

# DPW / AMSTERDAM

## 10X PROCUREMENT

AN AGENDA FOR EXPONENTIAL  
IMPACT IN A CHANGING WORLD.

2024

# FORWARD FROM MATTHIAS GUTZMANN, FOUNDER OF DPW

In a world where exponential growth and rapid technological advances define success, procurement has a unique opportunity to step out of the shadows and into a role of strategic importance. Traditionally viewed as a cost-saving function, procurement is now poised to drive innovation, resilience, and competitive advantage. It's time to consider what "10X" means for procurement.

Inspired by Salim Ismail's concept of exponential organizations, DPW's 10X Procurement study explores how procurement can deliver a tenfold impact. This report is a collaborative effort, incorporating insights from over 200 leaders, solution providers, and professionals dedicated to transforming procurement. By leveraging AI, automation, and exponential thinking, we present a roadmap for procurement to outpace digital transformation across industries.

Special thanks to Remko van Hoek for leading the research and co-authoring the report, and to Kathy Makranyi for her co-authorship and valuable insights. Their expertise has been vital in shaping the findings and recommendations shared here.

The findings are practical and actionable, offering tools to help navigate ongoing disruptions. As procurement faces challenges like supply chain complexities and economic shifts, the 10X agenda provides a framework for delivering measurable impact.

**Matthias Gutzmann**  
Founder, DPW

*Matthias Gutzmann*



# WHY 10X PROCUREMENT MATTERS NOW

## A unique community effort –supporting procurement transformation in 6 ways

The term "10X" was initially coined by Salim Ismail, author of *The Exponential Organization*. Its central premise is that exponential organizations use strategies and technologies to grow 10 times faster than their competitors. While companies and leaders have focused on exponential change—especially in areas like product development and customer engagement—procurement has frequently been overlooked in these transformative discussions. Although many have considered "10X" an aspirational goal, few have explored its specific implications for procurement—until now.

The DPW 10X Procurement study addresses this critical gap. It provides clarity and structure to the concept, outlining what "10X" could mean in a procurement context and how it can be achieved through actionable strategies. Procurement cannot afford to remain in the background in an era of rapid digital transformation, where AI and automation are reshaping industries. Procurement teams face increasing pressure to deliver strategic value beyond mere cost-cutting, positioning themselves as enablers of innovation and resilience.

By emphasizing AI, automation, and exponential thinking, this study offers a roadmap for procurement professionals looking to elevate their function and transform it into a competitive advantage for their organizations. As companies confront unprecedented challenges—from supply chain disruptions to global economic shifts—a 10X approach to procurement is not just beneficial; it may be essential for survival and growth.

Specifically, this report aims to make six helpful and unique contributions, helpful to procurement executives and solution providers aiming to transform procurement and reach 10X impact;

- 1.** Support transformative procurement programs with an improved understanding of what 10x means for procurement.
- 2.** Benchmark the state of play of procurement digitalization by process and across the procurement technology stack.
- 3.** Enrich existing procurement transformation studies by studying procurement organizations and featuring the voices of the procurement technology providers that enable procurement transformation and digitization.
- 4.** Input to business planning by surveying digitalization plans and experienced and targeted business and procurement benefits
- 5.** Articulate a roadmap and agenda for change based on a study of digitalization enablers and barriers.
- 6.** Capture and share lessons learned from leaders based on interviews and DPW case studies.

# THIS REPORT CAPTURES FINDINGS FROM A UNIQUE DPW COMMUNITY EFFORT;



Over 200 community members responded to our survey in September 2024. Almost 40% of respondents were solution providers. These contributors offered meaningful guidance on transformation and digitalization needs based on their experience with multiple clients. This provides meaningful counsel and calibration to transformation programs.

Further learnings about achieving digitalization and 10X procurement were captured during the October 2024 DPW conference in Amsterdam, featuring ... case studies. Additionally, our research team interviewed and engaged with dozens of participants to get input on initial findings based on their experience.



Two survey walls solicited community input from over 1,000 attendees on critical findings during the DPW Amsterdam 2024 event.

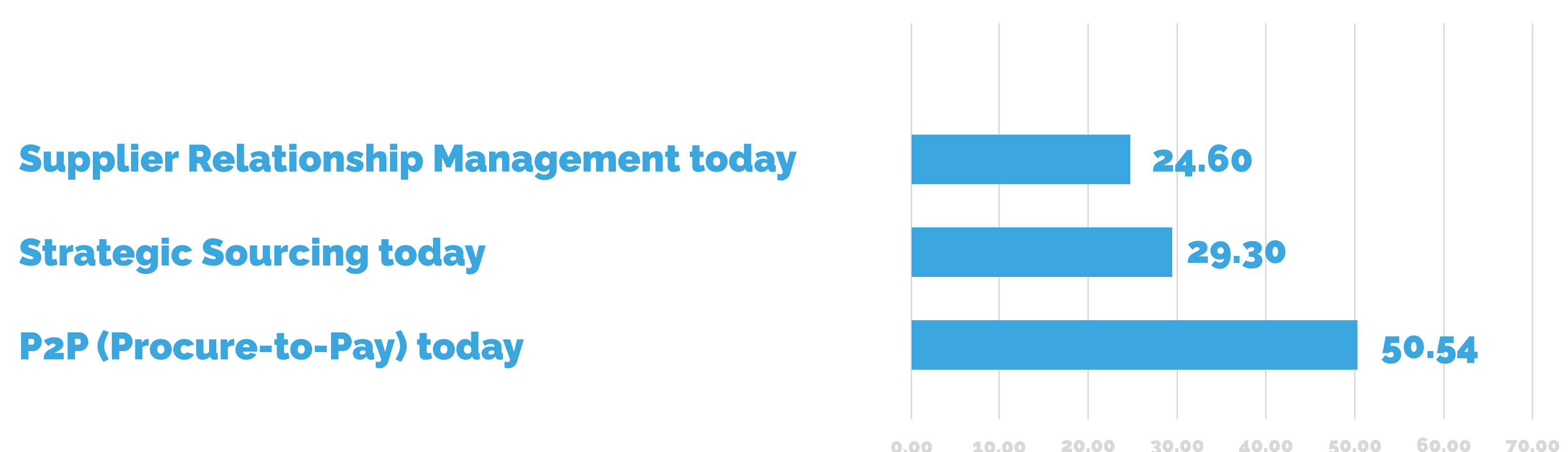


# BENCHMARK: PROCUREMENT DIGITALIZATION IS ACCELERATING

Our study reveals that procurement automation levels are highest in the procure-to-pay process and lowest in the SRM process. This reflects digitalization roots to automate procure-to-pay so that buyers can focus more on strategic sourcing and critical relationships after that. Digitalization levels leave much room for further automation in all three processes.

## WHERE ARE WE TODAY?

**DIGITIZATION LEVELS BY PROCESS TODAY:  
INSIGHTS FROM ALL RESPONDENTS**



When asked about plans for the next 12 to 18 months, participants report ambitious and bold plans for a significant and critical increase in digitalization across essential procurement processes:

**Procure-to-Pay (P2P):** Growth is expected to rise from 50.53% today to 61.66% in the next 12 to 18 months, reflecting a continued drive for efficiency and streamlined transactions.

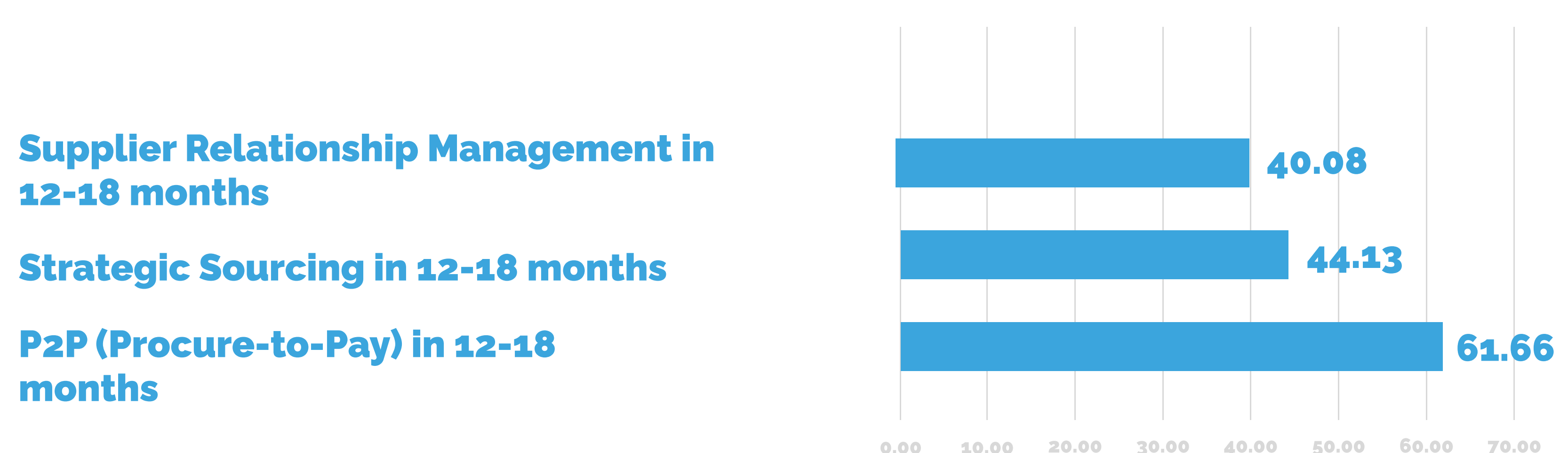
**Strategic Sourcing:** This is projected to increase from 29.29% to 44.13%, highlighting a shift towards more strategic, data-driven decision-making that maximizes value and minimizes risk.

**Supplier Relationship Management (SRM):** An increase from 24.60% to 40.08% illustrates the need for more robust, transparent supplier relationships as markets become increasingly complex and globalized.

