

The Real Reason Procurement is Undervalued

—And How to Change It



INTRODUCTION

One of the best parts of being the founder of **Procurement Tactics** is having the opportunity to speak with hundreds of procurement directors each year at the many conferences I attend.

While every company is different and each procurement team faces unique challenges, I've noticed a clear pattern. In this article, I'll bring you up to speed on what I've observed—and what it means for procurement's future.

Despite the growing complexity and influence of procurement, many procurement leaders I speak with say their function is still undervalued. The perception persists that procurement is just about cost-cutting rather than driving strategic value.

A **CPO from a multinational manufacturing company** summed up the challenge:



“We’re **influencing millions** in spend, managing risk, and ensuring business continuity—**but when it comes to decision-making, we’re still treated as an afterthought.**”

— CPO, USA

So, why does procurement struggle to gain recognition? And more importantly—**how can procurement leaders change this?**

WHY PROCUREMENT STRUGGLES TO GET THE RECOGNITION IT DESERVES

Conversations with procurement professionals highlight three recurring obstacles:



1. Procurement is still seen as a cost-saving function – Many executives still equate procurement with **negotiating lower prices** rather than contributing to **growth, risk management, or innovation**.

2. Lack of clear performance metrics – Unlike sales, which can show revenue generated, procurement often **fails to showcase its impact** beyond savings.

3. Procurement isn't included early enough in decision-making – Business leaders often bring procurement in **too late**, limiting its ability to drive real value.

A **procurement director from an FMCG company in the UK** put it bluntly:

“If we only measure success by cost savings, we'll **always be seen as a tactical function**. We need to prove our value in ways the business understands.”

HOW TO ELEVATE PROCUREMENT'S STRATEGIC ROLE

1. EXPAND PROCUREMENT'S INFLUENCE BEYOND COST SAVINGS

If procurement only talks about **savings**, leadership will never see it as a **strategic enabler**. The shift starts with **changing the conversation**—focusing on:

- ✓ **Risk mitigation** (supply chain disruptions, supplier stability)
- ✓ **Supplier-led innovation** (leveraging suppliers for competitive advantage)
- ✓ **Sustainability & ESG impact** (aligning procurement with corporate sustainability goals)

A **procurement leader in the healthcare industry** explained how this shift changed internal perceptions:

“Once we started presenting procurement's impact on revenue protection and supplier innovation—not just savings—**our leadership team saw us in a completely different light.**”

💡 **How Procurement Tactics Can Help:**

Procurement Tactics provides tools and **real-world case studies** to help teams reposition procurement as a **value-generating function**. We help procurement leaders **build business cases** that go beyond savings and **align procurement's value with C-suite priorities**.

HOW TO ELEVATE PROCUREMENT'S STRATEGIC ROLE

2. MEASURE AND COMMUNICATE PROCUREMENT'S TRUE BUSINESS IMPACT

One of procurement's biggest challenges is that **leadership doesn't see its impact in measurable terms**. If procurement professionals want to **change the narrative**, they need **clear, quantifiable metrics** that **speak the language of executives**.

Instead of just tracking **cost savings**, successful procurement teams also measure:

- ✓ **Revenue impact** (e.g., ensuring supply continuity to avoid lost sales)
- ✓ **Operational efficiency** (e.g., process improvements reducing cycle times)
- ✓ **Risk management success** (e.g., reducing supplier failures or compliance risks)

A **CPO from a logistics company** shared:

“When we started reporting procurement's contribution to revenue protection, executives paid attention. **It wasn't about how much we saved**—it was about **how much disruption we prevented**.”

💡 **How Procurement Tactics Can Help:**

We offer procurement leaders **data-driven frameworks** to track and **communicate procurement's impact effectively**—ensuring that leadership understands **why procurement matters beyond cost-cutting**.

HOW TO ELEVATE PROCUREMENT'S STRATEGIC ROLE

3. GET PROCUREMENT INVOLVED EARLIER IN STRATEGIC DECISIONS

Many procurement leaders say they're **brought in too late**—after key decisions have already been made. This limits their ability to **drive value, negotiate better terms, and manage risks proactively**.

