CIPS

Global State of Procurement & Supply 2025

COOL HEADS IN THE STORM

GEP INTELLIGENCE DRIVES INNOVATION

Foreword

In my first few months as CIPS chief executive, I travelled around the world engaging with procurement and supply professionals. I witnessed award-winning work at the Port of Singapore and the awesome giga-projects of the Middle East. I talked AI and automation with healthtech companies and multinational conglomerates.

It's clear that procurement and supply chain professionals are underpinning growth in developing nations. And against a backdrop of geopolitical volatility and supply chain risk, they are helping to build the new global trade order.

The current CIPS Global State of Procurement & Supply survey, supported by GEP, was conducted before the election of President Trump and the introduction of widespread tariffs on goods. But the survey findings seem to show that procurement and supply chain professionals already understood that new challenges were coming.

So, this year's survey finds a community that is gaining in influence and confidence. In many organisations, the procurement and supply function is growing. Professionals know they must develop their leadership and strategic skills in order to bring their insights to the top table. They are leaders of the drive to automation – and helping the rest of their organisations to step up.

One of the most striking findings this year is that a quarter of respondents said the chief procurement officer or senior procurement leader has a permanent seat on the main board, a rise from one-fifth last year. And boards are increasingly aligned with the procurement and supply function. This is consistent with what I see around the world. With all the massive complexities the world is facing, successful organisations need people with a supply chain mindset. That's why I believe we'll see more procurement leaders taking up positions in the boardroom and as CEOs in the future.

I hope you find this year's report as interesting as I did. I'd like to thank GEP for their fantastic ongoing support to CIPS and our global membership. And congratulations on everything that you, the global procurement and supply chain community, is doing in a highly challenging environment. CIPS will be there to support you throughout your career.

Ben Farrell MBE,
CIPS chief executive

Foreword

PUTTING AI TO WORK IN TAMING TARIFF TURBULENCE

Tariffs have become a wildcard in today's globalised marketplace – unpredictable and increasingly consequential. So it's not surprising that respondents to the 2025 CIPS Global State of Procurement & Supply survey have expressed record anxiety about the outlook for the next 12 months.

When it comes to tariffs, companies that hesitate risk being outpaced by those that act decisively. The winners in this new era will be those who harness real-time, data-driven, AI-powered systems to cut through the fog and make confident decisions faster.

AI has moved beyond the realm of experimentation, and that includes tariff strategy. Today, it's a practical and powerful tool for managing risk and building resilience. Whether forecasting tariff exposure, optimising inbound and outbound flows or renegotiating supplier terms, AI enables a new level of agility.

GEP has created a five-point action plan for using AI to turn tariff chaos into a competitive advantage. It starts with visibility – building interactive heat maps to understand where your risks lie. It then moves into action, from tariff arbitrage and supplier diversification to AI-driven contract management and dynamic inventory modelling.

While having the right tools in place is essential to taming tariff chaos, relationships are also critical. Strategic partnerships with third-party logistics providers, trade financiers and technology experts can unlock new forms of flexibility. Organizations can better absorb shocks, protect margins and adapt quickly with the right ecosystem and digital backbone.

Tariff policies will continue to shift with geopolitical winds. That's a given. But businesses that embrace AI and prioritise resilience will not only withstand the pressure, they'll come out ahead.

Ryan Gianni,
Senior director,
Consulting GEP

Executive summary

More than double the number of procurement leaders took part in this year's CIPS Global State of Procurement & Supply survey, supported by GEP.

Respondent organisations have a combined turnover approaching $1trn. Individual procurement leaders have enormous and growing influence on organisational spend. Extreme economic and political volatility has put procurement and supply chain decision-making at the centre of corporate and organisational life.

More procurement and supply chain leaders are on the main board and we are seeing greater alignment between the board and the procurement function.

Procurement and supply chain insight is feeding directly into strategy as organisations navigate turbulent conditions.

To deliver on raised expectations and increased pressure, procurement and supply leaders are gaining new skills. Leadership and strategic thinking top the list here.

Procurement leaders are also driving new priorities through their functions, especially automation. A majority of procurement functions are at least partly automated, and 83% of respondents believe that automation will lead to greater operational efficiency.

While environmental, social and governance (ESG) issues remain important within organisations – and that importance will grow – there appears to be a shift in terms of gaining sustainability-related skills. Procurement and supply leaders are this year more committed to acquiring skills around AI and cybersecurity.

The survey was conducted in November-December 2024

Contents

Methodology

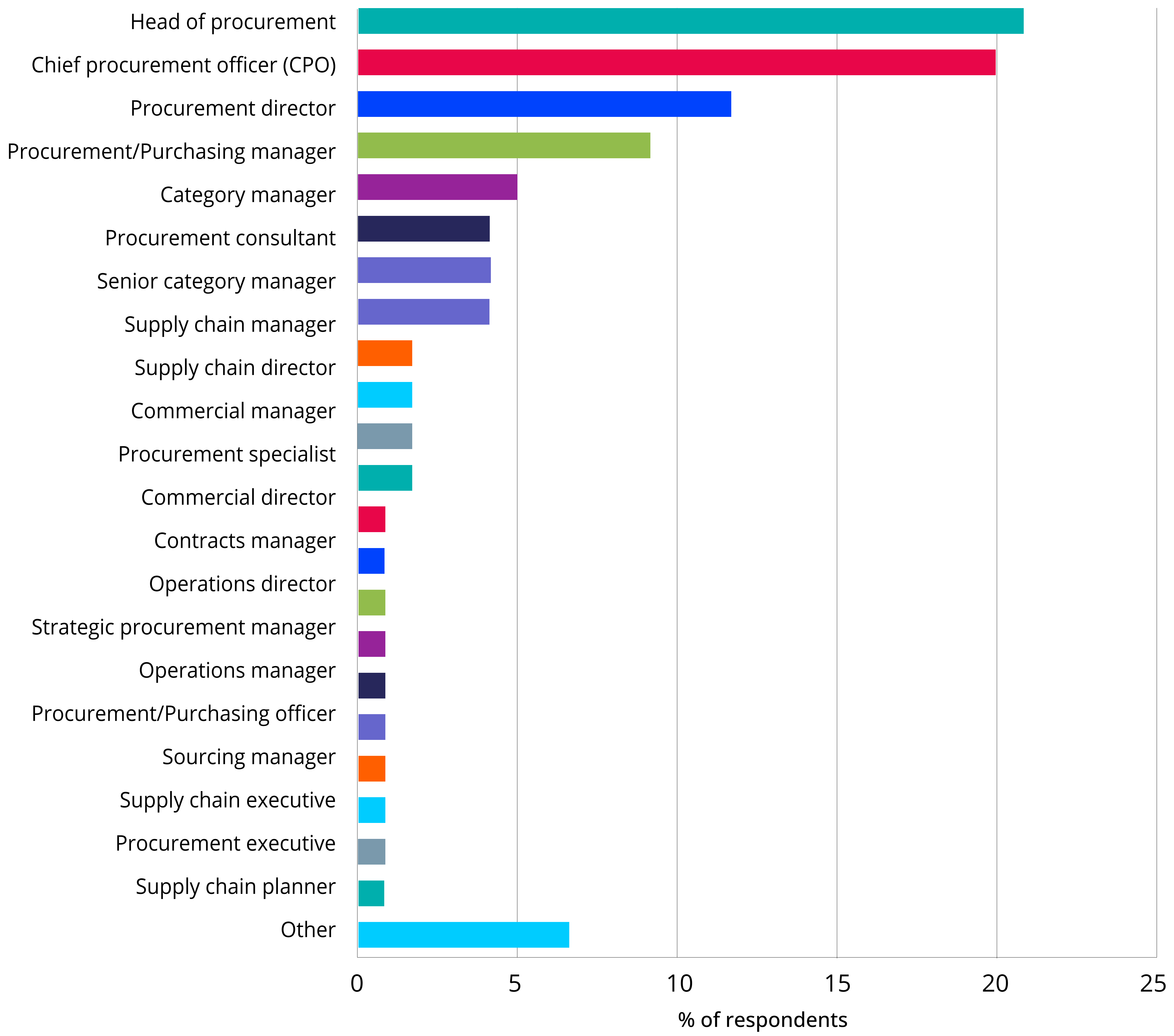
SECTION SUMMARY

Respondents to the 2025 CIPS Global State of Procurement & Supply survey are organisations across all continents and with a combined turnover approaching $1trn.

A SENIOR-LEVEL INSIGHT

The 2025 CIPS Global State of Procurement & Supply survey was conducted in November and December 2024. There were 281 respondents this year, more than double from last year (122). Among respondents, 41% were either a chief procurement officer or a head of procurement, with procurement director or manager the next most common job title (see figure 1). ›

1. Respondent job titles



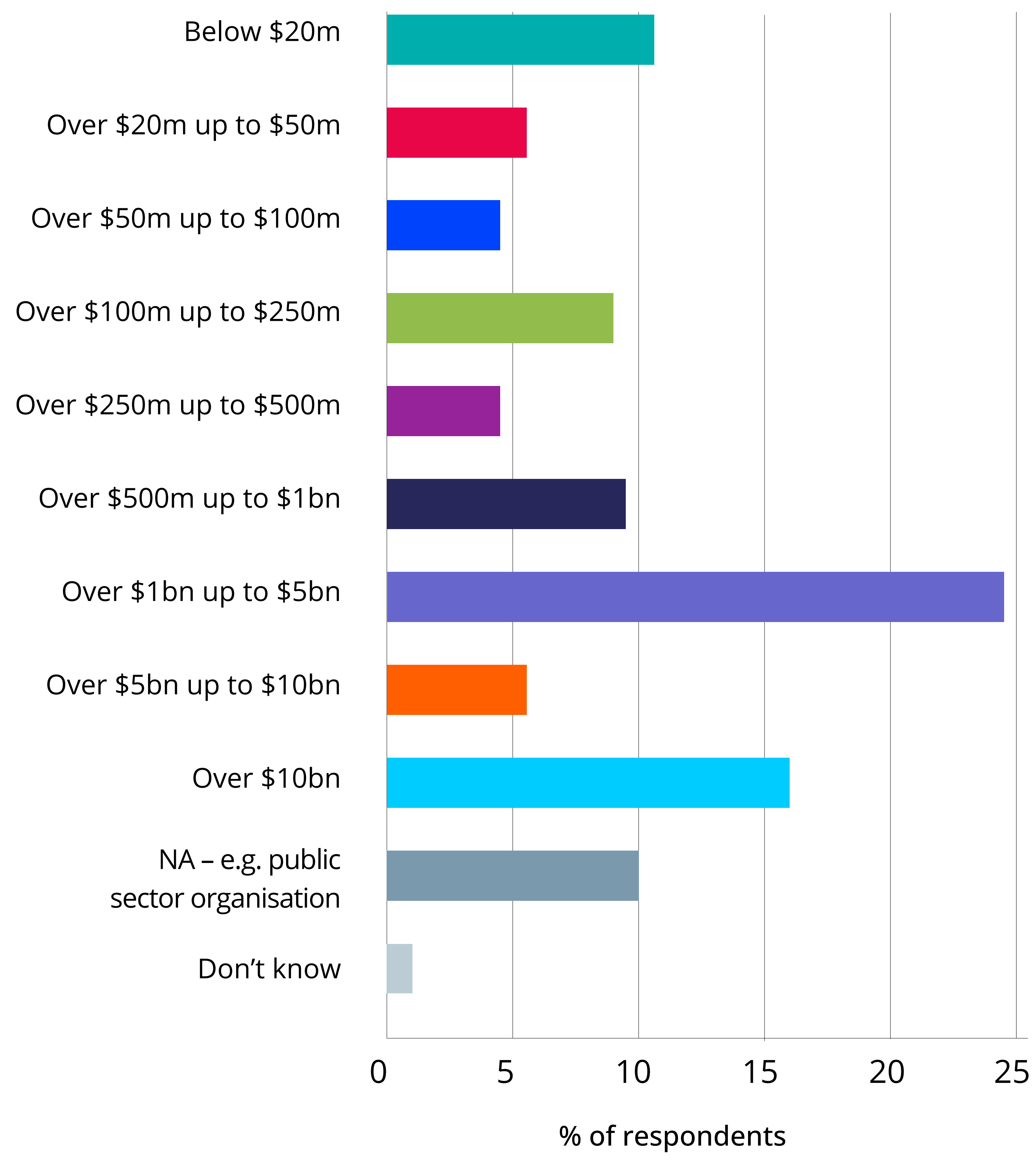
Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

2. A global insight: geographic spread of respondents

This survey offers a global insight into procurement and supply opinion. More than half (52%) of respondents are from outside the UK & Ireland: 10% from Europe, 9% Australia, 8% sub-Saharan Africa, 7% Middle East and North Africa, 48% UK & Ireland (see figure 2).

Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

3. Turnover of respondent organisations



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

The organisations responding to the survey had an estimated combined turnover of $696bn. Almost half of respondents (47%) state that their turnover is more than $1bn, with 23% stating it to be more than $5bn. Just over a fifth (21%) state that turnover is between $100m and $1bn, with another 21% stating it is below $100m (see figure 3).