With a planned increase in digitalization of 22% in procure to pay, 50% in strategic sourcing, and 63% in SRM, respondents' plans for the next 12-18 months reflect a clear and rapid shift towards strategic and relationship-centric technology investments, aiming to future-proof and enhance procurement capability and business impact. This finding can serve as valuable business planning input for procurement leaders.

**DIGITIZATION LEVELS BY PROCESS IN 12-18 MONTHS:  
INSIGHTS FROM ALL RESPONDENTS**

## WHERE ARE WE HEADED?



# BENCHMARK: DIGITALIZATION ACROSS THE PROCUREMENT STACK

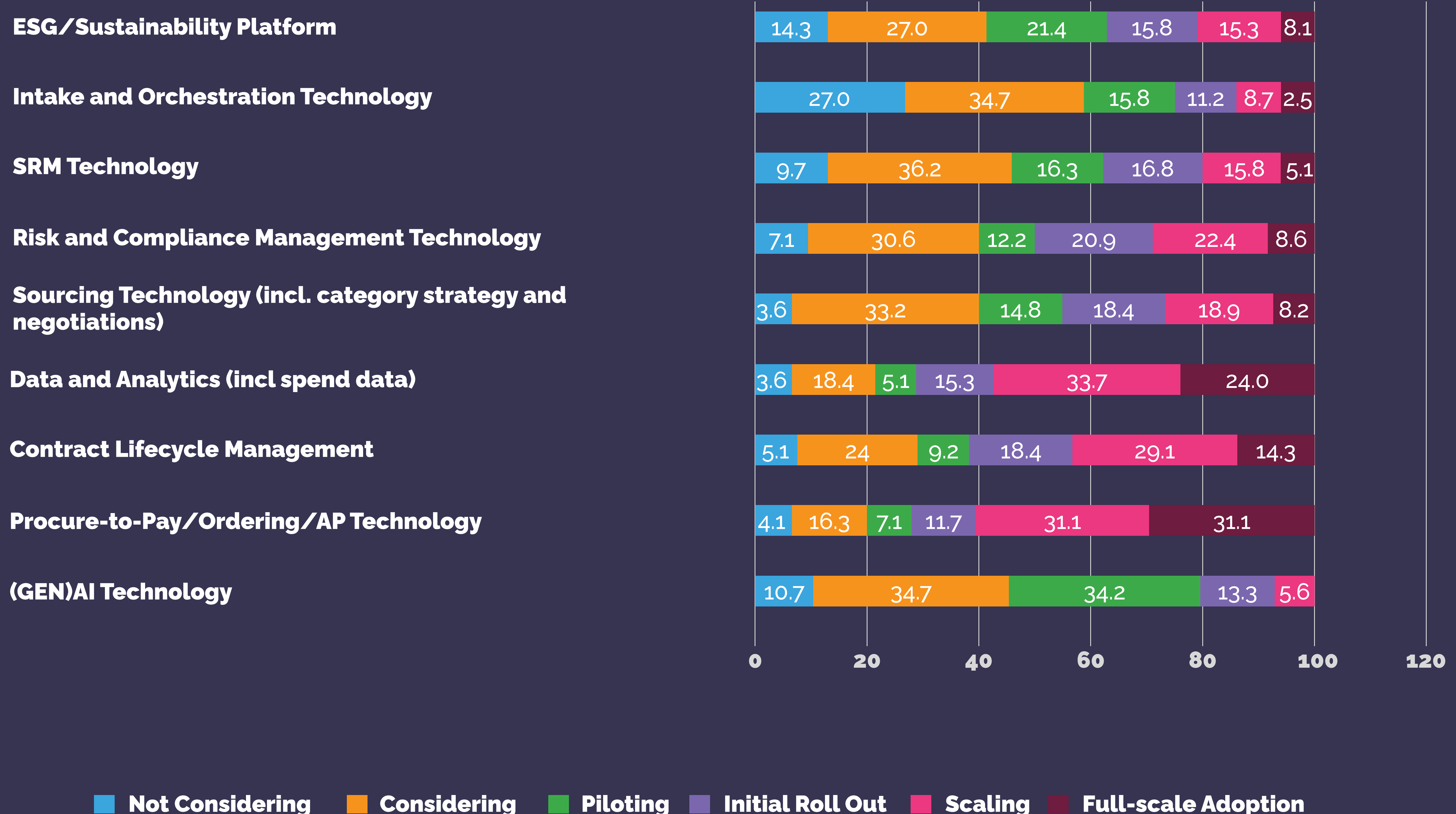
In addition to digitalization levels by procurement process, our study also considered digitalization across the procurement stack, including technologies in areas such as spend analytics, contract lifecycle management, ESG, risk management, and the use of AI in procurement.

When looking at adoption levels across the procurement technology stack, we find relatively few respondents not considering the technology studied, and we see the vast majority of respondents considering, piloting, rolling out, or scaling technologies across the stack.

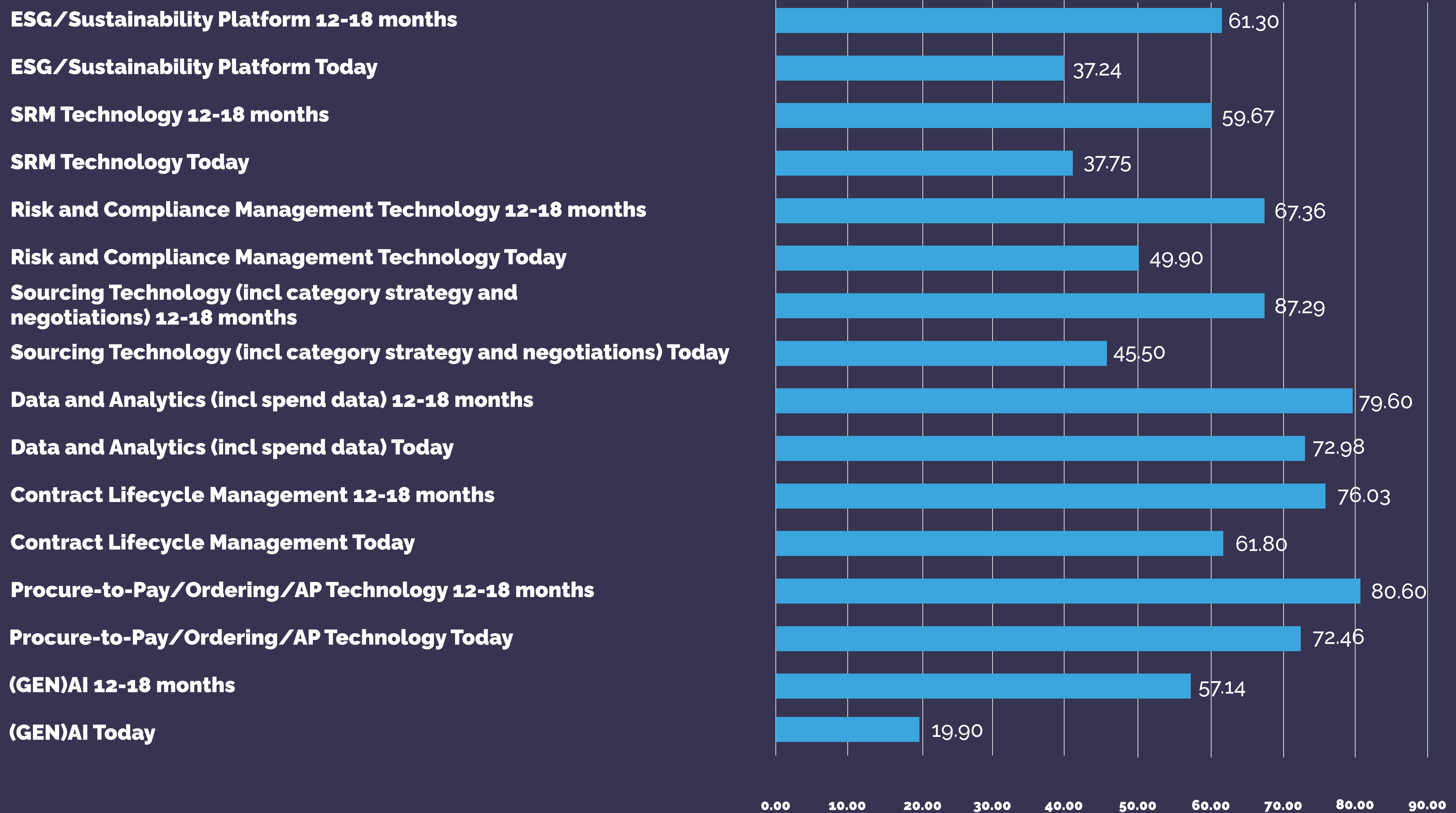
We also find low levels of full-scale adoption across the stack. Procure to pay, data, and analytics, including spend data and contract life cycle management, come in at 29%, 24%, and 14% fully scaled and adopted. In all the other areas of the technology stack, full-scale adoption comes in well below 10%, with Gen. AI the lowest at only 1%.

This marks an adoption gap for technologies invested in, leaving plenty of room for procurement executives to grow benefits captured from technology investment. While full-scale adoption of AI in procurement is at the lowest levels across the entire stack, AI is given the highest levels of consideration and piloting efforts across the whole procurement technology stack.

