, Freshfields has examined its operations model to improve efficiencies. Various transformation projects were initiated to implement shared services for its business units and country organisations, which had been operating independently since it was founded.

One of the key initiatives was to set up a global procurement function, responsible for all spend categories and all jurisdictions, reporting directly to the Global Finance Director.

The main drivers to create a global procurement function were based on the expected benefits:

- To reduce costs using a combined purchasing power
- To increase the value for money ratio by leading global alignment and standardisation of requirements
- To improve internal process efficiencies
- And above all, to lower risk, in particular operational and reputational risk, via a globally standardised sourcing and supplier qualification and monitoring process.

As a first step a roadmap was devised, outlining where the function wanted to be in three years and identifying the enablers to make this happen. In parallel the team aimed for a series of 'quick wins', to win over hearts and minds of other business units and lay down a foundation of trust. The global procurement team called each office manager to see how they could help them, to prove that procurement was an essential function across the whole firm.

While previously everyone had been doing their own procurement the team took back control of the process. New parameters with new qualification systems for suppliers were established and the procurement team began to take the lead in firm-wide sourcing projects.

Senior support was essential in order to get the whole organisation on board. To change the culture to one of collaboration, a global procurement community was established, enabling managers to share best practice and knowledge, as well as streamline and make consistent use of the same suppliers.

Getting the right people in place, ensured that global procurement is a strong and respected function. The recruitment of top talent with sourcing experience and expertise in the relevant categories has been essential. Soft skills and Emotional Intelligence (EI) have been the key drivers to influence and move the organisation and procurement function in the right direction.

The recruitment of procurement professionals, firstly in London, and then in Manchester as a second location was quite challenging. The global profile of the function covers procurement activities overseas, meaning language differences and, in some cases, cultural differences resulted in emotional intelligence being one of the key evaluation criteria in selecting talent.

In addition, the knowledge and openness for introducing new technologies, using Big Data, Cognitive Technologies and Smart Contracts, has created a chance for the procurement team to come much closer to the heart of the business.

Freshfields invests in the continuous skill development of the procurement team members using CIPS as an enabler to offer a structured certification path and to network with colleagues from other organisations to share best practice.

JOERG STRAUSS

Global Head of Procurement
Freshfields Bruckhaus Deringer

“ We have worked hard to sell the benefits across the business and build up relationships. One of the key aspects of our success has been hiring not just good but very good people with strong emotional intelligence skills. ”

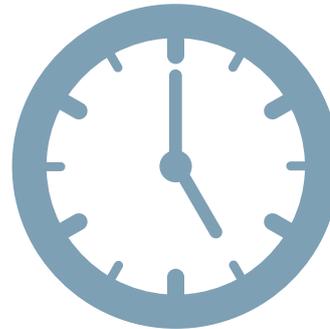
Benefits

by sector

For all three sectors, pension contributions are the most common benefit as you would expect given that for many organisations they are now mandatory. However, the top benefits received excluding pension contributions are flexible working, life assurance/death in service benefits, car parking, free mobile phone and private medical insurance. The only difference compared to last year is that a work mobile phone is now more commonly received than professional body membership fee in the private sector.

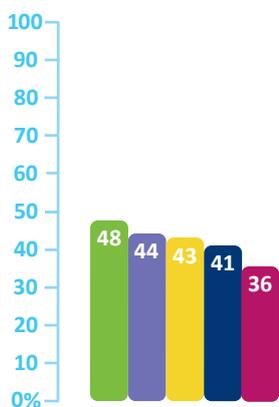
Interestingly this year, flexible working is a greater priority for those in the Public Sector and Charity/Not For Profit organisations, but remains in the same position as 2016 for the Private Sector. This may be due to the fact that when budget does not allow salary increases, organisations are increasingly looking to attract and retain talent through offering flexible working.

Flexible working

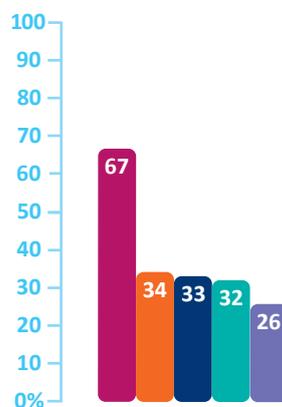


IS PRIORITISED
Public and Charity/Not For Profit Sectors

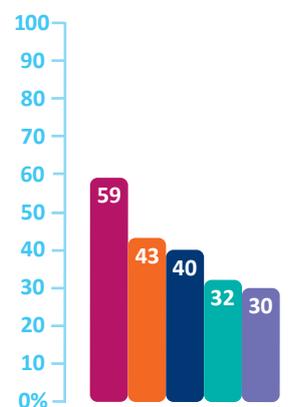
Top benefits by sector (excluding pension contributions)



Private Sector



Public Sector



Charity/Not For Profit

Key to benefits



Private medical insurance



Life assurance/death in service benefits



Free mobile phone



Car parking



Flexible working



Professional body membership fee



Support for study/career development

Benefits

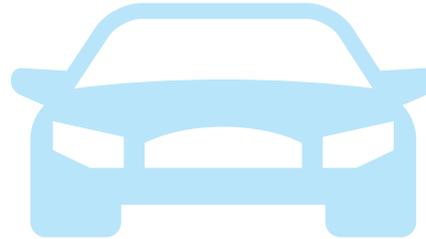
by seniority

Car

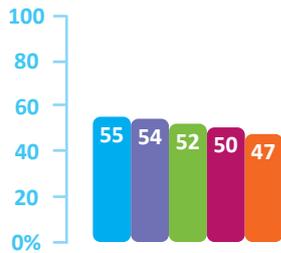
allowance

At every level, pension contributions are the most likely benefit to be received, due to auto-enrolment. Broadly speaking, the likelihood of receiving any of the benefits listed increases with seniority, with the exception of support for study or career support which, as you would expect, is the reverse.

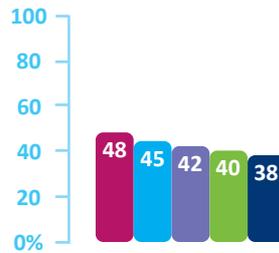
DISTINCTLY MORE PROMINENT
for senior levels



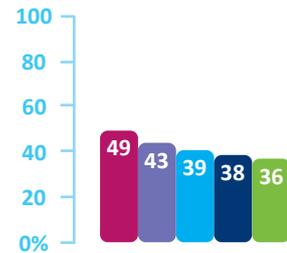
Top benefits by seniority (excluding pension contributions)



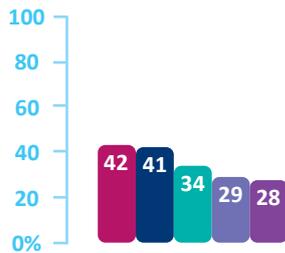
Advanced Professional



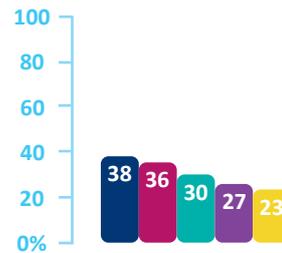
Professional



Managerial



Operational



Tactical

Key to benefits

-  Free mobile phone
-  Private medical insurance
-  Life assurance/death in service benefits
-  Car parking

-  Car allowance/company car
-  Support for study/career development
-  Flexible working
-  Professional body membership fee
-  Subsidised gym membership

Recruitment

by sector and seniority

65%

A large proportion of our respondents with responsibility for recruiting stated that they requested MCIPS as a preference, particularly in the Charity/Not For Profit (75%) and Public Sector (72%).

In fact, there are now government and Private Sector organisations that mandate MCIPS as a minimum achievement. We are also seeing FCIPS becoming increasingly important at more senior levels.

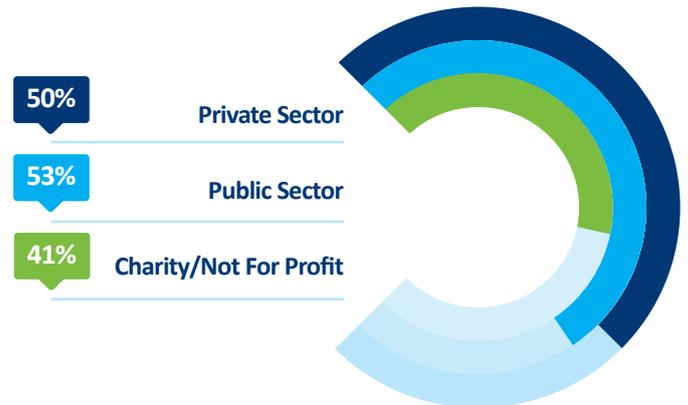
All of this signals the growing recognition of CIPS qualifications and membership as a reassurance for employers that individuals are: committed and experienced; have attained a certain standard of knowledge capability; adhere to professional values and ethical principles; are committed to and supported in CPD; and crucially, have the ability to accelerate the influence and performance of procurement.

**WILL REQUEST MCIPS
(OR STUDYING TOWARDS)
AS A PREFERENCE
Across all sectors**

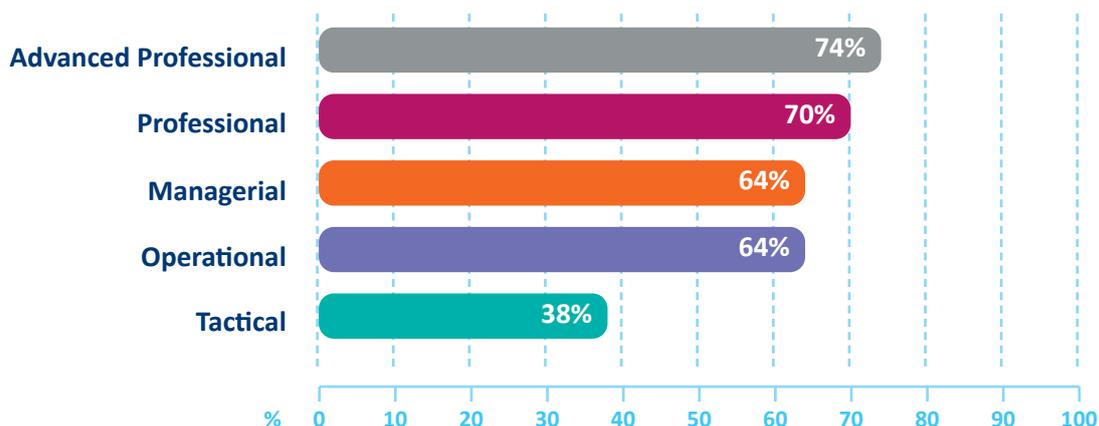
Employers agreed when recruiting for the next role MCIPS (or studying towards) would be requested as a preference from candidates



Employers agreed that further consideration would be given for candidates with FCIPS



MCIPS desirability in recruitment by seniority



Section 2

Interims

In this section, we explore the growing importance of interim professionals within the procurement profession, including where and on what kind of projects they work, and how they are remunerated.

For professionals, flexibility is the most attractive aspect of the interim role. From an employer point of view, interims are most likely to be sought as an additional resource, particularly in the Public Sector. We would expect this to continue to be the case as skills shortages continue. Similar to 2016, interims are most likely to be involved in change management and transformation projects, perhaps reflecting the fact that interims tend to operate at a more senior level.

Interestingly, at a time when the uncertainty of Brexit could have led to a weaker market for interims, we have seen no decrease and in fact our survey identifies an increase in average day rates across the board.

Changes in responsibility for applying IR35 legislation within most Public Sector organisations may also impact the interim market over the coming year. This affects those who supply services to clients via their own personal services company. With the responsibility of applying IR35 legislation moving from the contractor to public sector body, this could impact the way these organisations utilise interims.



Interims

by role

32%

OF INTERIM RESPONDENTS

work on change and transformation projects

Compared to last year, we have seen no change in the number of interims working on change and transformation projects, at 32%. The length of projects tends to vary between 3 and 12 months, with 6 month and 1 year contracts by far the most commonly seen: 43% and 29% in 2017, compared with 37% and 31% in 2016.

The most common reason for recruiting interims in all three sectors is as an additional resource. This is particularly the case in the Public Sector where employers are 61% likely to recruit on this basis compared to 46% in the Private Sector and 25% in Charity/Not For Profit organisations. There is a change since 2016 in that the second most common reason for recruiting interims is now for a specific project, compared to long term absence in 2016. This was particularly demonstrated in the Private Sector: 38% v 17% in the Public Sector and 25% in Charity/Not For Profit, due to a significant number of new projects being undertaken following investment in procurement.

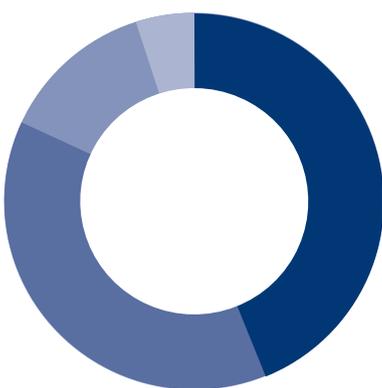
“ Demand for interim procurement professionals is still high amongst employers, despite economic uncertainty. Our job registrations remain stable across both private and public sectors, in spite of rate caps and budget cuts in the public sector.

Daily rates for interims have increased more than permanent salaries this year by some margin, indicating that the interim market continues to be an attractive option for procurement professionals from a remuneration point of view. Professionals working in an interim career can also enjoy working on specific projects that ultimately allows them to gain varied experience and adds depth to their skillset, further enhancing their employability.

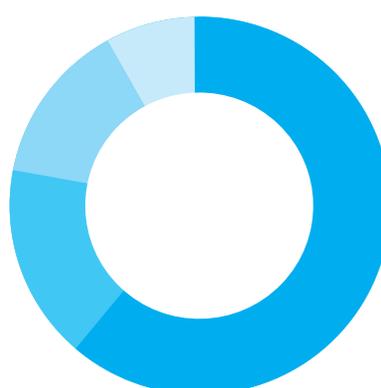
SCOTT DANCE
Director, Hays Procurement & Supply Chain

Reasons to recruit interims, by sector

Private Sector



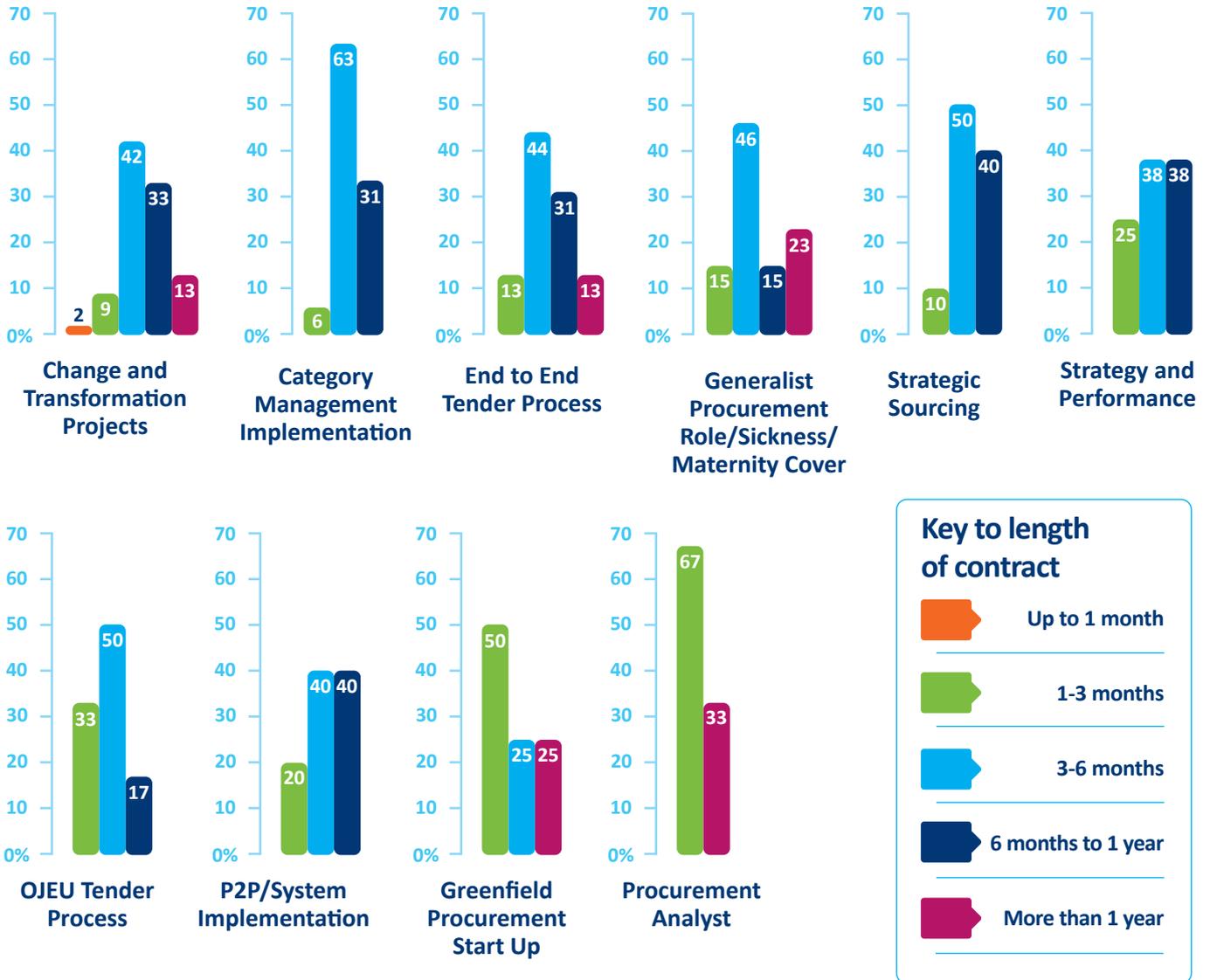
Public Sector



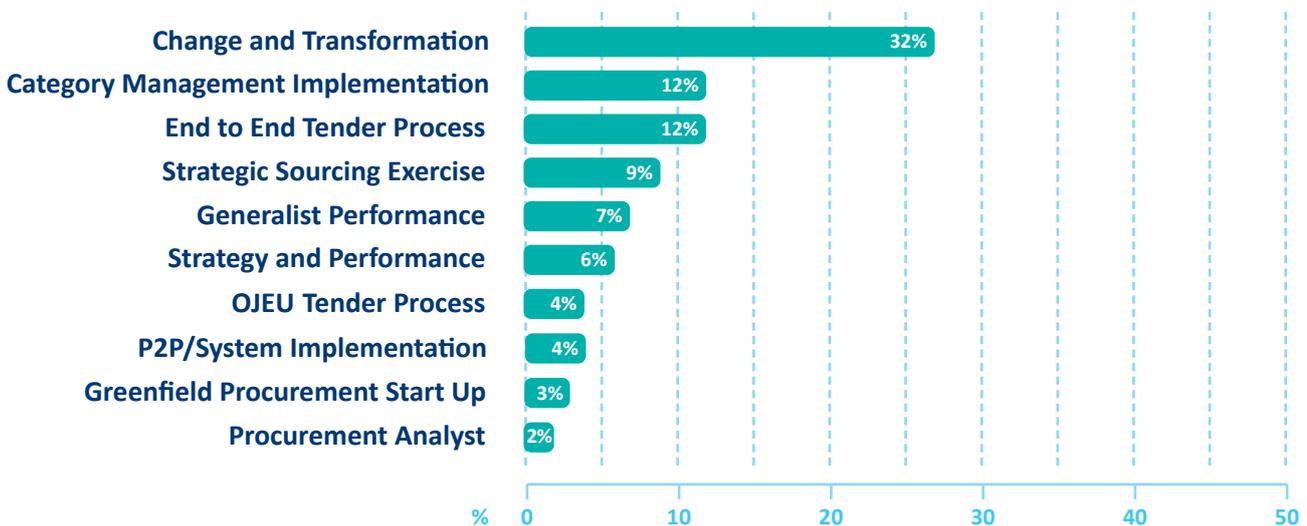
Charity/Not For Profit



Interim employment by project type and length of contract*



Reasons to recruit interims, by project type



*Assignments undertaken in the last 12 months.

