Spend Analytics: Enabling Practices for Digital World Class® Performance

Spend analytics solutions are a core component of upstream procurement tools within the source-to-pay ecosystem

Spend analytics – Attributes

- Category opportunity identification
- Enterprise spend aggregation and reporting
- Automated data extraction
- Spend data cleansing and rationalization
- Price, volume, usage and payment analysis
- Supply chain and supplier analysis
- Tail spend analytics
- Carbon analytics
- Diversity analytics
- Contract analytics

Spend analytics – Adoption and growth projection

56%
Current adoption

29%
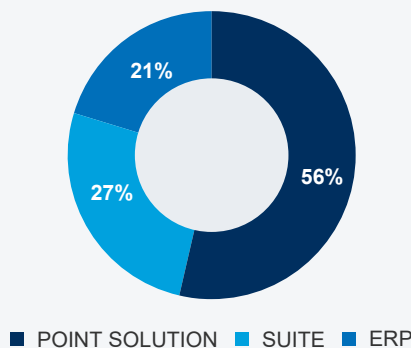Piloting technology

14%
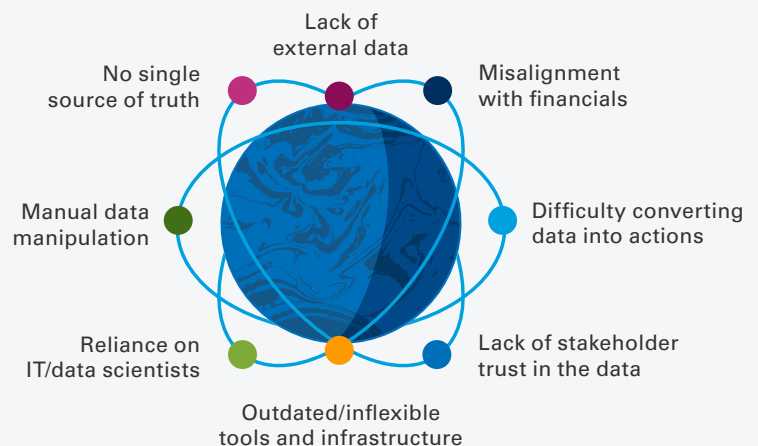Growth projection

66%
Met or exceeded business objectives

Source: The Hackett Group 2024 Procurement Key Issues Study

Types of spend analytics solutions deployed

21%
27%
56%

■ POINT SOLUTION ■ SUITE ■ ERP

Source: The Hackett Group 2024 Procurement Key Issues Study

Common challenges and limitations

- Lack of external data
- No single source of truth
- Misalignment with financials
- Manual data manipulation
- Difficulty converting data into actions
- Reliance on IT/data scientists
- Lack of stakeholder trust in the data
- Outdated/inflexible tools and infrastructure

34% of procurement executives surveyed reported that their current spend analytics technology "fell short of expectations."

Source: The Hackett Group 2024 Procurement Key Issues Study

# How does spend visibility impact performance metrics?

Purchased cost savings as a percentage of spend
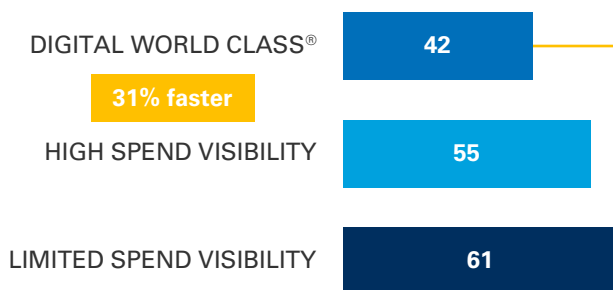(Annual cost reduction + annual cost avoidance)

2.1X

3.7%	4.8%	7.8%
LIMITED SPEND VISIBILITY	HIGH SPEND VISIBILITY	DIGITAL WORLD CLASS®
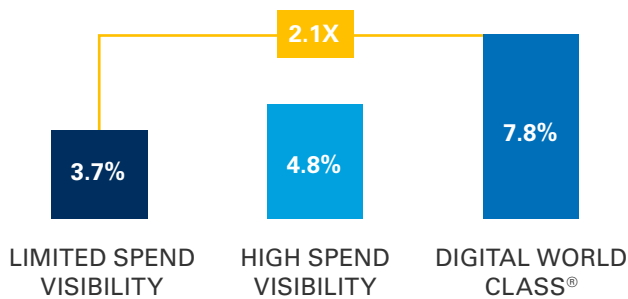
Procurement ROI
(Purchased cost savings divided by purchasing process cost)

2.6X

5.2	8.9	13.6
LIMITED SPEND VISIBILITY	HIGH SPEND VISIBILITY	DIGITAL WORLD CLASS®
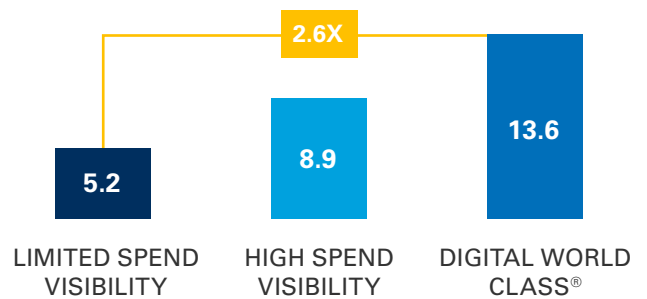
Average sourcing cycle time
(In business days)