A **procurement director in the energy sector** described how they changed this dynamic:

“We made a case for procurement to be involved in product development planning—not just sourcing. **Now, we help shape supplier strategies early on.**”

💡 How To Ensure Early Involvement:

- ✓ Establish **cross-functional partnerships**—actively engage with finance, operations, and R&D teams.
- ✓ Position procurement as a **business enabler**, not a gatekeeper.
- ✓ Offer **proactive insights**—instead of waiting to be consulted, **bring data and recommendations** to leadership regularly.

💡 How Procurement Tactics Can Help:

We provide **training on stakeholder engagement and negotiation strategies** to help procurement leaders **strengthen their internal influence and secure a seat at the table earlier in decision-making**.

FINAL THOUGHTS

Procurement's undervaluation isn't **inevitable**—but changing it requires **intentional action**.

Procurement leaders who successfully elevate their function:

- ✓ Position procurement as a **value driver** beyond cost savings
- ✓ Measure and communicate procurement's **real business impact**
- ✓ Ensure procurement is **involved in strategic decisions early**

Companies that get this right will **unlock procurement's full potential**—not just as a cost-control function, but as a **critical enabler of business success**.

Does your procurement team have the tools to shift from cost-cutting to value creation? Procurement Tactics can help you make this transition with **real-world strategies, training, and best practices**.



ABOUT PROCUREMENT TACTICS

COURSES WE OFFER

Our Procurement Courses are rigorous and comprehensive programs designed to reach a certain skill level. Upon completion, you will have the skills and expertise to become a specialist in a specific area of Procurement.

 <p>Negotiation Course for Procurement</p> <p>Learn from industry experts who negotiated billion \$ deals</p>	 <p>Procurement Strategy Course</p> <p>Take the lead with our proven 5-step procurement strategy</p>	 <p>Sustainable Procurement Course</p> <p>Maintain profitability while moving toward sustainability</p>	 <p>ChatGPT & AI in Procurement Course</p> <p>Unleash the power of ChatGPT & AI within procurement</p>
 <p>Mini-MBA for Procurement Managers</p> <p>Enhance your expertise to make valuable strategic contributions</p>	 <p>Strategic Procurement Leadership Program</p> <p>Future-Proof Your Procurement Leadership Skills</p>	 <p>Soft Skills for Procurement</p> <p>Boost interpersonal skills for impactful procurement roles</p>	 <p>Junior Procurement Management Course</p> <p>Learn how to execute the perfect procurement process</p>
 <p>Supplier Relationship Management Course</p> <p>Establish strong supplier collaborations</p>	 <p>Category Management in Procurement</p> <p>Advanced category management in procurement</p>	 <p>Risk Management in Procurement</p> <p>Transform risks into opportunities</p>	 <p>Cultural Impact on Negotiations</p> <p>Global Negotiation Skills: Cultures explored</p>
 <p>Value Chain Analysis</p> <p>Strategic Value Chain optimization</p>	 <p>Spend Analysis Course</p> <p>In-depth Analysis: Uncover potential savings</p>	 <p>Gen Z & Generational Management in Procurement</p> <p>Navigate the complexities of a multigenerational workforce</p>	 <p>AI Prompt Engineering for Procurement Course</p> <p>Master AI prompts to enhance procurement efficiency</p>
 <p>Contract Management Course</p> <p>Learn the essentials of contract management</p>	 <p>Innovation in Procurement Course</p> <p>Transform Procurement, Explore breakthrough strategies</p>		

PROVEN ONLINE LEARNING - TESTIMONIALS

Our testimonials showcase the real experiences and success stories of procurement professionals who have completed our courses. Hear how Procurement Tactics has transformed their skills, careers, and approach to procurement, helping them achieve outstanding results in the field.



Jeff Lentsch

Strategic Sourcing & Transformational Indirect Procurement Leader

Procurement Tactics helped my Sourcing team to construct a sharp 2023 Procurement Strategy to counter the current challenges. I am very happy with the results and am confident my team will deliver better results after the help of Procurement Tactics!