Interims

where and why

Flexibility

MAIN REASON to become an interim

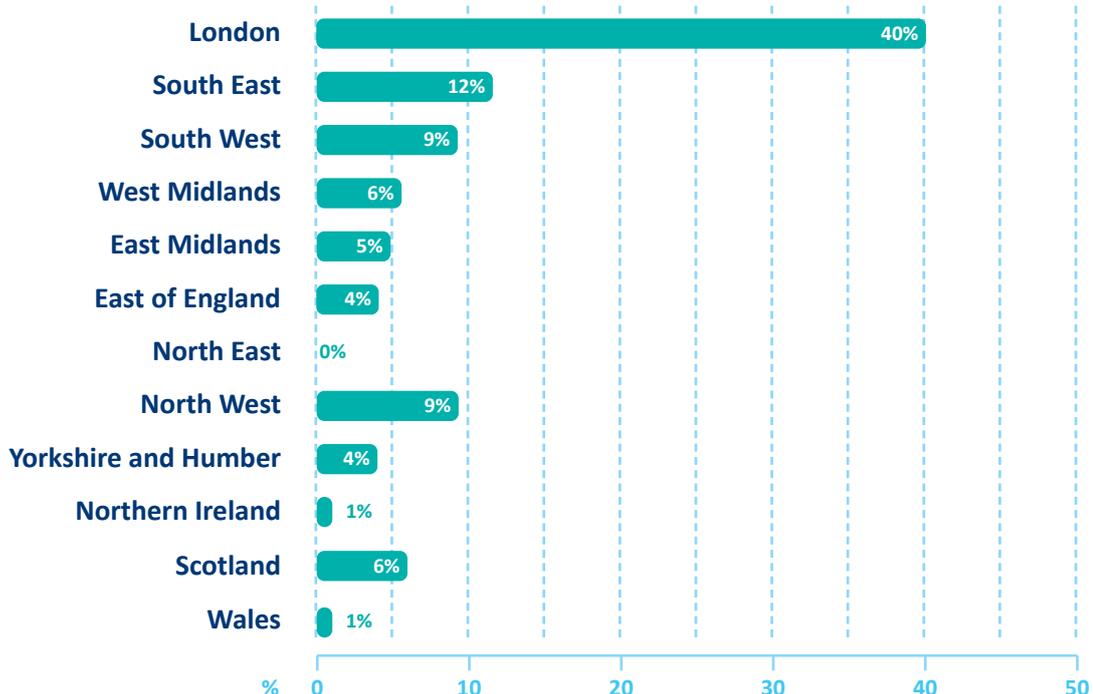
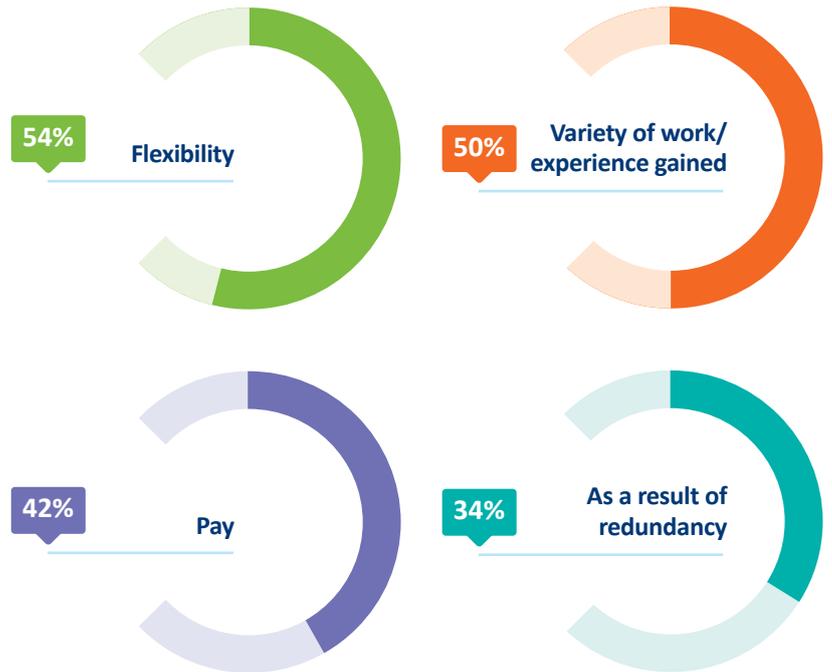
The most common reason to become an interim remains job flexibility, and in fact this has increased by 10% to 54%. Those working in interim roles tend to be older, reflecting the experience and confidence required to take on these often short-term projects. It will be interesting to see whether this changes as the 'gig economy' begins to take effect with increased numbers of young freelancers:

- 1% of interims are aged 25-29 years, compared with 15% of those working full or part time
- 23% of interims are aged 56-65 years, compared with 8% of those working full time or part time.

The largest proportion of our interim respondents were based in London, at 40%. This is as expected given that many of the larger organisations' procurement teams requiring interim support are based in the capital.

15% of interims said they would be willing to travel internationally for a role or an assignment – a decline of 10% from last year. 50% stated that they would only travel locally.

Top four reasons



Interims

day rates

£781

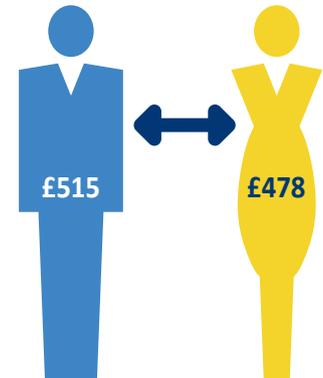
This year day rates rose from an average of £456 to £505. Clearly, interim day rates increase with experience: the average day rate for interims who have worked in procurement between two and four years is £361, but this increases to £605 for those who have worked in the profession for more than 20 years. Also in 2017, we have seen a significant increase in the Public Sector interim day rate, which rose from £372 to £461. This could be due to increasing recruitment for senior-level interims in order to lead change and transformation, rather than increasing rates for the same position.

Reflecting general full-time employment trends:

- Day rates for female interims are lower than for male counterparts (£478 per day compared with £515 per day)
- Day rates for full MCIPS members are 8.4% higher than for their non-MCIPS counterparts (£503 per day on average compared with £461)
- Day rates are higher in the Private Sector.

AVERAGE DAY RATE

Strategy and Performance



Interim average day rates by sector

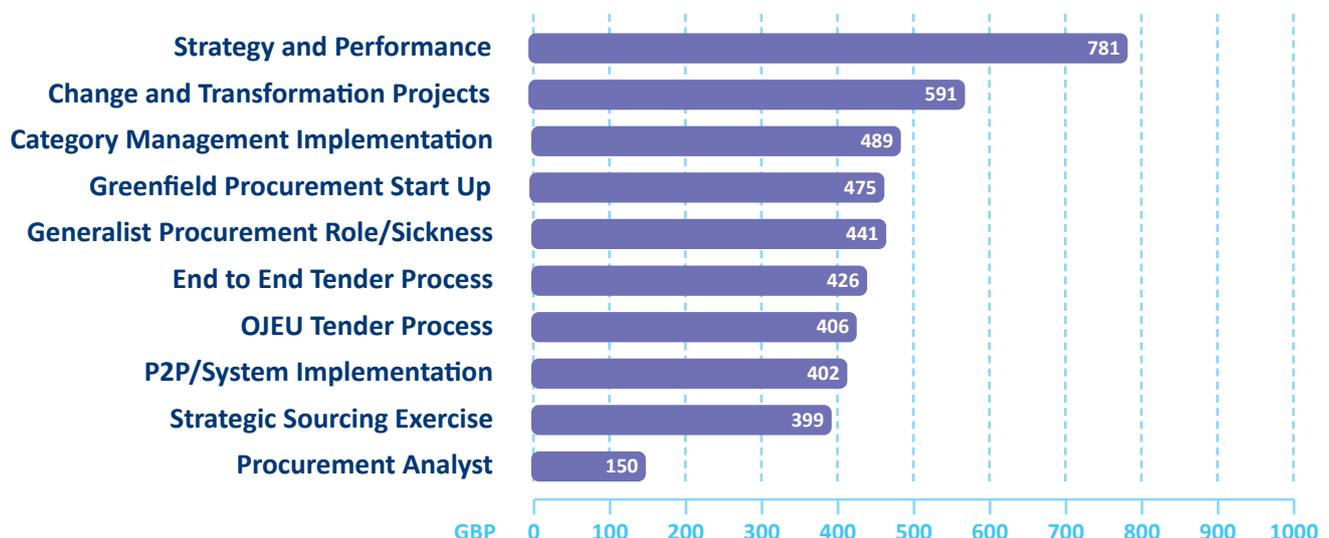


“ Our survey shows that day rates in the Public Sector have risen significantly since last year. There are a number of reasons that could be contributing to this. Job registrations at Hays indicate that clients are more often recruiting at a higher level rather than simply paying more for the same level roles. In some cases organisations are in fact often paying lower rates due to rate caps such as those seen in the NHS. These rate caps have influenced a number of interims to move from the Public to the Private Sector as they seek higher remuneration. This in turn may have impacted Public Sector day rates as they increasingly compete with the Private Sector for talent.

Certain areas within the Public Sector also heavily make use of interims in ongoing projects, such as IT digital transformation. In order to attract talent for these roles where skills are often scarce, day rates have had to remain high to stay competitive.

SCOTT DANCE
Director, Hays Procurement & Supply Chain

Interim average day rates by project



Case study 3

The freedom and flexibility of contracting in procurement

Trish Altieri, Interim

Trish Altieri has worked in interim procurement positions in both the Private and Public Sectors, and relishes the freedom and sense of accomplishment that contracting brings.

Trish began her career in the Private Sector over 15 years ago following a graduate programme where she purchased mainly corporate services and motor related goods and services for the motor industry. She soon moved on to commodity expenditure at a leading utilities company, and gained enough valuable experience to set herself up as a limited company and try her hand at contracting for companies and organisations across London.

Eleven years later, she has contracted in a diverse range of Private and Public Sector organisations, including central and local government, financial services, utilities and consultancies.

Trish discusses her varied career in procurement, contrasting some of her experiences of Public and Private Sector procurement:

“The main attraction of Public Sector work is the sense of doing something for society and having the opportunity to work on high value projects that are totally different in scope. As a contractor, I believe you should be flexible and be able to work in both the Public and Private Sector to help minimise those times when the market may be quiet. Having experience in both sectors broadens the opportunities available across both areas.

Private Sector procurement functions are often seen as an integral part of the team as opposed to a late-comer to the party, which can sometimes be the case in Public Sector. Being a trusted advisor and building closer working relationships with internal stakeholders is something which takes time, so the relationship skills I developed in the Private Sector have helped greatly with this.

The Public Sector is heavily regulated and bureaucratic, so I'd recommend procurement professionals starting out in the sector to have patience and take the time to understand the approval processes prior to going to market as this can be very time consuming. You also need an understanding of the Public Contract Regulations 2016 which sets out a set of financial thresholds. In public procurement we are bound by an ethical code of conduct. The principles of procurement transparency, fairness and equality are fundamental and I believe that these principles have put me in good stead in my procurement career and are equally as important in the Private Sector.”

Trish describes herself as a career contractor, and has had a varied and versatile career so far. She views the freedom she gets from contracting to be just as important as the financial benefits.

“For me one of the main benefits is the flexibility to work for part of the year and then enjoy time off when it suits me. More often than not, roles which are delivery focused offer you the satisfaction of going into an organisation, trouble shooting solutions for the client, delivering and then moving on to the next challenge. The beauty of contracting is you're there to provide a service and I find that I'm able to avoid getting dragged into any office politics. I also enjoy change, not only business to business, but also working with different people. It's a good way of growing your professional network and learning how different industries operate.”

Working as an interim in procurement gives Trish a unique insight into procurement across multiple industries and sectors. She predicts that procurement will continue to be an integral part of business going into the future, and that uncertainties around Brexit and the resulting legislation will drive demand for procurement professionals who keep themselves aware of the latest developments. She also expects supplier relationship management (SRM) will reach new heights, and that procurement professionals will have a real opportunity to leverage their position between the supply base and the business to bring new innovations into their organisations.

TRISH ALTIERI

Senior Procurement Professional Management Consulting

Section 3

Procurement as a career

This section explores how employers and employees view procurement as a career, including issues around attracting and retaining talent. We also look at a breakdown of when and why individuals choose to move employers, by age and gender.

There is a seeming shift from London to other regions as work on the national transport infrastructure and to establish the 'northern powerhouse' opens up potential careers for procurement professionals across the country. This is also providing organisations with the opportunity to expand and co-locate procurement and other functions in order to take advantage of lower overheads and more available space outside London. In particular, procurement function expansion is being evidenced by the increased number of entry-level roles and the fact that Buyer is the most anticipated job to be recruited for in the next 12 months.

Another difference for 2017 has been the addition of Sport within the list of industries that we have looked at and received responses from. That procurement is now being established in non-traditional industries such as these is evidence of the profession's growing influence and perceived value, and opens up even further potential career paths for CIPS members. Over the last 12 months Hays have seen a noticeable increase in the number of Heads of Procurement being recruited into sporting organisations across the UK. These are often greenfield procurement functions with the new incumbent setting up teams and thus enhancing the value procurement is adding to those organisations.

"Despite a turbulent economic and political year, appetite for procurement hires has continued to increase. 70% of organisations are looking to hire this year, up 6% on last year. This spans organisations in both the public and private sectors, and is an indication of confidence in the market.

However, whilst recruitment activity is set to continue in the coming year, skills shortages remain in the profession. Many employers are struggling to find the professionals they need with the appropriate skills and experience, and so candidates with the right skillset and qualifications will find themselves in high demand.

In order to overcome the challenge of finding the right individuals to join their organisation, employers will need to examine their benefits offering to differentiate themselves and become an employer of choice. Benefits increasingly being offered include flexible working as well as career development and training opportunities. In a period of ongoing change, it is certainly an exciting time to be a procurement professional with plenty of opportunities available."

SCOTT DANCE

Director

Hays Procurement & Supply Chain

Employers' perspective

by sector

70%

MANAGERS

expecting to hire in the next 12 months

70% of hiring managers expect to recruit new procurement staff in the next 12 months. This figure is up 6% from last year and signals a consistent rising trend since we began reporting in 2015. The top two industries currently recruiting in the Private Sector are Banking, Finance and Insurance at 88%, and Professional and Business Services at 81%. In the Public Sector, the top two recruiters are Central Government at 78% and the NHS at 75%. In every sector over 60% of employers expect to recruit.