In terms of sizes of organisations surveyed, 32% employ fewer than 1,000 people; 33% employ 1,000-10,000; and 35% of organisations employ more than 10,000 people. ›

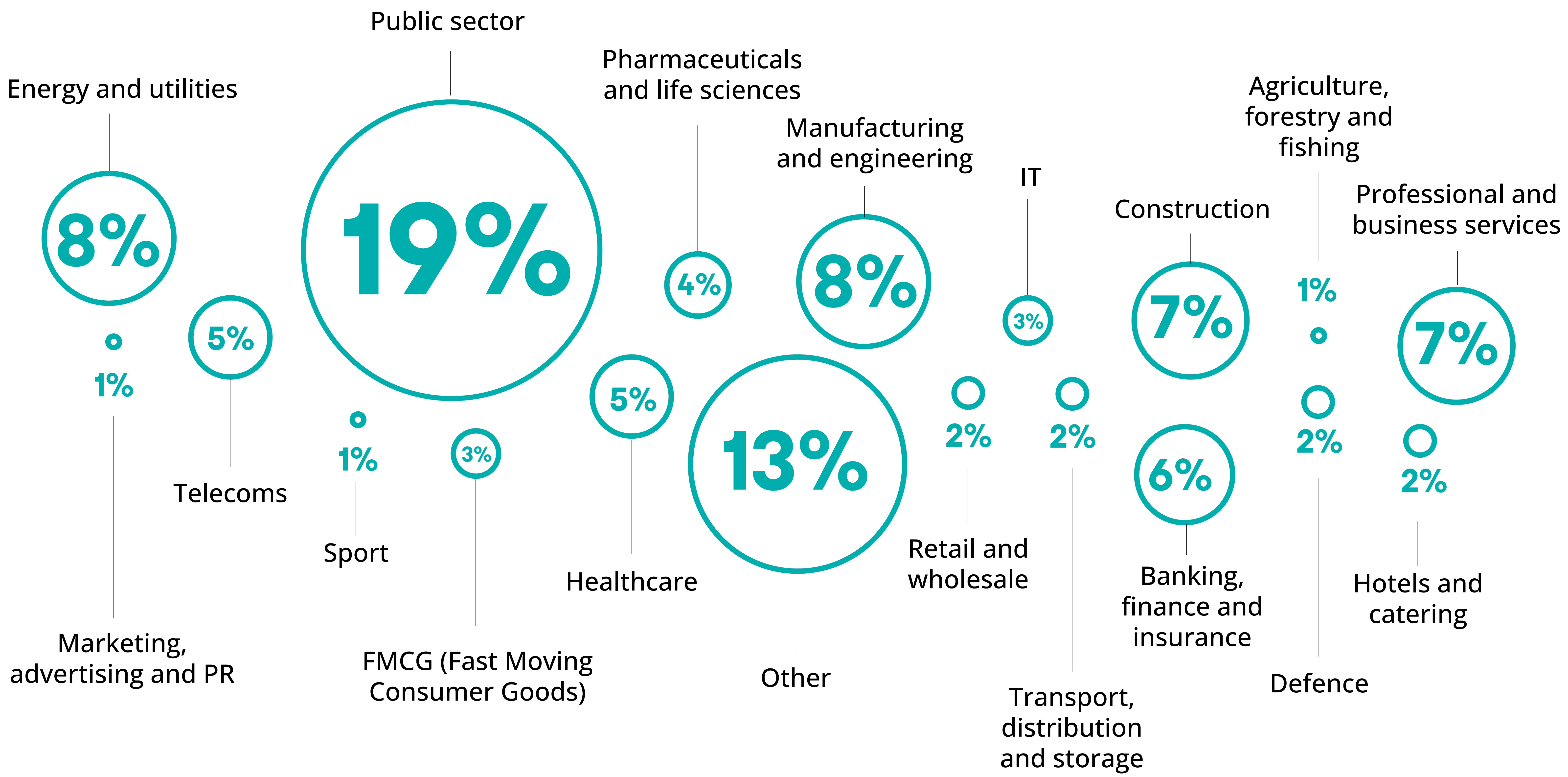
In terms of sectors represented, 19% of respondents are from the public sector, the largest single group (see figure 4). Next came manufacturing and engineering (8%), energy and utilities (8%), construction (7%), professional and business services (7%) and banking, finance and insurance (6%). Healthcare, telecoms, FMCG and transport and distribution were the other sectors appearing in the top ten.

Almost three-quarters (73%) of individual respondents are male, 92% are aged 35-64, with two-thirds aged 35-54. Only 3% are aged under 34.

Just over a quarter (28%) of respondents say they are office-based; 60% do hybrid working, with 12% working remotely.

Procurement leaders in the UK & Ireland are more likely to do remote or hybrid working. While only 10% of UK & Ireland describe themselves as "office-based", this figure rises to 45% in the rest of the world. ›

4. Industry sector of respondents



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

The geoeconomic context

SECTION SUMMARY

Since it was created, the CIPS Pulse has shown procurement and supply leaders consistently on high alert, anticipating supply chain shortages, disruptions and upwards price pressures. In Q1 2025 the 12-month CIPS Pulse outlook rose to its highest level of concern.

TRACKING GLOBAL SUPPLY CHAIN TRENDS

If you want a clear-eyed view of upcoming trade and supply chain trends, ask a procurement and supply professional. They see the signals and feel the tremors first. They are, in the words of one respondent to this year's CIPS Global State of Procurement & Supply survey, an organisation's "eyes and ears."

To enable this community to share that unique intelligence in a regular, structured way, CIPS launched the CIPS Pulse in early 2024 (see below).

This year, at a time of extreme geopolitical and economic volatility including the introduction of tariffs by the Trump administration in the US, the CIPS Pulse showed procurement and supply chain leaders expressing record levels of anxiety about the 12-month outlook. ›

THE CIPS PULSE

Every quarter CIPS asks a panel of procurement and supply leaders from around the world how they rate the likelihood of supply chain shortages and disruptions over the next quarter, and over the next 12 months. They rate this on a 1-7 scale (7 would be extreme concern).

Since we launched the Pulse in early 2024, we've seen the average levels of concern well above a neutral 3.5 point, with concerns tending to intensify as respondents look at the longer, 12-month horizon.

We also ask in which product categories procurement and supply leaders anticipate shortages and disruptions, the causes, where they anticipate price pressures, mitigation strategies and supply chain risk factors.

In 2025 we also asked about the likely impact of tariffs introduced by the Trump administration, and any retaliatory measures.

In 2025, CIPS Pulse surveys run: end-March; end-June; end-September; December.

The CIPS Pulse informed news stories on BBC News in April and in *The Guardian* newspaper in January

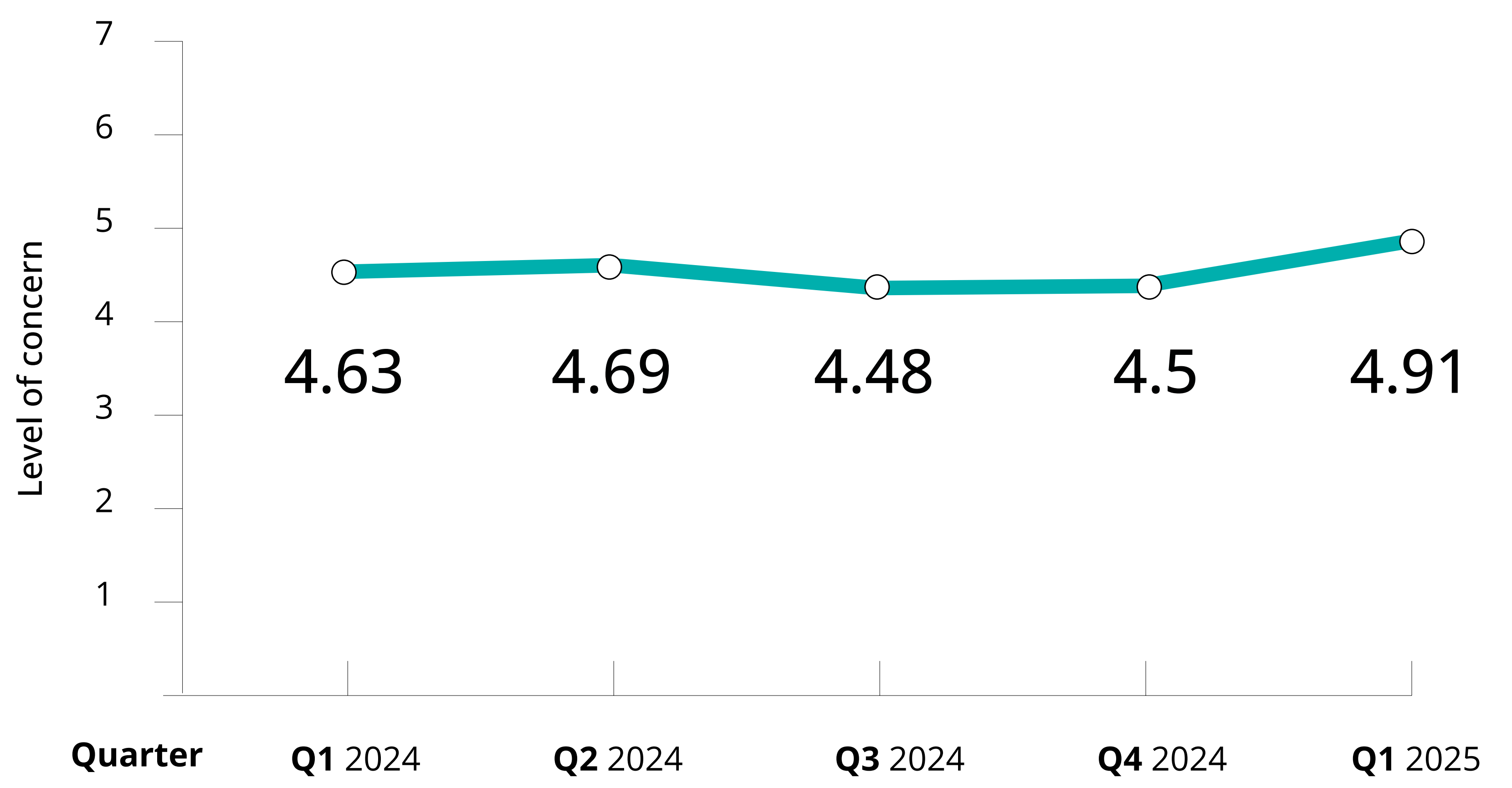
In the Q1 2025 CIPS Pulse (145 respondents), for example, we found:

- More than half of respondents were already taking proactive measures to offset the impact of tariff introductions before the latest round of announcements from the US.
- Record-high anxiety over 12-month supply disruption risk of 4.91 out of 7 – the highest ever recorded and a notable jump from 4.5 in Q4 2024.
- Anxiety about the next three months also grew, with a score of 4.36, up from 4.1 in the previous quarter.
- Shipping and logistics are among the worst-hit sectors, with double-digit price rises expected.
- US protectionism now seen as a top threat (cited by 35% of respondents – first time included).
- Only 6% expect no price increases – down from 18% last quarter.

CIPS chief executive Ben Farrell commenting on trade issues on BBC News 11 April

5. Looking ahead to the next 12 months, how concerned are you about the likelihood of supply chain shortages?

(1 = unconcerned, 7 = very concerned)



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 145 respondents

In general, the CIPS Pulse and CIPS' expert commentators are now used by the global media and boardrooms for trusted insight about the likelihood of supply chain disruptions, the causes of anxiety, risk factors and the steps being taken by other organisations to mitigate and manage supply chain risk.

We would like to thank all the procurement leaders who take part in the CIPS Pulse surveys and encourage you to join them if you have not already.

The function

SECTION SUMMARY

Procurement teams tend to be lean, but they influence supplier decision-making globally. Because procurement is seen to be adding value, headcounts are rising.

GLOBAL INFLUENCE

The respondents to this year's survey have a truly global influence on procurement and supply chain decision-making. Almost all respondents (98%) exercise some influence over procurement activity (such as supplier choices) in other parts of the world, even if they don't have a specific procurement function there.

More than half our respondents (57%) have procurement functions in UK & Ireland; 29% in Europe; 25% in Asia; 24% in North America; 21% in the Middle East and North Africa. Around 15% of respondents have procurement functions in sub-Saharan Africa. ›

> “Procurement and supply leaders exercise a global influence on decision-making even if they don't have a specific procurement function in a country”

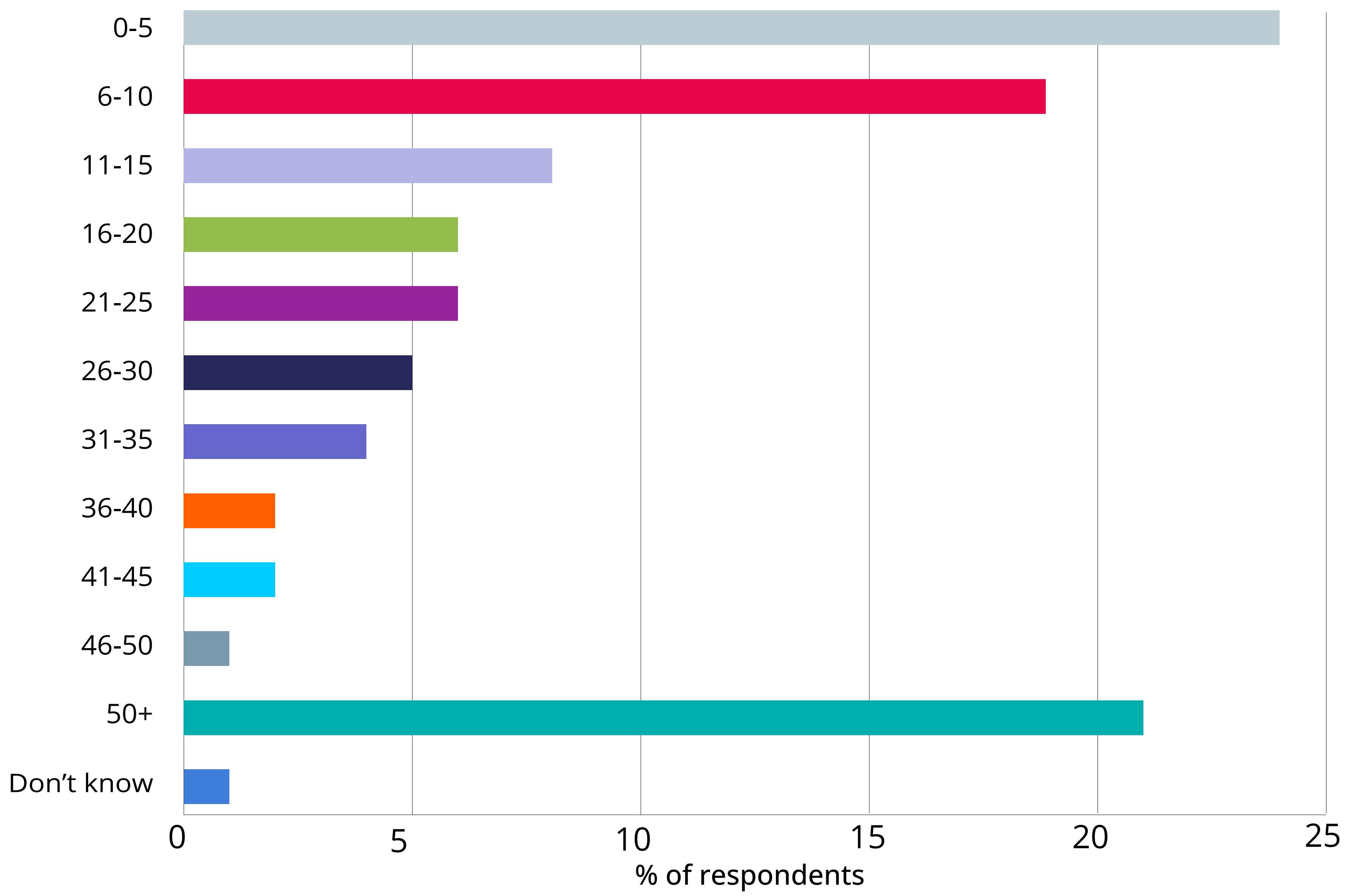
6. Countries where respondent organisations have a procurement function

Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

More than half our respondents (57%) have procurement functions in UK & Ireland, 29% in Europe, 25% in Asia, 24% in North America, 21% in the Middle East and North Africa. Around 15% have procurement functions in sub-Saharan Africa (see figure 6).

