
Procurement Strategy for [Company Name]

Timeframe: FY2025–2027

Owner: Head of Procurement / COO

Last Updated: Aug 6, 2025

1. Executive Summary

Purpose: Provide a 3–5 sentence snapshot of the strategy's objectives.

Prompts:

- What are the 2–3 big procurement goals (e.g., compliance, cost control, vendor risk)?
- How does procurement support the firm's strategic priorities?
- What's changed vs. last year?

2. Organizational Context

Purpose: Show how procurement fits into the firm's operating model and goals.

Prompts:

- What business units or functions does procurement support?
- Any regulatory frameworks (e.g., SOX, GLBA) impacting vendor selection?
- Internal trends: Growth? Cost pressure? Tech transformation?

3. Spend Analysis

Purpose: Break down where money is going and where value can be gained.

Prompts:

- What's your annual third-party spend? Number of suppliers?
- Spend by category (IT, legal, SaaS, HR, etc.)
- Known inefficiencies (e.g., duplicate vendors, underused licenses)

Tools: Heat maps, tail spend analysis, vendor redundancy reports

4. Needs Assessment

Purpose: Map what teams need and where procurement can help proactively.

Prompts:

- What purchases or renewals are expected in the next 12–24 months?
- What are the pain points in the current request/intake process?
- What's needed to support compliance, growth, or innovation?

5. Supplier Strategy

Purpose: Clarify how you select, onboard, and manage suppliers.

Prompts:

- Will you use panels, preferred vendors, or open markets?
- What are the onboarding requirements (e.g., infosec, legal)?
- How often do you review vendor performance?

6. Sourcing Approach

Purpose: Define how sourcing decisions are made and enforced.

Prompts:

- When is competitive bidding required?
- Are thresholds in place (e.g., RFPs for purchases over \$50k)?
- Are there category-specific rules (e.g., IT vs. legal vs. SaaS)?

7. Contracting & Risk

Purpose: Lay out how you standardize and de-risk vendor agreements.

Prompts:

- Do you use MSAs, NDAs, or fallback clauses?
- Who reviews contracts before signing (legal, security, compliance)?
- How are contracts tracked (renewals, SLAs, obligations)?

8. Technology & Tools

Purpose: Identify tools to improve efficiency, visibility, and control.

Prompts:

- What procurement or vendor management tools are in place?
- What gaps exist (e.g., intake, contract visibility, reporting)?
- Are there plans for automation or AI-enabled workflows?

9. Performance Management

Purpose: Set KPIs to track procurement's impact.

Prompts:

- What metrics matter? (cycle time, compliance rate, % under contract)
- Who receives reports and how often?
- How do you audit vendor and procurement team performance?

10. Sustainability & Compliance

Purpose: Ensure alignment with ESG, ethical sourcing, and regulatory rules.

Prompts:

- Do you assess suppliers for ESG or diversity metrics?
- What compliance frameworks apply (GLBA, GDPR, DORA)?
- How are standards enforced in contracts?

11. Implementation Plan

Purpose: Detail the roadmap for applying this strategy.

Prompts:

- What are the key initiatives and owners for the next 12–18 months?
- Are there dependencies (budget, IT, exec buy-in)?
- What does success look like for each initiative?

Format: Table with Quarter, Initiative, Owner, Status