Average across all sectors

70%

Private Sector

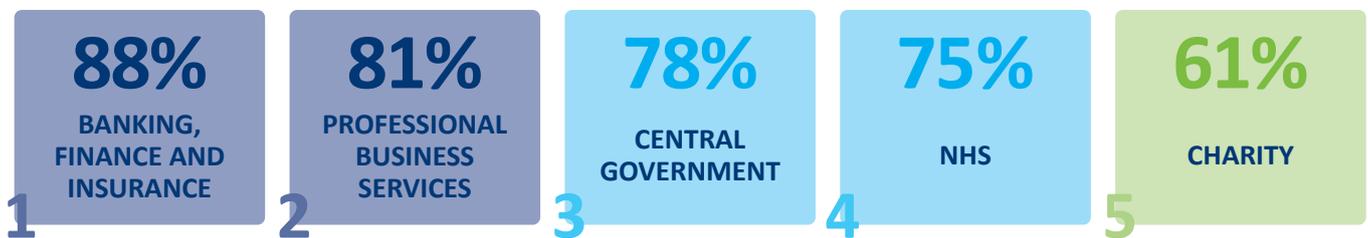
70%

Public Sector

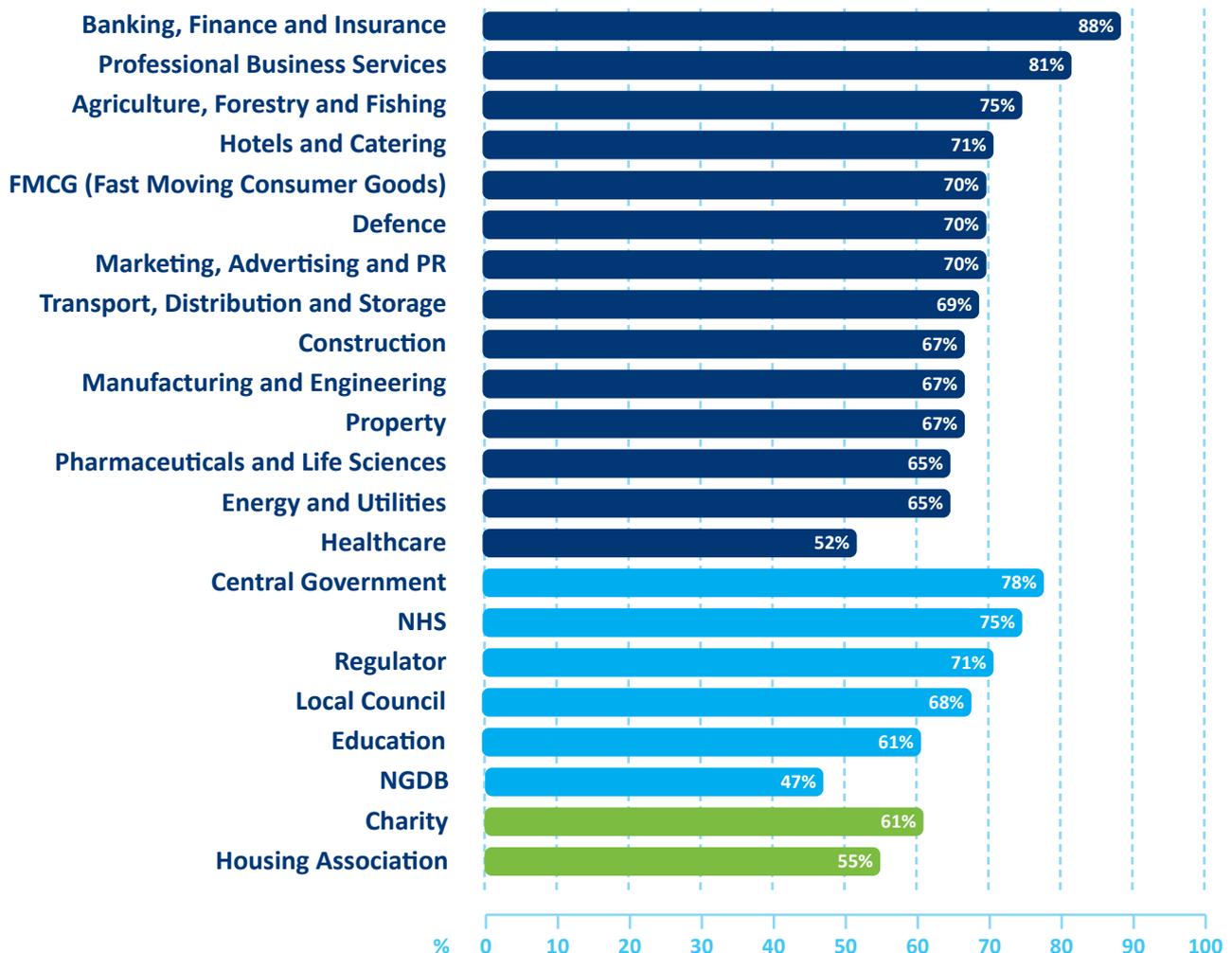
63%

Charity/Not For Profit

Top recruiting industries by sector



All other industries' expectation to recruit



Employers' perspective

finding talent

51%

51% of procurement specialists with responsibility for recruitment stated that they struggled to find the right procurement talent in the last 12 months.

Lack of sector skills and experience saw the biggest increase this year (up from 35% stating it as an issue in 2016 compared to 47% in 2017) and is now equal to budget restraints. This signals that the shortage of skills is showing no signs of abating. Lack of technical skills also saw a big increase in importance this year, from 18% in 2016 to 29%. With the CIPS Global Standard* it is now easy for employers to check the skills that professionals should have at each level, providing a greater awareness of skills gaps.

www.cips.org/en-gb/careers/global-standard-for-procurement-and-supply/

FACED CHALLENGES IN FINDING THE RIGHT TALENT in the previous 12 months



With more than half of procurement employers struggling to recruit the right talent over the last year, recruitment planning is critical for organisations to identify current and future areas of skills shortages. This will help ensure organisations have the right skills when and where they need them.

Succession planning also needs to be a key feature in people strategies to avoid gaps in team structures. By developing promising talent from within the organisation, employers can help combat the ongoing skills shortages plaguing the procurement industry and futureproof against skills gaps.



SCOTT DANCE
Director, Hays Procurement & Supply Chain

Challenges in recruiting the right talent



Case study 4

Bringing procurement talent into the public sector

Orbis

The environment of change requires access to some highly skilled procurement staff in the public sector, so the recruitment of talented and experienced procurement professionals is a priority. However, the public sector presents challenges when it comes to drawing such professionals away from the private sector. Laura Forzani explains the challenges and benefits in more detail.

Laura Forzani is the Assistant Director of Procurement and Commissioning at Orbis, a partnership between East Sussex County Council and Surrey County Council, which provides procurement, finance, HR, IT, property and business operations support.

Laura operates the procurement function, leading over 70 members of staff from their offices in Kingston in Surrey and Lewes in East Sussex. Her team's areas of expertise include category management, contract and supplier management and strategic sourcing, with a strong focus on project and programme management as well as change and innovation.

Talented procurement professionals in the private sector can find themselves with a promising career in the public sector. However, as Laura explains, there can be challenges in bringing this talent into the public sector:

"The Public Sector has a difficult reputation, however we continue to get interest in our roles from those with a range of professional and private sector backgrounds. That said, the speed of the recruitment market continues to make attracting the right candidates in a competitive market a challenge."

Laura goes on to discuss the need for strategic thinking skills in procurement professionals wishing to make the move from the private to the public sector:

"Strategic thinking is an area that has proven difficult for candidates to demonstrate during recruitment processes. Our existing staff are so heavily involved in big, exciting and challenging projects - and when we look to the external market we want to see candidates that can bring that same level of strategic thinking. More so than ever we are looking to develop our own staff and recruit at a more junior level than previously to give staff the chance to develop their own skills."

Many of the candidates Laura recruits to fulfil her remit come from the private sector, where candidates are more likely to have benefited from strong commercial and change experience, and of working with a variety of stakeholders, including sales and marketing managers. However, while private sector candidates often have extensive technical ability and communications skills, they do not always have all the skills required for the public sector.

"Great public sector procurement needs to be innovative and we need to be really good at problem solving. Knowing how to structure strategic procurement activities to get the very best from the market and drive new ideas from suppliers is crucial. Operating in a highly political context is often tough to get to grips with. Many candidates will be used to working within organisational governance and having structures around decision making. What procurement candidates from the private sector need to get used to is the strong focus on residents and users of the services we procure; whether that is social care, roads, education or public health."

Another challenge presents itself when trying to attract candidates away from the private sector in the first place, particularly as the private sector is able to offer far more significant salaries. One of the most common ways to overcome this is to promote the non-salary related benefits that the company can offer:

"It's great to attract procurement professionals that want to work in a really varied environment, on projects that make a real difference to the day to day lives of residents. As well as attractive leave arrangements we also have access to a local government salary and pension scheme. We invest in personal development and training, offering continual learning together with a strong focus on competency, leadership and management development. Because we operate in a project environment, there are also lots of opportunities to work on more varied roles and a huge range of different projects."

"All of our staff have the opportunity to work flexibly and access working arrangements that include job sharing, as well as range of other benefits including travel assistance, salary sacrifice and flexible benefits schemes."

Another draw for Orbis, and the public sector as a whole, is the variety of projects. There are few procurement roles that offer the challenge and diversity of those in local government. Procurement professionals who try their hand at the public sector will be able to see the fruits of their labour in the local community.

Looking to the future, Laura believes that the role of procurement in the public sector will grow in scope and importance, and will continue to have a positive role to play in the lives of local people and communities.

LAURA FORZANI

Assistant Director of Procurement and Commissioning
Orbis

Employers' perspective

skills in demand/finding talent

Skills

At all levels, communication and soft skills are highly sought after by employers, but as procurement professionals reach more senior levels, influencing and change management skills become more important, reflecting the nature of these positions.

At the Tactical level, 57% of employers considered communication and soft skills to be the most sought after skill; in 2016 these skills did not feature. This may be due to the fact that, while technical skills can be taught, it is harder to develop the soft skills that are often inherent in a person and will enable them to progress to the highest levels.

42% of our respondents have responsibility for recruitment and training of procurement professionals at their organisation, and as in 2016 this percentage tends to increase with seniority.

COMMUNICATION AND SOFT SKILLS in demand at all levels

“Employers are increasingly demanding more from candidates, particularly at a Tactical level. We are seeing professionals at this level becoming involved more often in work such as RFPs at tender stage due to workload increasing at a faster rate than recruitment of new staff. This offers opportunities for Tactical-level staff to broaden and develop their skillsets.

It is more important than ever for entry-level candidates who lack technical experience to demonstrate proficiency in soft skills such as communication, which is increasingly sought after by employers. As the procurement function continues to grow and develop within organisations, candidates will find themselves taking on more varied roles and responsibilities.

SCOTT DANCE
Director, Hays Procurement & Supply Chain

Top skills in demand by job level



Key to skills



Employees' perspective

when to move job

71%

WANT TO MOVE TO A MORE SENIOR ROLE in the next two years

50%
want to move to a new employer in the next two years



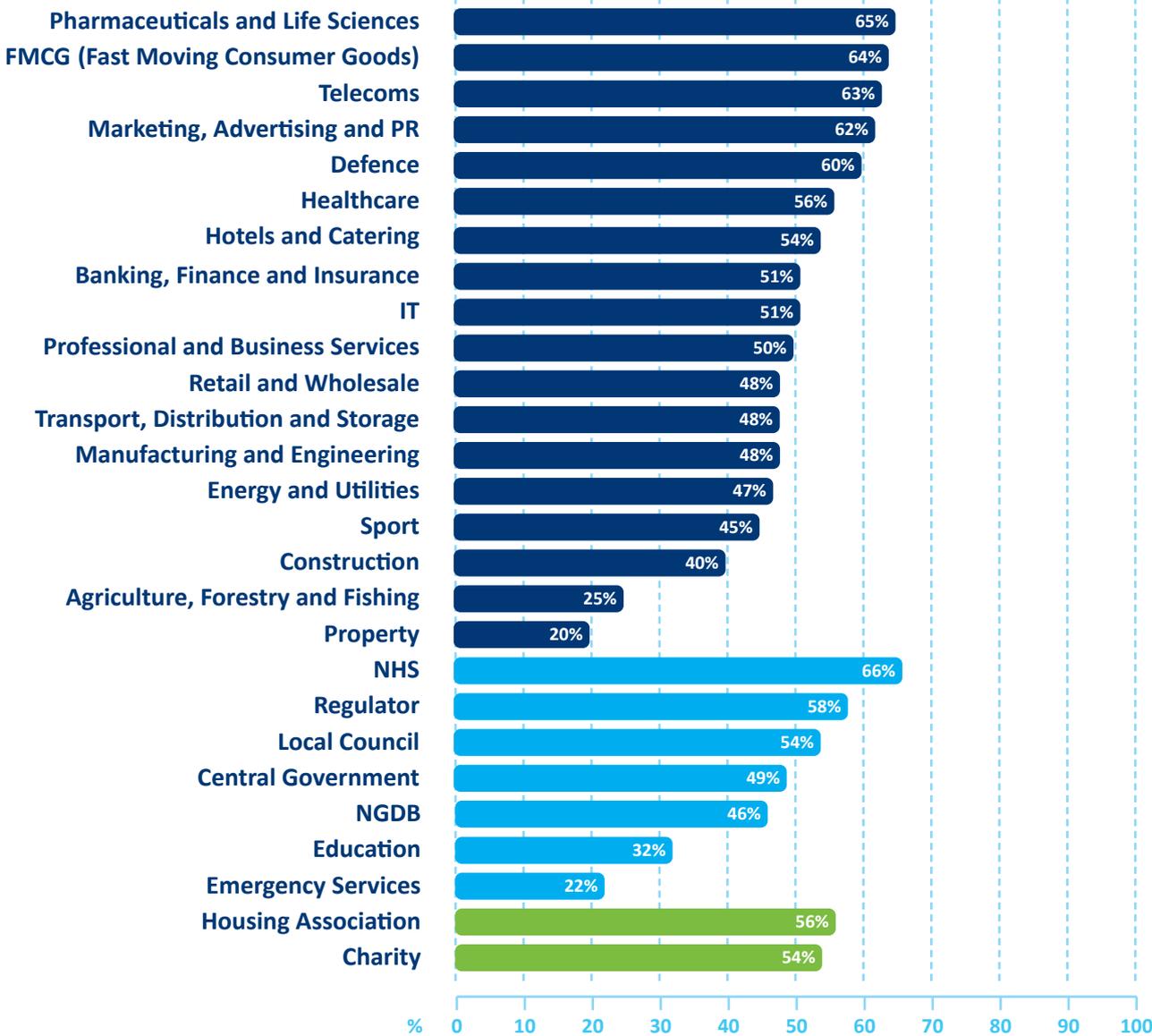
33% of respondents said they were looking to move employer in the next 12 months, and around half within two years. The figure for the next 12 months is slightly higher for men (35%) compared to women (31%). All of these figures are consistent with our 2016 report.

71% of respondents want to progress their careers and move to a more senior role within two years, while 19% stated that they did not anticipate wanting to move to a new employer at all in the near future. We found the largest proportion of those wanting to move

to a new employer in the next 12 months was in the Private Sector: 34% compared to 32% in Charity/Not For Profit and 30% in the Public Sector. Last year the largest proportion of those wanting to move was in the Charity/Not for Profit Sector at 47%.

The implications of so many employees looking to either progress or move on mean that organisations must place succession planning at the top of their agendas. They need to ensure that they have enough talent coming through at entry level to keep progressing individuals up the value chain.

% respondents seeking to move employer in the next two years by industry



Employees' perspective

reasons to move job

72%

STATED SALARY AS
'VERY IMPORTANT'
when considering
a new job role

As per last year, salary remains the most important factor when considering moving to a different employer. And yet again, company reputation, commitment to training and development, and work content are all deemed to be more important than the opportunity to earn a bonus. All of these have slightly increased from 2016.

The increasing importance of these reasons demonstrates a passion for the profession as a whole, as well as a desire to push forward careers. It is to be hoped that this means procurement continues to rival some of the more established disciplines as a career of choice.



Most important factors when considering a new job



Employees' perspective

reasons not to move job

33%

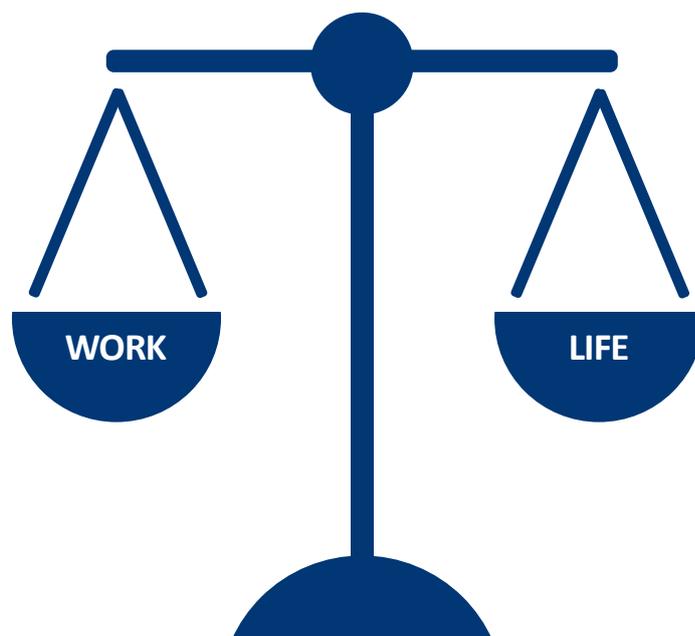
The top reason for not changing role, cited by 33% of respondents, is the desire to retain current work-life balance, and this is consistent with our previous reporting. Looking to change career/move out of procurement was not highly rated, and has decreased this year from 6% to 4%. This demonstrates that people are positive about remaining in procurement and are increasingly committed to the profession.

It is interesting to note that there has been little change from last year on all the main reasons an employee wants to stay with their employer, so in a world where competition for procurement talent is fierce, should employers be doing more to retain their best people?