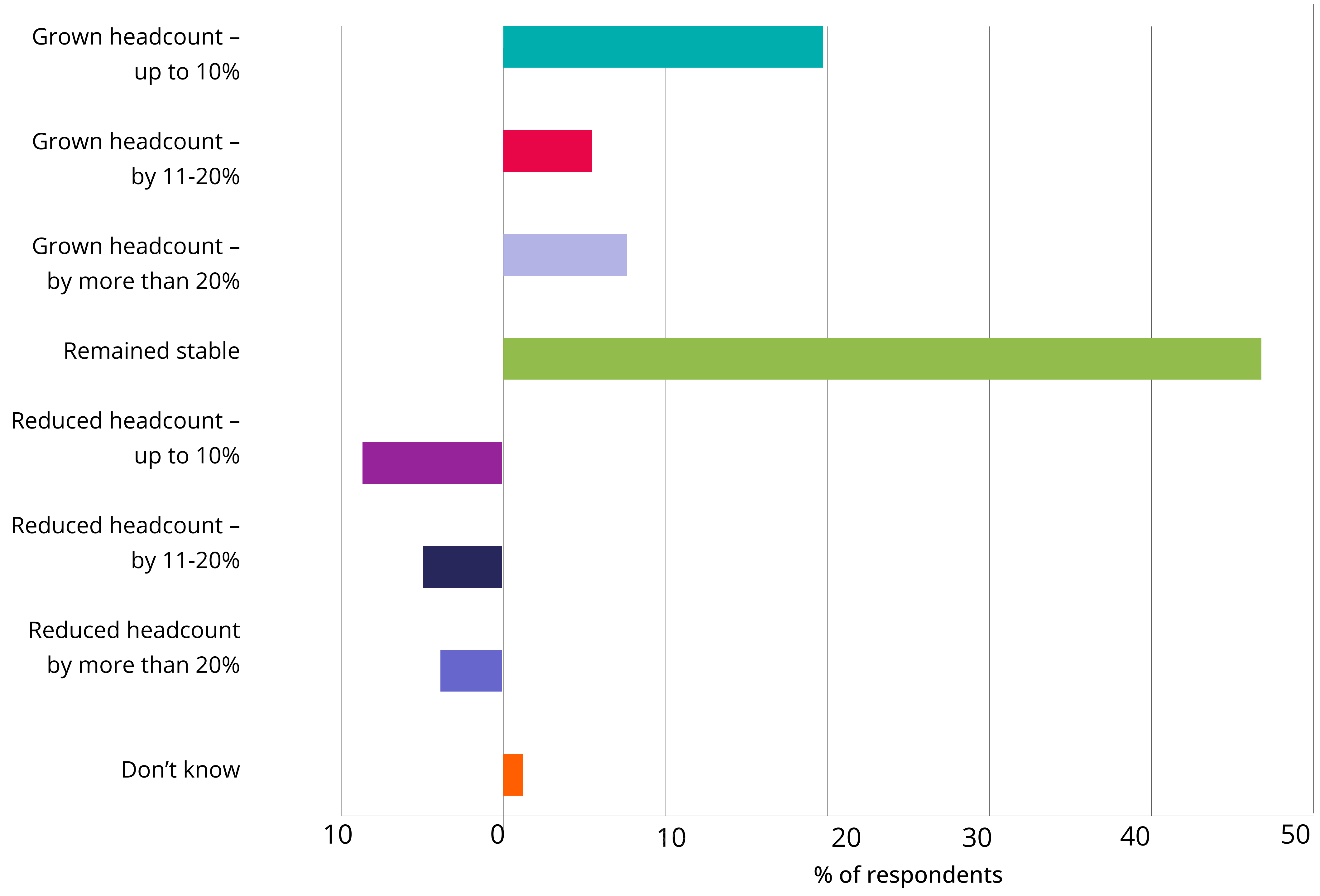
Among organisations with >5,000 employees and $1bn-plus turnover, 35% have procurement functions with more than 50 people. Overall, 41% of respondents have a procurement function with more than 20 people. In general, it is fair to say that procurement functions tend to run lean: 42% of respondents have functions with up to ten team members (see figure 7). ›

7. Current headcount of respondent procurement functions



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

8. Headcount change over the past year

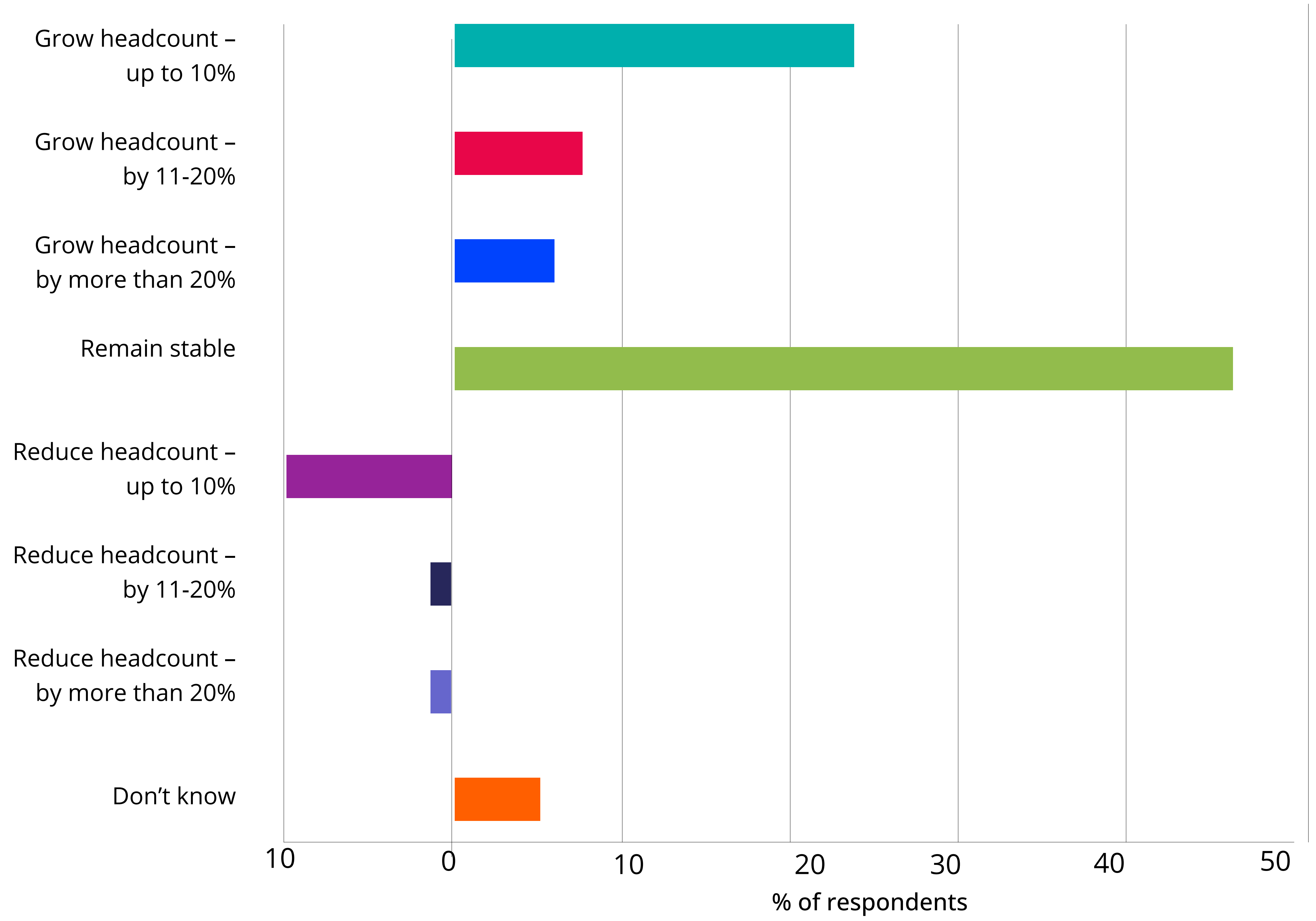


Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

During the past 12 months, almost half (47%) of respondents say their headcount has remained stable, while a third (34%) say it has grown (see figure 8).

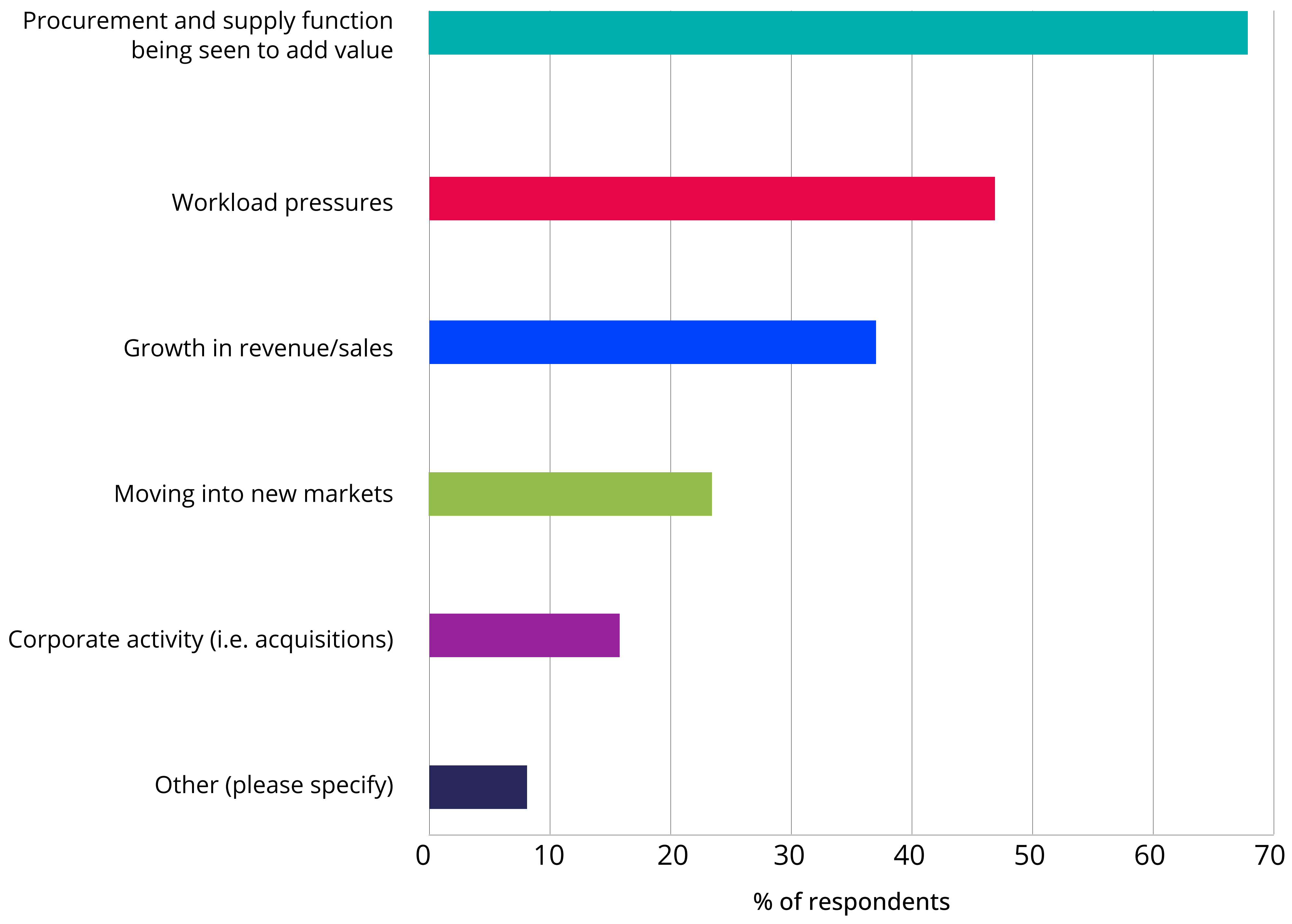
We asked respondents to tell us how headcount in the procurement and supply team might change over the coming 12 months. Almost a quarter (23%) expect headcount to increase by 10%, a rise on last year. Almost half (46%) expect it to at least remain stable (see figure 9). Taken together, this indicates a profession firmly embedded and valued – but that is often expected to do more with less. ›

