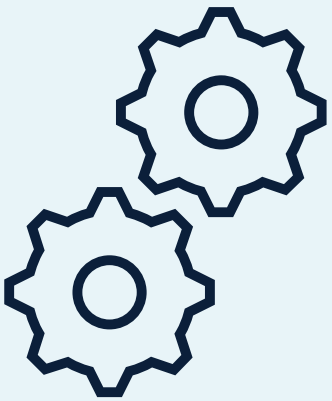
SmartBuyer

The Fractional Procurement Network

30-MINUTE PROCUREMENT GUIDE

HOW PROCUREMENT CAN DELIVER MORE, WITH LESS

Designing a procurement operating model that combines internal and external capacity, for a world of AI, flat headcount and rising demand.



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Message from the CEO

Every procurement leader I speak to is facing the same pressure: do more, cover more spend, manage more risk , but don't ask for more headcount.

This guide is our attempt to give you a practical framework for that challenge. Not a theoretical model, but a working blueprint for redesigning your function around the reality of today's market, where AI is taking the repeatable work, permanent hiring is harder to justify, and the most valuable procurement contribution is judgement, not process.

SmartBuyer was built for exactly this moment. We give you access to specialist procurement expertise on demand: fractional, flexible, and without the overhead of a permanent hire. The guide explains the model. SmartBuyer delivers it.

I hope it's useful.

Mark

Mark Coulson
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Mark spent 30 years in senior procurement roles across manufacturing, FMCG and professional services before founding SmartBuyer to connect businesses with specialist procurement expertise on demand.

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1 Introduction

Almost every procurement leader is being asked the same three things at once. Cover more spend. Manage more risk. Do it without more people.

The pressure is not imagined. Permanent hiring across the wider white-collar economy is falling at its fastest rate in ten months while temporary and contract billings grow at their strongest rate in three years. Deloitte's global CPO research finds 45 percent of procurement leaders reporting increased difficulty recruiting and 30 percent facing retention problems. At the same time AI is genuinely removing work, and around 28 percent of procurement staff time still sits in transactional sourcing activity that is highly repeatable and rules based.

Most functions are responding to this by trying to run the same operating model with fewer people in it. That is the one approach guaranteed to fail, because the model was designed around an assumption that no longer holds: that the permanent full-time role is the only real unit of capacity, and everything else is an exception to be justified.

This guide takes the opposite starting point. If you were designing your function today, knowing that some work will be automated, some needs deep expertise you cannot afford to employ full time, and headcount growth is not coming, what shape would you build? It sets out a way to segment the work, a way to match each type to the right kind of capacity, worked examples of what that looks like at different team sizes, and the arguments that actually land with a finance director.

It is written for a procurement leader designing the next version of their function, whether that redesign is a choice or has just been handed to them.

2 What Is Actually Changing, and What Is Not

Three forces are reshaping the function at the same time. They are usually discussed separately, which is why the response is normally piecemeal. Together they change the design question.

AI Is Taking the Repeatable Layer, and Quickly

Strengths. The Hackett Group's benchmarking finds that AI-enabled process redesign can cut purchase-to-pay process cost by up to 80 percent and reduce staffing requirements per billion of spend by up to 81 percent, while lifting strategic capacity by up to 55 percent.

Considerations. The gains come from redesigning the process, not from bolting tools onto the existing one. Automating a bad process faster is still a bad process.

Finance Has Stopped Funding Headcount Growth

Strengths. Budget is still available, but it is moving. High performing functions now put around 20 percent of the procurement budget into technology, close to double the 2023 level.

Considerations. Money that would once have become an FTE is now spent on tools and on variable capacity. If your only ask is a permanent hire, you are competing for the one pot that is shrinking.

The Work Itself Is Getting Less Repeatable

Strengths. As the routine layer automates, what remains is disproportionately one-off, complex and judgement heavy. Roland Berger reports two thirds of CPOs now say less than 30 percent of their team's time goes on routine activity.

Considerations. Non-repeatable work is exactly what a fixed permanent structure handles worst, because you cannot recruit a stable team against a workload that changes shape every quarter.

