

# Companies Face Limited Procurement Resources

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Procurement & Sourcing Survey Whitepaper Series

Part 1

# APPROXIMATELY 1 IN 3 AFFILIATED WITH PROCUREMENT THINK THAT THEIR DEPARTMENT IS NOT ADEQUATELY STAFFED

## Introduction

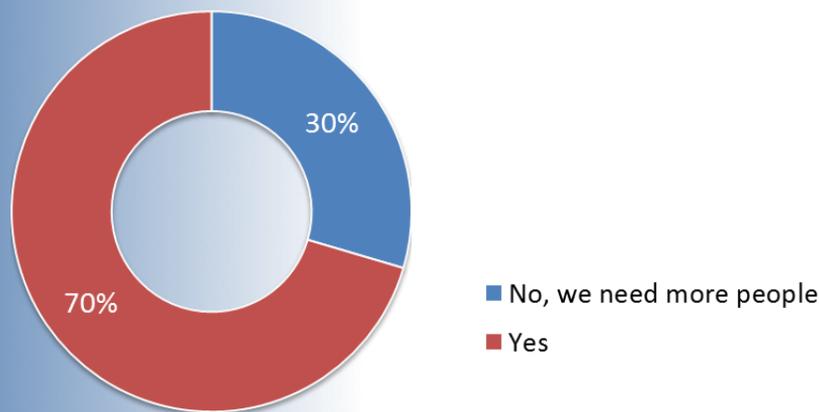
In 2012, Source One Management Services, LLC conducted a state of the industry survey, soliciting answers from professionals in all areas of procurement and from organizations of all sizes. The results have been combined, sorted, and analyzed to produce the clearest synopsis of the industry ever offered by those actively involved in it. Each month, relevant data sets will be explored and further analyzed as a prelude to a full-length presentation that will become available in 4Q 2013.

- ◇ *30% of those involved in procurement feel that their department is under-staffed*
- ◇ *This sentiment is highest amongst coordinators (buyers, analysts, etc.) at 34% and lowest amongst directors at 21%*
- ◇ *This sentiment is highest (48%) amongst those with the largest (25+ employees) departments*

## Issue At Hand

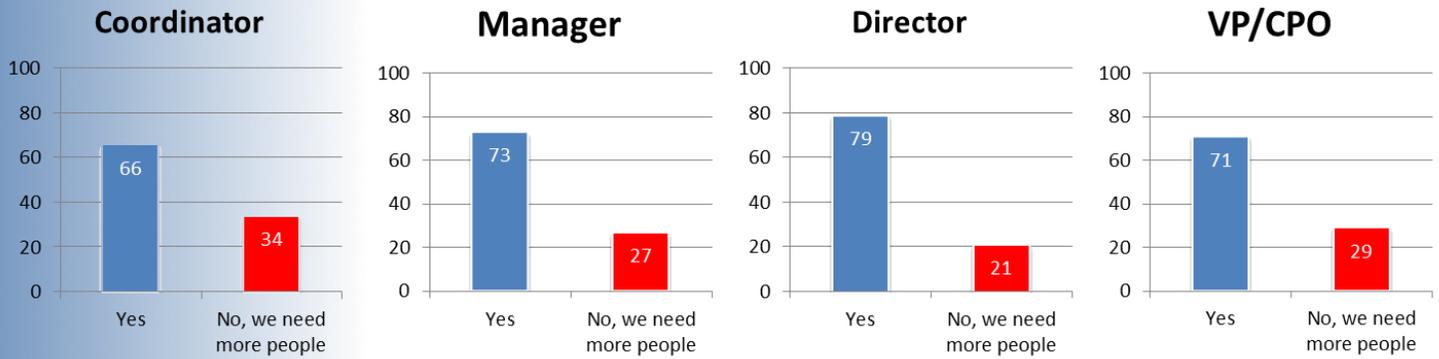
With the 2008 Recession mandating significant changes at virtually every mid- to large-size organization, two common policy trends emerged: a renewed focus on cost savings and a compression in workforce. Within the procurement field, the two policies intertwined as departments were tasked with cost savings targets while also being trimmed through layoffs and staff cuts. It should be expected that a sizable number of procurement executives would feel overworked or understaffed.