15% of employees said they stay with their current employer because there is a lack of opportunity and earlier in the report we highlighted 71% want to move to a more senior role in the next two years. What more can be done by organisations to define better career paths internally and therefore keep these people motivated?

19% said they require additional training and development before wanting to move, so organisations also need to support professional study or provide internal training to keep their employees' skills current and refreshed.

WANT TO RETAIN THE WORK-LIFE BALANCE
THEY HAVE NOW



Main reasons to stay with current employer



Employees' perspective

moving job... important factors by age

As in previous years we found that the desire to move job decreases with age, as you would expect. Our survey results also showed that what procurement professionals look for in a new job changes with age.

For procurement professionals who are at earlier stages in their careers and aged under 35 years, opportunities to progress and develop are particularly important factors when looking for a new job.

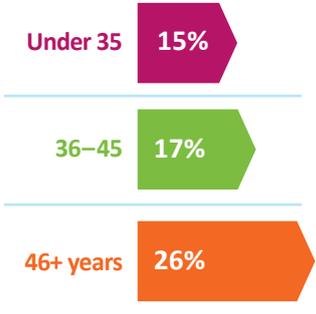
For those over the age of 45, the content of work is the single most important factor, more so than salary, which tends to be the key driver for mid-career professionals. This focus on content of work is a good indicator of the level of projects being worked on this year, with visibility on lots of change and transformation projects taking place in procurement teams around the country.

It is very important for employers to understand employees' motivations for moving and not moving jobs so that they can tailor their benefits packages in order to best attract and retain the talented procurement professionals that are becoming so highly valued.

Salary

MOST IMPORTANT JOB FACTOR IN 30-45 year olds

% not wanting to move job, by age



Most important job factors by age, in order of importance

1 – most important

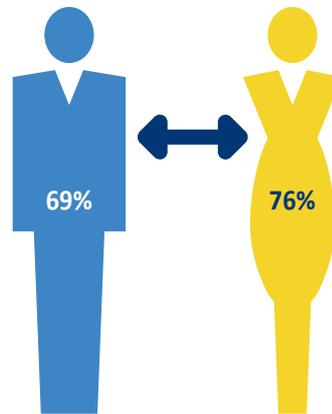
Age group	under 30 years	30-35 years	36-45 years	46-55 years	56 years +
Career progression	1	2			
Salary	2	1	1	3	
Training and development	3	3			
Location			2	2	3
Company reputation			3		
Whether procurement is valued in the organisation					2
Content of work				1	1

Employees' perspective moving job... by gender

Salary

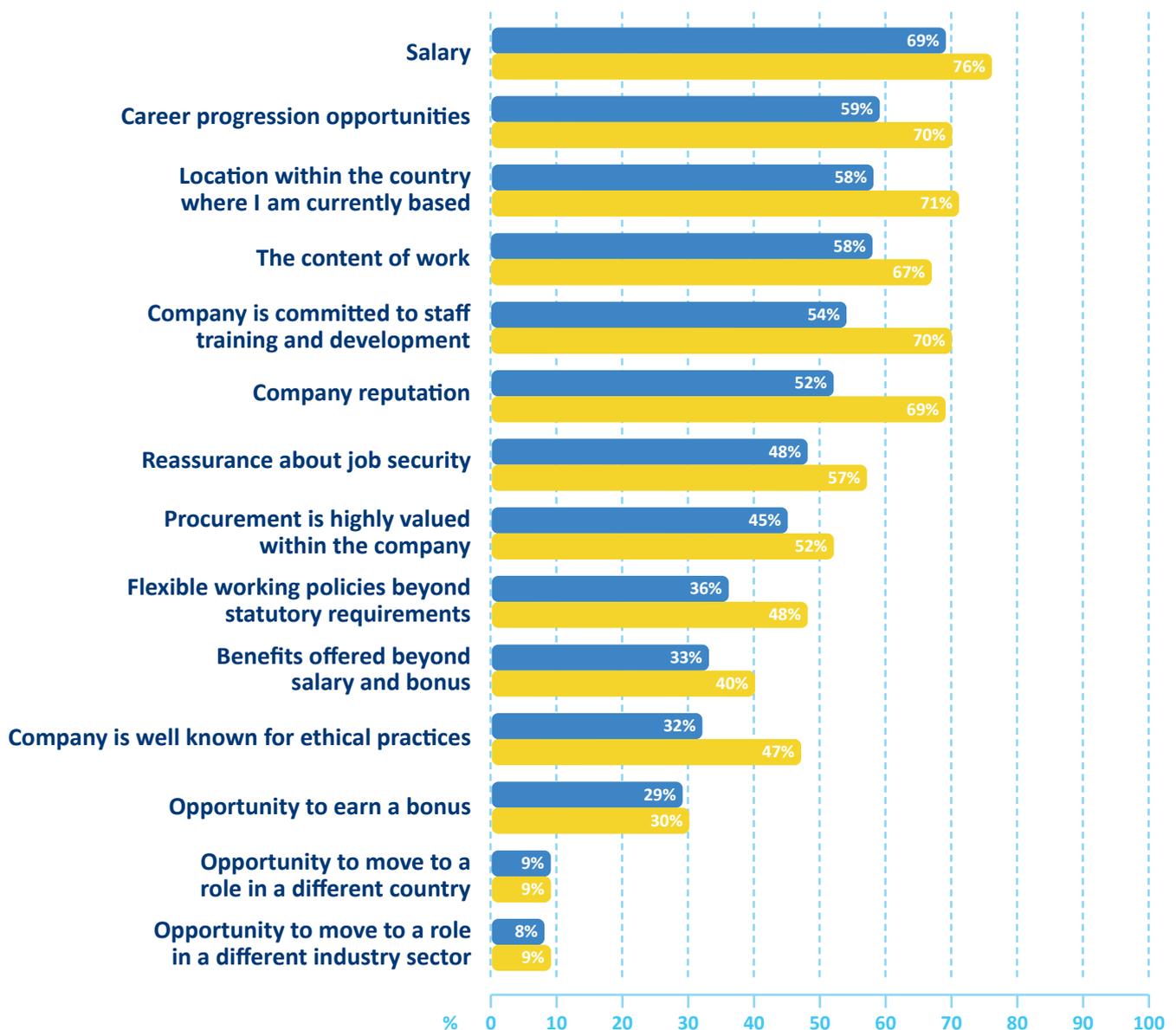
Every reason to move job that we explored in our survey is more important to women than men. The top three biggest differences relate to company reputation, ethical practices and a commitment to staff training and development.

There is no doubt that with the introduction of the Modern Slavery Act in 2015 in the UK, there is more of a spotlight on ethical business than ever. In fact, in 47% of women (41% last year) stated that it is an important factor when moving jobs.



**MOST IMPORTANT
FACTOR BY GENDER
when moving jobs**

Importance of different job factors by gender



Employees' perspective

moving job... by industry

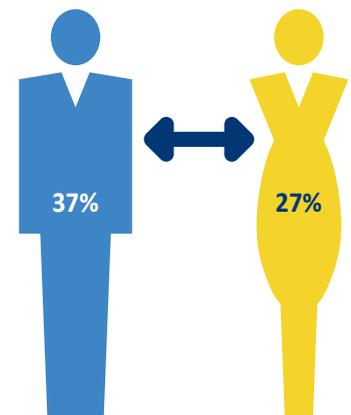
This year we have found that a greater proportion of men would consider a move to Sport and Manufacturing and Engineering industries, and that they are slightly more inclined to move into the Private Sector. Meanwhile, Local Council and Charity organisations are slightly more attractive prospects to women.

In Sport, procurement as a profession is still quite new which may represent increasing opportunities for both men and women, although currently the statistics we see support the perception that this is a male-dominated industry.

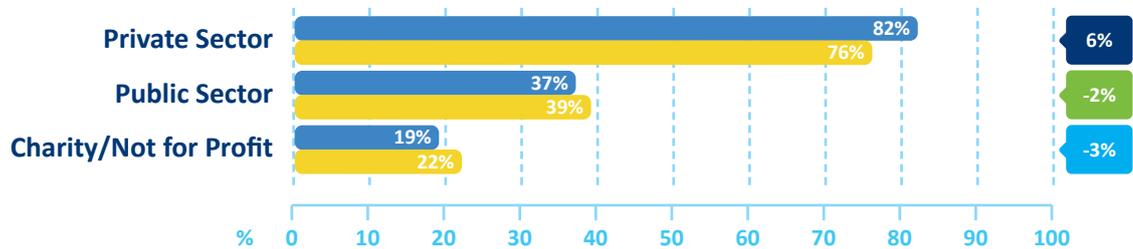
The proportion of men and women moving job by industry has increased in the Charity/Not For Profit Sector; from 4% for men and 5% for women in 2016, to 19% for men and 22% of women in 2017. This could be due to more emphasis being placed on the value of professional procurement in the charity/not for profit sectors.

Manufacturing and Engineering

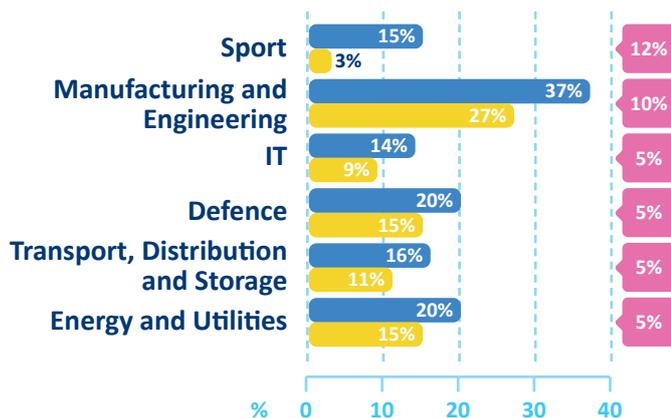
MORE DESIRABLE INDUSTRIES to move to for men than women



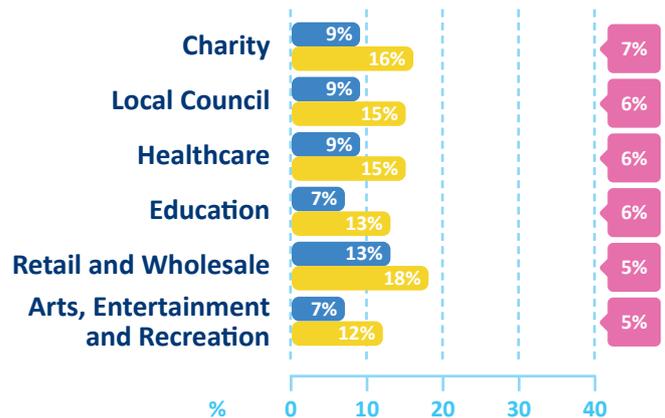
Desirable sectors by gender



Desirable industries by gender (top five by male/female difference)



Desirable industries by gender (top five by female/male difference)



Case study 5

Building the positive perception of procurement

Delivering value to grow, influence and control. Sovereign Living

Awarded the prestigious CIPS Procurement and Supply Management professional of the year 2015, Alan Hartley is an innovative global procurement leader who has had much success in transforming procurement teams into high-performing business functions that deliver stunning results and strong ROI.

“The challenge the profession has faced has always been for those outside procurement to truly believe in the value it can deliver; that it is real, tangible and validated. We have to demonstrate the value we can add to other functions, without them thinking we’re taking something away from them or ‘interfering’. How do we become a business partner to reticent or suspicious parts of the organisation? How can we work collaboratively? Finding and implementing the answers is how we start to lower barriers and enable other functions to work profitably with procurement.

“The strategy to achieve this depends on the audience. In my previous role, I implemented ‘gaffer tape sessions’ at team level, bringing together users of procurement from different parts of the business and encouraging them to provide honest perceptions – good, bad and ugly. The key is to encourage complete openness, without procurement defending or retaliating. At a pre-agreed time we then reconvened to present procurement’s informed response and future commitment. We found that while some improvements needed to be made, much negative perception was due to lack of awareness so the sessions were also a chance to re-educate.

“At more senior levels, a similar approach is needed to engage with every business leader and allow them to talk about their perceptions candidly. It is then the procurement leader’s role to tailor the message back into business leaders and detail future actions to accelerate procurement’s performance.

“Once you understand the past perception and value, you are in a position to put in place a workable solutions to improve procurement’s performance within a business function.

One of procurements USPs and a very important value stream is that is often overlooked is knowledge, to achieve this I have focused on ‘externalisation’, taking learnings and solutions from different sectors or even competitor businesses. Due to our wide supply chain networks and professional connections through, for example, CIPS, procurement is unlike any other function in that we have an excellent view of what good looks like in other industries and how challenges can be overcome.

“In my experience, it pays for all key people to have agreed externalisation plans in place. One of the major successes I have seen from this was the implementation of a facilities management transformation project in the UK, inspired by a direct competitor, that delivered incredible value in just 18 months and was a model being considered for a broader geographical rollout.

“Results drive perceptions. An evolved procurement organisation should have demonstrated its worth through tangible results and earned their seat as a true business partner, and demonstrated how so much more can be achieved. At this level, it is all about total business cost. An effective partner can start to challenge business strategies and support the business in building more effective ones. Procurement is also uniquely positioned in terms of reach and span of influence; we touch every part of the business. This gives us insight and an ability to put together the right cross-functional teams that can ensure projects succeed from the start.

“There are two other key elements to improving perceptions. First, procurement must make available all the necessary information to allow value to be validated, so the business can see that it is genuine and track it through to the bottom line. Second, we cannot be seen to take the glory for ourselves. Unlocking value and maximising ROI is a collaborative process, that requires the appropriate parts of the business to partner both in the planning and execution of such initiatives. Failure to recognise this can generate animosity and resentment, and undermine all the good work procurement has done to engage the business and improve perceptions.”

ALAN HARTLEY FCIPS

Chief Operating Officer Sovereign Living

Section 4

Perceptions of procurement

In this section we examine how procurement is viewed in terms of the importance of certain skills by sector; the general regard for what the role of procurement can bring to organisations; and the key issues for the profession.

Since we began reporting three years ago, a consistent thread throughout has been the battle to stop procurement being seen as a tactical function and to achieve strategic organisational recognition. Procurement must stop being treated as a 'back office' function but instead move to the forefront of activity, and be involved at the very start of projects.

This has been a major theme of our work at CIPS over recent years, with Richard Masser CIPS President 2016, stating as part of his 'procurement at the heart of business' theme: "It is essential to find ways to make those in other disciplines understand what procurement can and does contribute, together with the benefits of cross-functional working."

Our 2017 report shows that being recognised for savings made is now less of a challenge, but the value of procurement goes much wider than this. Transforming procurement functions is key and this makes soft skills increasingly important. In particular as we continue to see in our survey, procurement professionals must possess excellent communication skills in order to be able to promote the total value of the profession internally. As last year, there is still a real opportunity to recruit from outside the profession for these soft and transferable skills.



Key skills by sector

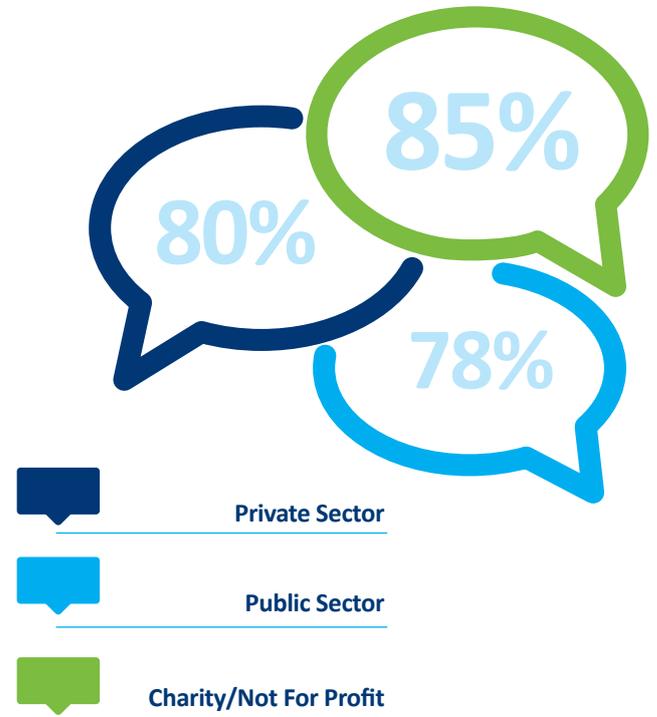
Communication

MOST IMPORTANT FACTOR
across all sectors

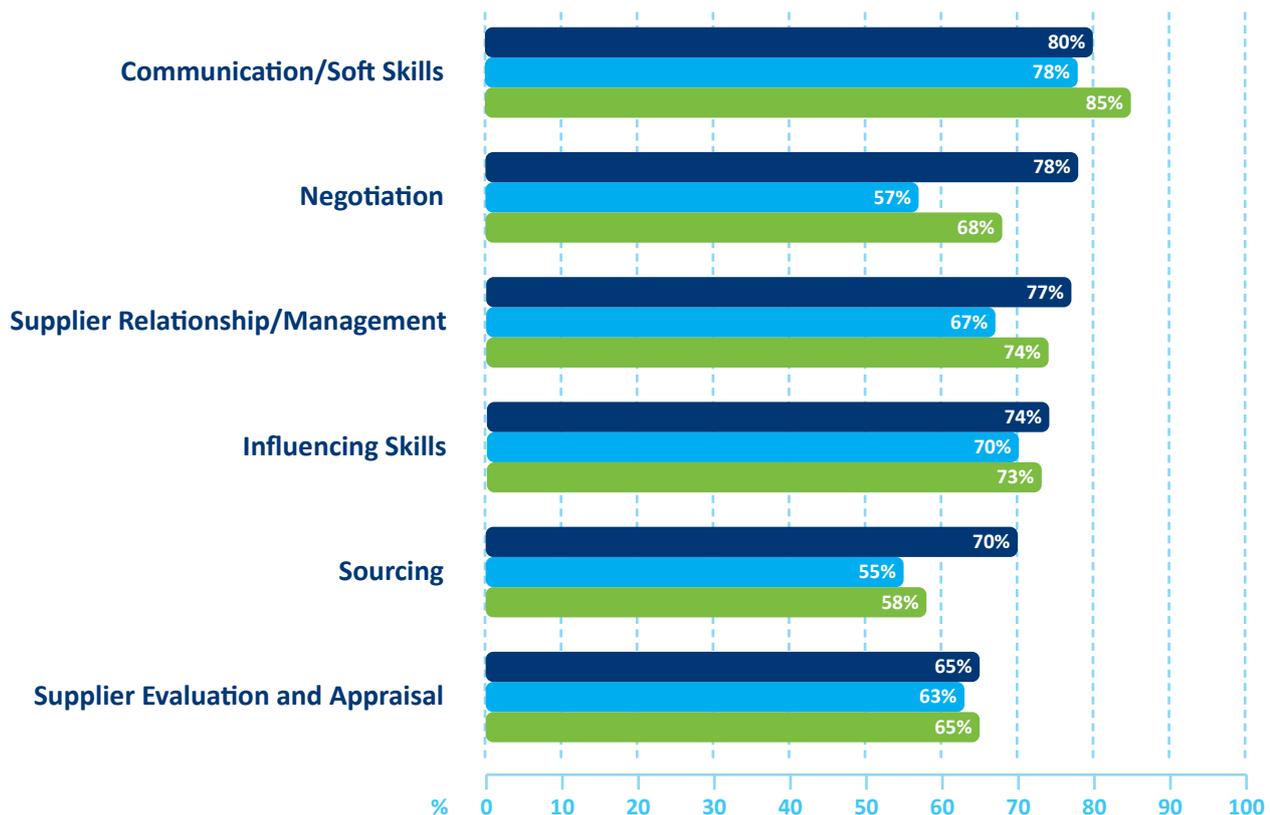
Communication and soft skills remain the most important factors for procurement professionals to perform their job well. It was regarded as very important by 80% in the Private Sector, 78% in the Public Sector and 85% in Charity/Not For Profit organisations.