9. Anticipated headcount change over the next 12 months



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

10. What's driving anticipated increase in headcount

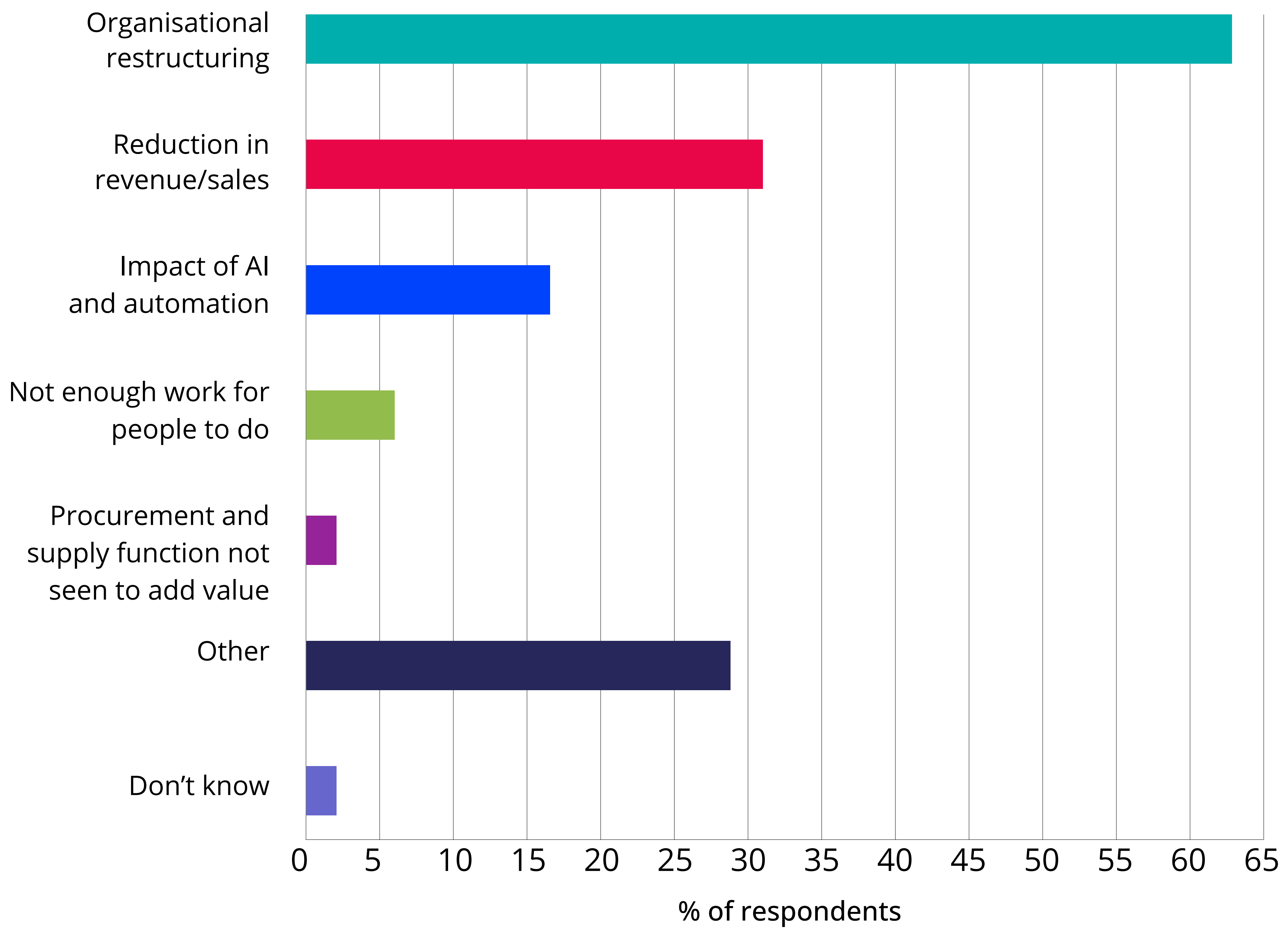


Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 104 responses

What's driving procurement functions to increase headcount? Most respondents say it's because procurement and supply is seen to add value. Half put it down to workload pressures, while others cite growth, moving into new markets or corporate activity such as acquisitions (see figure 10). ›

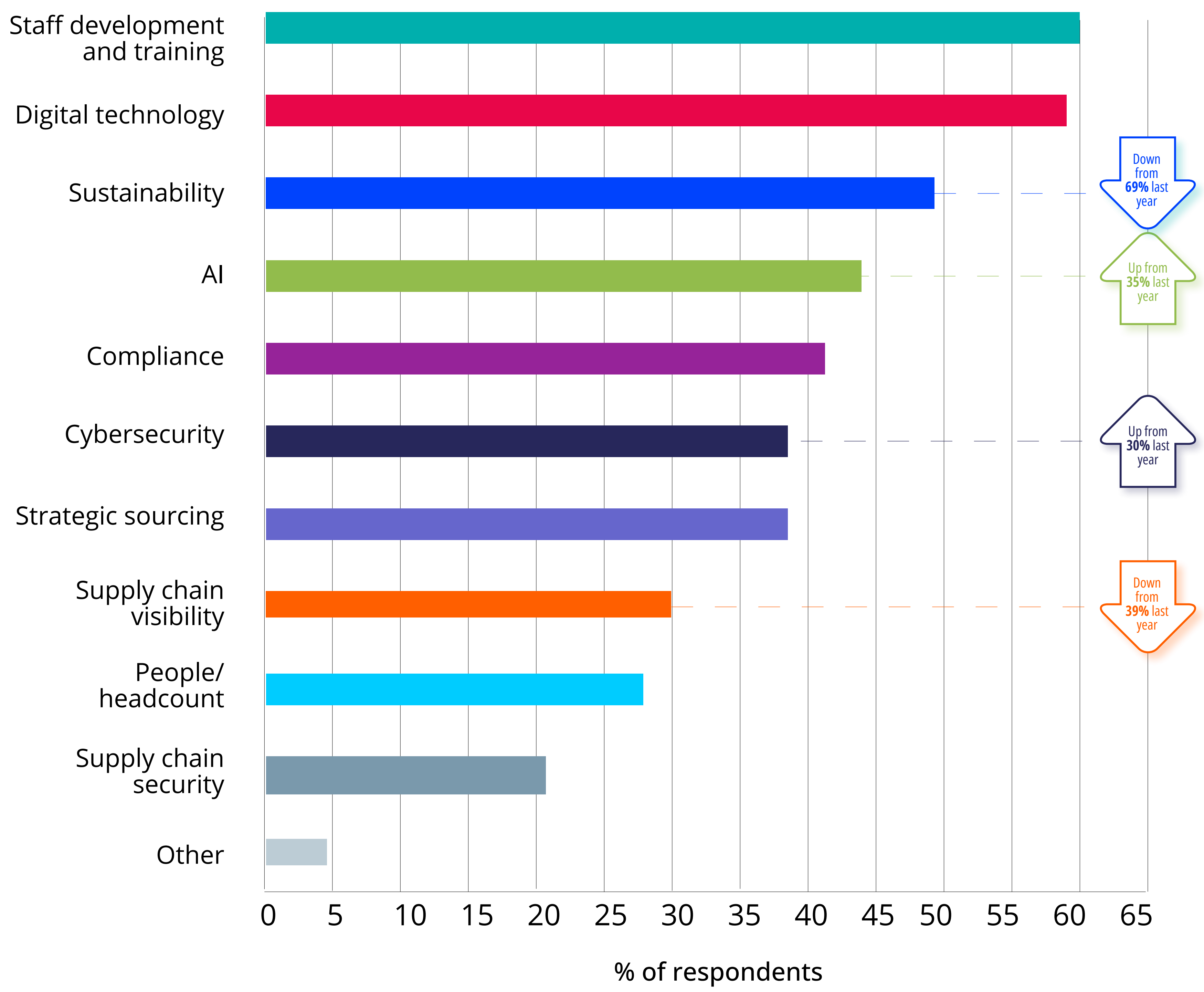
Of the 35 individual respondents who anticipate a headcount reduction in procurement over the next year, 22 say that this is down to organisational restructuring, 11 put it down to a reduction in sales or revenues and six mention the impact of AI and automation (see this shown as a percentage in figure 11).

11. What's driving anticipated reduction in headcount



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 35 responses

12. Planned areas for investment within the procurement and supply function (in the next 12 months)



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

Asked about future investment plans within procurement and supply, respondents most often cited staff development and training (60%), followed by digital technology (59%), sustainability initiatives (54%, down from 69% last year) and AI at 44% (up from 35%) (see figure 12).

More than half of respondents say the procurement and supply function is a centre-led function at group level, with 20% saying it is centre-led at operating company or division level. Only 8% say it is a decentralised function. See box-out for analysis.

Around 70% of respondents believe their organisation is being proactive in terms of equality, diversity and inclusion.

> “We’re empowering our business partners with training, systems and processes that enable them to undertake some procurement activities autonomously”

POSITIONING PROCUREMENT AS A STRATEGIC BUSINESS PARTNER

Many respondents provided free-text comments about the rationale behind their operating model.

For most, their existing model – centralised, decentralised or hybrid – works well. “Having a centralised function allows for greater visibility across the company to apply best practice,” said one. A procurement leader with 200-plus business units in 40 countries across nine divisions, said that a decentralised function is “the only model I felt appropriate.”

A number of respondents talk of having a procurement “centre of excellence” that spreads good practice through the organisation. “We have a small but strategic team at group level setting company direction and vision,” said one respondent. Another talks of maintaining “a careful balance of policy-led guidance from the centre, with regionalised implementation.” Another talks of “controlled local leadership” in certain areas.

These comments suggest a distinction between “centralised” and “centre-led.” One respondent talked of enabling individuals to “spend quickly and easily” within a simple framework at lower financial thresholds (under $250k), while having strategic oversight at higher thresholds. Another said that they are centralised for tendering purposes – to stay compliant with procurement regulations – but more decentralised when it comes to contract management.

A striking number of respondents are currently reviewing how procurement and supply is organised. Several are shifting to a more decentralised model so they can operate quickly and flexibly in local markets. “We’re empowering our business partners with training, systems and processes that enable them to undertake some procurement activities autonomously,” said one.

Models aside, mindset is key. “Centralised, decentralised, what matters is being business-aligned,” says one respondent. In the end, effective procurement is about being close to the market.

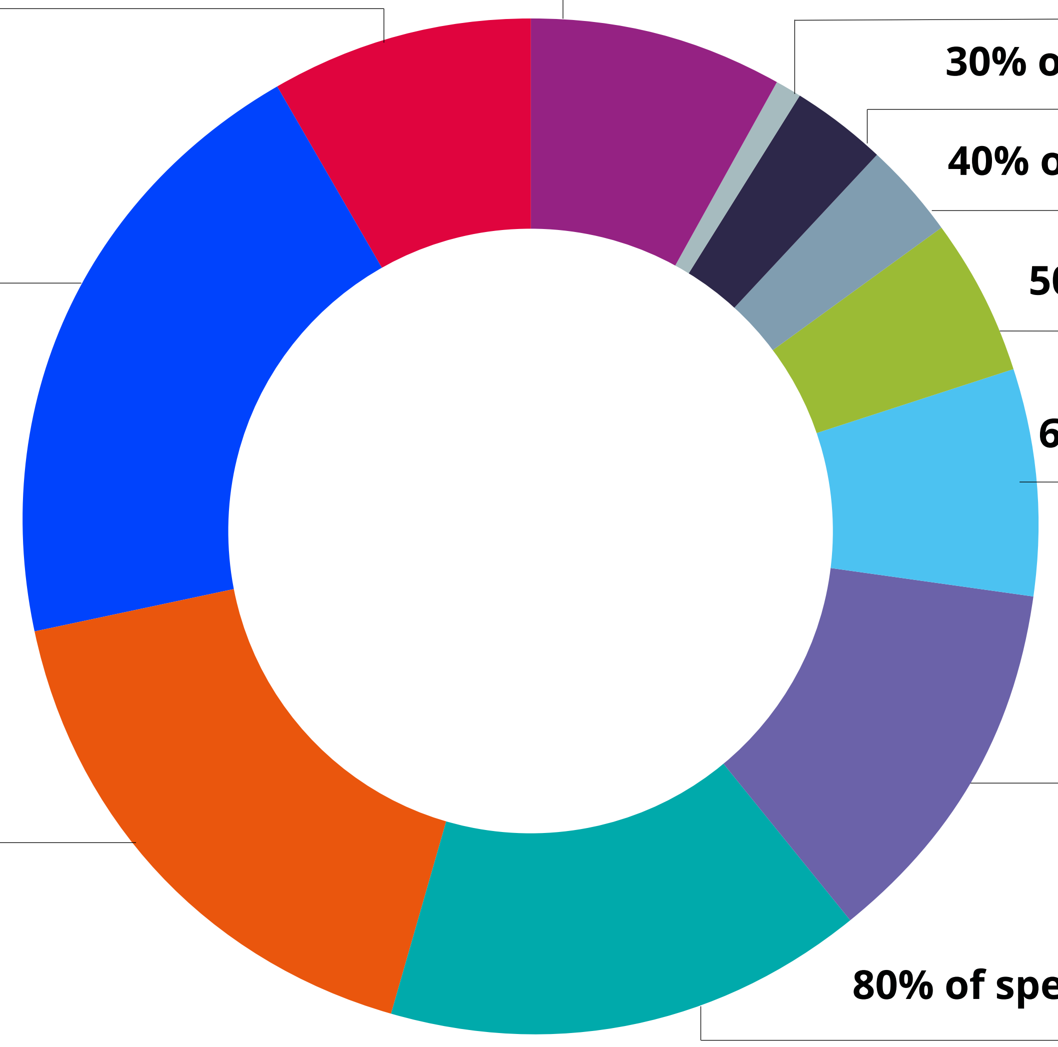
Direct and indirect spend

SECTION SUMMARY

This community has enormous influence. Most respondents work in organisations with total spend on goods and services of more than $50m. Two-thirds are growing their influence over spend.