## TECHNOLOGY ADOPTION LEVELS, TODAY, ALL RESPONDENTS



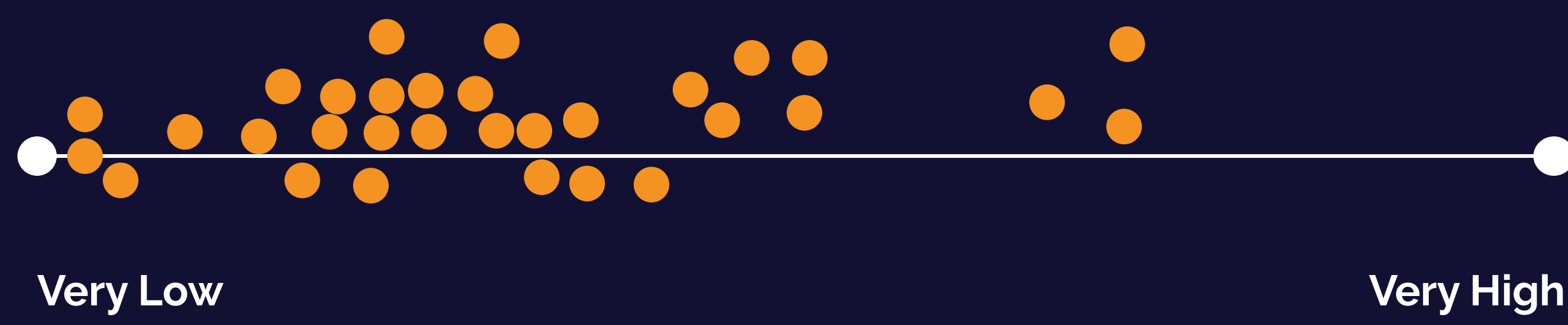
## SHARE OF RESPONDENTS ROLLING OUT, SCALING AND FULLY ADOPTED BY TECHNOLOGY, TODAY VS 12-18 MONTHS



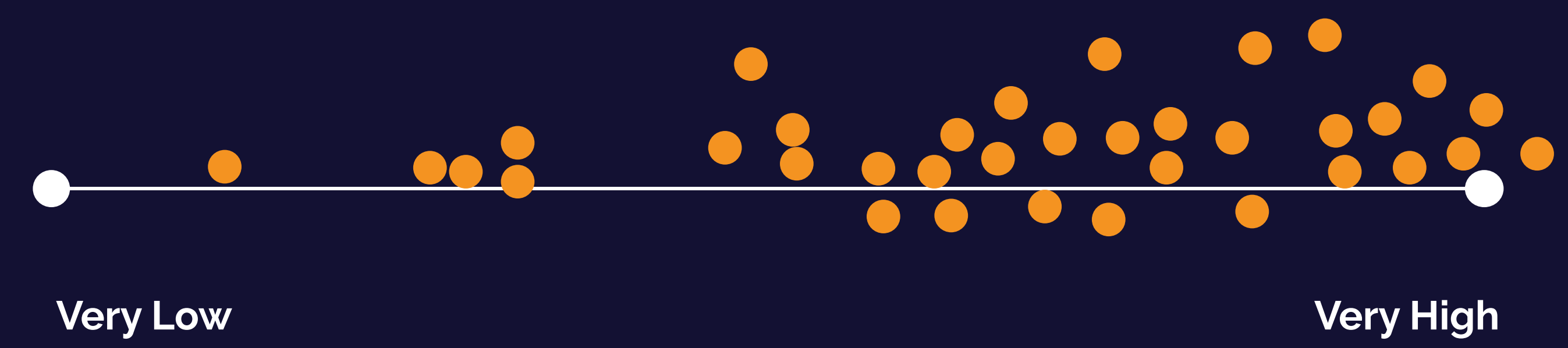
When studying procurement digitization plans across the stack, an even more ambitious agenda emerges for the next 12 to 18 months. Where the rollout and scaling of technology and operational domains such as procure-to-pay data and analytics and contract lifecycle management are set to grow at modest levels, Rollout, scaling, and full-scale adoption in strategic and future-proof areas of the stack such as sustainability, SRM, risk and sourcing its ambitious and almost doubling in select areas. However, the planned progress with AI adoption is unrivaled. Respondents report a nearly 300% increase in adoption scaling and rollout of AI in procurement.



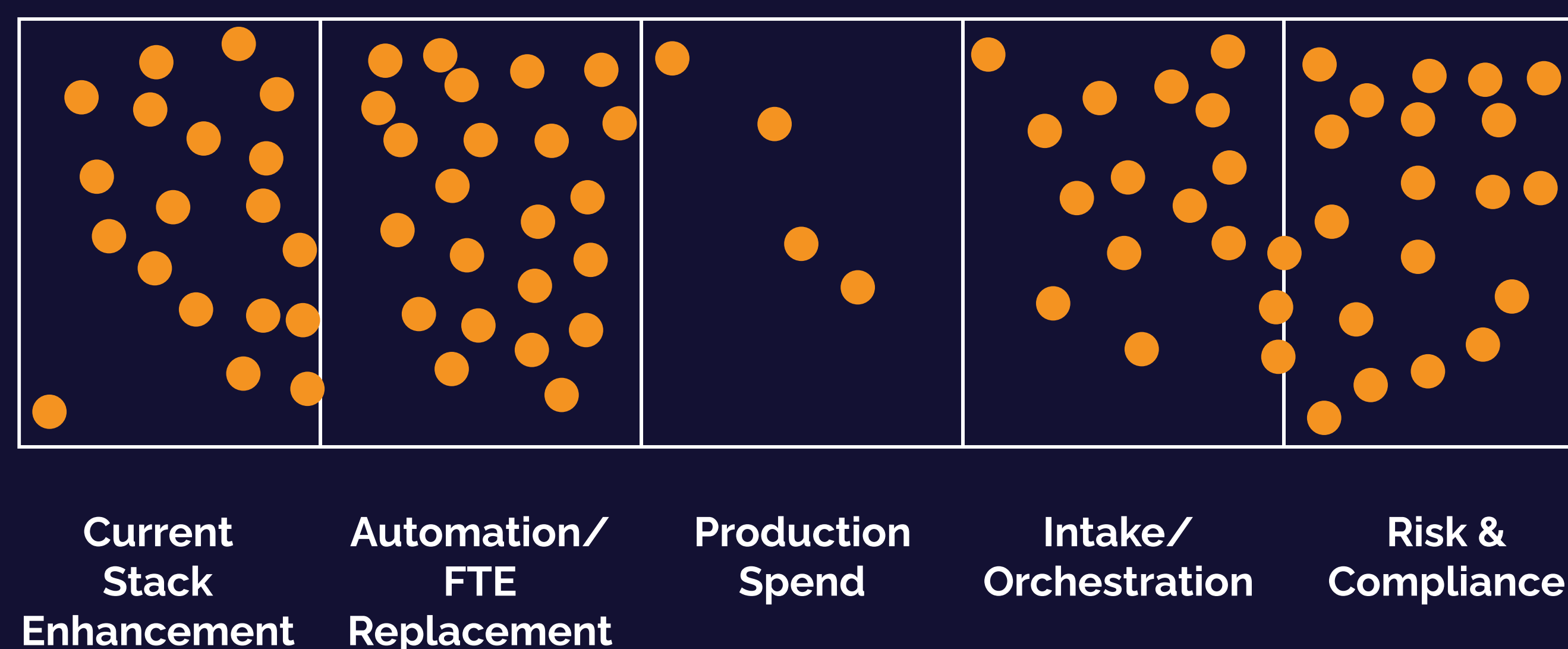
**How likely is it that Global 2000 companies be "turning off" legacy procurement tech in next three years?**



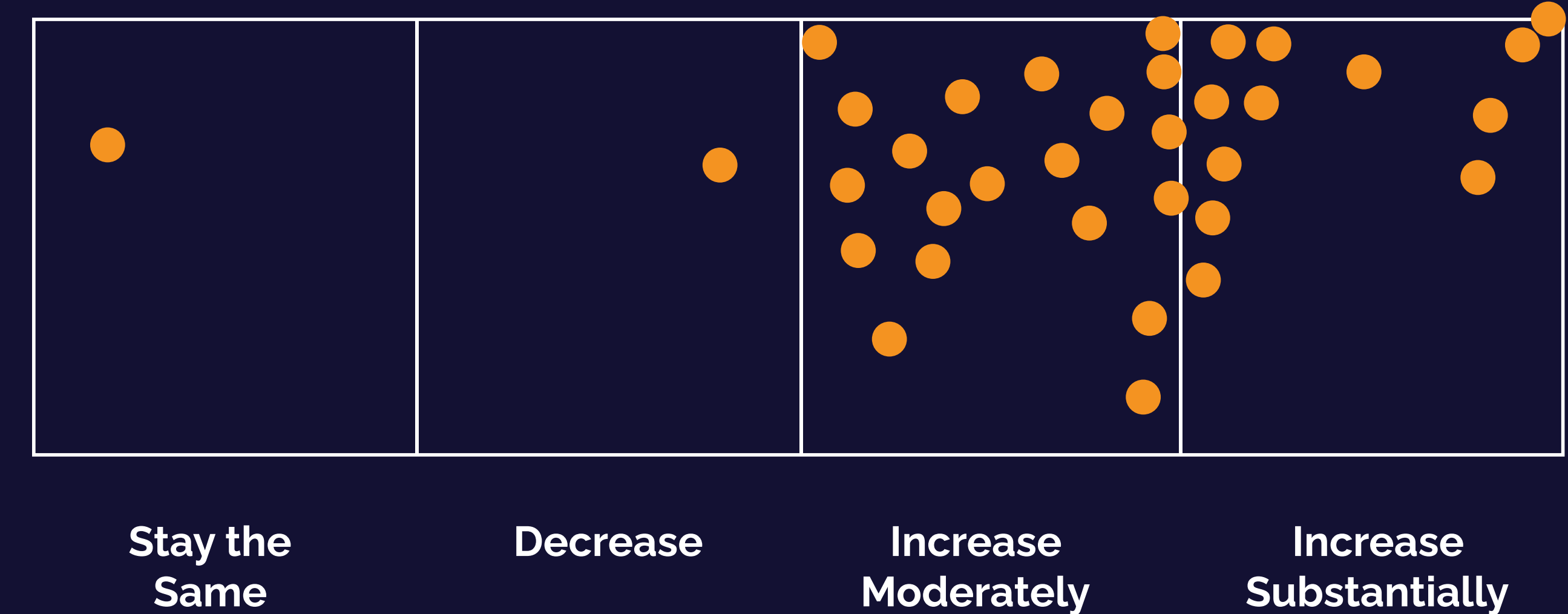
**What is your comfort level in buying from startups compared to "big tech"?**



**Where will most of your new technology investments be targeted over the next five years?**



**Compared to labor costs, how do you expect procurement technology budgets to change over the next 12 months?**



### Enriching these findings is data from the first survey wall hosted during DPW in Amsterdam:

- 1.** Community members confirm a focus on technology investment and enhancing the current stack to automate operating processes further and free up bandwidth while increasing focus on future-proofing areas such as risk and compliance.
- 2.** Not surprising, given the joint focus on the current and future-proofing stacks, is the indication that it is unlikely to very unlikely that companies will turn off legacy procurement tech in the next three years.
- 3.** Complemented by the fact that community members are highly comfortable buying from startups to complement the existing technology stack.
- 4.** Finally, community members indicate a moderate to substantial increase in technology budgets, compared to labor costs, over the next 12 months. This significant growth is a positive sign for our ambitious digitalization plans.