The most notable differences between the Public and Private Sectors include the following:

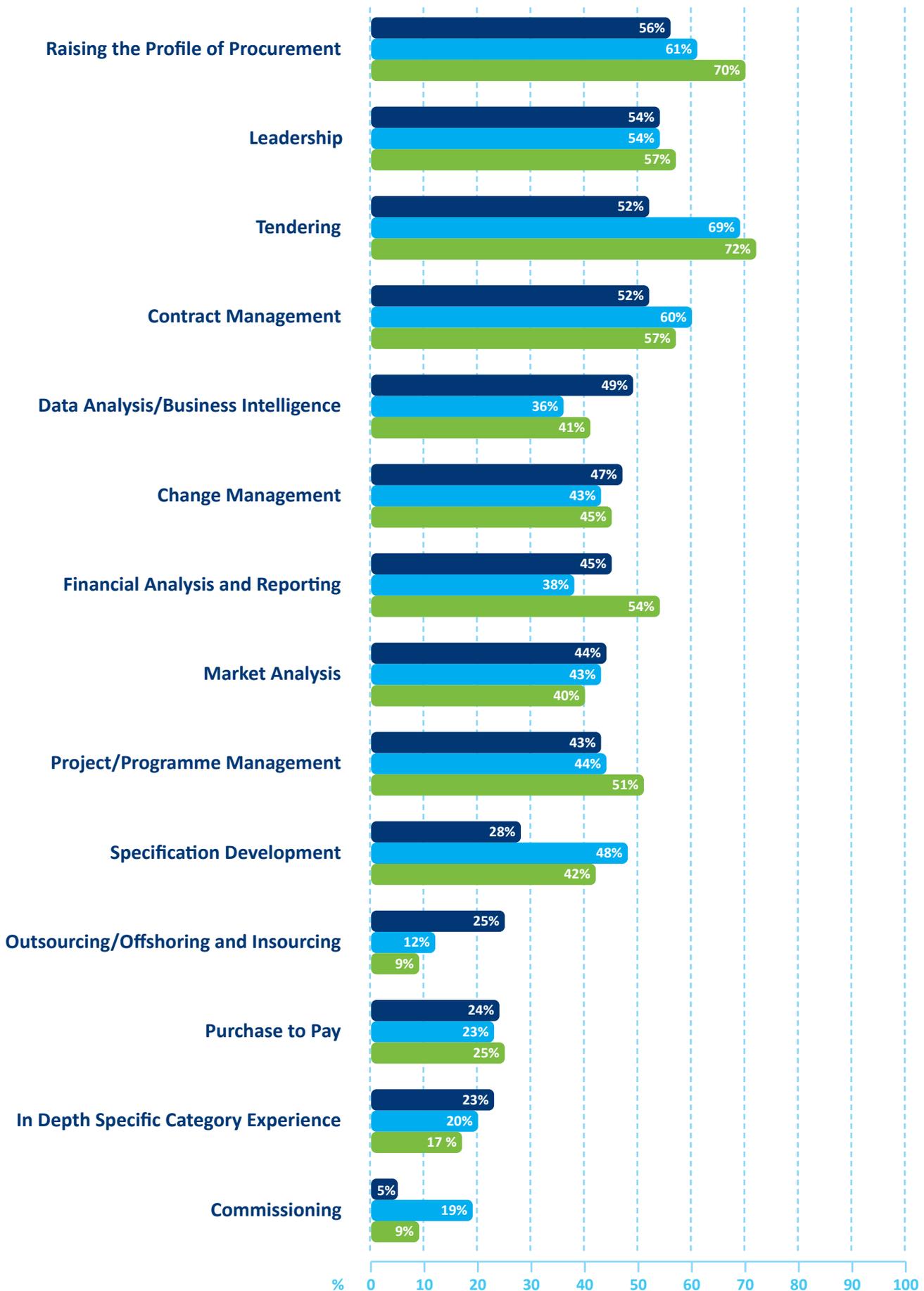
- Due to a greater focus on delivering competitive advantage and profitability, Private Sector professionals place more importance on negotiation (78% v 57% in the Public Sector), sourcing (70% v 55%), and outsourcing/offshoring and insourcing (25% v 12%).
- In the wake of spending cuts, an increase in contracts being let and legal requirements in the Public and Charity/Not For Profit Sectors, tendering and specification development are more important.



Key skills considered important



Key skills considered important (continued)



Importance of key skills

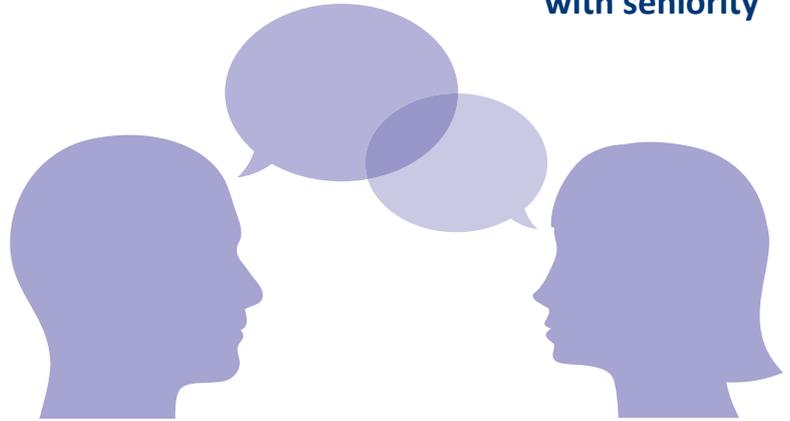
by job level

At every level within the profession, communication and soft skills, and negotiation are seen as important.

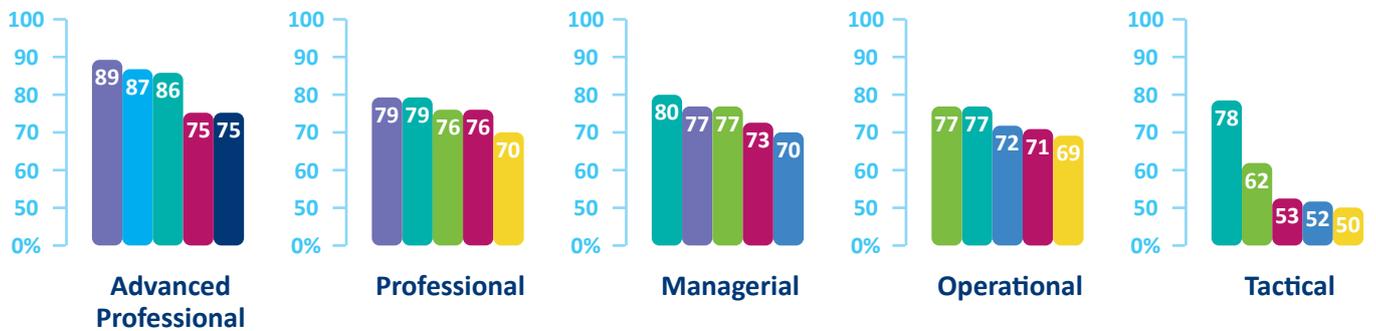
As individuals rise through the ranks to more influential positions at the Advanced Professional levels, the perceived importance of leadership skills and the ability to raise the profile of procurement within organisations increases, as would be expected.

Influencing

IMPORTANCE INCREASES
with seniority



Top skills for each job level



Key to skills



Influencing Skills



Communication/Soft Skills



Leadership



Sourcing



Supplier Relationship/Management



Negotiation



Raising the profile of Procurement



Supplier Evaluation and Appraisal

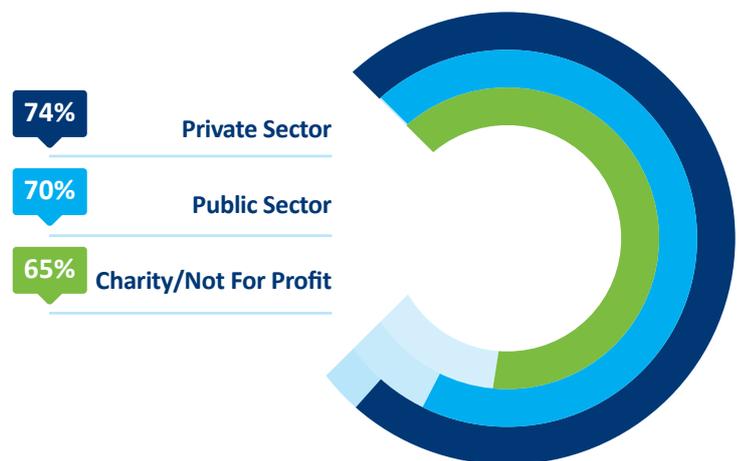
How procurement is viewed

72%

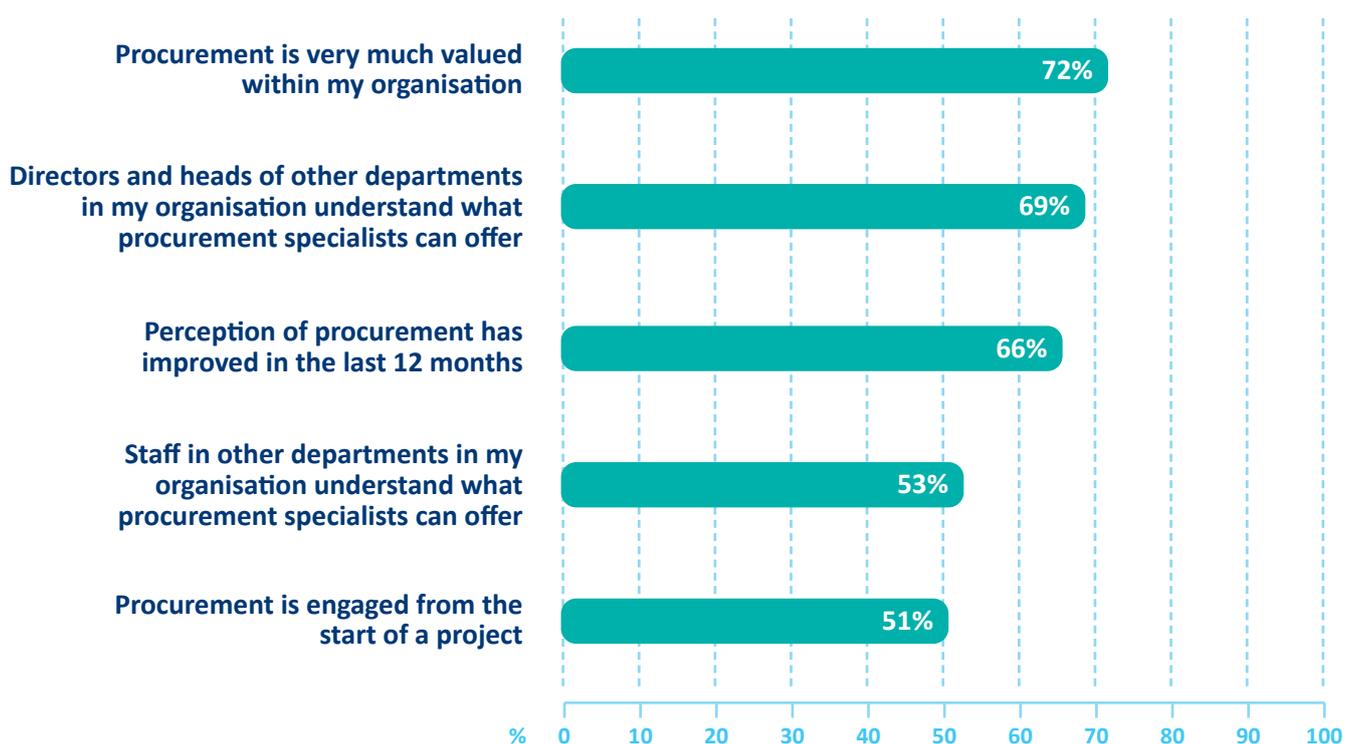
FEEL VALUED
across all sectors

The general picture continues to be one of a positive perception of procurement within organisations in all three sectors, with a large proportion of professionals agreeing that procurement is valued and highlighting an improvement in perception in the last 12 months.

Last year in Charity/Not For Profit organisations there was a lower sense of personal value compared to the other sectors but this year we have seen a 6% improvement. This could be because the increase in headcount in charities has given the procurement function a greater feeling of worth.



How procurement is viewed



Key issues

by sector

56%

The picture here is similar to 2016, with the common challenges faced across all sectors highlighted as:

- Being seen as a strategic partner to the business
- Managing costs while maintaining quality
- Being recognised within the organisation for savings made
- Ensuring procurement engagement at the outset of a project.

Being recognised within the organisation for savings made seems to be less of a challenge across sectors

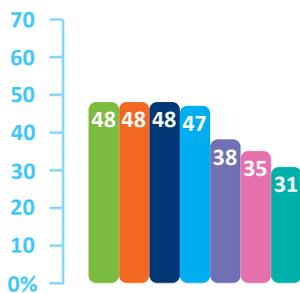
than it was previously. This may demonstrate procurement's increasing profile as a function that goes wider than driving costs down, to encompass overall value and risk mitigation.

The particular challenges that are unique to each sector are as follows:

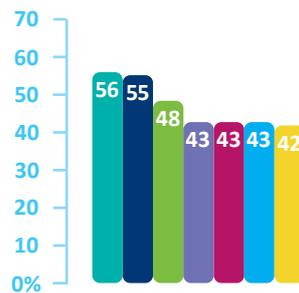
- Private Sector: being responsive to changing market conditions and managing risk in the supply chain
- Public Sector: retaining staff
- Charity/Not For Profit: internal blockers/changes and challenges linked to organisation restructure

STATED BEING ENGAGED from the outset of a project was a major issue across all sectors

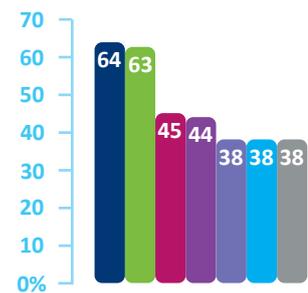
Key issues for procurement: by sector



Private Sector



Public Sector



Charity/Not For Profit

Key to issues

 Ensuring procurement engagement at the outset of a project

 Being seen as a strategic partner to the business

 Managing costs while maintaining quality

 Retaining staff

 Internal blockers/changes



Managing risk in supply chain



Being recognised within the organisation for savings made



Ensuring compliance to contracts



Being responsive to changing market conditions



Budget restraints



Challenges linked to organisation restructure

Case study 6

Making the move from a tactical to a strategic procurement function

Pinsent Masons LLP

Pinsent Masons LLP is an international law firm which specialises in the energy, infrastructure, financial services, real estate, and advanced manufacturing and technology sectors. The firm ranks among the top hundred law firms in the world by turnover.

The firm recently centralised its procurement function, transitioning from a tactical to a strategic function to work more efficiently and save costs. Gordon Wilkie, Head of Procurement at Pinsent Masons, explains in more detail the reasons for making this change and the results they have since seen. He also offers some insights on the skills needed to bring about such a change within a large organisation.