What has not changed is just as important. Machines do not resolve conflict between stakeholders, carry the relationship with a difficult budget holder, interpret an ambiguous contract position, or decide what is worth doing. The human contribution moves toward judgement, orchestration and influence.

⚠ There is a comforting version of this story in which AI removes the boring work and everybody gets promoted into strategy. It only happens if somebody redesigns the roles deliberately. Where organisations automate without redesigning the work, the usual result is a smaller team doing the same job badly, with the strategic capacity never actually released.

3 Why the Old Model Breaks

Five structural problems, all created by the same assumption.

1 The Permanent Role Is the Wrong Shape for Most of the Work

A permanent hire is a fixed, continuous, generalist commitment. Much procurement work is none of those things. A packaging benchmarking exercise, a systems tender, a post-acquisition integration and a category strategy refresh are finite, specialist and irregular. Buying continuous generalist capacity to deliver finite specialist work is a structural mismatch, and no amount of good management fixes it.

2 Headcount Is Approved on the Average, but Work Arrives in Peaks

Business cases for permanent roles are built on average annual workload. Real demand is lumpy: a tender wave, an acquisition, a supplier failure, three renewals landing in the same quarter. Staff to the average and you are underwater during peaks and carrying cost during troughs. Staff to the peak and finance will never approve it.

3 You Cannot Hire Depth Across Every Category

A mid-sized organisation might buy across 200 or 300 sub-categories. No function employs specialists in all of them. Recruitment does not solve this, because the constraint is not the number of people, it is the impossibility of holding that much specialist knowledge inside a fixed team.

4 Cutting Headcount Without Redesigning Work Just Relocates the Failure

When a reduction is imposed, the common response is to keep the same categories, the same processes and the same coverage expectations, spread across fewer people. Nothing is formally dropped, so everything degrades slightly, and the failure surfaces months later as a missed renewal, an unmanaged supplier risk or a resignation.

5 Automating the Bottom Rung Removes the Training Ground

The transactional work that AI is taking is also where junior buyers historically learned the trade. Remove it without a plan and you get an experience gap: senior people retiring, no pipeline behind them, and a team that has never run a full process manually. This is a five year problem that is very easy to create in one year.

⚠ If your most capable people spend their time on low value work while specialists are brought in for the interesting projects, you will lose them. Retention is an operating model outcome, not an HR one.

4 Segmenting the Work: Repeatability and Judgement

A more useful cut is to segment the work itself on two axes: how repeatable it is, and how much judgement it needs. Every piece of procurement work sits somewhere on that grid, and each quadrant has a natural answer.

The Work	What It Looks Like	The Right Capacity
Repeatable, low judgement	PO processing, catalogue buying, invoice matching, supplier onboarding admin, RFQ mechanics for commodity items	**Automate. This is precisely what AI and P2P tooling take. It should not be a person's job by the end of your redesign.**
Repeatable, high judgement	Core category ownership, key supplier relationships, contract governance, stakeholder business partnering, negotiation of material contracts	**Permanent core team. These are the roles you protect, invest in and never outsource. Continuity and institutional knowledge are the whole point.**
Non-repeatable, low judgement	Data cleansing, spend cube build, tail spend management, one-off contract digitisation, bulk supplier data collection	**Managed service, offshore or tooling. Genuine work, no need for it to be senior, and no need for it to be permanent.**
Non-repeatable, high judgement	Category strategy in an unfamiliar area, a systems tender, post-merger integration, a specialist benchmarking exercise, a turnaround	**Flexible specialist access. Interim, fractional or consultancy, matched to scale. Depth you cannot justify employing full time, for exactly as long as the work lasts.**

The framework produces an uncomfortable but clarifying conclusion: only one of the four quadrants is a permanent headcount answer. The permanent team gets smaller and considerably more senior, because what remains in-house is the work where judgement, relationships and continuity decide the outcome.

TIP: Run this as a two hour exercise with your leadership team. Take the last twelve months of actual work, not the job descriptions, and place each significant piece of it in a quadrant. Most teams find 30 to 50 percent of their current effort sitting in quadrants that should not be permanent internal work at all.