However, lessons from leaders, which we will discuss in the coming sections, reveal critical roles for procurement professionals in bringing technology and investment to fruition.

Altogether, the benchmark of digitalization levels and plans by process and across the technology stack for the next 12 to 18 months indicate that procurement will evolve significantly. This exciting transformation may well bring 10X procurement impact within reach for many of us.



# EXPANDING PROCUREMENT'S IMPACT: THE 4S APPROACH

To achieve tenfold growth, procurement must broaden its role and influence across four critical dimensions: size, scope, spectrum, and scale of procurement impact.

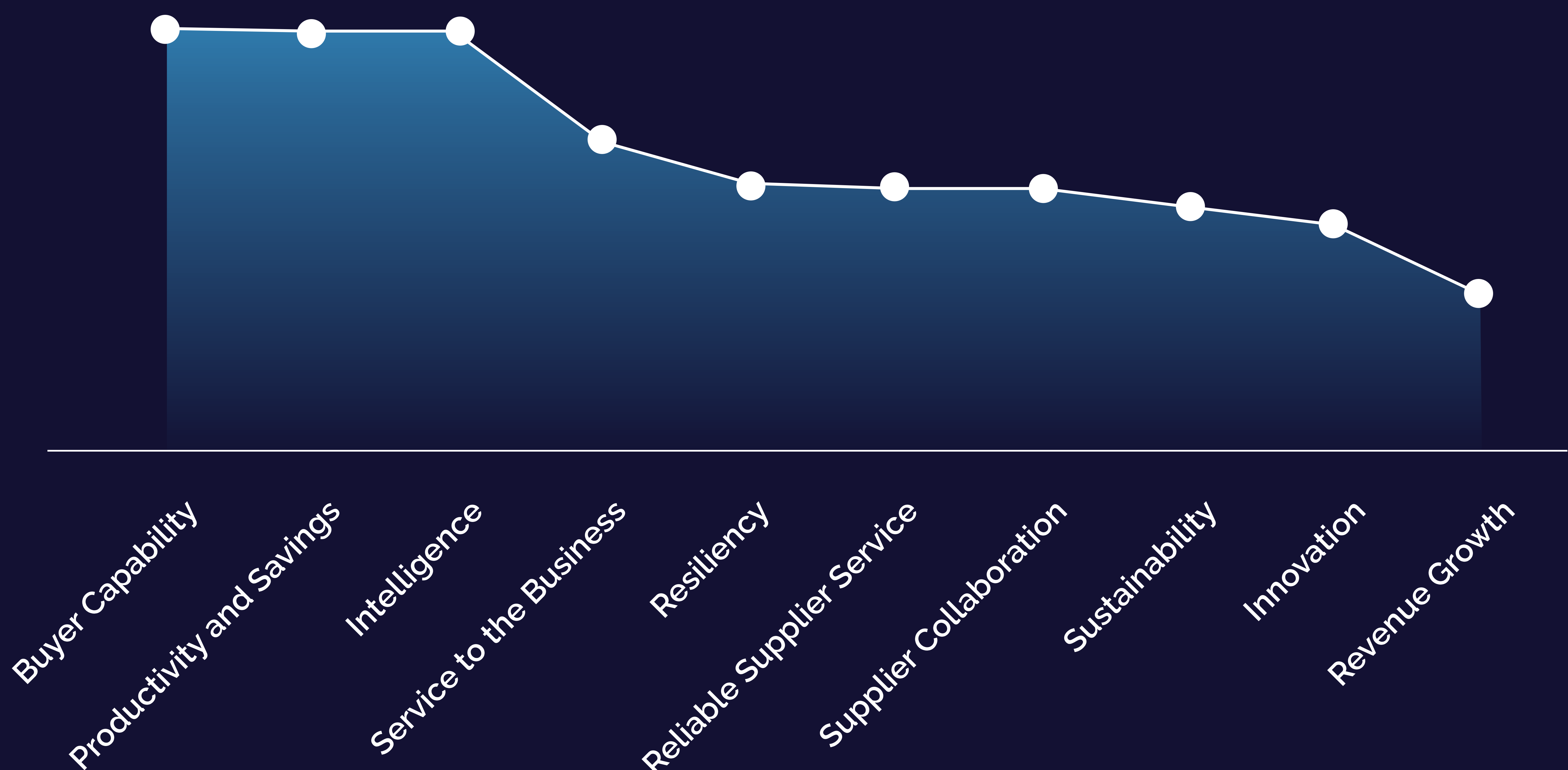
## SIZE

Digitalization can grow to the size of procurement business impact. Experience from companies such as Walmart, Maersk, Walker Shortbread, and Google shows that automating negotiations through E auctions or AI chatbot technology can enable more negotiations with more parties faster and with premium negotiation results. <sup>1</sup>

## SCOPE

The strategic shift towards futureproofing our technology stack into strategic sourcing and supplier relationship management is a reassuring sign of the adaptability of the procurement process. This shift shows a statistically significant correlation with premium benefits beyond the traditional scope, including resiliency, sustainability, innovation, and revenue growth.

## BENEFITS OF DIGITIZATION EXPERIENCED



[1] <https://sloanreview.mit.edu/article/procurement-in-the-age-of-automation/>

## The pay-off for future-proofing our tech stack is demonstrable and different

Significant correlations between ROI factors and digitization level by process

P2P today	P2P 12-18 months	SS today	SS 12-18 months	SRM today	SRM 12-18 months
		Resiliency	Resiliency	Reliable supplier service	Reliable supplier service
		Revenue growth	Supplier collaboration	Revenue growth	Supplier collaboration
			Revenue growth	Sustainability	Revenue growth
			Sustainability	Innovation	Sustainability
			Reliable supplier service		Innovation

### SPECTRUM

Expanding technology adoption and bridging gaps between investments and utilization allow procurement to capture a broader range of benefits. Traditionally focused on spend under management, control, compliance, and scoped categories, procurement can now expand its impact across the enterprise and supply chain. Procurement can unlock untapped opportunities and reach previously excluded suppliers and spend areas by fully adopting existing tools, like e-auctions, and integrating new technologies, such as AI chatbot negotiations.<sup>2</sup>

### SCALE

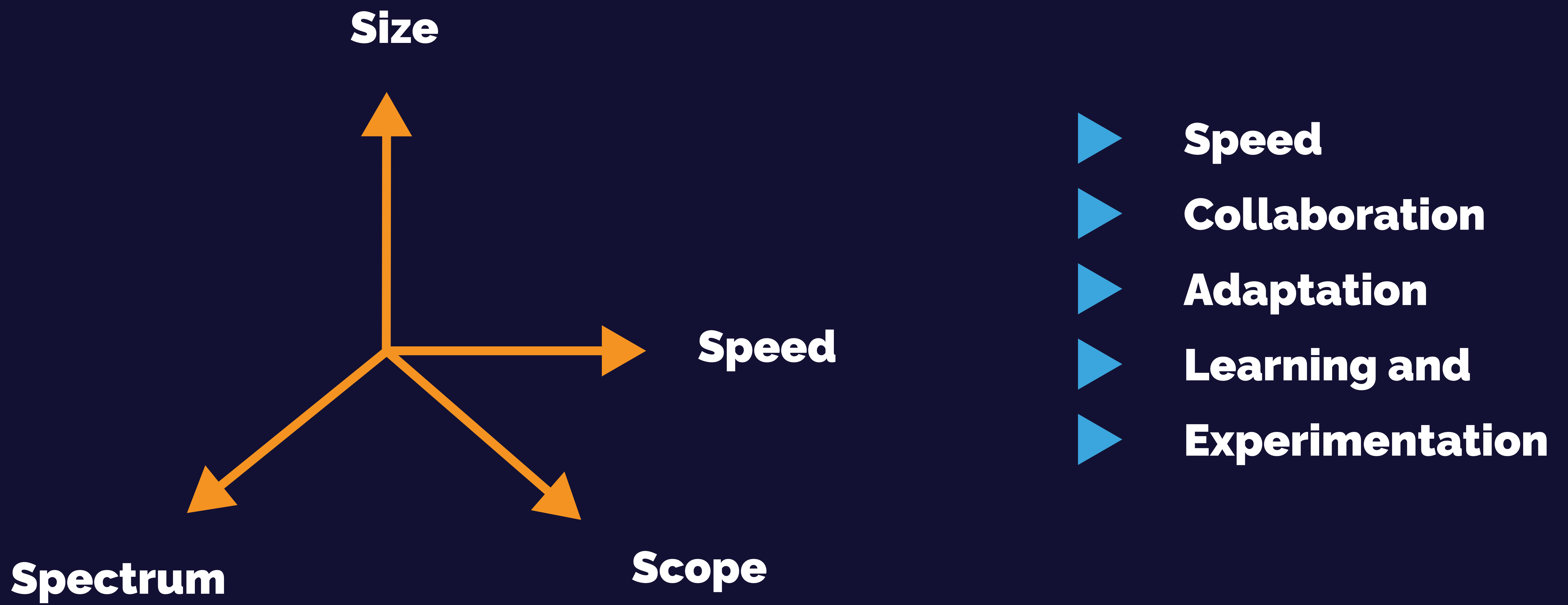
In a volatile global environment, procurement must shift from its legacy focus on process stability to prioritize agility and adaptability. Leveraging digital tools for faster decision-making and execution, procurement can transition from reactive to proactive, seizing opportunities and mitigating risks in real-time. Collaboration with suppliers and technology providers, coupled with experimentation and rapid learning, is key. For instance, Siemens demonstrates how AI can identify alternative suppliers during disruptions, securing resources before competitors.<sup>3</sup>