“Prior to the transition, there was no central procurement function at Pinsent Masons, with only contract support and some ad-hoc support from procurement contractors. Instead procurement was devolved into individual business functions which relied heavily on commercially orientated subject matter experts. The legal expertise within the business was rarely available. This led to inconsistencies in approach and outcomes of varying effectiveness.

“There was a recognition that in order to align and manage our supply chain to meet our strategic aims, which included cost savings and greater emphasis on responsible buying, there was a need to transform our operations. Through a board initiative supported by external consultancy recommendations, the decision was made to create a centre-led procurement function. This team then designed and developed the operating model we use today.

“Since undertaking the change, we have seen a number of benefits. We have built a clear definition and approach to measuring savings and wider benefits, supported by the development of spend analytics and a contract database. By developing a category and supply management approach with key suppliers in certain markets, we also drove efficiencies and reduced risk.

“We have also taken a lead role in driving forward our responsible business agenda. This has involved developing our approach in policy and procedure towards modern slavery and providing associated training across our buying community. We have also revisited our approach to recording and improving our level of supplier diversity. All these changes have led to increased efficiency, greater reach for our procurement professionals and resultant cost savings.

“Looking to the future, we envisage the greatest challenges facing our procurement team will be around carrying out and continuing to implement our responsible business agenda. We are also working towards developing our international model. This involves analysing our international spend and identifying those markets which could be bought regionally or globally. However, we believe our main role is to recognise what is best bought locally and how we, as a centre-led function, can support our local buyers to procure in a consistent, responsible, efficient and effective manner.

“Pinsent Masons is a law firm, but that does not make its procurement needs or objectives unique. In setting up the team we consciously brought in individuals with skills developed in other industries. These procurement professionals firstly needed the ability to embrace change, and to be able to exhibit confidence in the procurement role and the value it delivers to the organisation as a whole. Sensitivity and understanding of the perspectives of our colleagues across the buying community and the pressures they face was also important. Put together, these skills enable them to deliver demonstrably better results for the business through procurement and continue to drive our responsible business agenda.”

Transitioning from a tactical to a strategic procurement function is not without its challenges, however Pinsent Masons provides an excellent example of the benefits that can be achieved in making the change. As a result of the successful transformation of their procurement function, Pinsent Masons went on to win the award for ‘Most improved procurement operation – start up’ at the 2016 CIPS Supply Management Awards.

GORDON WILKIE

Head of Procurement

Pinsent Masons LLP

Australasia

The role of procurement in Australasia has gained real prominence in recent years thanks to employers recognising the significant cost savings that can be made from an efficient and effective skilled professional. Add the stronger focus on cost savings and an ever-increasing desire to become more profitable and efficient, and the result has been a rising demand for procurement experts.

However, as Tim James, Managing Director, Hays Procurement Australia, commented: "While this is positive news, it has seen the shortage of such candidates become a key challenge for employers. In particular, demand is high for end-to-end procurement professionals who can provide a higher level of advice to achieve commercial outcomes."

Another trend of note has been a rise in the use of temporary and contract assignments, as headcount flexibility becomes the norm and employers create new jobs based on project requirements. Employers are now factoring such assignments into their workforce planning. Longer-term contracts tend to attract more candidate interest, as do those offering project and stakeholder-facing opportunities.

Employers are also becoming more flexible on industry-relevant experience and will consider candidates who are the right cultural fit and who possess the right systems experience. This is borne out by our survey which highlights communications and soft skills (rather than technical ones) as the most important. It is also an essential part of addressing the skills shortage and is a strategy that we have seen widely embraced in the UK.

Another key factor in Australasia is the gender pay gap. There has historically been a shortage of women in procurement roles, hence fewer in the top roles. As a result, men tend to receive higher salaries than women, which we see reflected in this report. However, looking at entry-level roles, there is a change occurring. Women at a Tactical level are seeing higher salaries than men, and as these women begin to move into higher roles, we expect to see the gender pay gap continue to lessen.

MARK LAMB

General Manager, Asia Pacific

Chartered Institute of Procurement & Supply

Salaries and bonuses

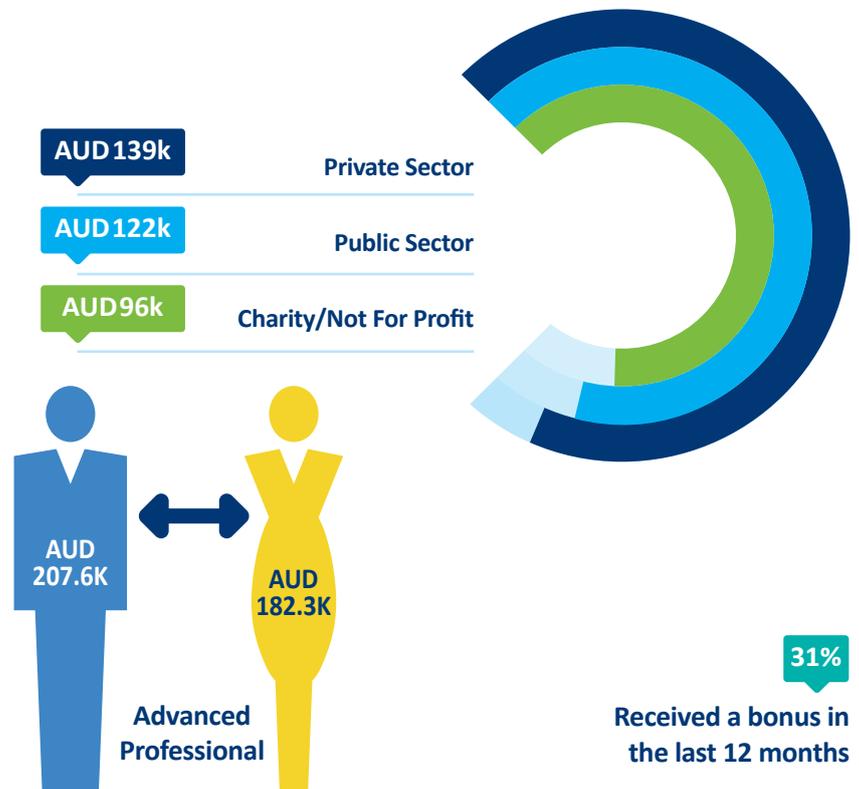
66%

RESPONDENTS received a salary increase

Yet again, the highest average salaries are seen in the Private Sector, with men benefitting from higher salaries than women at every level except Tactical. But above this level the gender pay gap is considerably larger than in the UK at Professional (17% in Australasia compared with 2% in the UK), Managerial (26% v 7%) and Operational levels (16% v 6%). However, at Advanced Professional level the pay disparity is smaller than in the UK: 14% compared to 25%.

The fact that women at Tactical level are being paid higher than men indicates a closing of the pay gap at entry level. Whilst this is not yet case at more senior levels we may yet see a change in the future.

In the last 12 months, 66% of respondents received a salary increase – a slightly higher proportion than the 64% in the UK - while 31% received a bonus. A general feeling is that it has taken Australasia longer to recover from the recession than the UK but these increases show signs that this is happening.



16% Increased earning power of MCIPS members

MCIPS average salary

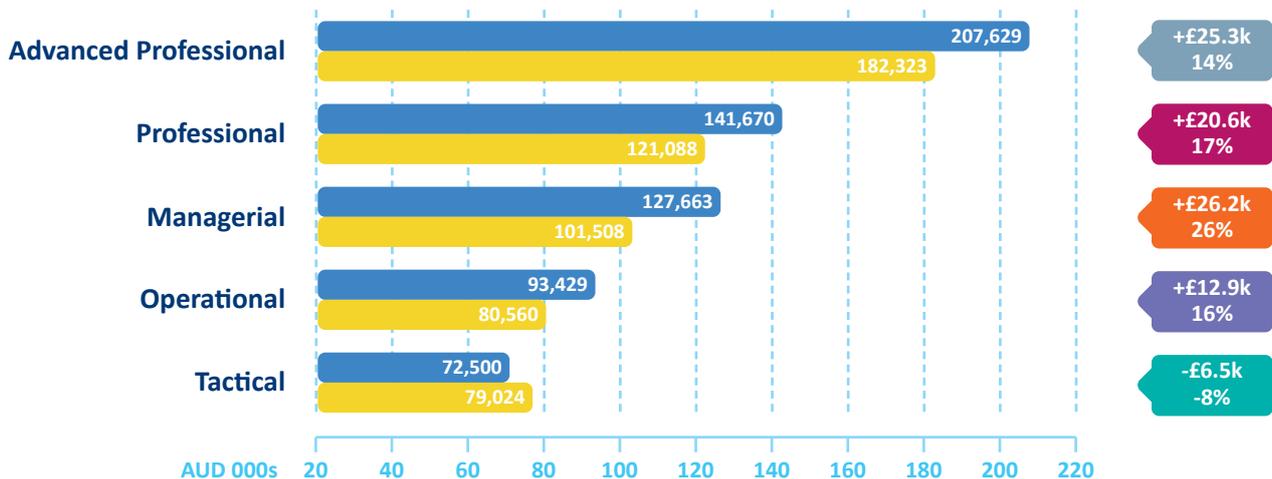
AUD 151,402

Non-MCIPS average salary

AUD 127,156

Average salaries by job level and gender

Male v female average salary difference



Benefits

Flexible working continues to be the single top benefit in Australasia (54% in 2017 and 53% in 2016), with receiving a company mobile phone the second most commonly cited. In the UK flexible working is ranked second (46%) and receiving a company mobile fifth (37%). Professional body membership fee and support for study and development also made it into the top five benefits, whereas in the UK they rank at numbers seven and eight. This supports a greater emphasis on the importance of CIPS and professional qualifications in this region.

Flexible working

IS THE SINGLE TOP BENEFIT

Top five benefits



Finding talent

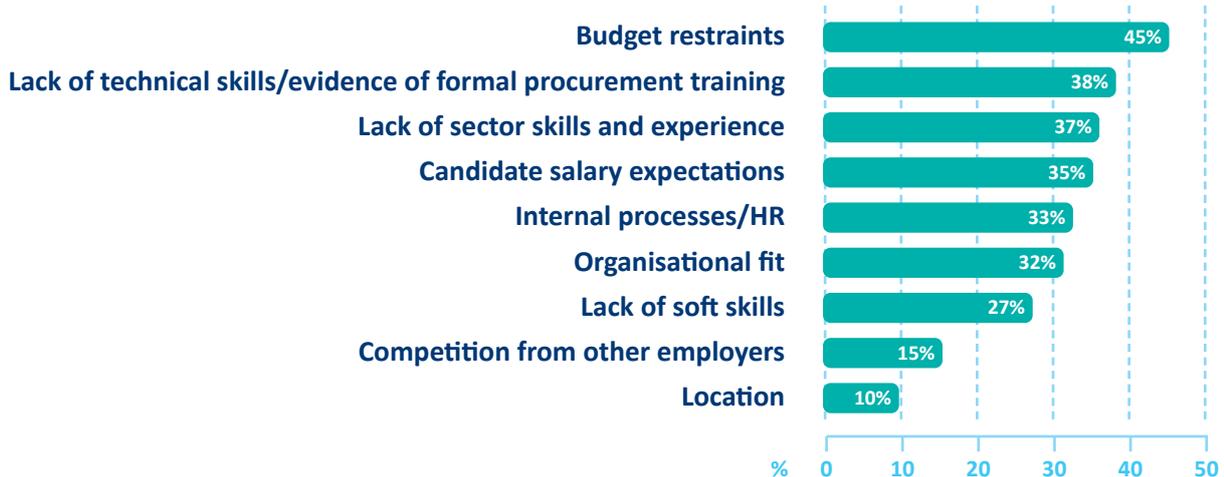
Again this year, the general picture of challenges in finding talent is similar to the UK: 53% of recruiters admitted that they struggled to find the right talent in the last 12 months, compared to 51% in the UK. However, lack of sector skills and experience seems to be less of a challenge in Australasia, while lack of technical skills is more of an issue.



53%

OF THOSE RESPONSIBLE FOR RECRUITING PROCUREMENT STAFF struggled to find the right talent in the last 12 months

Challenges in recruiting the right talent



Importance of key skills

Communication/soft skills

Communication and soft skills are viewed by most respondents as important to enabling them to do their job well, and even more so than in the UK: ranging, according to level, between 75% – 97% in Australasia compared to 77% – 86% in the UK.

Our respondents highlighted that negotiation was important at all levels, but somewhat less at the Tactical level. At more senior levels, influencing skills, leadership and raising the profile of procurement are all seen as important and this is consistent with UK findings.



The top two most important skills at all levels

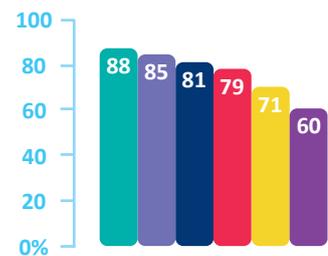
Top skills required by seniority



Advanced Professional



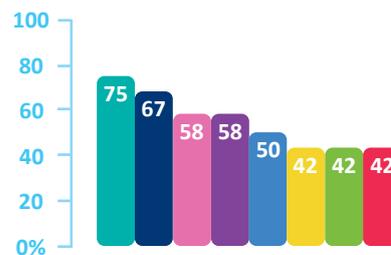
Professional



Managerial



Operational



Tactical

Key to skills required



Influencing Skills



Communication/Soft Skills



Leadership



Negotiation



Raising the Profile of Procurement



Supplier Relationship/Management



Tendering



Supplier Evaluation and Appraisal



Contract Management



Sourcing



Data Analysis/Business Intelligence

Perceptions of procurement

77%

There is an improving trend in Australasia for perceptions of procurement, which are generally more positive than in the UK: 77% of professionals feel the perception of procurement has improved in the last 12 months, compared with 66% in the UK. This is a sentiment felt by professionals at all levels, which is very positive for the state of the profession in the country.

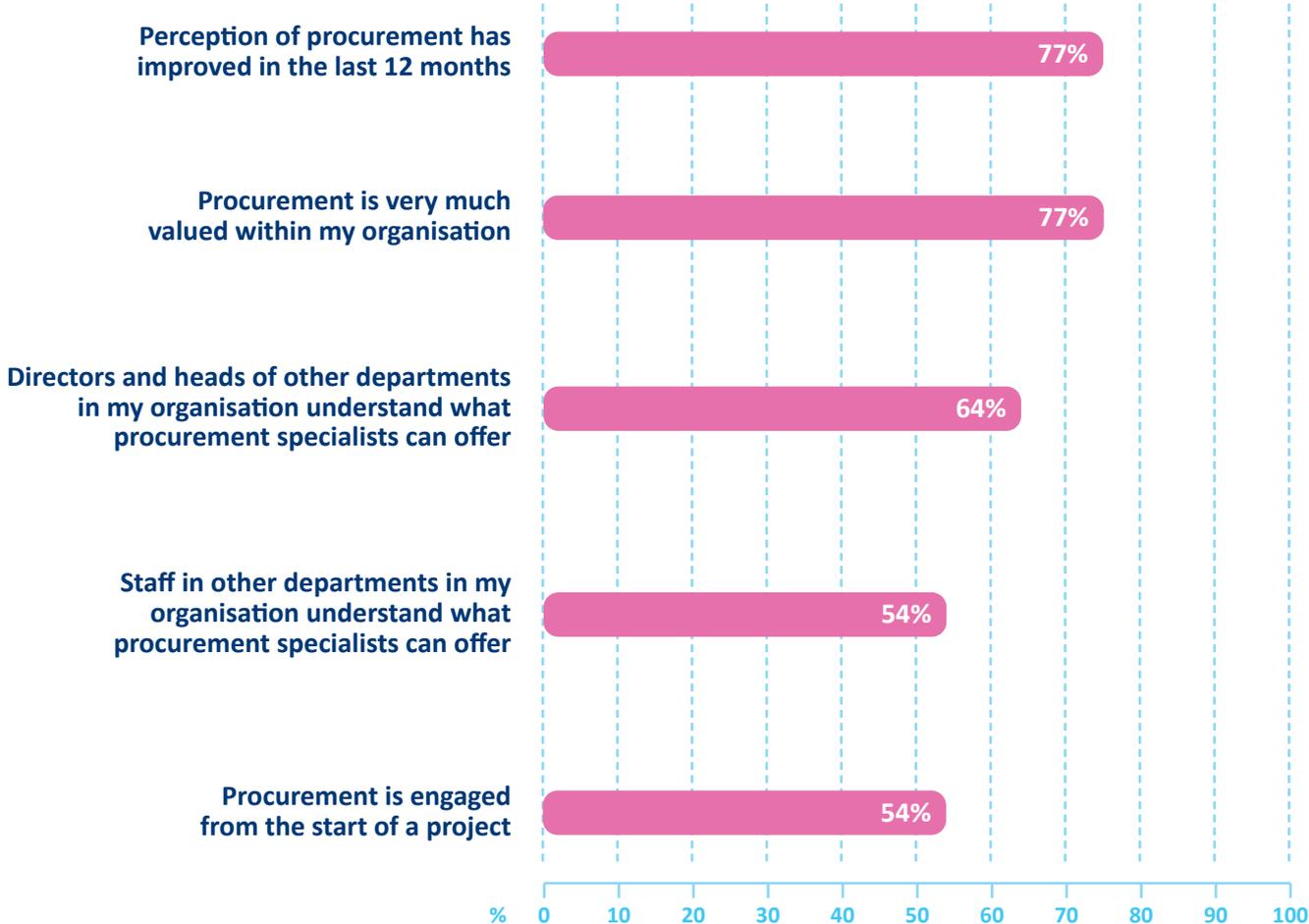
Slightly more of our Australasian respondents also feel that procurement is valued within their organisation and that procurement is engaged at the start of the project, than the UK. However, fewer feel that directors and heads of other departments understand what procurement specialists can offer: 64% compared to 69% in the UK.