DIGITAL WORLD CLASS®	42
31% faster	
HIGH SPEND VISIBILITY	55
LIMITED SPEND VISIBILITY	61

Percentage of late deliveries
(Compared to the original promised date)

DIGITAL WORLD CLASS®	5.6%
72% reduction	
HIGH SPEND VISIBILITY	10.5%
LIMITED SPEND VISIBILITY	20.0%
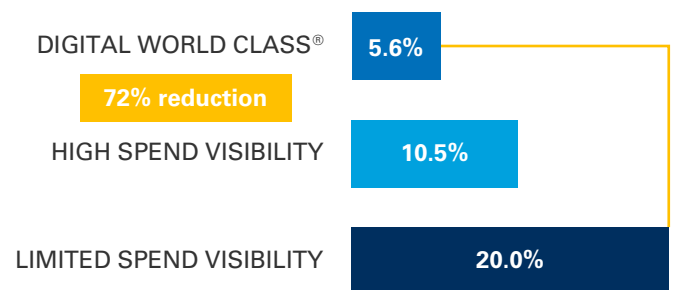
Source: The Hackett Group Procurement benchmark

Better spend visibility has a high correlation to improvements in spend savings, ROI, cycle times and on-time delivery and should be incorporated with other elements of the service delivery model design.

Leading spend analytics capabilities

- Automated data extraction
- Community aggregated and anonymized data
- Data cleansing plus enrichment
- Stakeholder dialogue builders
- Insight engines generate recommended insights
- Intelligent data connections
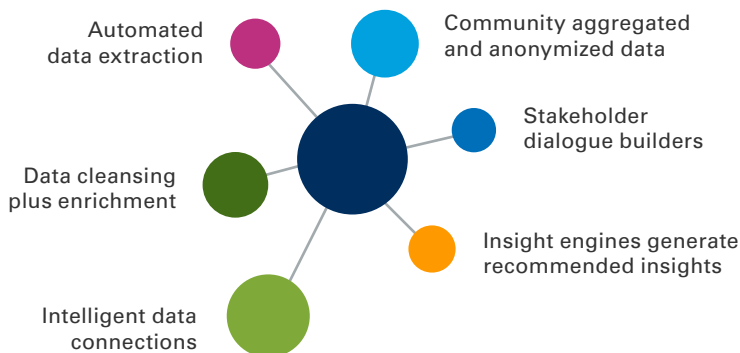
Service delivery model considerations

- Have information and master data elements been designed for consistency?
- How well do we understand the business and key stakeholder objectives?
- What new or enhanced team skills and analytical techniques are required to meet those objectives?
- What organizational structure and team roles should be adopted to maximize the technology investment?

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Sievo – quick facts

20+ years of experience
150+ global enterprise clients
Avg. customer retention is 10+ years
5% global market share

- World's largest R&D team focused on procurement analytics
- SLA guaranteed 94%+ accuracy
- Generate actionable AI-powered insights
- Automatic data extraction and cleansing
- Enrich and harmonize with Sievo community data

Spend analytics: Gain 3-11% annual savings (Spend Matters verified) with all the data, insights and actions you need in one solution, based on data you can trust.

ESG: Measure, reduce and report your Scope 3 emissions and ensure a diverse, resilient and sustainable supply with no manual work.

Procurement performance management: Track your savings and reduction initiatives from idea to execution – drive more realized savings and financial transparency.

Financial planning and analysis: Maintain a competitive edge and streamline your budgeting and forecasting for direct materials.

Drive more savings by closing the data-to-action gap

Get all necessary data, insights and actions in Sievo Spend Analytics and reach your targets while ensuring a sustainable, resilient and diverse supply.

Sievo combines your internal data, enriches it with external data, and further enhances it with community data derived from across Sievo's customer base, providing comprehensive and insightful analytics, benchmarks and automated recommendations.
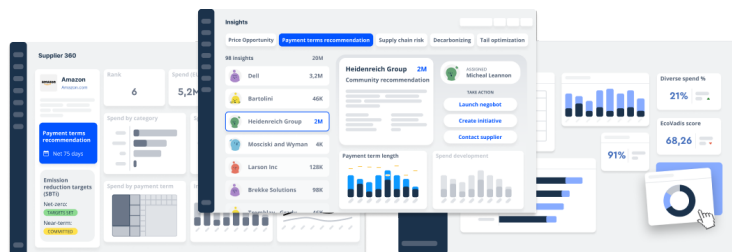
About Sievo

Sievo provides actionable procurement analytics based on data you can trust. Designed for large enterprises with $1B+ in revenue, Sievo delivers a future-proof solution with immediate ROI.

Sievo 🌐 Sievo.com

More insights for Procurement. Full transparency for Finance. Less hassle for IT.

Actionable Procurement Analytics for Large Enterprises

"Advanced spend analytics capabilities when thoughtfully aligned with service delivery model design (master data, organization, talent and business partnering) provide a foundational element of Digital World Class® performance."
– The Hackett Group, Market Intelligence