

Digitalization in Strategic Procurement



Abstract

Strategic procurement is a central component of the supply chain and contributes a significant part to the financial success and quality of the goods. This report describes the importance of Digitalization in strategic purchasing based on relevant literature and interviews with procurement departments of industrial companies. Due to the exponential increase in the amount of data generated worldwide, the possibilities for digital analysis and risk management are increasing. However, existing purchasing processes are often based on outdated applications and analog data, making it difficult to effectively and efficiently manage a strategic buyer's many tasks.

The findings of this report show that global development requires purchasing departments to become increasingly digital and digitalized. Digitization is the transformation of analog data into digital data.

On the other hand, Digitalization describes the use of digital data to optimize business models.

It is clear to the reader of this report that companies need to engage employees to achieve the goal of Digitalization. The best process with the best tools is useless if the employees cannot use the tools and do not understand the processes. At the same time, the best buyer and the most formidable negotiator are of little use if there are no coherent processes and tools to support them.

Comprehensive and targeted tools and software help buyers achieve departmental and corporate goals. Efficient, effective, and digitized processes enable the procurement team to make decisions quickly and minimize risks upfront. Key performance indicators monitor processes and their optimization and are thus also an essential part of Digitalization.

By consistently involving employees, digitizing processes, integrating tools, and monitoring optimizations, strategic purchasing will prepare for future technological change and embark on the route to success, to Digitalization.

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