5 Designing the Model: Four Layers

Segmenting the work gives you four layers rather than one headcount number. The design question becomes how big each layer is, and where the boundaries sit.

Layer 1 — The Permanent Core

Senior, category-owning, stakeholder-facing. The people who hold the relationships and the institutional memory, and who direct everything else. Smaller than a traditional function and more experienced per head.

Watch out: Resist filling this layer with capacity. Every permanent seat should be justified by continuity and judgement, not by volume of work.

Layer 2 — The Automated Layer

P2P, guided buying, catalogue management, approvals workflow, spend analytics, increasingly agentic execution of routine sourcing. Hackett's benchmarking associates this with a 69 percent reduction in maverick spend leakage and a 110 percent improvement in guided buying adoption.

Watch out: Requires process redesign and ongoing ownership. Somebody in Layer 1 must own the tooling, or it decays quietly and people route around it.

Layer 3 — The Managed Layer

Tail spend, transactional processing, data work and other non-repeatable low-judgement activity handled by a service provider, a shared service centre or an offshore team.

Watch out: An operating decision rather than a project, and hard to reverse. Be deliberate about which capabilities you are content to stop having in-house.

Layer 4 — The Flexible Specialist Layer

On-demand access to category and situational expertise, drawn on for defined pieces of work. This is the layer that absorbs peaks and supplies depth, and it is why the core can be smaller without coverage falling.

Watch out: Only works with a pre-agreed route to specialists and a contracting model that is quick to trigger. If every engagement requires a three month procurement exercise of its own, the layer is theoretical.

What This Looks Like in Practice

Starting Point	Redesigned Shape	What Changes
A four-person team covering everything for a mid-market business	Two senior category-owning people, guided buying tooling, and a specialist budget of roughly 40 to 60 days a year	Two roles convert into tooling and on-demand depth. Coverage of the difficult categories improves.
A twelve-person function with four generalist category managers and five transactional staff	Six senior category and business-partnering roles, transactional layer largely automated or managed, and a standing flexible budget for projects and peaks	Headcount falls by around a third, average seniority rises, and project work stops competing with BAU.
A forty-person function across three regions	Centre-led core of senior category leads and business partners, shared service for transactional work, and a framework agreement for specialist access across regions	The regions stop each carrying their own generalist bench and draw on a common specialist pool instead.

⚠ Restructuring reporting lines without changing decision rights is the most common way an operating model redesign fails. Define who approves what, at what threshold, before anybody's job title changes.

6 What Each Layer Actually Costs

A model only survives contact with finance if you can price it honestly. The permanent figures are illustrative arithmetic — substitute your own salary and on-cost assumptions.

Route	Indicative Cost	What You Are Really Buying
Permanent employee	A £75,000 salary is roughly £95,000–£105,000 fully loaded. Across ~220 working days that is around £430–£480 per day	Continuity, institutional knowledge, stakeholder relationships. Cheapest per day, and a fixed annual commitment whether or not the work is there
Interim contractor	Commonly £500–£900 per day for procurement roles, typically on a three to six month full-time basis	Capacity at short notice. Usually a full-time commitment, which suits a vacancy better than a project
SmartBuyer fractional specialist	£950 per day senior, £1,000 per day partner level, used only on the days needed	Named category depth without a permanent or full-time commitment. The unit is a day, not a quarter
Specialist boutique consultancy	£1,200–£2,500 per day	Methodology and a small team. Suited to defined projects needing more than one pair of hands
Big Four	£2,000–£4,000 per day	Scale, breadth and brand assurance. The right answer for board-facing or multi-workstream programmes
Strategy elite	£3,500–£8,000 and above per day	Board-level assurance and proprietary data. Rarely the right tool for a category project
Managed service	Priced per transaction or as a monthly service fee	A process permanently off your plate. An operating decision, slow and costly to reverse
Technology	Licence plus implementation, and around 20 percent of budget for high performers	Permanent removal of repeatable work. Needs an internal owner or it decays

The honest conclusion: permanent staff are the cheapest capacity you can buy per day, by some distance. The argument for a flexible layer is not that it is cheaper per day. It is that you pay only for the days you actually need, and you get depth you could never justify employing. Twenty days of a genuine packaging specialist costs less than a month of a permanent generalist and will find more.