[2] <https://sloanreview.mit.edu/article/procurement-in-the-age-of-automation/>  
<https://hbr.org/2022/11/how-walmart-automated-supplier-negotiations>

[3] <https://hbr.org/2023/11/how-global-companies-use-ai-to-prevent-supply-chain-disruptions>

# WHAT IS 10X PROCUREMENT?

## 4S FRAMEWORK



## THE 10X PROCUREMENT IMPACT MADE POSSIBLE

$$10X = 4S + 5L + 5C$$

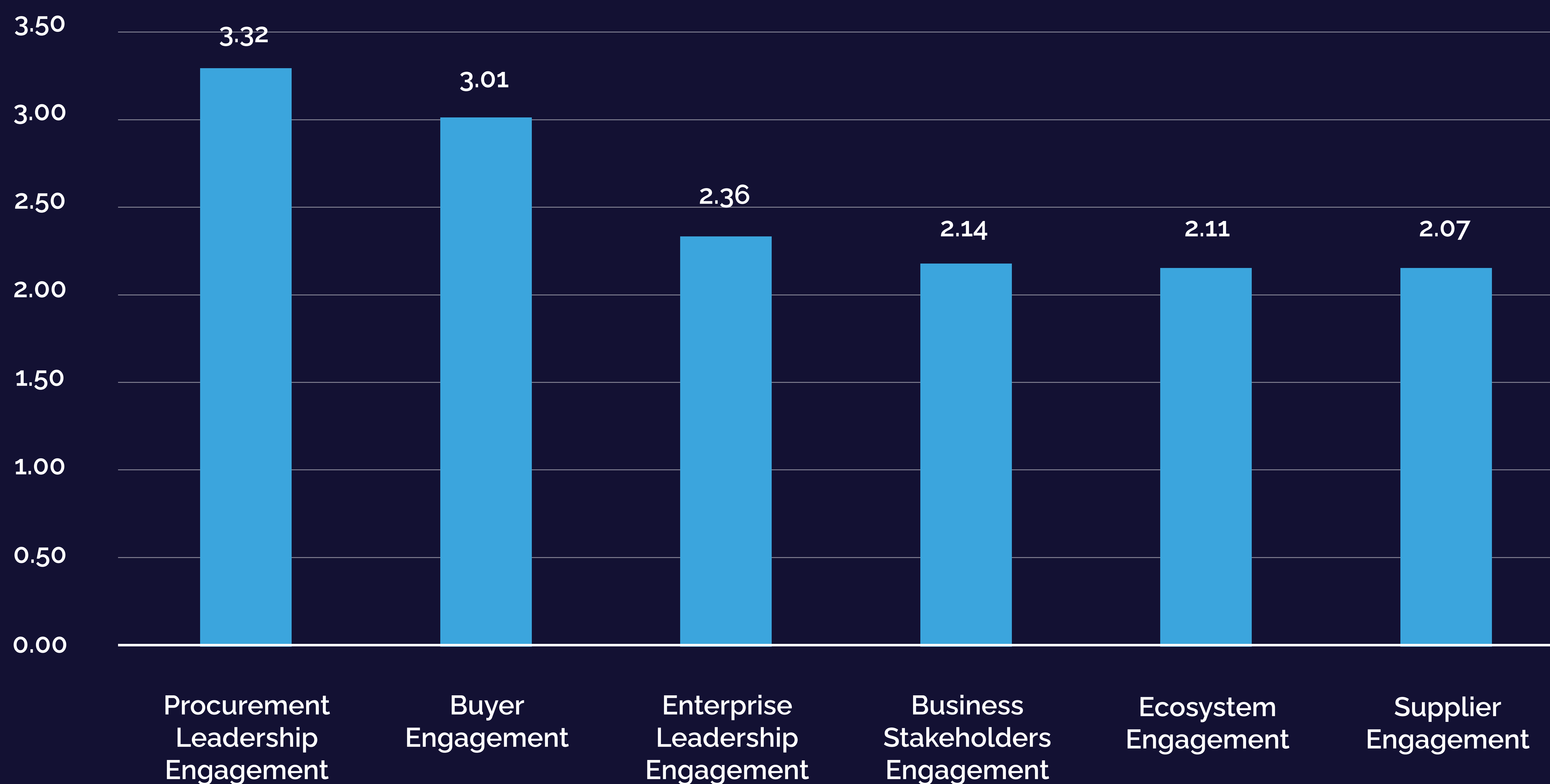
The roadmap to 10X procurement impact follows the four S framework covered in the prior section, five lessons from leaders, and five Cs for implications.

# 5 LESSONS FROM LEADERS

## Knowing where to go but not how to get there?

- 1.** Leadership urgency to make the leap forward. Transformation cannot be delayed. The rapidly changing business landscape requires leaders to act with urgency to guide procurement toward innovation and agility, surpassing competitors who may still be reactive. Procurement leaders have ambitious digitalization plans in place for the next year and a half and, in the meantime, face the opportunity to roll out further and benefit from existing technology investments. Driving wider organization organizational and supply chain engagement it's a critical part of the leadership agenda. Findings indicate that engagement in transformation is at higher levels with procurement leadership and buyers but at lower levels with stakeholders in the business and even lower levels with suppliers critical for effective technology adoption. The leadership's role in engaging stakeholders is crucial, as it empowers them to contribute to the transformation process and ensures their buy-in.

## ENGAGEMENT IN PROCUREMENT DIGITALIZATION

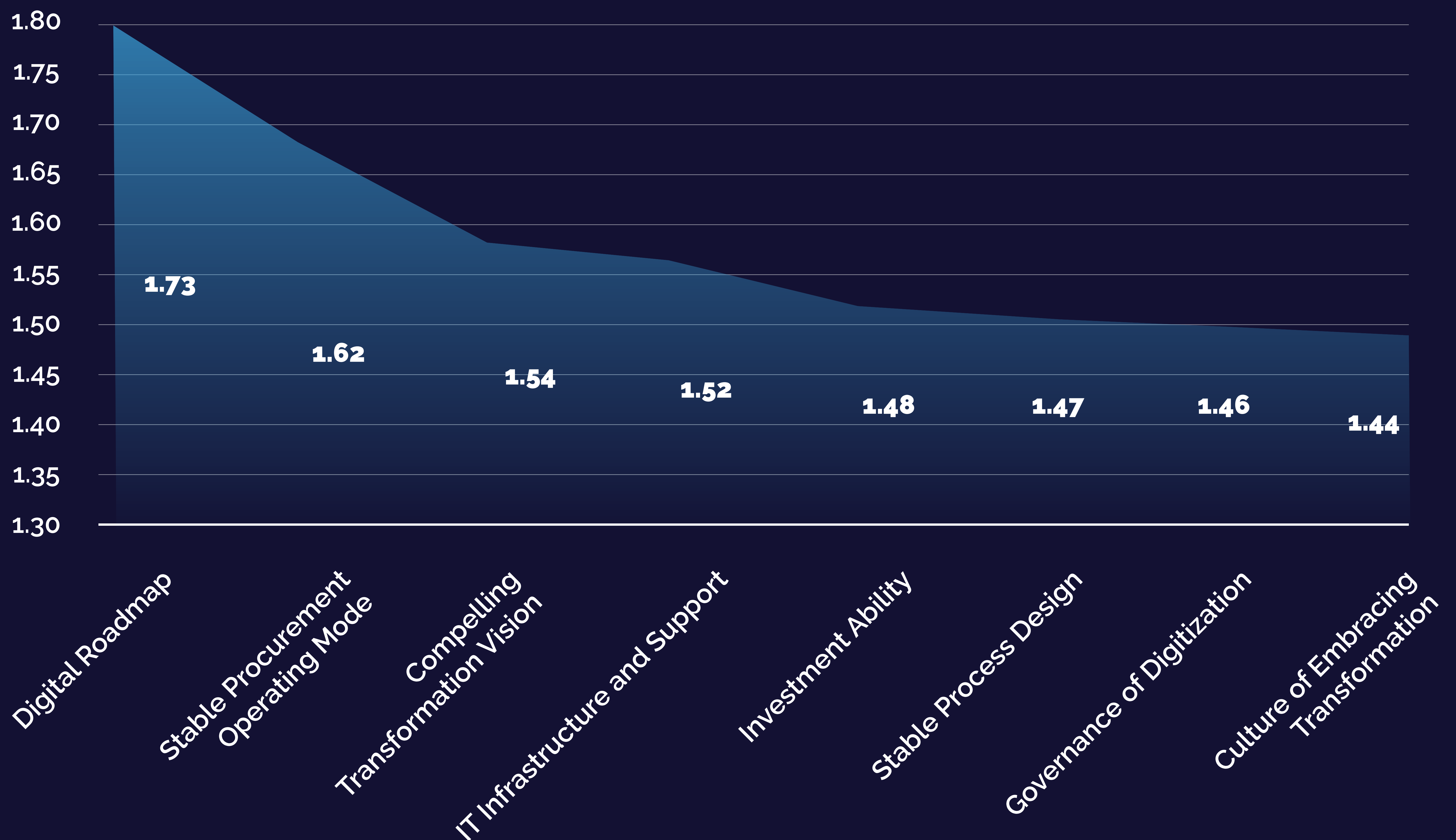


- 2.** Futureproofing our technology stack and moving beyond our legacy focus on operations and data is critical to unlocking procurement impact and transformative success. Fortunately, the landscape of technology options and solution providers continues to explode around us, providing procurement leaders with more options to learn to experiment and adapt in collaboration with technology pioneers.
- 3.** I AI—Despite possible risks such as security, data hallucination, and replacing strategic thinking with AI, leaders are not short of opportunities to pilot experiments and co-develop with providers AI solutions that can be used throughout the entire procurement stack and all core procurement processes. New research is creating decision-making frameworks to support procurement leaders.