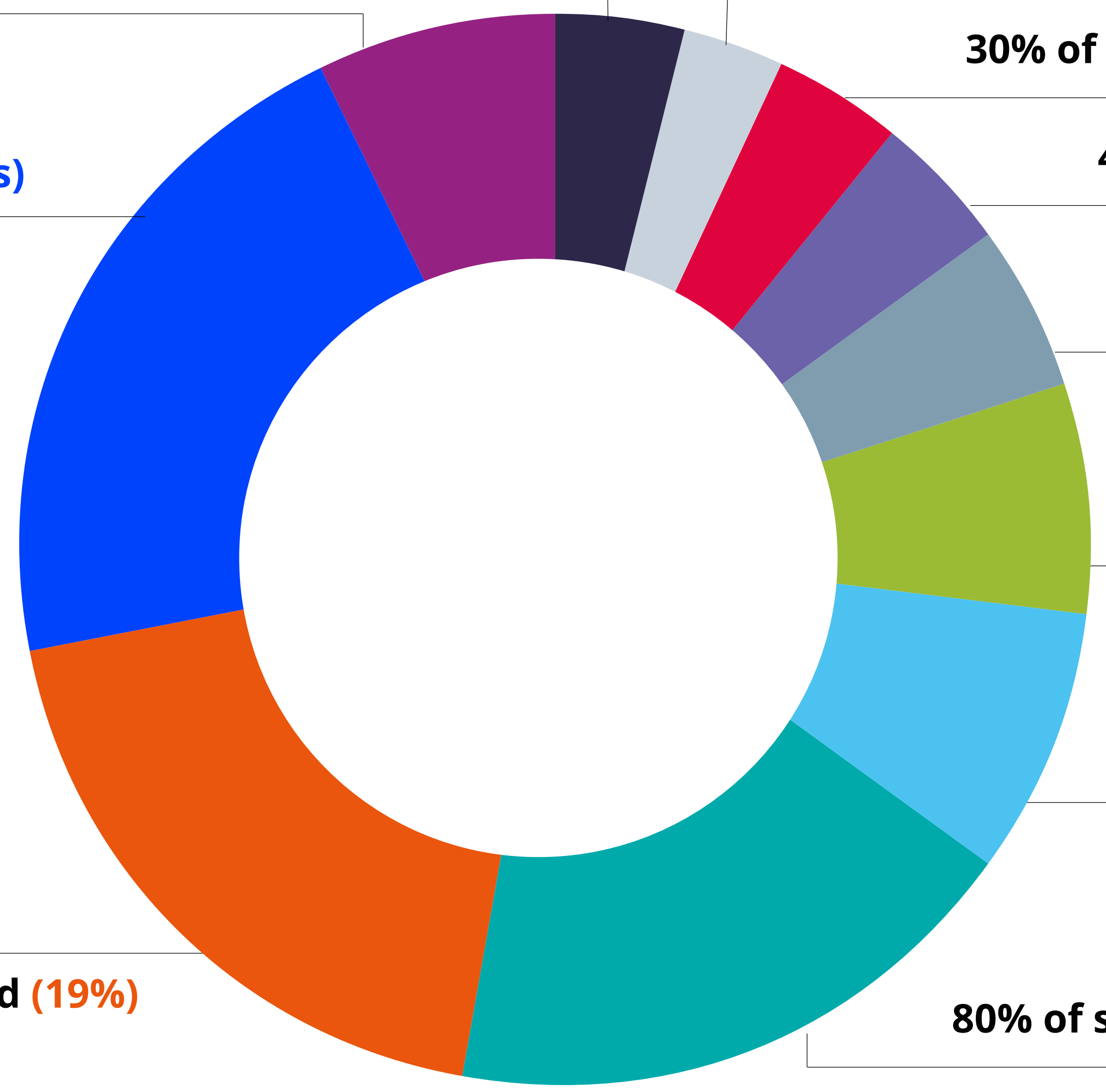
Around 20% of procurement leaders surveyed say procurement and supply is responsible for all the spend on direct goods in their organisation. Almost three-quarters (72%) say they have influence on direct spend. Two-thirds of respondents say their influence is growing.

13. Proportion of overall organisational spend on direct goods managed by procurement



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

14. Proportion of overall organisational spend on direct goods influenced by procurement

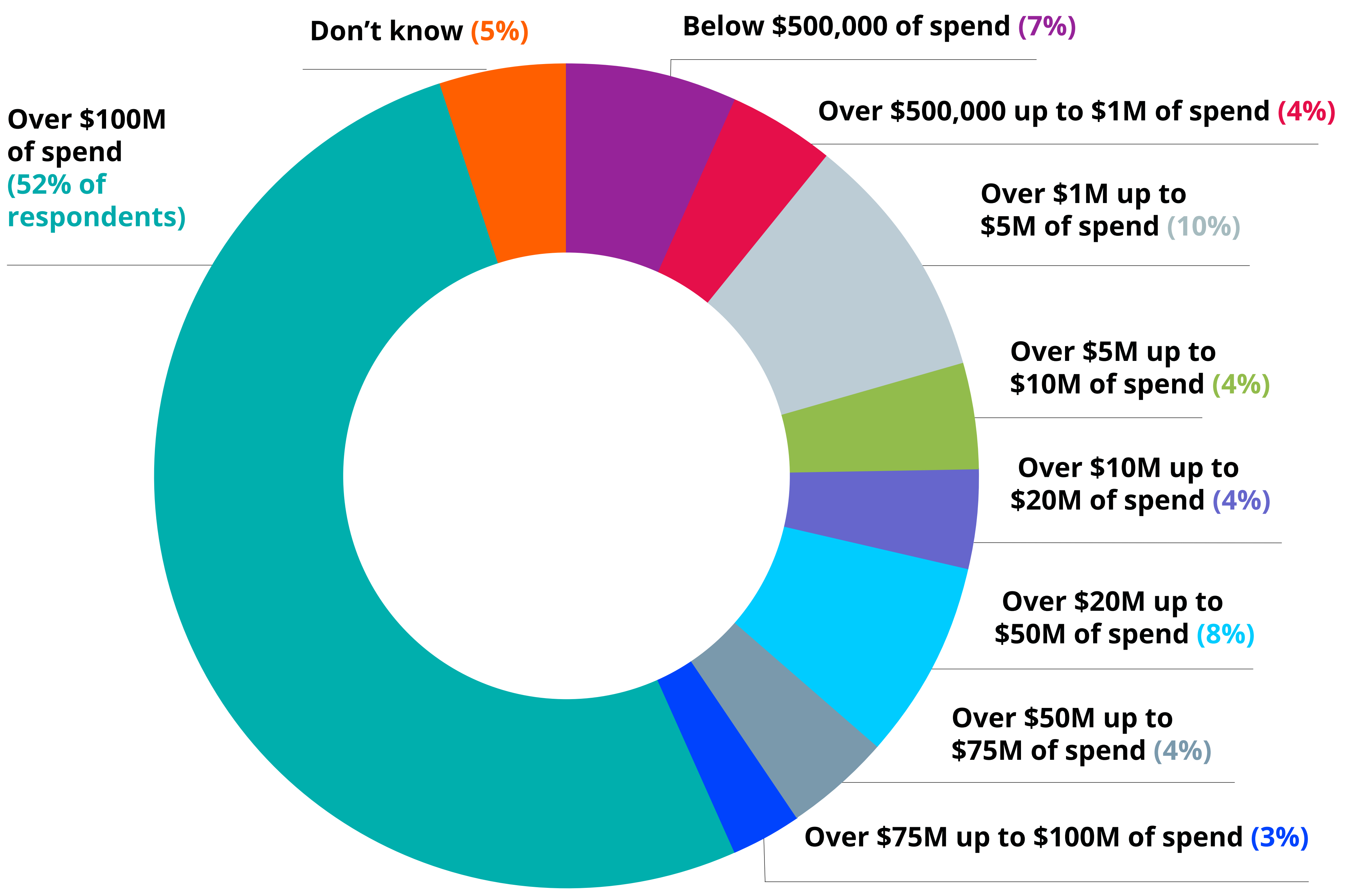


Source: CIPS Global State of Procurement & Supply survey 2025, supported by GEP, 281 responses

On their organisation's total spend on goods and services, 60% of respondents say this amounts to more than $50m. Around 16% spend $5m-$50m and 20% spend up to $5m, with 90% of respondents responsible for direct and/or indirect spend. ›

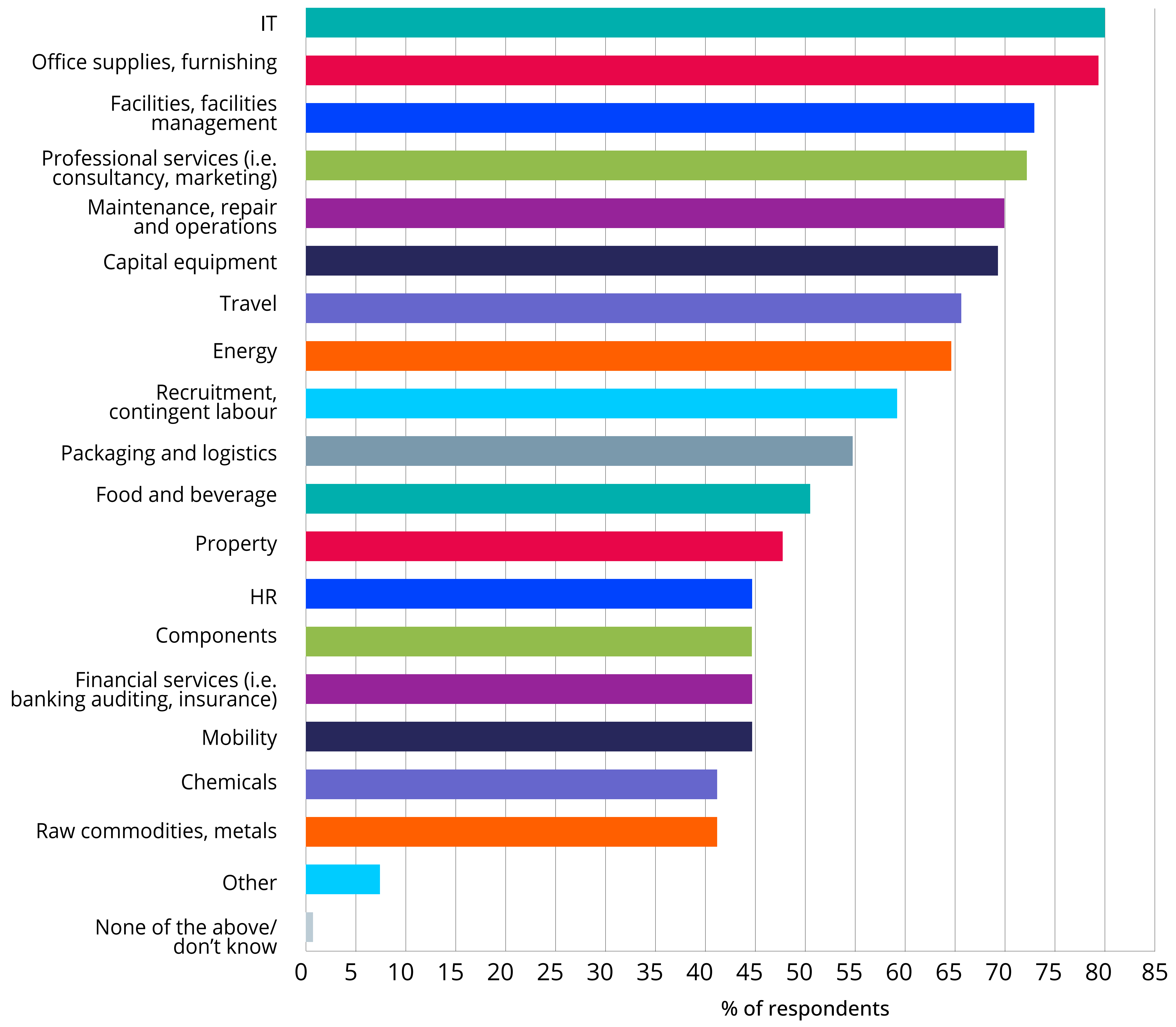
Procurement and supply have significant influence on spend that, in certain categories, is growing. This survey saw a notable rise in the proportion of respondents managing or influencing spend on IT, food and beverages, and categories such as construction fuel. In categories such as HR, recruitment and contingent labour, and financial services (i.e. banking auditing, insurance), the proportion of respondents saying they manage or influence spend has fallen (see figure 16). ›

15. Estimated total organisational spend on goods and services



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

16. Categories of spend managed or influenced by procurement



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 104 responses

Influence

SECTION SUMMARY

Procurement is enjoying ever greater influence in organisations, with more procurement leaders on the main board and greater alignment between the board and the procurement function.

RELATIONSHIP WITH THE BOARD

This year, procurement and supply chain professionals are more positive about the profile and the perceived value of their function within their organisations and with the board. A quarter of respondents say the chief procurement officer or senior procurement leader has a permanent seat on the main board, a rise from one fifth last year.

Asked how they would describe the relationship between the procurement and supply function and the board, 43% of respondents say it is closely aligned and, fortunately, only 7% believe it to be remote. Interestingly, in the largest organisations (>5,000 employees), more than half (52%) of respondents say that procurement is well or very closely aligned with the board. ›

> "More than half of respondents say that procurement is well or very closely aligned with the board"

For those who do not have a seat on the board, 41% report into the finance or treasury department, 22% report to operations and 15% report into the CEO or leadership team. While more than half are happy with their current reporting lines, 40% are not. “Finance and procurement are lumped together,” observes one procurement leader, “and this does not allow the unique skills and value of procurement to be recognised. It perpetuates the idea that procurement is just about creating purchase orders.”

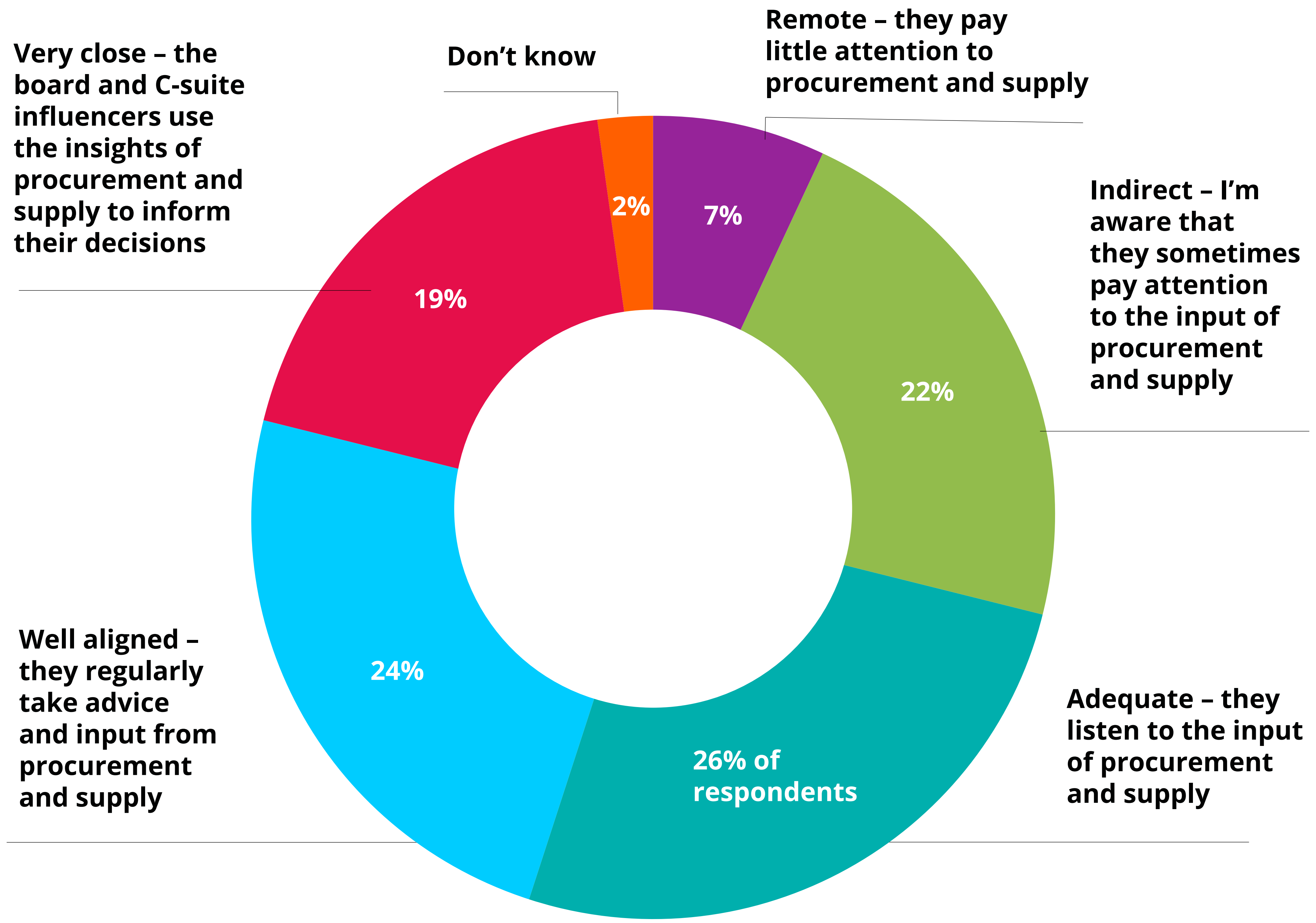
What we hear on the ground is that procurement and supply leaders are closer than ever to the C-suite and strategic decision-making. As a CPO working for an Australian technology company told us, “Procurement is part of the organisation’s brains trust.” The CPO of a global bank says that, while procurement professionals are assuming wider responsibilities, they should still be proud of being seen to be “the voice of value” within the organisation. In cost-conscious times, this is a “good reputation to have,” he adds.