TIP: Model the same annual coverage three ways: all permanent, permanent plus flexible, and permanent plus consultancy. Include the cost of the work not getting done in the all-permanent version, because that is the option's real hidden cost and it is the one finance never sees.

7 Making the Case to Finance

Procurement leaders routinely lose this argument by making it in procurement's language. Coverage, capacity and category depth are inputs. A finance director is buying outcomes and, above all, control of commitment.

What Actually Persuades a CFO

Fixed Cost Becomes Variable Cost

This is the strongest argument you have. A permanent hire is a multi-year commitment made on incomplete information. A flexible budget is spend you can stop. In a year when headcount is being reduced, proposing a model that reduces fixed commitment is aligned with what finance is already trying to do.

No Permanent Headcount Is Created

Say it explicitly and early, because it removes the objection before it forms. Many functions discover the money was never the issue; the headcount line was.

The Spend Is Attached to a Named Piece of Work with a Defined End

A day rate on a scoped project with a stop date is far easier to approve than an open commitment, and it usually sits below the approval threshold that would trigger a lengthy business case.

Savings Are Evidenced Through to Invoice

Agree the savings definition and the baseline with finance before you start, not when you report. Procurement measuring against last price paid while finance measures against budget is the single most common reason good work goes unrecognised.

Risk of the Work Not Happening Is Quantified

An unmanaged renewal, an unbenchmarked sole-source supplier or a contract with no exit is a number, not a feeling. Put it in the paper.

EXAMPLE: A head of procurement had a permanent category manager request rejected twice. The third paper asked for no headcount at all. It proposed a fixed number of specialist days against four named categories, with a savings target agreed with finance in advance and a defined stop point. It was approved in a week. The work was identical. The commitment was not.

8 When the Cut Is Imposed on You

Sometimes there is no design phase. The number arrives, and it is smaller than the one you have. The instinct is to protect everybody and absorb the loss across the team. That is the response that does the most damage, because it degrades everything at once and hides the failure until it is expensive.

The First Thirty Days

01

Map the Actual Work, Not the Structure

Twelve months of real activity, placed in the four quadrants. You cannot make good decisions about what to stop until you can see what is genuinely being done.

02

Decide Explicitly What Stops

Something must. Write the list down and get it agreed above you, so that it is an organisational decision rather than a private compromise. Undocumented degradation always ends up as your failure.

03

Protect the Relationships First

Coverage can be rebuilt; a stakeholder who has learned to buy without you may never come back. Prioritise the roles that hold the business relationships over the roles that process work.

04

Move What You Can into the Automated and Managed Layers

This is where the fastest genuine capacity release sits, and the business case is easy because it does not ask for headcount.

05

Convert a Slice of the Lost Salary Budget into Flexible Capacity

Even a small standing budget for specialist days preserves your ability to respond to the unexpected. Losing that ability entirely is what turns a headcount cut into a capability collapse.