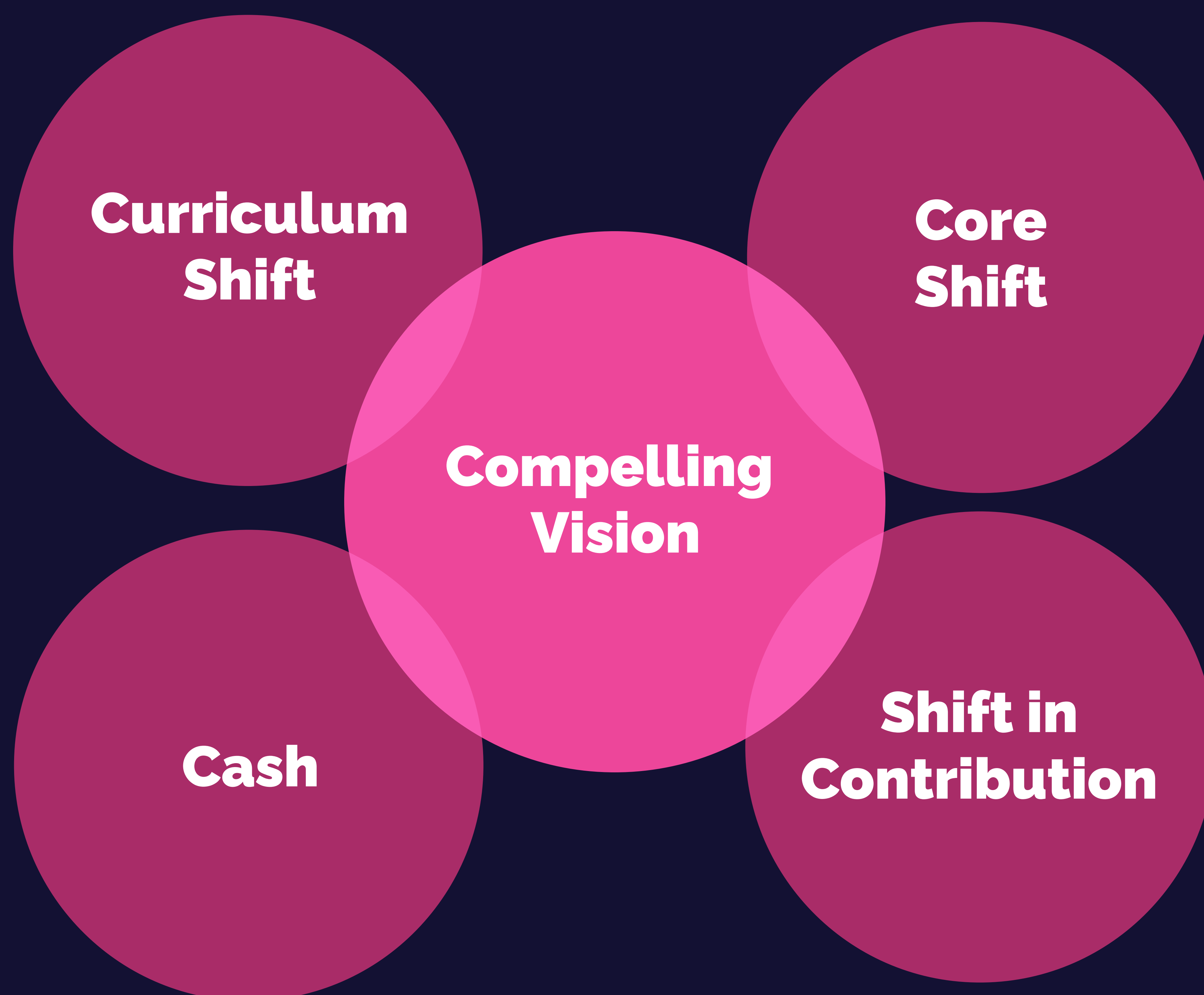
4. The broadening scope of procurement impact enabled by future-proof digitalization calls for a different business case for transformation than those made in the past. As discussed, productivity and savings remain relevant, but 10X procurement impact involves revenue growth, sustainability, innovation, and resiliency.
5. As the focus shifts towards future-proofing digitalization, the playbook for adoption extends into areas where procurement's current capability may be lower than required for full success. Study findings indicate a greater comfort with stable procurement operating models relevant for a legacy investment in procure-to-pay digitalization but much lower confidence in the ability to embrace a culture of transformation. While study participants indicate clarity of their digital roadmap, it's crucial to emphasize the importance of a clear digital roadmap to guide leaders in their transformation journey.

The study identifies 5 specific implications for our playbook.

## BENEFITS OF DIGITIZATION EXPERIENCED



# THE 5C PILLARS FOR DRIVING 10X IMPACT



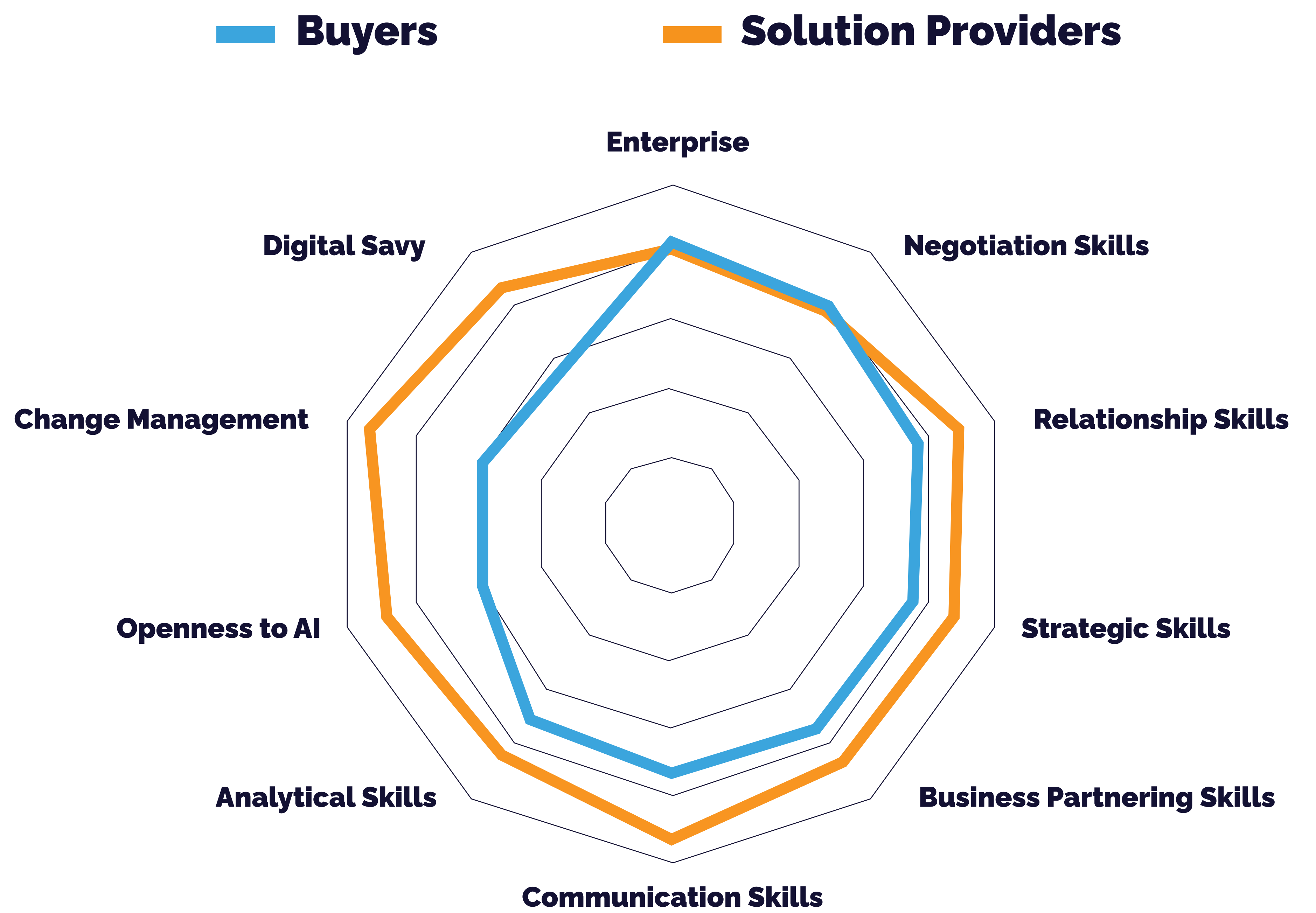
## FIVE CRITICAL IMPLICATIONS FOR THE NEW PROCUREMENT TRANSFORMATION PLAYBOOK ARE:

- 1.** Curriculum shift - When asked for advice, contributing solution providers point to a different skill set for procurement professionals able to lead the digital transformation. Then, the skill set that participating procurement leaders see on their current team. Call buyers are skilled beyond requirements when it comes to procurement functional expertise and negotiations; solution providers point at the opportunity to improve buyer digital savvy, openness to AI, and change management skills to enable the transformation. Further to these findings, the second survey wall indicates that participants see a greater need for critical skills in AI risk and ESG over its traditional mainstay in finance fluency.
- 2.** The shift of core focus - While focusing on stable operating models, stable operating procedures, and harmonizing processes has served us well in digitizing procure-to-pay and data, our research indicates that these change drivers correlate far less with the ability to future-proof procurement digitalization. Implying a need to shift our core focus in transformation planning.
- 3.** Contribution focus - In future proofing, procurement organizations can shift their contribution to the business and the supply chain into resilience, innovation, collaboration, and revenue growth. Findings from the second survey wall indicate a need for more consensus about how AI can replace human judgment in high-state procurement decisions in the near future. Whereas some leaders indicate a degree of comfort, the majority are more neutral or show some degree of discomfort in doing so. Whereas participants are clear that they do not anticipate procurement disappearing as a standalone function, at least for the next decade, the nature of its contributions will likely continue to be experimented with and transformed as we further future-proof our digital procurement stack.