Just over a third (36%) of respondents say procurement and supply is a trusted business partner truly embedded in spend decisions, while 54% say procurement and supply has a positive influence on efficacy in spend but can sometimes be seen as a blocker to implementation. Only 9% say that procurement is “more of an afterthought” (see figure 18). ›

“Procurement is part of the organisation’s brains trust”

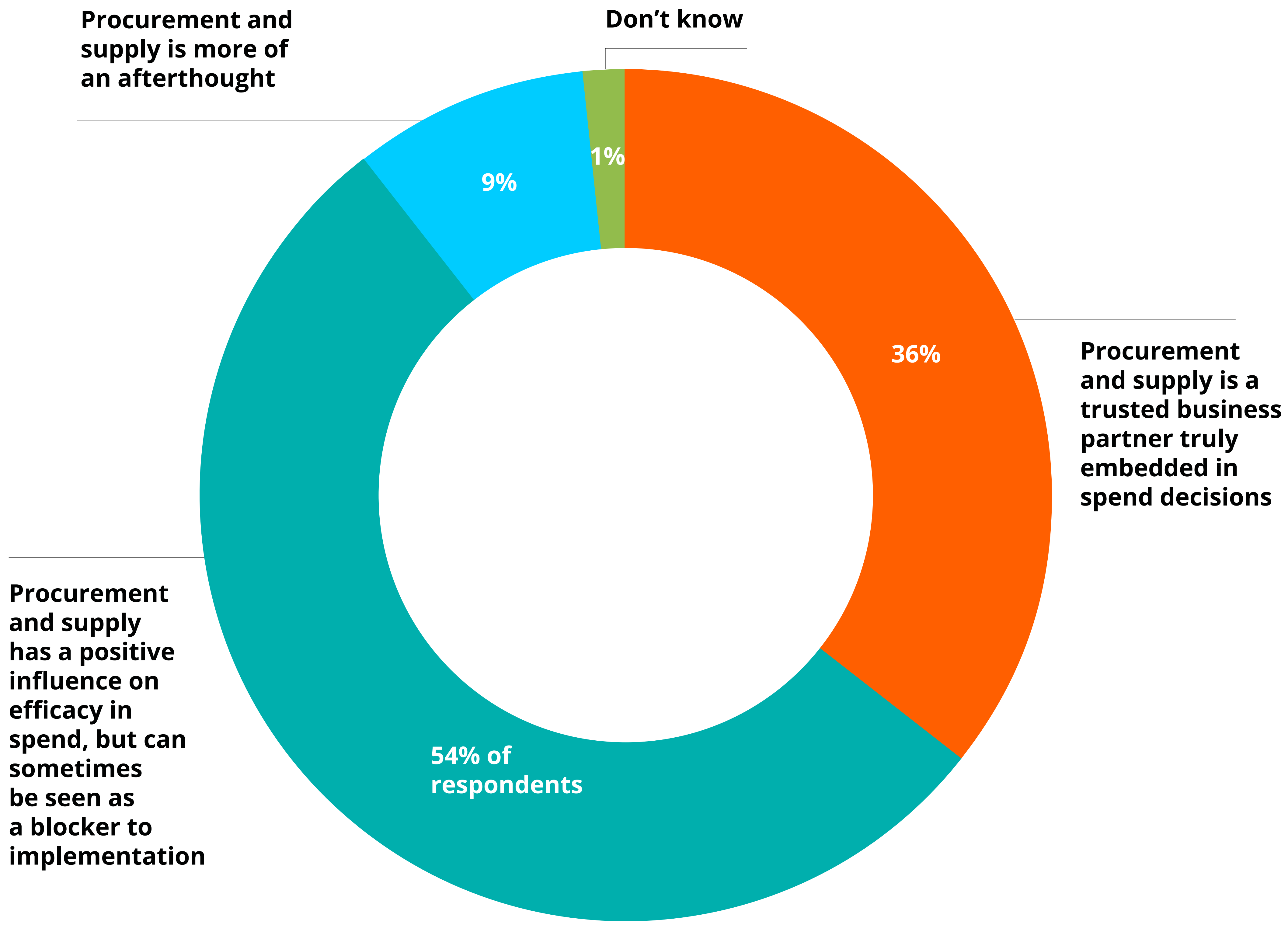
CPO, technlogy company

17. Relationship between procurement and supply function and the board



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 279 responses

18. How procurement is perceived in the organisation



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

With this growing influence, as well as an in-depth understanding of organisations' key data and drivers, we will surely see more procurement and supply chain leaders assuming the most senior leadership positions. Anecdotally, we know of at least two CPOs who have assumed international responsibility for AI investment and rollout. As one survey respondent says, "Making great choices is a key skill and one that has enabled great practitioners to become great leaders." Apple chief executive officer Tim Cook won't be the only procurement leader to lead a global business.

> "We influence supply chains to be more ethical, resilient and environmentally conscious, creating a positive difference for both businesses and the planet"

Procurement leader working in environmental consultancy services, UK & Ireland

Skills

SECTION SUMMARY

Some notable changes this year, with many more procurement leaders looking to enhance their leadership, strategic and influencing skills. AI and cyber security now top sustainability as a skill that professionals want to develop.

We have established that procurement and supply professionals work at the intersection of critical business factors – risk, sustainability, a challenging economic environment. And we have found that they are seen as increasingly influential within their organisations.

To maximise this prominence and prestige, which skills do procurement and supply leaders need to develop?

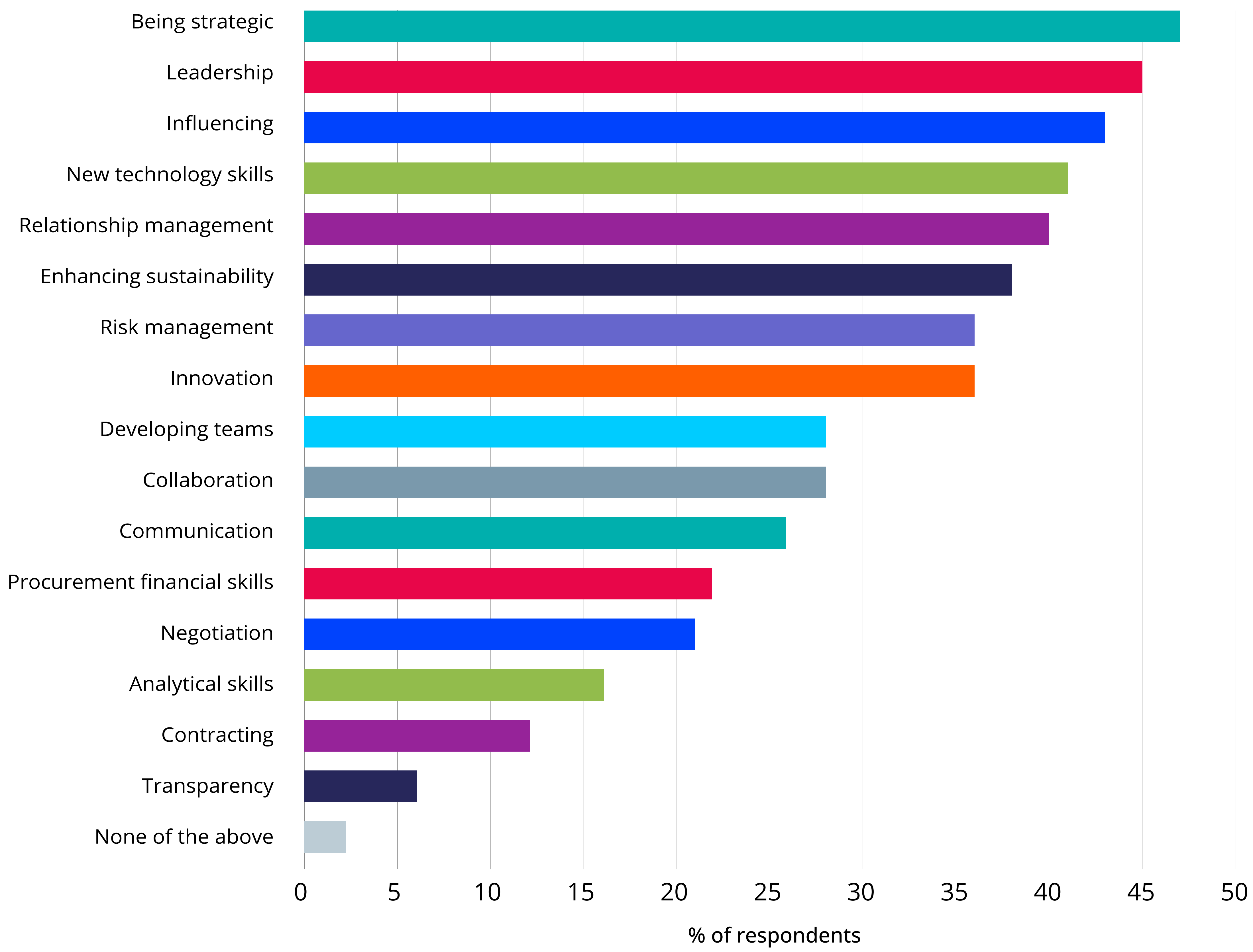
Here we see a striking result. Respondents this year are significantly more likely to want to develop their ability to think strategically as a way to maximise their impact. And they are significantly more likely to want to develop their analytical skills when compared to the 2024 survey.

Asked what skills procurement and supply professionals wish to build in the year ahead, being strategic (47%), leadership (45%) and influencing (43%) were the top three responses.

Year-on-year, there was a jump in respondents expressing a desire to improve their strategic skills, from a third last survey to almost half.

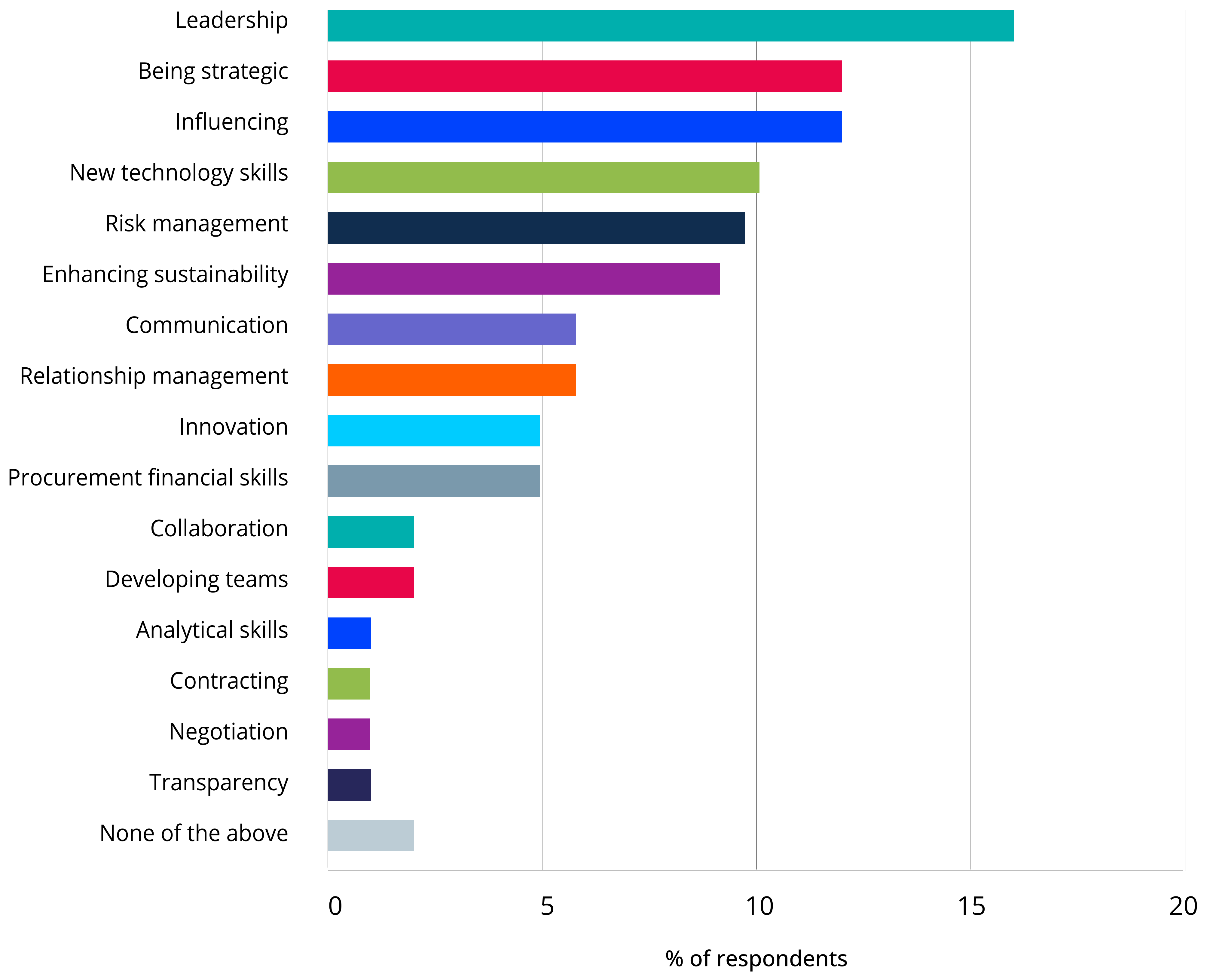
For professionals in larger companies with higher turnover and headcount, the skills they wish to improve are leadership and influencing. In smaller organisations, honing new technology skills and risk management were seen as more important.