AGREE
procurement is valued

The regard for procurement within organisations in Australasia is generally positive



The wider organisational view of procurement



Sub-Saharan Africa

Across Sub-Saharan Africa, we are seeing governments seeking to improve their procurement to get more value for money, but equally importantly to reduce fraud and corruption.

As part of this, Duncan Brock, CIPS Group Customer Relationships Director, commented: "There is an increasing focus on updating procurement legislation and, in some cases, funding agencies stepping in to invest in improved processes and capability building. This could be leading to the increased demand for procurement professionals that we are seeing and a recognition that employers need to pay more and offer high-quality benefits packages in order to attract and retain the right people." The CIPS Ethics Test and training will also be key to ensuring that procurement functions and individuals operate responsibly and with integrity.

At every level of seniority, procurement professionals feel more strongly than those in the UK about the value their skills can bring, and this may be a reflection of the fact that procurement is a developing profession in the region. At CIPS, we are seeing an increasing demand for our services within the public sector rather than from the private sector where in general procurement seems to be less recognised as an important function.

ANDRE COETZEE

Sales Director, Africa

Chartered Institute of Procurement & Supply

Salaries and bonuses

57%

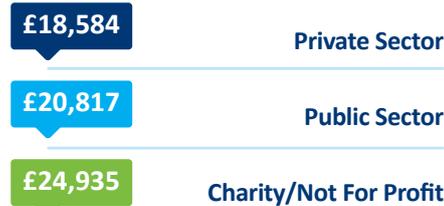
In a change from 2016 when the Private Sector reported the highest average salaries, last year's top performer was the Charity/Not For Profit sector, increasing from £18,136 in 2016 to £24,935 in 2017.

Men earn more than women at more senior levels, especially at Advanced Professional level where the pay gap is 26%, which is comparable to 25% in the UK. However, unlike the UK and in line with last year, women tend to earn more than men at Managerial, Operational and Tactical levels. This pay gap is smaller than last year: 13% for Managerial and Tactical roles, compared with 23% and 54% last year, and nearly no gap for Operational roles, compared with 11% last year.

57% of respondents received a salary increase in the last 12 months and 41% received a bonus. This is all in spite of the fact that the economy in the region has not seen much of an upturn.

RESPONDENTS RECEIVED A SALARY INCREASE in the last 12 months

Average salaries by sector



41%
Received a bonus in the last 12 months

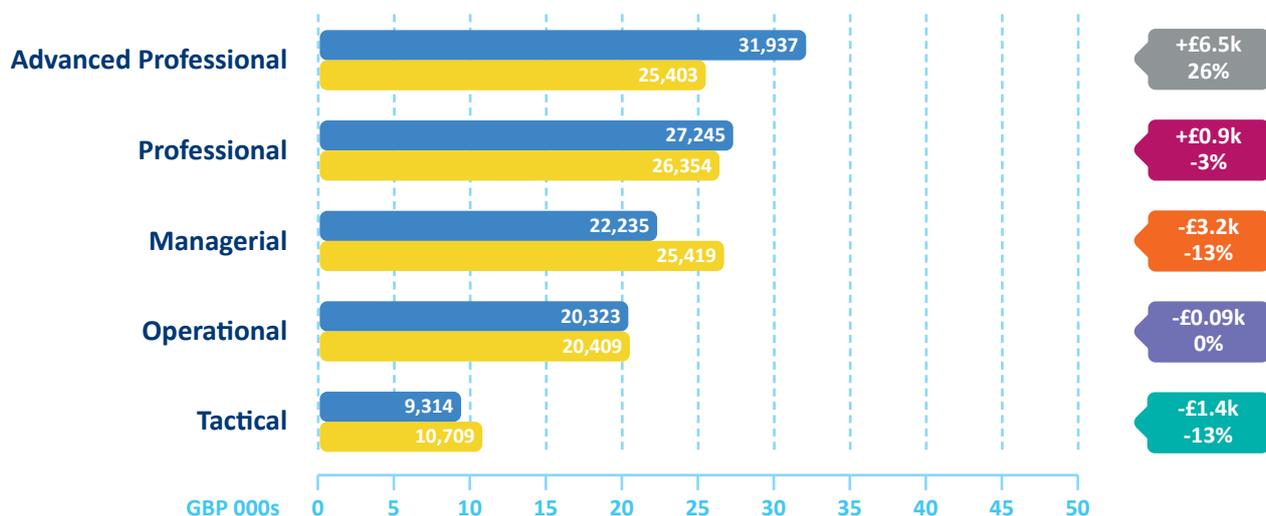
28% Increased earning power of MCIPS members

MCIPS average salary **£27,027**

Non-MCIPS average salary **£19,449**

Average salaries by job level and gender

Male v female average salary difference



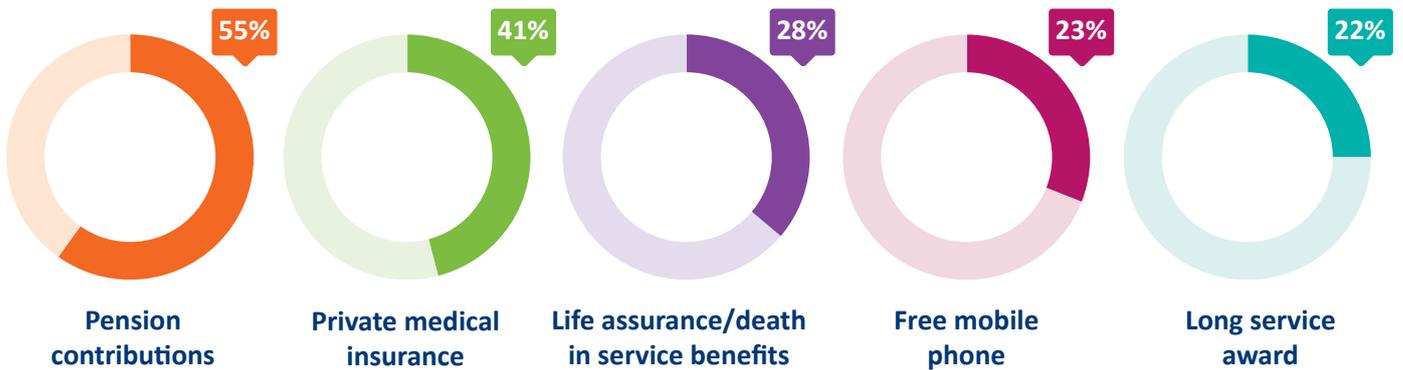
Benefits

Pension contributions

As in the UK and similar to last year, pension contributions is the most commonly received benefit at 55%. Flexible working, which features strongly in the UK and Australasia, does not make it into the top five in Sub-Saharan Africa at just 18%, although this is an increase of 2% compared to the previous year.

IS THE SINGLE MOST COMMON BENEFIT

Top five benefits



Finding talent

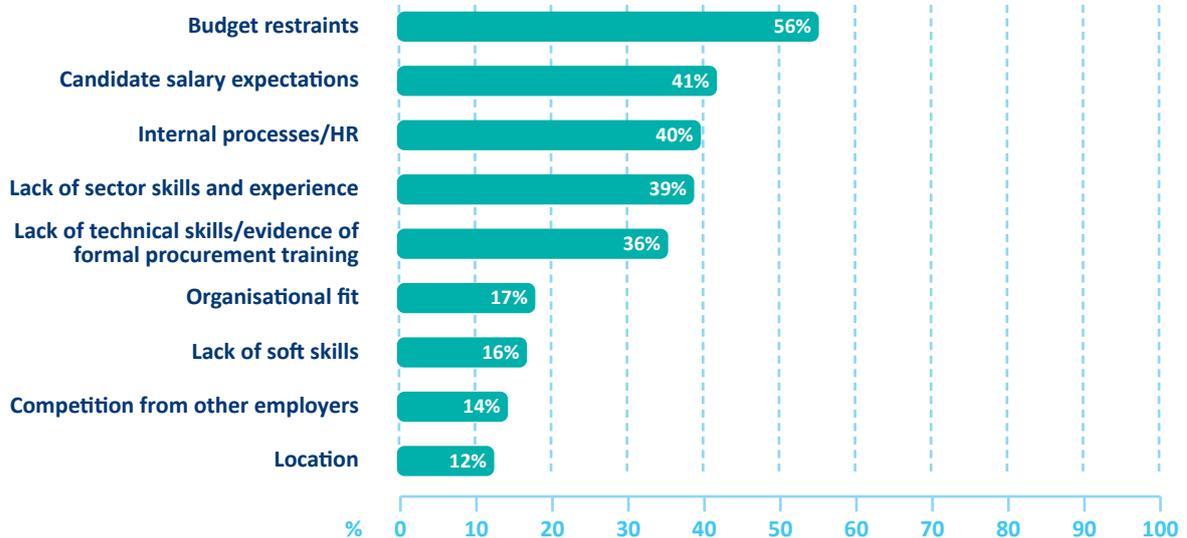
Compared to the UK (51%) and to last year's figure (63%), fewer recruiters in the region struggled to find the right talent in the last 12 months (48%).



48%

OF THOSE RESPONSIBLE FOR RECRUITING PROCUREMENT STAFF STRUGGLED to find the right talent in the last 12 months

Challenges in recruiting the right talent



Importance of key skills

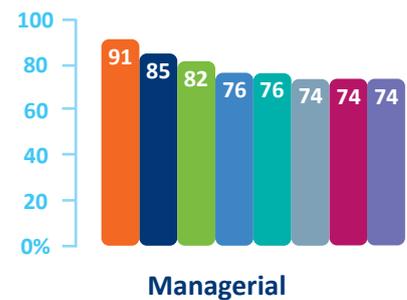
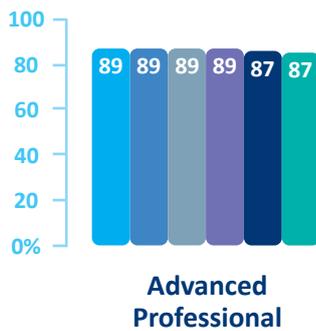
Communication and soft skills are viewed as important to job performance (ranging, according to level, from 74%-89%). Again this year, procurement professionals in Sub-Saharan Africa feel more strongly about the importance of their skills than their UK counterparts at all levels of seniority, and this may be a reflection of the developing nature of procurement as a profession here.

Communication/soft skills



IMPORTANT TO ALL levels in doing their job well

Top skills required by seniority



Key skills required



Market Analysis



Influencing Skills



Communication/
Soft Skills



Leadership



Negotiation



Raising the Profile of
Procurement



Supplier Relationship/
Management



Supplier Evaluation
and Appraisal



Contract Management



Sourcing

Perceptions of procurement

80%

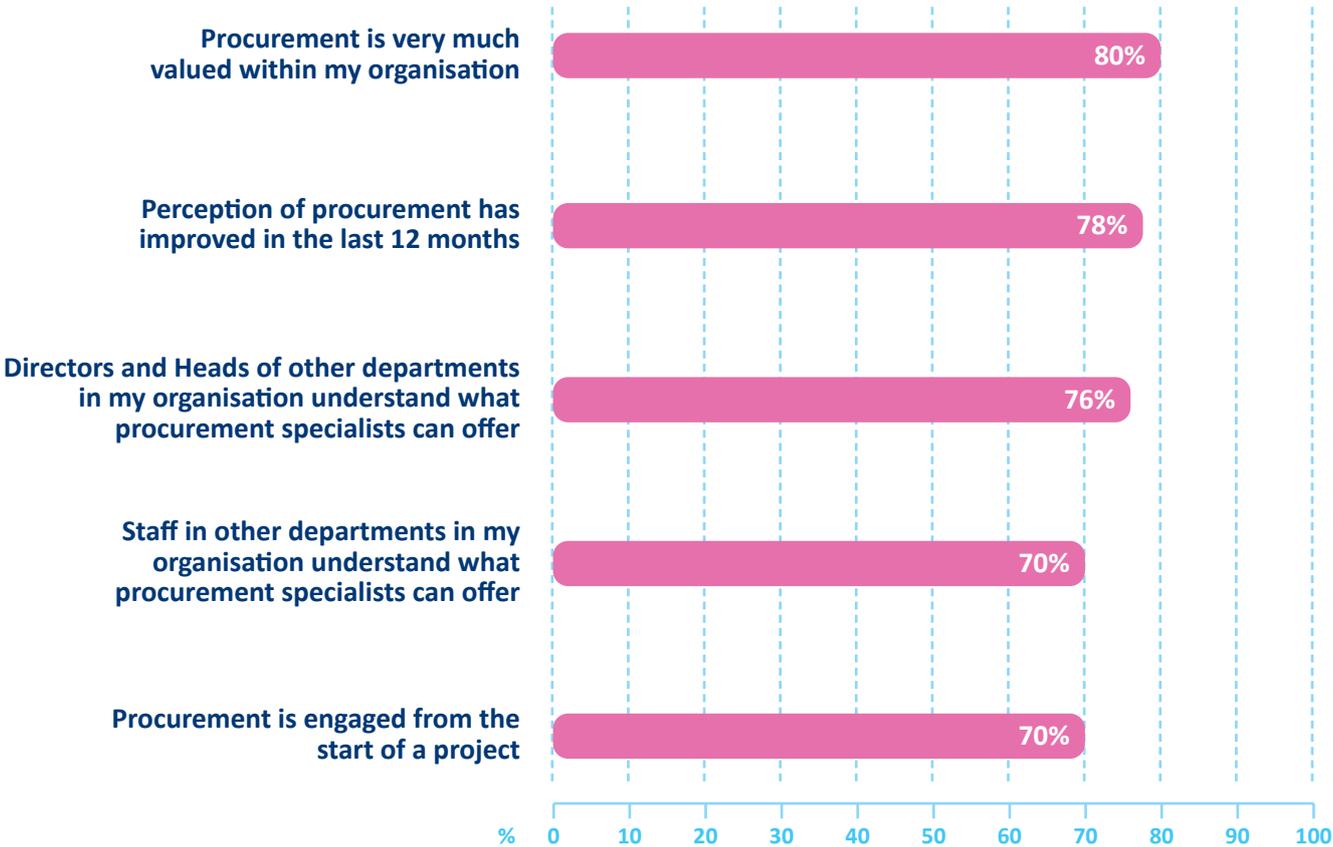
The broad picture of a real regard for procurement within organisations is even more marked than last year. The most striking improvement is in the number of professionals who felt that other departments in their organisations understand what procurement specialists can offer: 76% for directors/heads of other departments compared to 71% last year, and 70% for staff in other departments compared to 64% last year. This could be an indicator that the developing profession of procurement and supply is maturing in the region.

AGREE
procurement is valued

The broad picture of regard for procurement within organisations is extremely positive



The wider organisational view of procurement



MENA

The MENA region is facing some big challenges in 2017, lower oil prices and crude production will keep growth subdued and tough austerity measures will begin to bite as the region continues to adjust to the oil shock of the last two years. But when times are tough smart organisations everywhere invest in procurement people, processes and technology to help them weather difficult market conditions and ultimately to put their organisations in a better position to take advantage of future market upturns. This is reflected in the survey in the strong regard shown for the profession across the region and the increasing demand for the right talent and skills.

The strategic impact of the function has never been clearer to boardrooms around the world making our role as procurement professionals more high profile in delivering effective strategies that identify, unlock and retain value. It's not always easy, but such challenges provide an opportunity for the best and the brightest to shine, through strong leadership, determination and continual improvement.

It's never been a better time to invest in your own procurement capabilities and take advantage of the opportunities presented.

DAN QUINN

Senior Vice President, Tejari/BravoSolution
MENA

“We are pleased to be providing data for the MENA region in our Salary Guide this year. Procurement in the MENA region is now emerging as a core function and attracts some of the highest salaries globally. We have some work to do to encourage more women into the profession and also to ensure that the region is nurturing the talent to drive our profession forward.”

SAM ACHAMPONG FCIPS

General Manager, MENA
Chartered Institute of Procurement & Supply

Salaries and bonuses

51%

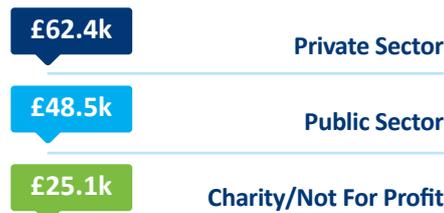
The highest average salaries are being seen in the Private Sector and the average salary for all procurement professionals is £56,000, which is higher than the UK average of £44,900.

The gender pay gap has been hard to establish as very few women completed our survey from the MENA region. However, in line with other regions, women appear to earn more than men at Tactical level, but in contrast to other regions they also earn more at Operational and Managerial levels.

In the last 12 months, 51% of respondents received a salary increase, a smaller proportion than in the UK at 64%, and 41% received a bonus.

