

Procurement Next Maturity level - Is your Procurement function unlocking its full potential?



Is your Procurement function creating value - or quietly leaking it?

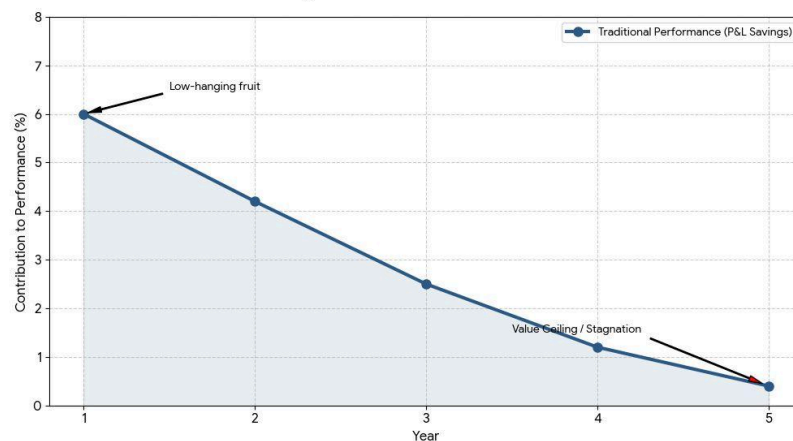
Most organizations still treat Procurement as a cost gatekeeper, even though **50–55%** of total company spending flows directly to suppliers. That's more than what most companies spend on employees, R&D, shareholders, or taxes. Yet the function responsible for managing this investment is often underpowered, under-modernized, and under-strategized.

So the real question is not **“How much are you saving?”** It's **“How much value are you leaving on the table?”**

Across industries, we see a clear pattern:

Procurement's contribution is declining where the function has not evolved. Traditional levers - price negotiations, annual savings targets, tactical sourcing - have hit their ceiling. The “easy wins” are gone.

The Declining Trend of Traditional Procurement Levers



Meanwhile, the organizations that are pulling ahead are doing something different. They are redefining Procurement as a value engine, not a cost center.

What modern Procurement actually delivers

A transformed Procurement function activates new enterprise-level levers:

- Strategic Category Management that shapes demand, not just prices
- Smarter Make-or-Buy Decisions that influence operating models
- Tail Spend Optimization that unlocks hidden value pools
- Supplier-Led Innovation that accelerates growth, ESG, and resilience

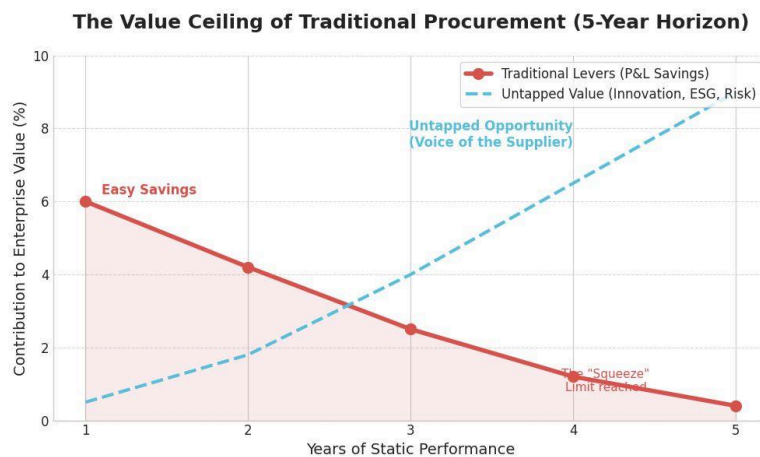
And here's the blind spot:

Companies listen to customers, employees, and investors, but rarely to suppliers, even though suppliers often hold the keys to innovation, risk mitigation, and competitive advantage. Ignoring the voice of the supplier is one of the biggest missed opportunities in business today.

Why this matters now

In a world of supply shocks, inflation, ESG pressure, and digital acceleration, Procurement is no longer a back-office function. It is a strategic lever for:

- Performance
- Resilience
- Innovation
- Enterprise value creation



At EarthTone Advisors, we help organizations assess their Procurement maturity and build transformation roadmaps that unlock these untapped value pools - especially the ones hidden inside supplier ecosystems.

If your Procurement function is still operating on traditional levers, the ceiling is already in sight.

If you modernize it, the value horizon expands dramatically.

It's time to rethink what Procurement can be, and what your suppliers can help you achieve.



EARTHTONE
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