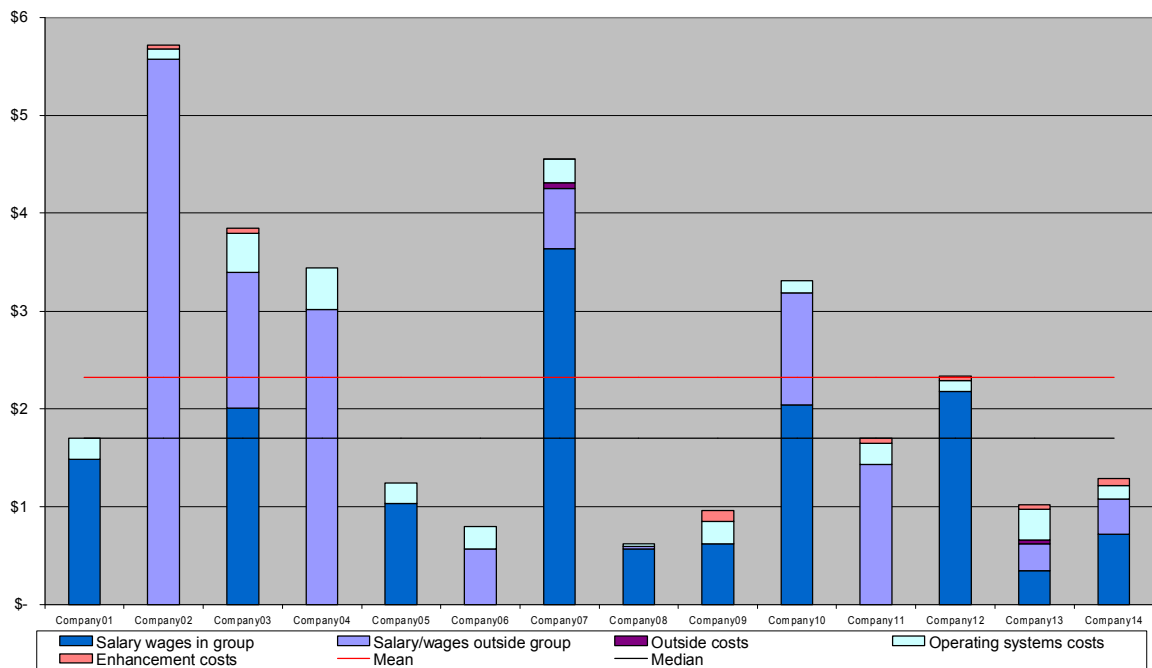


**Metric 14 – Cost of the purchasing process, per \$1,000 purchases**



<b>Metric</b>	Cost of the purchasing process per \$1,000 purchases	<b>Range</b>	\$0.62 – \$5.71	<b>MRI</b>	2.6	<b>CD</b>	0/14
<b>Context</b>	2, 5, 6, 7	<b>Mean</b>	\$2.32	<b>DQI</b>	2.2	<b>NA</b>	0/14
<b>Process</b>	Purchasing	<b>Median</b>	\$1.70	<b>Ref</b>	3		

**Insight**

The best performers were Company08 (\$0.62), Company06 (\$0.80), Company09 (\$0.96) and Company13 (\$1.02). These organisations achieve low purchasing costs in different ways:

- Company08 appears to have a disciplined procurement process with high preferred spend, high levels of compliance which all leads to a streamlined purchasing process and hence lower purchasing costs.
- Company09 does almost as well on preferred spend and adds a higher level of automation, which helps deliver its low cost purchasing.
- Company06 also has high levels of automation in their purchasing process (90% order lines automated and 92% online approvals).

The highest result on this metric was reported by Company02 with \$5.71 per \$1000 purchases, which was 25% higher the next highest (Company07, \$4.55). See below.

**Key context background**

Company13 has, relative to other respondents a low volume high value transaction profile. Organisations with such profiles should have lower purchasing costs compared to organisations with other profiles.