Kees Rusius

SVP Commerce / Executive Committee Member - AB Vassilopoulos

I recently completed the online course offered by Procurement Tactics, and it was an excellent learning experience. The course was comprehensive, and the material was presented in an easy-to-understand format. I now feel more confident in my ability to excel in my procurement career



Rob Gregory, CSCP, MBOE

Executive Director at Kyowa Kirin

Having engaged with this program, I was truly impressed by the level of detail and thoughtfulness that has gone into its design. The comprehensive modules presented in the course structure provided a wealth of information, delivered in an accessible, user-friendly format.

Why your employer will care

A study conducted by Accenture found that for every dollar invested in training, companies received \$4.53 in return. That's a 353% ROI!

Don't know where to start?

Ask your team to take our Skill Assessment and based on their answers we will create a tailored Learning Journey for each team member.

SKILL ASSESSMENT

ABOUT PROCUREMENT TACTICS

GET A SNEAK PEEK OF LESSONS AND COURSE MATERIALS

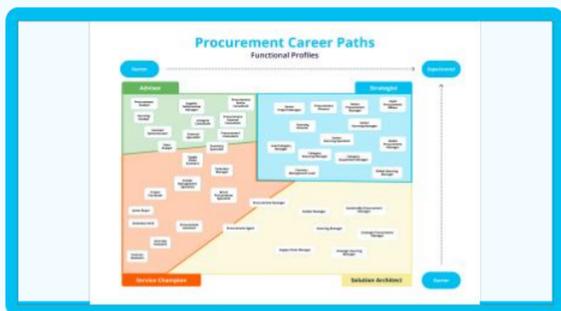
These snippets offer a quick look at the valuable insights and practical skills you'll gain, helping you decide which course is the perfect fit for advancing your procurement expertise.



Engaging Video Lessons

Learn at your own pace with bite-sized, pre-recorded lessons by leading Procurement experts

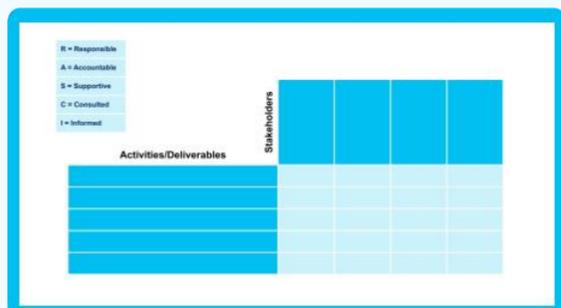
[Watch Preview Lessons](#)



Interactive Career Path

Craft your own journey and see what your career path will look like

[Craft Your Own Path](#)



Practical Guides & Templates

Save time and effort with a library of grab-and-go templates, guides, checklists, and more.

[Tour the Library](#)

The perfect fit for

Any Procurement professional who is committed to lifelong learning can expand their skill set with relevant and in-demand skills.

Procurement Tactics will always provide you with the latest procurement training to help you develop practical and in-demand skills, essential for your procurement future and a flourishing career. Either that or you get 60-day money-back guarantee, no questions asked!

GROW YOUR SKILL SET

Enroll today

- Go to <https://procurementtactics.com>
- Select your program and click the Enroll button
- Fill out your (company) billing address and payment details
- Create your student account
- Happy learning!



CUSTOMERS GIVE US AN AVERAGE RATING OF 9.7 OUT OF 10.

At Procurement Tactics, we educate Procurement Professionals to close better deals, secure supply and advance their career. The team of Procurement Tactics has over 20 years of experience in procurement & negotiations and trains procurement teams from small and large companies from all over the world.

Thank You!

At Procurement Tactics, we believe that procurement teams thrive when equipped with the right skills and knowledge.

Our comprehensive training programs and resources empower procurement professionals to enhance their expertise and deliver greater value to their organizations.

Discover how we can elevate your procurement strategy and drive impactful results at ProcurementTactics.com.