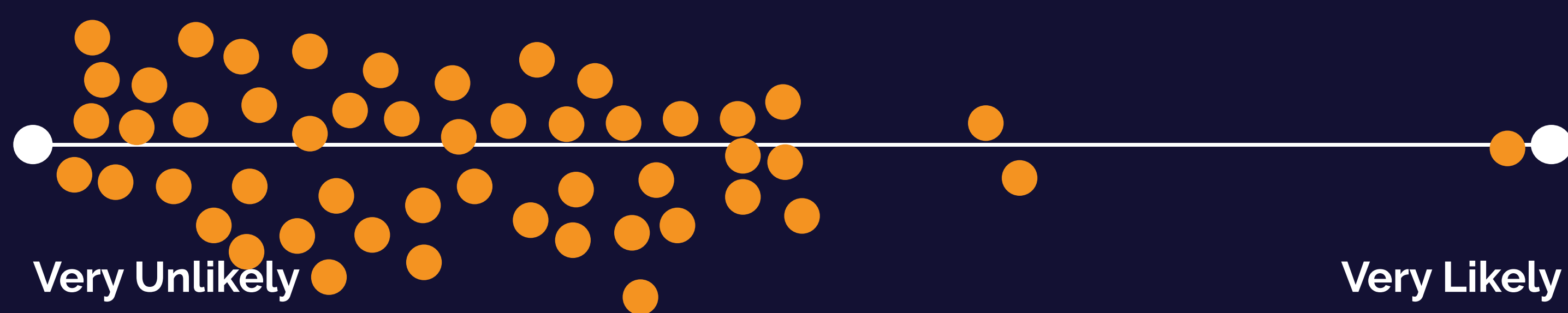
**4.** Cash - The good news is that the ability to invest as a change driver correlates to a much lower degree with procurement digitalization than may have been expected. It does not have to be expensive to start experimenting, developing use cases, or even piloting new technologies with the help of innovative solution providers.

**5.** Compelling vision - One of the most powerful change drivers in our findings is the presence of a compelling vision for procurement transformation. This was clearly demonstrated in Amsterdam in October, where ongoing engagement in the DPW community has proven to be a critical success factor for procurement leaders.

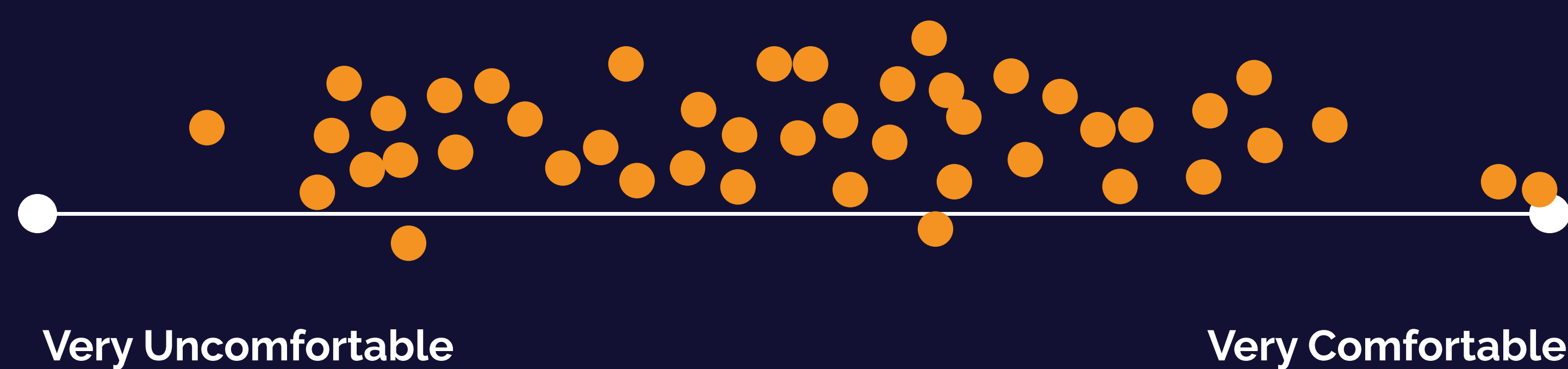
## SKILL GAPS



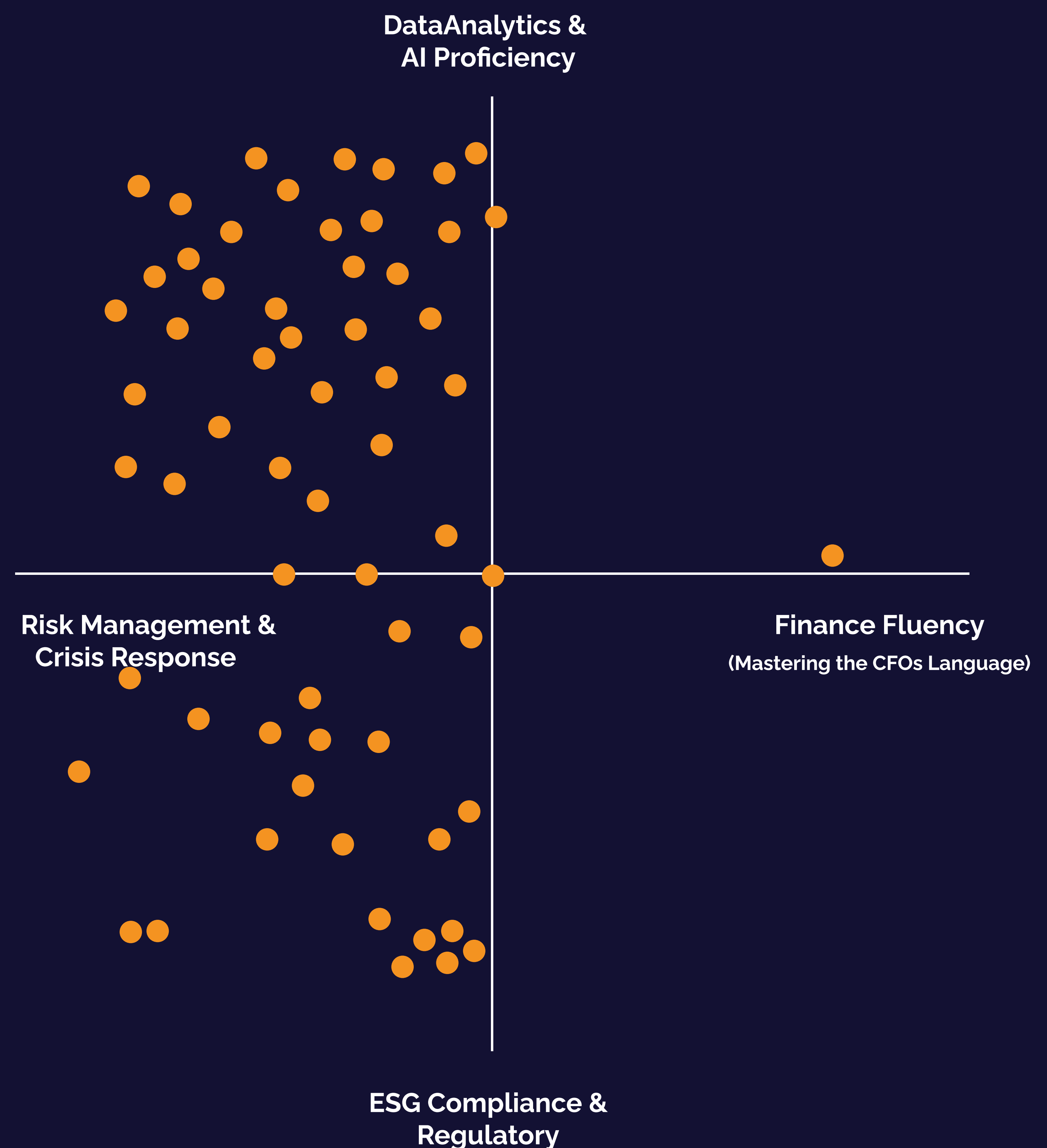
**How likely is it that procurement will disappear as a standalone function within the 10 years, replaced by automation or integrated into other functions?**



**How comfortable are you with the idea of AI replacing human judgment in high-stakes procurement decisions?**



**Which capabilities will be most critical for procurement professionals to excel by 2030?**



# EXPONENTIAL THINKING FOR TRANSFORMATIVE GROWTH

Salim Ismail, author of Exponential Organizations, highlights how attributes like community leverage, data utilization, and algorithmic decision-making drive rapid, scalable growth. Applying these principles, procurement can evolve from a cost center to a strategic driver of value.

## COMMUNITY & DATA

Leveraging supplier networks and analytics enables optimized sourcing, collaborative ecosystems, and greater supply chain transparency.

## ALGORITHMIC DECISION-MAKING

AI and algorithms empower smarter forecasting, risk management, and supplier assessment.

## RAPID ADAPTATION

Digital tools allow procurement to scale and respond swiftly to market changes.

By adopting exponential principles, procurement becomes a resilient, growth-focused function. Ismail's framework aligns with the 10X approach, showing how technology and innovation can tackle challenges like sustainability while delivering long-term value.



