Leadership Vision for 2022: Chief Procurement Officer

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By Analyst(s): Ryan Polk, Andrea Greenwald, Thomas Pocock
Initiatives: Sourcing and Procurement

Chief procurement officers must communicate and justify annual priorities and actions for the year ahead. This Leadership Vision outlines the trends, challenges and actions to anticipate in 2022.

Overview

More than ever, procurement is being thrust into the spotlight as external events, business priorities and disruptive trends pose new challenges and create new opportunities.

Key Issues for CPOs in 2022

Key Issues for Sourcing and Procurement Leaders in 2022

- **Risk Management**
  - How can we insulate our organization from persistent high impact risk?

- **Digital Transformation**
  - How do we maximize our return on accelerating digital investments?

- **Elevate Strategic Performance**
  - How can we improve the strategic performance of our team?

- **Responsible Sourcing**
  - How can we support our environment, social and governance (ESG) goals?

Source: Gartner
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In 2022 and beyond, chief procurement officers (CPOs) must update their strategic plans to account for ongoing and as-yet-unimagined disruptions that will demand a new focus from business leaders.

As businesses around the world recover and respond to consecutive high-impact disruptions, procurement’s role is elevated. Chief procurement officers and their leadership teams need to protect their organizations from additional disruptions, while also supporting new priorities driven by stakeholder pressure and continued functional transformation.

This research equips CPOs with content that will help them succeed in the next 12 to 18 months. They can use this presentation to update strategic plans and communicate the expectations and aspirations of sourcing and procurement to their leadership, peers and teams.

Chief Procurement Officer Trends

Four trends will significantly impact CPO’s agenda over the next 12 to 18 months:

- The pervasiveness of high-impact risk events
- Continued acceleration of digital investments
- The growing impact of external trends on procurement talent
- Pressure for improved ESG performance

Chief Procurement Officers’ Priorities

These trends will trigger the following challenges, which CPOs must prioritize:

- Consecutive high-impact risk events overwhelm organizational resources and deplete procurement’s ability to respond;
- Growing technology maturity — technology governance gap;
- Staff don’t consistently demonstrate the required skill sets to effectively respond to external shifts;
- There is a growing disconnect between stakeholder aspirations and procurement’s capabilities regarding ESG priorities.
Recommended Actions

The CPO's agenda for 2022 and beyond should emphasize the following prioritized actions. Each is a leadership opportunity for which the CPO can exhibit their executive competency by working closely with their teams and peers as appropriate:

- Manage the organization's supply chain surface area strategically to make the organization a smaller target to hit.
- Align technology investments with technology maturity and place strategic risk weighted bets on emerging technologies.
- Create a more effective functional climate that encourages strategic behavior.
- Go beyond responsible sourcing compliance by introducing new levers that provide market differentiation and/or ecosystem enablement for better ESG performance.

How to Use Leadership Vision

This research is in the form of a presentation deck and provides Gartner's overall point of view on the important things that you, as a leader, should focus on. This deck is designed for you to download and use with your peers, your team or others who might benefit from it. You can also integrate it into your own materials. It is meant to provide input into your strategy or plans for the future.

Document Revision History

Leadership Vision for 2021: Chief Procurement Officer - 24 March 2021

Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

Supply Chain Executive Report: Shaping Supply Chain Disruption in a Volatile Risk Environment

Toolkit: Build the Business Case for Supply Chain Disruption Shaping

Case Study: Customizable Team Role Designs (UCB)

Case Study: Staff-Nominated Strategic Recognition Program (Xylem)

Infographic: Peer Insights on Responsible Sourcing

The Journey to Responsible Sourcing: Key Elements to Consider