

## Procurement teams least likely to outsource supplier relationship management, says new study

*Procurement outsourcing is gaining acceptance among large and mid-sized enterprises in North America and Europe. While procure-to-pay operations are routinely outsourced, 70% of the companies surveyed prefer keeping supplier relationship management in-house.*

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As many as 70% of procurement teams prefer to hold tight to supplier relationship management; in contrast, nearly half are looking to outsource procure-to-pay operations, according to ***GEP Value Trends: Procurement Outsourcing***, a new research study conducted by Information Services Group (ISG) (NASDAQ: III), a leading market intelligence and advisory services company, and GEP, a leading global provider of procurement services and technology. The study is available for [download here](#).

The report, which details the [procurement outsourcing](#) priorities of large and mid-sized enterprises in North America and Europe, also indicates that procurement outsourcing is gaining increased acceptance as a means to extend the scope and impact of in-house departments. This inflection point is reflected by the significantly increased use of outsourced procurement services over the past few years, and indications of considerable growth, going forward.

“The need to improve sourcing and adopt best practice processes is driving the adoption of procurement outsourcing. Other factors spurring the demand are the requirement of expanding subject matter expertise, capacity and capabilities,” said Michael Kushner, Director, Business Advisory Services, ISG.

Contrary to some long-held perceptions, achieving savings through labor arbitrage is a relatively weaker driver for the adoption of procurement outsourcing.

“While managing the cost of the delivery of these services is clearly a relevant factor, the major focus is on investing in procurement, with an increasing tendency to buy additional capabilities, rather than build them,” said Neha Shah, Executive Vice President and Co-founder of GEP.

Research participants, mostly comprising CFOs and CPOs or their direct reports, were primarily based in North America, with 28 percent representing other geographies. Respondents included leaders from diverse sectors, such as financial services, healthcare and pharmaceuticals, manufacturing, energy, government and public sector, media and telecom, retail and travel, and transportation. Fifty-nine percent of participants were from businesses of more than \$5 billion in annual revenue.

***GEP Value Trends: Procurement Outsourcing*** is the third part of a series of three research reports from ISG Research and GEP, which provides comprehensive insight into the challenges and opportunities encountered by procurement professionals today. [GEP Value Trends: Procurement Strategy](#) and [GEP Value Trends: Procurement Technology](#), the first and second parts of the series, respectively, were released earlier this month.

 NEWS RELEASE

### About Information Services Group

Information Services Group (NASDAQ: III) is a leading technology insights, market intelligence and advisory services company, serving more than 500 clients around the world to help them achieve operational excellence. ISG supports private and public sector organizations to transform and optimize their operational environments through research, benchmarking, consulting and managed services, with a focus on information technology, business process transformation, program management services and enterprise resource planning. Clients look to ISG for unique insights and innovative solutions for leveraging technology, the deepest data source in the industry, and more than five decades of experience of global leadership in information and advisory services. Based in Stamford, Conn., the company has more than 700 employees and operates in 21 countries.

### About GEP

GEP is a diverse, creative team of people passionate about procurement. We invest ourselves entirely in our client's success, creating strong collaborative relationships that deliver extraordinary value year after year. We deliver practical, effective procurement services and technology that enable procurement leaders to maximize their impact on business operations, strategy and financial performance. Named a category leader in procurement outsourcing by the Black Book of Outsourcing, a Star Performer in Everest Group's Peak Matrix of service providers, and to the Supply & Demand Chain Executive 100 for seven years, GEP is also ranked as one of the Fastest Growing Technology Companies in Deloitte's Technology Fast 500. Clark, NJ-based GEP has eight offices and operations in North and South America, Europe and Asia. To learn more, please visit [www.gep.com](http://www.gep.com).

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