**TOP 5 CHALLENGES**

**CPO SURVEY RESULTS**

1. **SPEND CREEP AND COST CONTAINMENT**
   Without a dedicated team to run a quality sourcing event, requirements are often not accurately captured or scrutinised and money is wasted on unnecessarily high-specification products and services.

2. **VISIBILITY OF REALISED SAVINGS**
   Visibility of realised savings is a common challenge for many CPOs in the indirect categories of expenditure. CFOs care about savings that are realised and can be tracked and measured at a P&L level. Success for the CPO is to deliver benefits that are aligned to business outcomes, such as earnings per share, working capital and operating profit.

3. **COMPLIANCE TO CONTRACTS**
   It is critical to translate the value created through sourcing and contained in supplier contracts into business reality. A CPO needs strong contract and supplier management processes and technologies to underpin existing governance structures.

4. **LEVERAGING TECHNOLOGY EFFECTIVELY**
   Making the correct decisions regarding the leveraging of technology is crucial to delivering best practise sourcing and procurement and the CPOs that we talk to recognise this.

5. **INSUFFICIENTLY SKILLED RESOURCES**
   Having a team that lacks deep sourcing or industry expertise is an obstacle. For example, a person may have been operating in a reactive nature, ‘fire-fighting’ as opposed to proactively wrestling core issues. The right team will take your sourcing and procurement function to the next level of maturity.