

The Procurement Imperative in China

Amid economic headwinds, companies operating in China need to build a more flexible supply chain and an empowered procurement function.

Procurement executives see the urgency to act in China

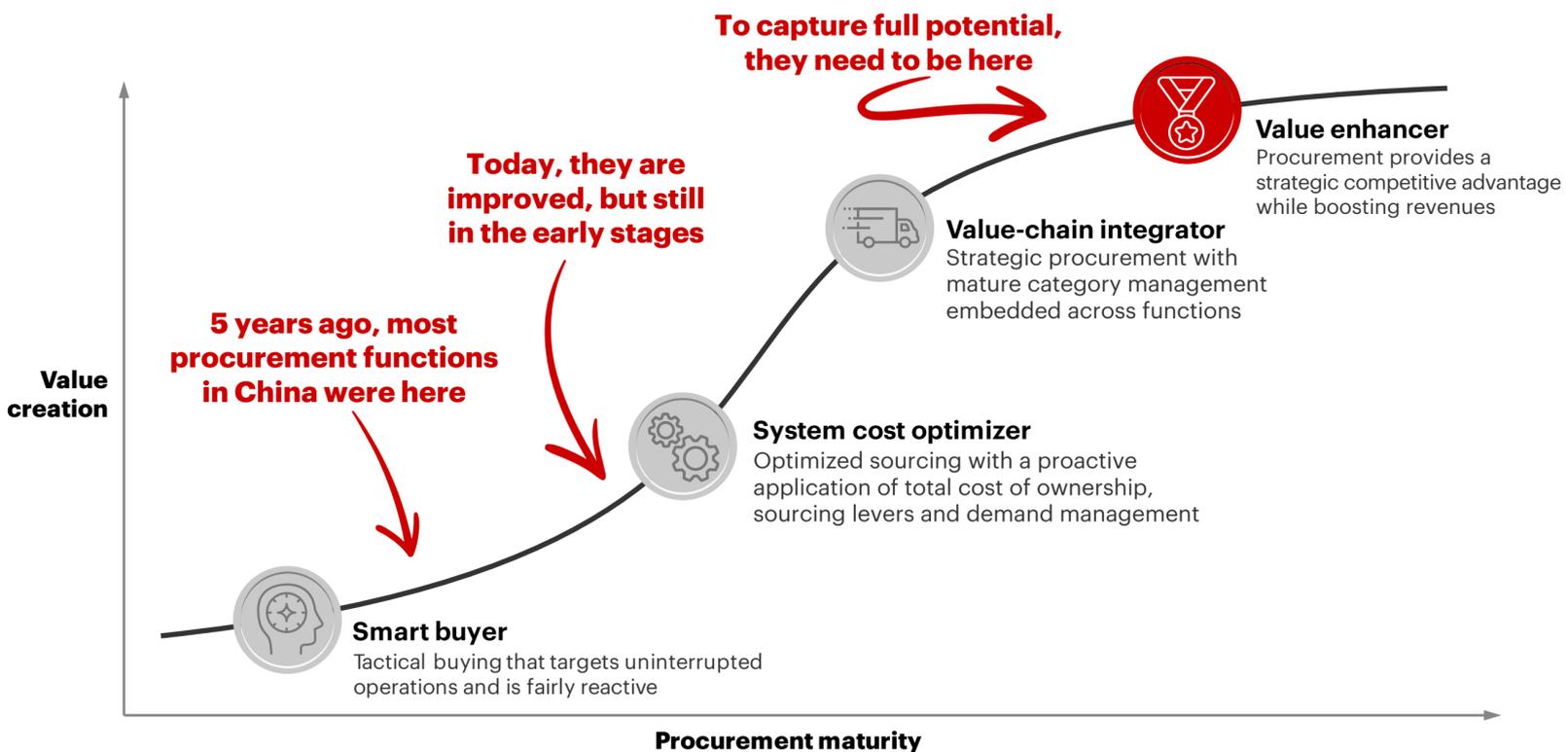
Based on interviews with 100 senior procurement leaders at companies operating in China:

- **Over 60%** anticipate negative impact from the US-China trade dispute, with costs rising 3% to 4%
- **50%** believe a more flexible supply chain is needed to counter these trends
- **20%** think transformational changes are required, such as **seeking new strategic suppliers** and **sourcing from different regions**

Procurement teams will play a pivotal role in delivering on these efforts

There is significant potential to get better

While many procurement organizations are better off than they were five years ago, they still have a ways to go.



How the winners pull ahead

Companies with more mature procurement organizations outperform in five key areas:



View procurement as a strategic function

Elevate procurement beyond a supporting role. Focus on strategic priorities, such as new product innovation.



Buy better and spend better

Go beyond pure price negotiation and tactical purchasing to emphasize total cost of ownership.



Actively manage suppliers across the entire cycle

Build up strategic suppliers in the region and nurture those relationships to grow with them.



Use a full suite of risk management levers

Take a holistic approach to risk management, using multiple enablers for better transparency down the whole value chain.



Give procurement a spot at the table on digital

Get procurement more involved in the company's overall digital direction and establish partnerships to build out a digital ecosystem.

Learn more:

[How Bain Helps Clients Improve Procurement](#)

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