**Figure 1. Respondents to “Do you feel that your procurement group is adequately staffed”**



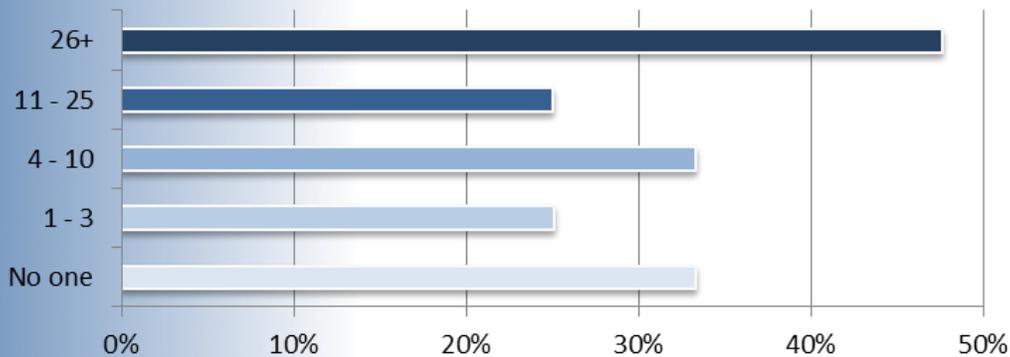
Of those responding to the question “Do you feel that your procurement group is adequately staffed”, a full 30% of respondents replied with “No, we need more people” (Figure 1)<sup>1</sup>. Breaking this statistic down even further and looking at the respondent’s choices by position, this staffing shortage is felt hardest at the bottom and again at the very top (Figure 2). More than a third (34%) of procurement coordinators — buyers, analysts, and other entry-level positions — believed their department was understaffed, and just under a third of managers (27%) felt the same. The sentiment was lowest among procurement directors (21%), but increased significantly amongst VPs who oversee procurement and CPOs (29%).

**Figure 2. Respondents to “Do you feel that your procurement group is adequately staffed”, by position**



This sentiment becomes greatly imbalanced when broken down in terms of procurement department size (Figure 3). In smaller departments, the number zig-zags from 33% in groups with zero dedicated staff, 25% in groups with 1 to 3 dedicated professionals, back to 33% in groups with between 4 and 10 dedicated staff. In larger departments of 11-25 personnel, 25% responded that they were understaffed. All of these numbers pale in comparison to the respondents with the largest staffing. Of those with procurement departments staffed by 26 or more procurement personnel, 48% felt that they lacked sufficient resources.

**Figure 3. Respondents to “Do you feel that your procurement group is adequately staffed” who answered “No”, by department size**



## Closing

Prescribing any sort of course of action based on these results is near impossible due to subjectiveness in the phrase “adequately staffed”, but some conclusions may be reasonably be drawn:

### ***A considerable number of procurement departments are overworked and/or understaffed***

Given an average question with a range of available answers available, the law of averages suggests that there will be a scattering of responses throughout the range of questions, and this was proven elsewhere in survey results that will be reported on at a later date. In regards to questions on adequate staffing, however, this scattering did not appear. While a large majority of respondents did state their department was adequately staffed, a notable minority felt that theirs was understaffed while a minute portion felt that it was overstaffed. The reasons for this sentiment were unstated and presumably myriad, but there is a sizable section of procurement departments that are overworked.

### ***There are communication lapses throughout the chain of command***

The understaffing phenomenon was noted more by procurement coordinators at the very bottom of the chain of command and VP/CPOs at the very top of the chain, with middle management showing considerably less concern. This indicates potential bottlenecks in the communication of needs and concerns up and down the chain.

### ***Increasing procurement staff is not always the right answer***

With departments of all sizes reporting understaffing concerns, it was remarkable that the largest departments were the most likely to claim they were understaffed. From this data, one can infer that, while every organization's staffing needs are different, not all perceived workload and staffing issues will necessarily be resolved through additional staffing.



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