19. Which skills and behaviours do you want to develop in the next 12 months (ranked in top five)



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 279 responses

20. Which skills and behaviours do you want to develop in the next 12 months (ranked as number one skill or behaviour)



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

Overall, procurement and supply professionals also want to enhance their skills in relationship management, communication, innovation, negotiation and contracting.

Double the number of senior procurement professionals are expressing an interest in improving their analytical skills compared to the last survey.

In 74% of respondent organisations, the importance of ESG issues is growing. However, this year sustainability has become significantly less important as a skill that professionals would like to improve, eclipsed by AI and cyber security. In 2024, half of respondents cited sustainability as a skill they wish to enhance. This time the figure dropped to 38% – and this survey was conducted before the election of US President Donald Trump.

Looking ahead, and in very cost-conscious times, procurement and supply professionals may face significant challenges in keeping ESG issues at the top of the agenda. ›

> “Procurement and supply professionals may face significant challenges in keeping ESG issues at the top of the agenda”

Trends

SECTION SUMMARY

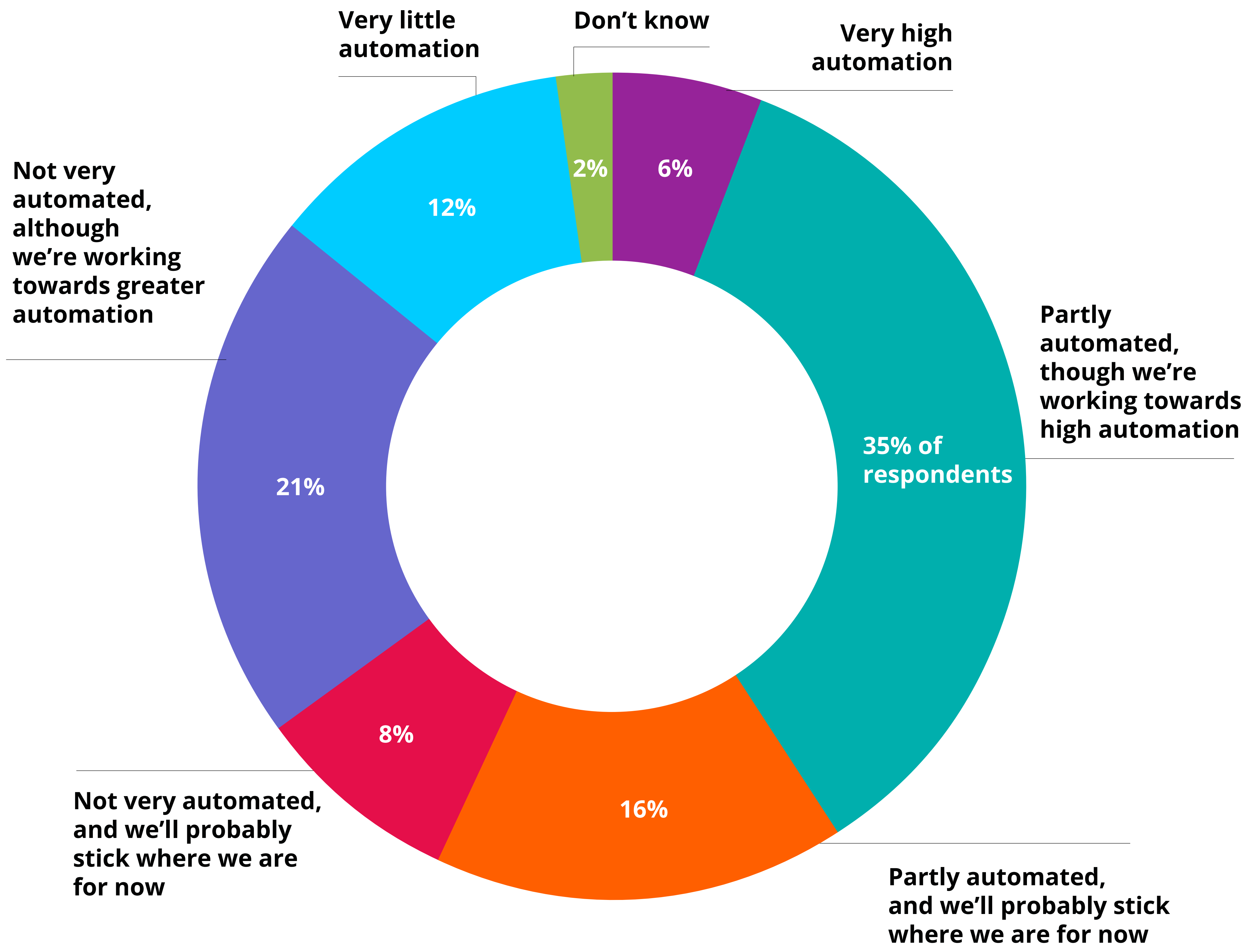
Procurement functions are pushing hard towards automation, and professionals want to acquire new skills for this new era. Gaining sustainability-related skills has fallen down the priority list for the year ahead.

Speak to any procurement and supply leader, and discussion will soon turn to AI. Procurement functions tend to embrace digital; procurement leaders understand how technology can drive innovation and value across organisations.

So, how automated are procurement and supply functions? Overall, 57% are at least partly automated, 41% are not very automated, and 6% describe their work as having a high level of automation (see figure 21 on next page).

> "The procurement and sustainability functions have a very close relationship. Most of our emissions are Scope 3 so procurement has a key role to play"
>
> CPO, service sector, Europe

21. To what degree are procurement and supply processes automated in respondent organisations



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 281 responses

Asked to comment on the impact of AI on procurement and supply over the next two years, 83% of respondents feel it would lead to greater operational efficiency, with 81% talking about it leading to greater automation.

The top five anticipated impacts of AI are, in order*:

1. Greater operational efficiency in procurement and supply processes
2. Automation of manual processes
3. Employees will require new skills due to AI adoption
4. It will help to identify supply chain risks and support decision making
5. Productivity will improve

Few respondents (15%) believe strongly that a likely impact of AI over the next two years will be to replace existing jobs.

Our survey shows a rise in anticipated investment in AI and cyber security, presumably as procurement and supply professionals look to operational and financial efficiencies as a result of greater automation (see figure 12 on page 17). ›

**Ranked by number of mentions in the top five options available*

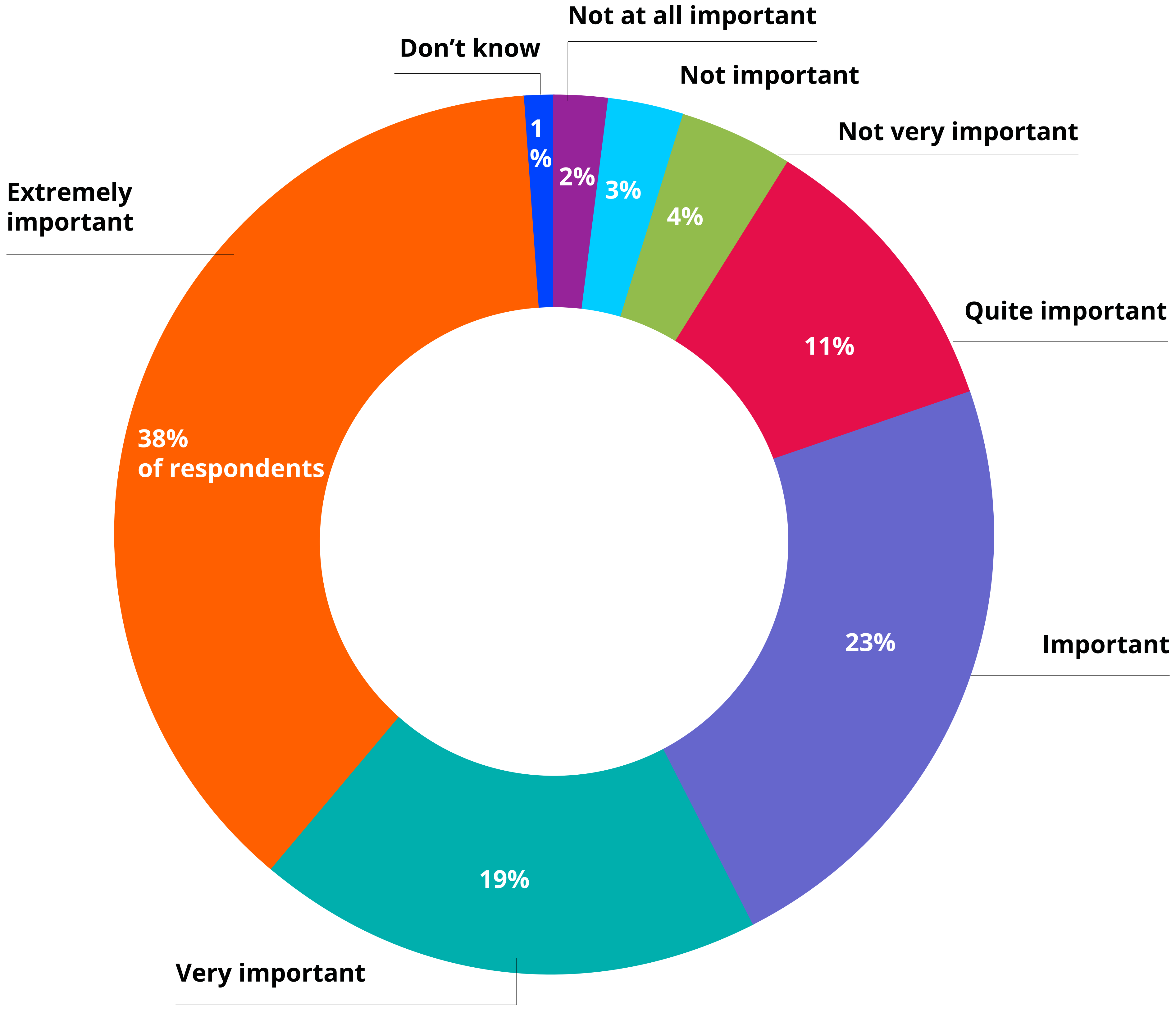
ESG AND SUSTAINABILITY

Environmental, sustainability and governance (ESG) issues remain important within organisations, say 79% of respondents, and there is a perception that this importance will only continue to grow (74%).

However, we do detect some shifts in thinking about sustainability. According to our respondents, sustainability has a significantly lower investment focus within organisations (54% in 2025 vs 69% in 2024). This is notable in the context of President Trump's infamous statement that the US would "drill, baby, drill" and companies announcing an intention to reduce investment in renewable energy.

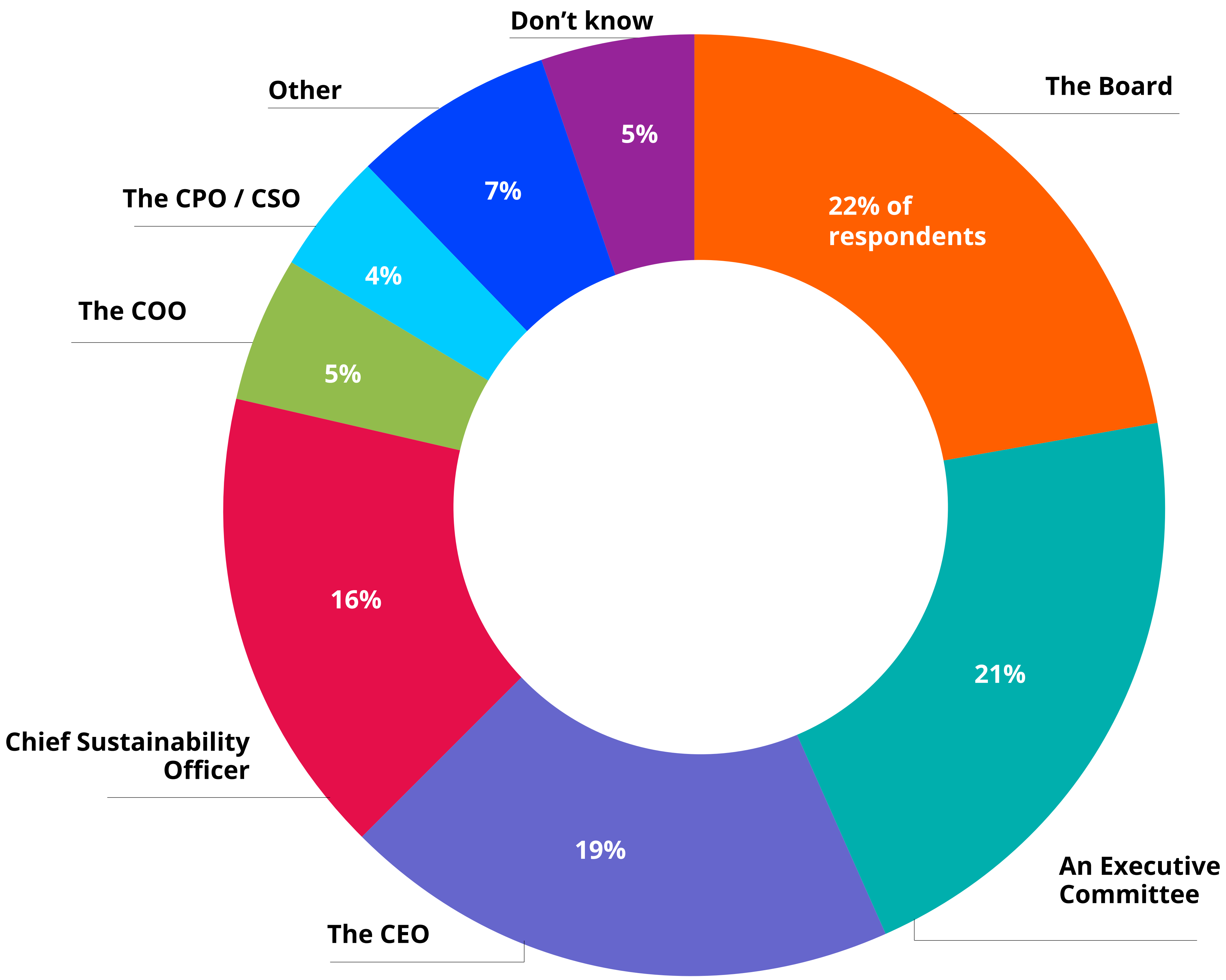
In terms of who is ultimately responsible for ESG strategy, respondents cited the board (22%), an executive committee (21%), the chief sustainability officer (16%) and the CEO (19%), with 5% don't knows (see figure 23 on next page). ›

22. How important are ESG issues in respondent organisations



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 279 responses

23. Who is ultimately responsible for ESG strategy



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 279 responses

In terms of who delivers on their organisation's ESG commitments, 45% say there is a central sustainability department, 19% point to a specific committee, 13% say there is no formal sustainability department and 10% say responsibility lies with the procurement and supply function.