**Exponential Companies Use Strategies And Technology To Grow 10 Times Faster Than Their Industry Peers.**

**Salem Ismail**

Founder Of Singularity University &  
Author Of Exponential Organizations



# CASE STUDY: JOHNSON & JOHNSON'S PROCUREMENT TRANSFORMATION

Johnson & Johnson's procurement function has undergone a significant transformation under the leadership of Chief Procurement Officer Shashi Mandapaty. This transformation aligns closely with the company's mission to change the trajectory of health for humanity. Mandapaty emphasizes that "suppliers are critical to our mission," highlighting the importance of collaborative relationships in delivering value and innovation.



## KEY INITIATIVES

### PRODUCT INNOVATION

The procurement team has played a vital role in sourcing essential molecules and components for developing breakthrough healthcare solutions, especially in oncology and chronic disease management.

### PROCESS INNOVATION

By streamlining procurement processes and adopting agile methodologies, the team has reduced the time to market for new treatments, ensuring the timely delivery of life-saving products.

### COST INNOVATION

The implementation of strategic cost-saving measures has significantly improved the global accessibility of essential medicines, a testament to Johnson & Johnson's unwavering commitment to affordability and patient care.

### BUSINESS MODEL INNOVATION

Collaborating with suppliers on innovative business models has accelerated the development of critical healthcare solutions, enhancing their supply chain resilience and sustainability.

Mandapaty's approach reflects a deep commitment to responsible sourcing and corporate citizenship, as he mentions, "partnering with companies committed to doing good in the community aligns with Our Credo."

This strategy enhances Johnson & Johnson's operational efficiency and positively impacts society. It embodies the principles of 10X procurement by driving exponential results through innovation and collaboration.

# WHAT'S NEXT FOR PROCUREMENT?

Procurement stands at a transformative crossroads. This report highlights the function's shift from a cost-saving role to a driver of strategic value, resilience, and innovation. Achieving this potential requires decisive action across key areas:

## THE KEY TAKEAWAYS OUTLINE THE ROADMAP FOR THE FUTURE OF PROCUREMENT:

### EMBRACING AI AND DIGITAL TOOLS

AI and digital technologies are reshaping procurement, enabling predictive analytics, supplier risk management, and greater efficiency. Leaders must prioritize digital adoption to stay competitive in a rapidly evolving landscape.

### CLOSING SKILLS GAPS

A 30-35% gap in skills like AI readiness and change management underscores the need to invest in data literacy, digital fluency, and collaboration. Empowered teams can fully leverage technology and implement change effectively.

### EXPANDING STRATEGIC VISION

Procurement leaders must move beyond cost-focused KPIs to embrace sustainability, innovation, and resilience, aligning organizational goals with societal impact. Visionary leadership is key to this transformation.

### THE URGENCY TO ACTING WITH URGENCY

Incremental change is no longer enough. Procurement must adopt a proactive, transformative mindset to drive sustainable growth and secure a competitive edge. Acting decisively now will define future success.

This report offers not just a roadmap but a manifesto for procurement's future. Organizations that prioritize digital transformation and invest in talent will lead a new era of impactful, strategic procurement.

### CONTINUING THE JOURNEY

As procurement evolves, so does our research. We remain committed to engaging with the DPW community, fostering learning, refining strategies, and driving meaningful progress.

# METHODOLOGY: HOW WE GATHERED THE DATA

The DPW 10X Procurement Survey was conducted from August to October 2024 in collaboration with Professor Remko van Hoek from the University of Arkansas. This survey was designed to capture a detailed and nuanced picture of the procurement transformation journey, focusing on digitization, AI adoption, and the organizational readiness for exponential (10X) growth. Our objective was to identify the current state of procurement and the key capabilities and gaps that will shape its future.



## SURVEY SCOPE AND PARTICIPANT PROFILE

This study engaged over 200 procurement leaders from diverse industries, roles, and regions, ensuring a comprehensive and global perspective. Participants included Chief Procurement Officers, digital transformation leaders, and technology solution providers, all offering unique insights from their positions in the procurement ecosystem. By including such a wide-ranging group, we aimed to create a robust dataset reflecting the varied challenges, priorities, and strategies in the procurement landscape.

## KEY AREAS OF INVESTIGATION

**Our survey focused on three critical areas shaping modern procurement:**

### DIGITAL MATURITY IN PROCUREMENT

We assessed the level of digitalization across core procurement processes, including Procure-to-Pay (P2P), Strategic Sourcing, and Supplier Relationship Management (SRM). This area enabled us to evaluate how advanced organizations are in integrating technology into their procurement functions.

### AI ADOPTION AND POTENTIAL

With AI projected to be a transformative force, we explored current adoption levels, use cases, and future plans for AI across procurement functions. This section aimed to understand how prepared organizations are to leverage AI's potential for automation, data-driven insights, and predictive analytics.

### ORGANIZATIONAL READINESS FOR 10X GROWTH

Recognizing that technology alone does not drive transformation, we investigated cultural, structural, and skills-based readiness within procurement teams. This area examined organizational factors such as change management capabilities, agility, and the alignment of procurement goals with broader business strategies.

# DATA ANALYSIS APPROACH

Survey responses were analyzed to uncover patterns and trends, focusing on identifying best practices and critical needs. Collaborating closely with Professor van Hoek allowed us to apply academic rigor in interpreting the results, ensuring that the findings are actionable and relevant for procurement leaders striving to achieve 10X growth.

This in-depth survey provides a clear roadmap for the future capabilities that procurement teams must develop to remain competitive, making this report a valuable resource for leaders seeking to transform procurement into a strategic powerhouse.

# COMMUNITY ENGAGEMENT: A UNIQUE DPW APPROACH

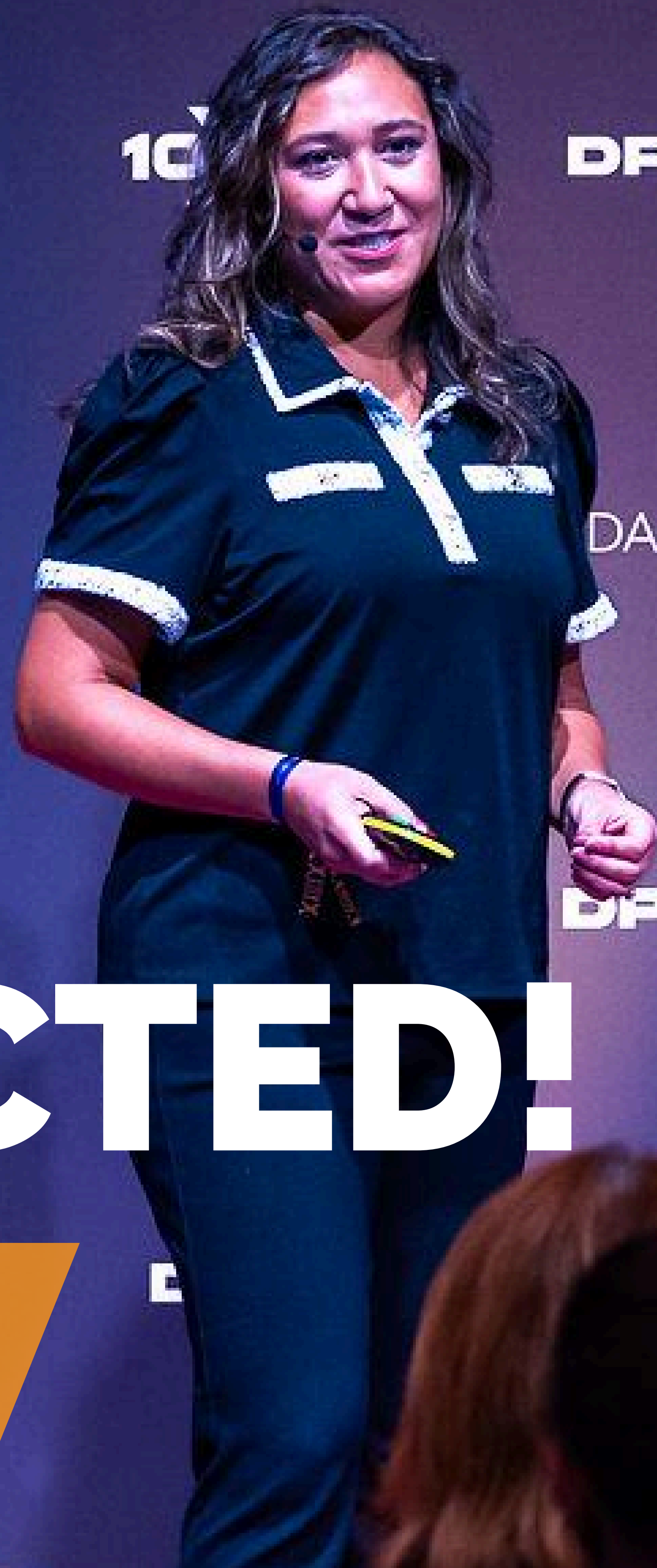
This report results from an extensive multi-method study highlighting DPW's commitment to community engagement. Unlike traditional studies, DPW involved a diverse network of procurement professionals and solution providers in a collaborative process, ensuring that the insights gathered are representative and deeply relevant. Our approach included survey responses, interviews, real-time feedback sessions at the DPW Amsterdam 2024 event, and survey walls that allowed over 1,000 attendees to share input on critical findings. This unique approach allowed us to capture a rich tapestry of perspectives, creating a genuinely community-driven roadmap for procurement transformation



# ABOUT THE AUTHORS

This report was authored by Professor Remko Van Hoek, Lead Researcher and Co-Author from the University of Arkansas, and Kathy Makranyi, Co-Author and Chief Marketing Strategist, in collaboration with DPW Founder Matthias Gutzmann, CEO Herman Knevel, and Chairman Mark Perera. Together, they engaged the DPW community to gather valuable insights and craft a roadmap for procurement leaders aiming for transformative impact. We extend our gratitude to the DPW community for their essential contributions to this report.

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