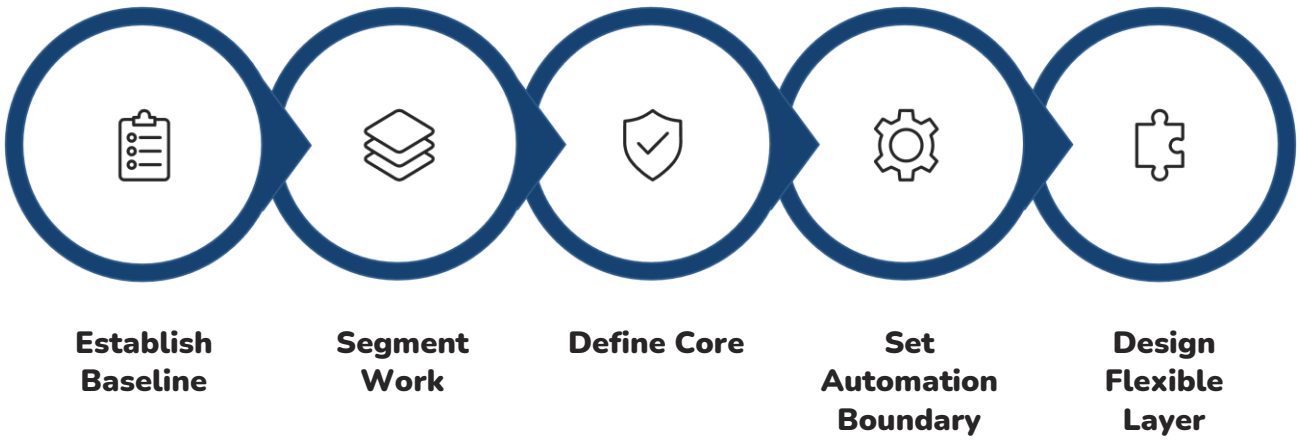
06

Tell the Remaining Team the Truth

Ambiguity after a cut drives out exactly the senior people you need to keep. Be specific about what has stopped and why their remit has changed.

⚠ The two most common casualties of a badly handled reduction are contract renewals and supplier risk, because both are invisible right up to the moment they are not. If nothing else survives your redesign, keep a named owner for every material contract expiry and every single-source dependency.

9 Step-by-Step: Redesigning Your Model



Each step builds on the last. Skipping steps or rushing the process is the most common cause of operating model redesigns that deliver nothing.

Step 9.1 Establish the Baseline

You cannot redesign what you have not measured. Most functions know their headcount and their savings number and very little else.

Capture twelve months of actual work by type, not by job description

Record spend under management, category coverage and the categories nobody genuinely owns

Note where the peaks fell and what was dropped or delayed when they did

Steps 9.2–9.5 Segment, Define and Design the Model

9.2 Segment the Work

Place every significant activity into one of the four quadrants.

- Run the exercise with the leadership team, using real examples rather than role titles
- Quantify roughly how much effort sits in each quadrant
- Flag anything sitting in a quadrant that does not match how it is currently resourced

9.3 Define the Permanent Core

Decide what must be in-house, on the grounds of continuity and judgement rather than volume.

- Identify the categories and relationships where losing continuity would genuinely hurt
- Define the roles that own them, and be honest about the seniority required
- Confirm nothing in this layer is there simply to absorb volume

9.4 Set the Automation and Managed-Service Boundary

Decide what leaves the team entirely, and to where.

- Identify repeatable low-judgement work and the tooling that removes it, with a named internal owner
- Identify non-repeatable low-judgement work suited to a managed or shared service
- Sequence the process redesign before the technology purchase, not after it

9.5 Design the Flexible Layer and Pre-Agree the Route

A flexible layer that takes three months to mobilise is not a flexible layer.

- Set a standing annual budget for specialist days rather than requesting approval case by case
- Pre-agree contracting, rates and IR35 position so mobilisation is days rather than months
- Define the trigger points at which the layer is used, so it is a designed route rather than an emergency measure

Step 9.6–9.7 Fix Decision Rights and Measure the Model

9.6 Fix Decision Rights and Governance

Structure without decision rights is an org chart, not an operating model.

- Set out who approves what, at which thresholds, across central, business unit and external resource
- Decide which categories are enterprise-led and which are business-led, within guardrails
- Agree how external specialists are governed, including who they report to and how quality is judged

9.7 Measure the Model, Not Just the Savings

A model judged only on savings will be redesigned back to a cost centre within two years.

- Track coverage, cycle time, contract compliance, risk incidents and stakeholder satisfaction alongside savings
- Report the cost of the whole model, including tooling and flexible spend, as a single number
- Review the segmentation annually, because the automation boundary moves every year now

10 Ten Traps

The failure patterns we see most often when functions try to do more with less.

1 **Cutting headcount without stopping any work.**

Everything degrades slightly, nothing fails visibly, and the bill arrives eighteen months later.