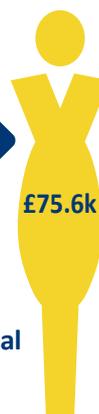
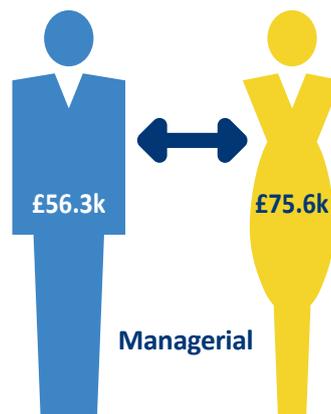
RESPONDENTS RECEIVED A SALARY INCREASE in the last 12 months

Average salaries by sector



The higher earning power of MCIPS members

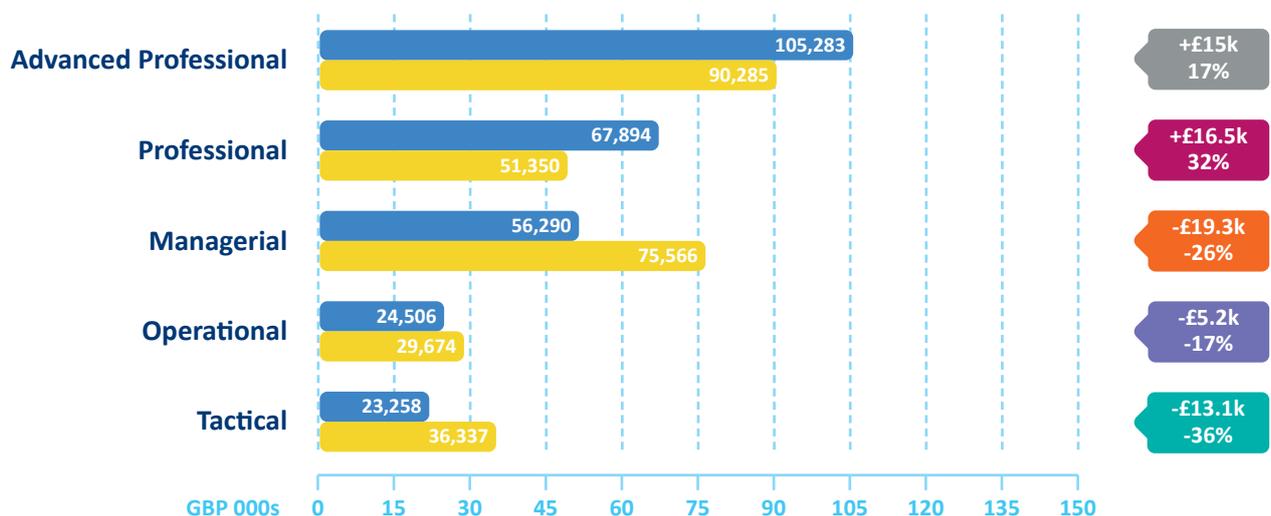
60%
AVERAGE SALARY DISPARITY
MCIPS v non-MCIPS



41%
Received a bonus in the last 12 months

Average salaries by job level and gender

Male v female average salary difference



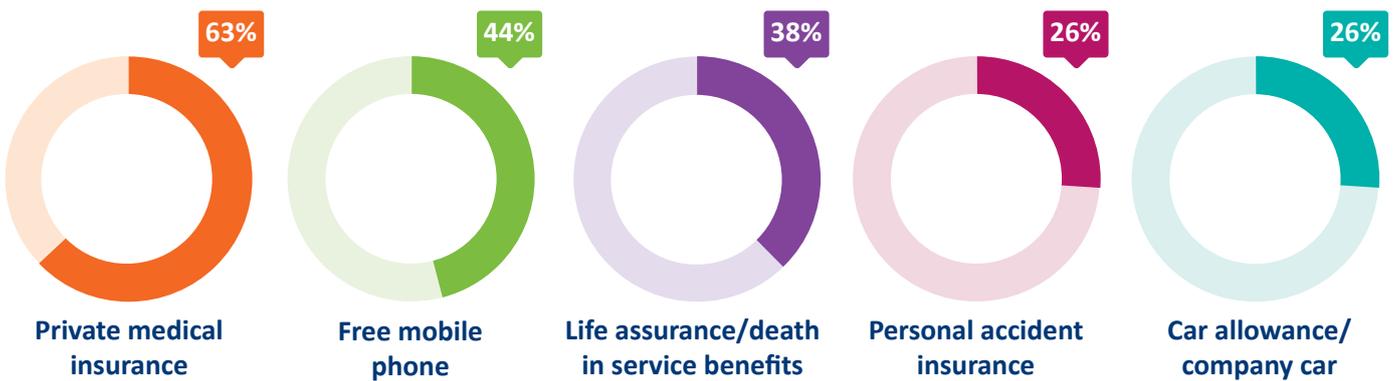
Benefits

Private medical insurance

IS THE MOST COMMON BENEFIT

There are a few notable differences in the top five benefits received compared to other regions. One common benefit is a company mobile phone, but the region is unique in insurance products making it into the top five. Unlike in the UK and Australasia, and similar to Sub-Saharan Africa, flexible working does not make it into the list.

Top five benefits



Finding talent

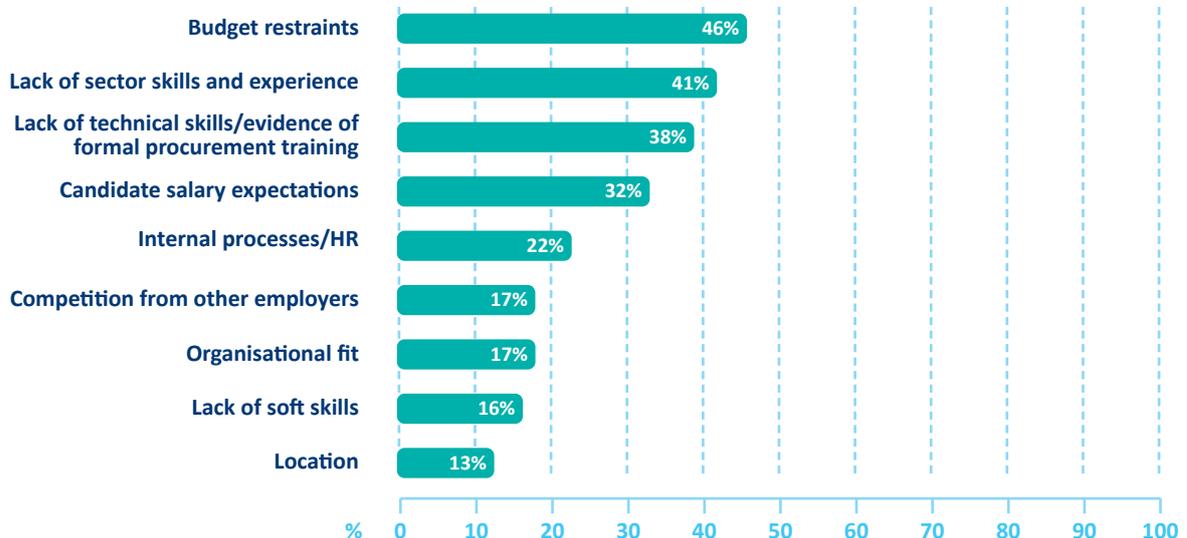
41% of those responsible for recruiting procurement staff stated lack of sector skills and experience as a problem.



51%

OF THOSE RESPONSIBLE FOR RECRUITING PROCUREMENT STAFF STRUGGLED to find the right talent in the last 12 months

Challenges in recruiting the right talent



Importance of key skills

Communication/soft skills

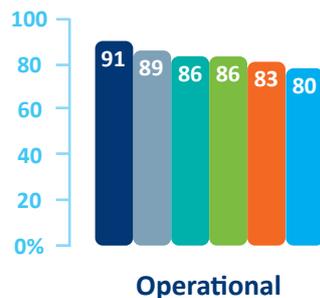
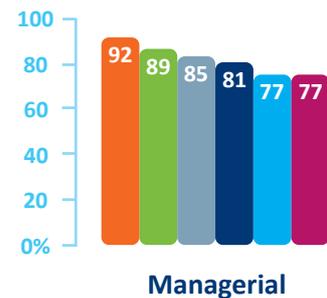
Communication and soft skills are viewed by most respondents as important to enabling them to do their job well: ranked, according to level, from 64% – 89% compared to 77% – 86% in the UK.

Negotiation and supplier relationship/management are also important at all levels, especially at Operational (91%) and Managerial (92%) levels. Unique to the Advanced Professional level is change management: MENA is the only region where this skill is identified among the most important.

IMPORTANT AT ALL LEVELS to doing their job well



Top skills required by seniority



Key skills required



Influencing Skills



Communication/Soft Skills



Leadership



Negotiation



Supplier Relationship/Management



Supplier Evaluation and Appraisal



Contract Management



Sourcing



Financial Analysis and Reporting



Change Management

Perceptions of procurement

80%

MENA showed the biggest positive perception of the profession of all the regions we surveyed this year.

In the last 12 months:

- 77% feel that procurement is engaged at the start of the project, 26% more than in the UK
- 87% feel that perception of procurement has improved in the last 12 months, 21% more than in the UK
- 68% feel that staff in other departments understand what procurement specialists can offer, 15% more than in the UK

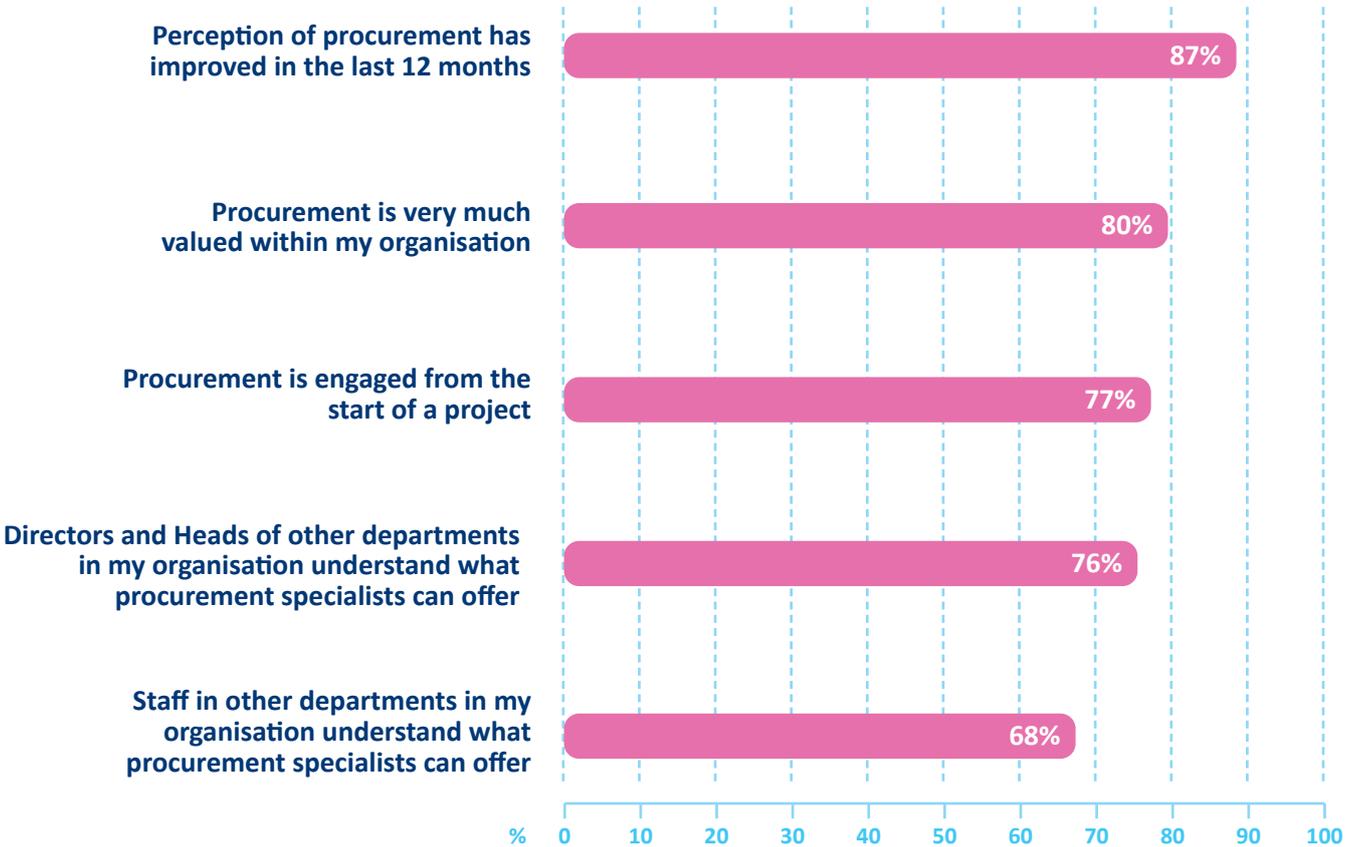
These very positive findings may signal that procurement professionals are proving their value and stakeholder engagement at the top level.

AGREE
procurement is valued

The regard for procurement within organisations in MENA is extremely positive



The wider organisational view of procurement



Conclusion...

Be passionate about procurement; be passionate about your business

Procurement continues to be more valued by organisations, as shown in this year's report, but there is still work to be done. It is the mission of new CIPS President Sam Walsh (November 2016 – October 2017) to convince CEOs that we are ready to face the future, and to do this he has outlined three observations on how procurement leaders can work better with their senior leaders and give their procurement teams the spotlight that they deserve:

1 Get under the skin of your organisation

"Ensure you have a good nexus with your end customer and understand what creates value for them. This is what I mean when I say you need to get under the skin of your organisation. Too many procurement teams still focus on the 'busy work'; for example, the number of contracts they've signed, cost savings or how many supplier visits they have made. What they need to focus on is the value that they deliver to the organisation. Of course, to do this often means gaining support for a value policy that doesn't only recognise cost savings. So understanding what creates the right value that your business partners need is critical."

2 Invest in good people

"Building a strong brand for your procurement team and selling the benefits to senior stakeholders is important, but a strapline isn't enough. Surround yourself with smart people, and don't be afraid of people who are smarter than you. A diverse team with a wide range of skills, knowledge and backgrounds can collectively make a real difference. Identify where you have gaps and fill them with complementary people. It might be that you have to draw on talent from other sectors or outside procurement. Good people have access to the most up-to-date thinking, so a life-long approach to learning and development is critical and I believe that investing in licensing is a way for us to ensure this as a profession."

3 Add game changing value

"The traditional functional boundaries of business are becoming more blurred. Appreciating that many problems in business today are on a global level and too complex to be solved by just one specialised discipline, means a trans-disciplinary and cross-industry solution is required. Procurement must also take on the role of trusted advisor, becoming guardians of procurement standards, but working more collaboratively with business partners. Whether it is operations, finance, marketing, sales, or external multi-stakeholder initiatives working on a specific problem, the ability to work together towards joint goals is where value can be optimised."

We hope you found our Procurement Salary Guide and Insights 2017 useful and we value your contribution. Procurement is on the precipice of change resulting from volatile trading environments, increased supply chain complexity, changing trade dynamics, and the disruptive impact of technology. Here lies an opportunity for CIPS and procurement and supply professionals to carve out a more strategic role where we maximise value across the entire enterprise, and for society too.

SAM WALSH

CIPS President

Sam Walsh's key tips for embracing opportunity and managing your own career

- 1 Make sure you fill the skills gaps in your repertoire, whether that's legal, marketing, or finance skills, knowledge, or communication and interpersonal skills. Work out what it is and get up to speed.
- 2 Form both formal and informal networks to surround yourself with experts, especially the ones that help you address your skills gaps.
- 3 Have a sense of urgency and understand the pressing needs of others too. This will get you recognised as someone who understands and delivers the needs of the business.
- 4 Opportunity knocks but once – I'm a true believer in this. Jump at opportunities even if it makes you feel out of your depth. Someone must believe in you in order to offer you the opportunity, so start to believe in yourself and rise to the challenge.
- 5 Know and work to the limit of your authority. Often people work well below their limit, which is very frustrating for CEOs and senior leaders as it pushes delegation up the chain. Take the initiative and move work forward as far as you're able to.
- 6 Stretch your experience. Take on non-exec roles or volunteer with clubs and charities, even try out being a school governor. These experiences will expose you to all the activities of running a business, but on a smaller scale.
- 7 And lastly, if there was one piece of advice I could give myself early on in my career it would be to have more confidence in my decision making. Have some conviction and don't be afraid to stick your neck out.

It is encouraging to see salaries in procurement and supply continue to rise above the national average across all sectors despite uncertainty in the market. Employers must however take heed of the increasingly competitive war for procurement talent. Skills shortages in many sectors will only continue to be exacerbated as recruitment continues to increase, making recruitment planning more important than ever for procurement functions to deliver results.

Scott Dance, Director
Hays Procurement & Supply Chain

HAYS Recruiting experts
in Procurement

www.hays.co.uk/procurement



CIPS Group Easton House, Easton on the Hill, Stamford, Lincolnshire, PE9 3NZ, United Kingdom
T +44 (0)1780 756777 F +44 (0)1780 751610 E info@cips.org

CIPS Africa Ground Floor, Building B, 48 Sovereign Drive, Route 21 Corporate Park, Irene X30, Centurion, Pretoria, South Africa
T +27 (0)12 345 6177 F +27 (0)12 345 3309 E infosaf@cips.org.za

CIPS Asia Pacific 1 Wallich Street, Guoco Tower, Level 14-01, Singapore, 078881
T +65 6403 3940 E infosg@cips.org

CIPS Australasia Level 2, 520 Collins Street, Melbourne, Victoria 3000, Australia
T 1300 765 142/+61 (0)3 9629 6000 F 1300 765 143/+61 (0)3 9620 5488 E info@cipsa.com.au

CIPS MENA Office 1704, The Fairmont Hotel, Sheikh Zayed Road, PO Box 119774, Dubai, United Arab Emirates
T +971 (0)4 311 6504 F +971 (0)4 332 8810 E mena.enquiries@cips.org



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