Two-thirds (65%) of respondents describe their relationship with their sustainability function as effective. Only 13% say it is ineffective. More large organisations (with a turnover >$1bn) describe this relationship as effective vs smaller organisations (67% vs 61%).

In organisations where ESG issues are seen as important, we find the highest scores for the effectiveness of the procurement-sustainability relationship.

In terms of supply chain visibility, 45% overall say their visibility is effective but 27% suggest they have room for improvement. ›

Some 81% of respondents say they have an ethical sourcing policy, although 19% don't record breaches. Mostly (63%) there have not been breaches of the ethical policy, although one fifth were don't knows.

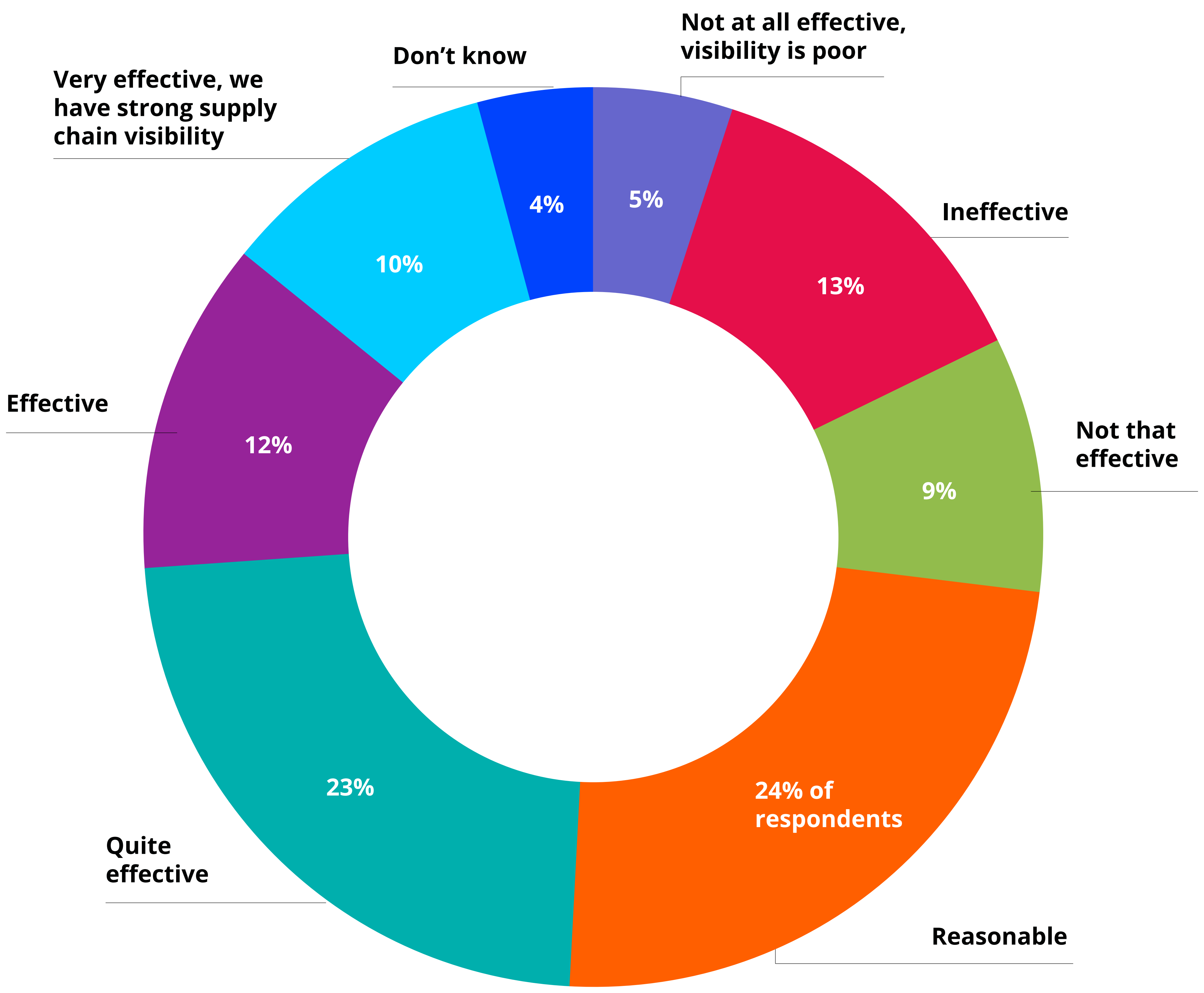
As we go to press, further tariffs are being imposed by the US government, and wars continue to rage in Ukraine and the Middle East. Global supply chains are creaking under the strain.

Cool heads will be required to ride out this storm, and the procurement and supply community appear to have what it takes.

> "How do you ensure continuity of supply? Diversify your network of suppliers. And invest in technology that delivers digital procurement – artificial intelligence and the Internet of Things can revolutionise supply chain management"

Director of procurement, Asia

24. Effectiveness of supply chain visibility



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 274 responses

Sector trends

SECTION SUMMARY

IT and telecoms are embracing digital tech and AI. Healthcare and pharmaceuticals want to automate manual processes. Retail and leisure are turning to procurement. The public sector and finance express concern about supply chain visibility.

To enable a deeper insight into some of this year's trends, we grouped 256 of our survey respondents into six industry sectors:

1. Manufacturing and industrials (79 of the 281 total respondents)
2. Financial and professional services (39)
3. Healthcare and pharmaceuticals (26)
4. IT and telecoms (23)
5. Retail and leisure (27)
6. Public sector (62)

IT AND TELECOMS FAVOUR CENTRE-LED PROCUREMENT

Some 70% of IT and telecoms respondents say that procurement is a centre-led function at group level – compared to 52% for the overall sample. Only 44% of retail and leisure sector respondents say that procurement is a centre-led function at group level.

FINANCIAL AND PROFESSIONAL SERVICES ZOOM IN ON LEADERSHIP SKILLS

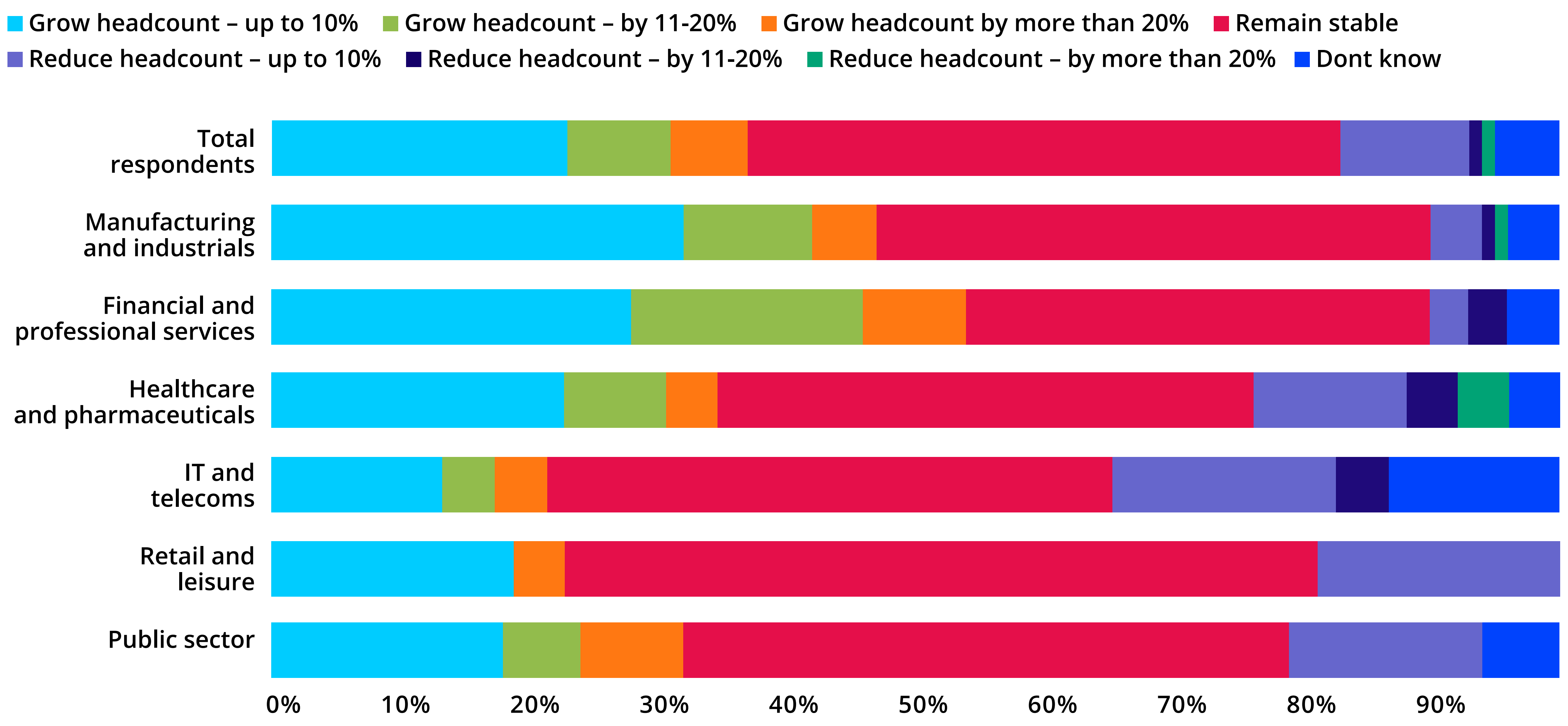
More than a quarter (26%) of respondents in financial and professional services cite leadership as the number one skill they want to develop in the year ahead – compared to just 16% in the total sample who rank it number one.

Similarly, a higher proportion of:

- Financial and professional services respondents want to develop innovation skills (13% of the sector cite it as the number one skill for development vs 6% of the total sample).
- Healthcare and pharmaceuticals respondents want to develop new technology skills (17% vs 10%).
- Retail and leisure respondents want to develop skills in being strategic (19% vs 12%).

FINANCIAL AND PROFESSIONAL SERVICES – AND MANUFACTURING AND INDUSTRIALS – EXPECT PROCUREMENT HEADCOUNTS TO GROW

25. Anticipated procurement headcount trends over the next 12 months, by industry sector



Source: 2025 CIPS Global State of Procurement & Supply survey, supported by GEP, 256 respondents

More than half (54%) of financial and professional services sector respondents expect procurement and supply headcount to grow in the next 12 months – compared to 37% for the total sample. Similarly, 47% of manufacturing and industrials procurement leaders expect their headcount to grow. By contrast, only 22% of procurement leaders in retail and leisure, and IT and telecoms, expect their function headcount to grow.

IT AND TELECOMS ARE INVESTING IN DIGITAL TECHNOLOGY AND AI

More than three-quarters (78%) of procurement leader respondents in IT and telecoms expect their organisation to invest in digital technology (within procurement) in the next 12 months. This compares to 59% in the total sample. Similarly, 70% expect investment in AI (vs 54% for the whole sample). And 78% of procurement leaders in IT and telecoms describe their procurement function as partly automated (vs 57% for the total sample).

Procurement leaders in IT and telecoms also tend to manage a higher proportion of overall organisational spend: almost all (96%) IT and telecoms respondents manage 60% or more of overall organisational spend. The equivalent proportion across all sectors is 72%.

HEALTHCARE AND PHARMACEUTICALS WANT TO AUTOMATE MANUAL PROCESSES

More than a third (38%) of procurement leaders working in healthcare and pharmaceuticals cite automating manual processes as the number one likely impact of AI – compared to 22% for the overall sample. Clearly there's room for greater efficiency in this sector. Interestingly, only 10% of financial and professional services respondents cited automation of manual processes as the key impact of AI, Instead, 28% of this group pointed to greater operational efficiency in procurement and supply processes. This suggests that financial and professional services may already have automated many manual processes and are looking for further efficiencies.

RETAIL AND LEISURE TURNING TO PROCUREMENT

In the retail and leisure sector we see the highest proportion of respondents saying that their influence on spend is growing (78% vs 64% for the total sample).

Retail and leisure and financial and professional services are the sectors most likely to describe the perception of procurement as "a trusted business partner truly embedded in spend decisions."

SUPPLY CHAIN VISIBILITY ISSUES IN THE PUBLIC SECTOR AND FINANCIAL AND PROFESSIONAL SERVICES

The public sector has the highest proportion of respondents (36% vs 27% for the total sample) who say that their supply chain visibility is not effective. And only 36% of public sector procurement leaders say that their organisation has effective supply chain visibility (vs 45% for the total sample).

It's worth noting also that 11% of respondents in financial and professional services give the lowest possible score for their organisation's supply chain visibility.

CIPS

Global State of Procurement & Supply 2025

Many people have contributed to the second CIPS Global State of Procurement & Supply survey. As well as the core team at CIPS, Think and GEP, we'd like to say thank you to Sally Malam and Gabi Clark from Narrative Line for their expertise in developing the research methodology; Dr John Glen, CIPS global economist, for his wise input into the Pulse questions and analysis; co-author Jamie Oliver; and of course, to the procurement and supply leaders who took the time to respond – we hope we've done your insights justice.

ABOUT GEP

GEP® delivers AI-powered procurement and supply chain solutions that help global enterprises become more agile and resilient, operate more efficiently and effectively, gain competitive advantage, boost profitability and increase shareholder value.

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