2 **Automating the existing process.**

The gains come from redesigning the process first. A faster bad process is still a bad process.

3 **Treating the permanent team as the capacity plan.**

Permanent people should be the continuity plan. Capacity is what the other three layers are for.

4 **Keeping generalists to cover specialist demand.**

It looks like coverage and delivers the appearance of it, which is worse than an acknowledged gap.

5 **Removing the junior layer with no plan for the pipeline.**

You are creating a capability gap five years out that nobody will connect back to this decision.

1 **Building a flexible layer with no pre-agreed route to market.**

If mobilising takes a full procurement exercise, the layer exists only on the slide.

2 **Letting the tooling go unowned.**

Guided buying, catalogues and analytics all decay without a named owner, and people quietly route around them.

3 **Restructuring reporting lines instead of decision rights.**

The most common way an operating model redesign delivers nothing at all.

4 **Outsourcing a capability you will need back.**

Anything you stop doing, you stop being good at. That is fine if it is deliberate, and expensive if it is not.

5 **Not telling the team what has actually changed.**

Ambiguity after a redesign drives out the senior people whose judgement the whole model depends on.

11 Quick-Reference Checklist

Use this to sense-check a redesign before it goes to your executive.

- ○ Twelve months of actual work captured and segmented, not just headcount and job titles
- ○ Effort quantified across all four quadrants, with mismatches to current resourcing flagged
- ○ Permanent core defined on continuity and judgement, with no seats justified by volume alone
- ○ Automation boundary set, with process redesign sequenced before technology purchase
- ○ A named internal owner assigned to every tool and platform in the model
- ○ Managed or shared service boundary decided deliberately, with capability loss accepted knowingly
- ○ Standing flexible budget agreed, rather than case-by-case approval for every specialist need
- ○ Contracting, rates and IR35 position pre-agreed so mobilisation takes days
- ○ Decision rights and approval thresholds defined before any job title changes
- ○ Category-level model chosen, enterprise-led versus business-led, rather than one model for everything

- ○ Savings definition and baseline agreed with finance in writing, in advance
- ○ Measures cover coverage, cycle time, compliance, risk and stakeholder satisfaction, not savings alone
- ○ Every material contract expiry and single-source dependency has a named owner
- ○ The team has been told plainly what has stopped and how their remit has changed

12 Further Resources & Next Steps

The Hackett Group

Procurement benchmarking including cost of procurement, staffing per billion of spend and digital and AI world-class comparisons.

www.thehackettgroup.com

Deloitte Global CPO Survey

Annual research on procurement priorities, talent, technology investment and what separates high-performing functions.

www.deloitte.com

APQC

Open-standard process benchmarks including spend per procurement FTE and process cost measures.

www.apqc.org

CIPS

Professional guidance on operating models, capability frameworks and category management practice.

www.cips.org

Designing Your Next Operating Model?

The hardest part of this redesign is usually not the analysis. It is having somewhere credible to point the flexible layer, so that a smaller core is a deliberate design rather than a gamble.

SmartBuyer is a network of more than 500 procurement specialists across 300 plus categories, available by the day at £950 for a senior specialist and £1,000 at partner level, mobilised in days rather than months. If it would help to talk through the shape of your function, or to sense-check a redesign before it goes to your executive, we are happy to look at it.

Book a Call

www.smartbuyer.co
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You don't need more people in your Procurement team, fractional is the solution.

Markets constantly change, Procurement teams are stretched, securing the best commercial deals on everything you buy is an ongoing challenge.

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Our network of specialists work flexibly, delivering both short and long term projects:

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- Reviewing or drafting RFPs and tender documentation
- Running competitive sourcing events end-to-end
- Negotiating renewals and framework agreements

Analysis

- Providing independent spend analysis
- Drafting category strategies
- Delivering category-specific market intelligence

Strategy

- Supporting cost reduction and value engineering projects
- Advising on supplier selection and risk management
- Building procurement strategies and operating models

SmartBuyer, The Fractional Procurement Network. 500+ specialist buyers across 250+ procurement sub-categories. Rapid. Flexible. No commitment.



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