

Why is Procurement So Often Messy?

Procurement Roles: The Confusion, The Reality, and The Solution (maybe)?

Procurement functions often struggle with overlapping roles & unclear responsibilities. Many organizations think they have structured roles, but in reality, people end up doing each other's jobs, leading to inefficiencies, confusion, & missed opportunities.



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What We Think It Is

PTP

Often perceived as purely transactional. Focused on processing PO, invoices, payments, & resolving discrepancies. Seen as primarily administrative, with limited strategic value.

Sourcing

Often portrayed as operational. Focused on finding suppliers, obtaining quotes, placing orders, & ensuring timely delivery. Emphasis on cost reduction through competitive bidding. Reactive to immediate needs.

Strategic Sourcing

Tends to focus on larger, more complex sourcing projects, but still mainly focused on cost savings.

Category Management

Presented as a more strategic approach. Involves understanding market trends, supplier capabilities, & internal needs. Focus on long term value, innovation, & supplier relationship management & data driven.

Common Assumptions

Role	Common Assumption
P2P Specialist / Buyer	Just processes orders and ensures compliance
Sourcing	Finds suppliers, negotiates, and gets the best prices
Strategic Sourcing	Handles bigger deals, but still mainly focused on cost savings
Category Management	Thinks about strategy but also ends up managing sourcing tasks

What It Really Is (The Problem)

The Reality (& Why it gets messy) - Many confuse sourcing with PTP - & sourcing with category management. We end up doing a bit (or a lot) of everything without clear boundaries...

(If your company has clear identification of roles/ responsibilities, then you are lucky !)

Role	The Reality (Why It Gets Messy)
P2P Specialist / Buyer	Ends up handling sourcing tasks due to lack of role clarity.
Sourcing	Often works on both tactical and strategic deals, making the distinction unclear.
Strategic Sourcing	Gets pulled into operational tasks instead of focusing on long term supplier strategy.
Category Management	Becomes a mix of sourcing, strategy, and supplier management with no clear boundaries.

Why Does This Happen?

1. Unclear job descriptions !

Many companies don't define sourcing vs. strategic sourcing clearly, nor a clearer for PTP & category management.

2. Overlapping responsibilities

Category managers often do sourcing, while sourcing teams get involved in category strategy & PTP gets involved in sourcing...

3. Lack of measurement

Success metrics are vague, so teams end up working reactively instead of strategically.

4. One size fits all approach

Smaller companies mix everything together, while larger organizations create layers of complexity without clear ownership.

What It Should Be (A Clear Structure) Ideally Optimized!

In a truly effective procurement organization, Sourcing, Strategic Sourcing, Category Management, & PTP are not isolated functions, but rather a unified, strategic ecosystem.

Sourcing, should include strategic elements, drives efficient supplier selection & contract management.

Category Management provides strategic direction, aligning procurement with business goals through deep market insights & supplier partnerships.

PTP, integrated with these functions, leverages data to optimize payment processes & enhance supplier relationships.

All roles should be data driven, collaborative, & focused on delivering long term value, moving beyond transactional tasks to become strategic business partners.

A Better Visibility & Boundries?

To fix this, we need a structured framework based on scope, complexity, & impact instead of job titles alone.
(only my proposal - keen to hear from yours?)

Characteristic	Description	Impact/Benefits
Unified Ecosystem	Sourcing, Strategic Sourcing, Category Management, and PTP function as a cohesive unit. Seamless information flow and collaboration.	Eliminates silos, improves efficiency, fosters better decision making.
Strategic Sourcing Integration	Sourcing incorporates strategic elements (supplier selection, contract management), eliminating the traditional divide.	Improving sourcing effectiveness, drives long term cost optimization, strengthens supplier relationships.
Category Management Leadership	Category Management drives strategic alignment with business goals, using market intelligence and supplier partnerships.	Ensures procurement supports overall business objectives, drives innovation, maximizes value creation.
PTP as a Strategic Enabler	PTP is fully integrated, using data analytics to optimize payment processes and enhance supplier relationships.	Improves payment efficiency, strengthens supplier relations, enables data driven decision making.
Data Driven and Collaborative	All roles rely on data for decisions; strong emphasis on cross-functional collaboration.	Improves decision quality, enhances team effectiveness, fosters shared understanding.
Value Focused	Focus on long term value, moving beyond short term cost savings; procurement as a strategic business partner.	Maximizes overall organizational value, fosters strategic partnerships, enhances business agility.

**For the "Strategic" sourcing lovers -
you can keep it, but please make it
clear for the rest of us (teams)!**

**But I do still believe that "Strategic" word is misused in our
Function ...**

Function	Focus	Key Responsibilities	Impact
P2P Specialist / Buyer	Transactions & Compliance	Process orders, ensure policy compliance, resolve P2P issues	Ensures smooth day to day purchasing
Sourcing	Supplier selection & negotiation	Find suppliers, get pricing, manage sourcing events	Ensures cost effective purchasing decisions
Strategic Sourcing	High value, complex procurement	Manage high risk, high impact deals, supplier development, risk analysis	Aligns procurement with business strategy
Category Management	Market strategy & supplier ecosystem	Develop category plans, supplier innovation, risk management	Shapes procurement for long-term impact

How This Fixes Procurement Overall?

1. **Remove role confusion** - is it really necessary to have the distinction btw strategic sourcing & sourcing! - are we clear on the cat. manager role? how about PTP aren't they also doing sourcing?...

Each function should have a clear ownership, reducing duplication!

2. Clarifies career progression, this is where the "strategic" comes in!

Sourcing roles scale based on complexity, not just job titles.

3. Creates a high impact procurement function
With structured roles, procurement can be a strategic instead of just a support function.

How to Streamline the Procurement Function?

1. If we can define clear functional processes: NOT just job description, but how the entire procurement team works together.

2. if we can make consistent processes across the sourcing and category management functions.

3. If we use data to drive the entire function: not just individual roles, but the whole department.

4. If we train EVERYONE & focus on both individual skills AND how the roles connect.

5. If we measure overall procurement success: not just individual tasks.

& let give Category Managers time to plan strategically...so we don't blame them as they impact (sourcing & PTP).

Final Thought !

Procurement's future isn't about job titles!

it's about impact!

The best teams will ditch the confusion, streamline roles, and focus on what really matters: faster decisions, stronger suppliers, and smarter spending.

If we keep blurring the lines, procurement STAYS REACTIVE

If we define roles clearly, procurement leads the business.

The choice is simple: stay stuck or move forward!

Are they distinct, or do they still overlap?

How does your company define these roles?

I'm always open to challenge & improve my thoughts - & I'm keen to learning from all of you & your experiences (we all have a different context) ! Please note that the purpose of this topic is only for discussion (not to blame or criticize our function) - Thank you.

Drop a note or contact me if you need my help !



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