

UK Survey Reveals Majority of Procurement Leaders Unable to Determine ROI of Spend Analysis, According to Rosslyn Analytics

34% Surveyed Cite Lack of Data Quality as Main Obstacle to Obtaining Accurate Visibility of Enterprise-Wide Spend Intelligence

London, United Kingdom – 22 July 2009: According to a survey of 100 UK procurement and finance professionals, 51% of respondents do not know if and when a spend analysis solution should deliver a return on investment.

The survey, conducted by [Rosslyn Analytics](#), a technology company, also uncovers that though procurement and finance leaders view identifying cost savings as their number one business priority, they cite the lack of data quality (34%) as the largest obstacle to obtaining an accurate view of their company's spend intelligence.

*"The findings from our survey reveal that spend analysis vendors are taking advantage of procurement leaders who, confidentially, admit that they do not know when they should realize a return on investment," said **Charles Clark, CEO, Rosslyn Analytics**. "Spend analysis is such an important business-critical tool for organizations that Rosslyn Analytics challenges vendors to become more accountable to customers, including transparently stating when their solutions will deliver returns on investment."*

Key findings of the survey include:

- 57% of respondents view identifying cost savings as their number one business priority, followed by increasing profit margins (29%), managing supply risks (12%) and other (2%).
 - 61% of procurement leaders rate identifying cost savings as their number one business priority compared to 46% of finance leaders.
 - 40% of finance leaders view increasing profit margins as their number two business priority compared to only 24% of procurement leaders.
- The three biggest obstacles to the adoption of spend analysis, after a lack of data quality (51%), are a lack of stakeholder buy-in (23%), inadequate budget (23%), limited understanding of spend analysis (18%), followed by other reasons (2 percent).
 - 33% of procurement leaders rank a lack of data quality as their number one internal obstacle to the adoption of spend analysis, followed by lack of stakeholder buy-in (26%), lack of budget (23%), lack of understanding of spend analysis (17%)
 - 33% of finance leaders identify a lack of data quality as their number one internal obstacle to the take-up of spend analysis, followed by a lack of budget (30%), understanding of spend analysis" (20%) and stakeholder buy-in (17%).
- 61% of those surveyed leverage spend analysis to identify greater saving opportunities within categories. The next three most cited benefits of spend analysis, for both roles, are negotiating lower supplier contracts (14%), improving information on contract compliance (8 percent) and managing supplier performance (5%).

- 55% of respondents rank a lack of time in the day as the top pain point followed by additional time sensitive issues (23%) such as team meetings, communicating with stakeholders and prioritising tasks. Other (22%) pain points most frequently cite were people management and a lack of training.
- Though 83% of procurement leaders are content with their current spend analysis provider, 48% of the respondents did not know if and when their vendor delivered a return on investment. 42% of procurement said they had witnessed an ROI after three months while only 10% experienced this after a week.

“Spend analysis is a diagnostic tool that lays the foundation for savings by enabling procurement to identify where its efforts will be most effective, both in terms of technology investment and supplier rationalization. Conducting de-duplication and classification by category, on a manual basis, is an overwhelming project that does not yield timely information or adequate data quality. This explains why Gartner is observing renewed interest from organizations for spend analysis solutions,” said **Deborah Wilson, Research Director of Procurement Strategies & Systems, [Gartner](#).**

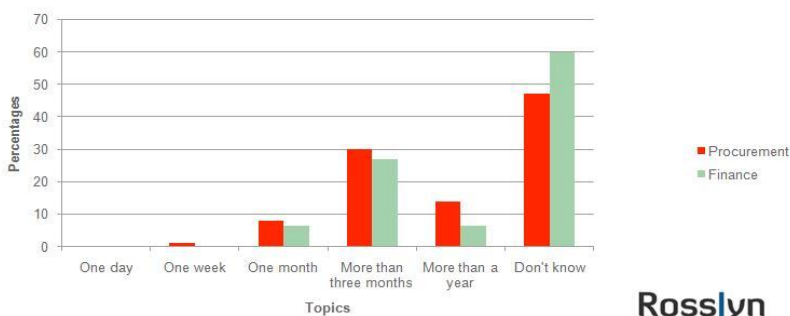
Charles Clark added: *“There is no reason why organizations should not know exactly when their spend analysis solution will deliver a return on investment. In today’s era of affordable, easy-to-use and fully automated web-based technologies, vendors have all the necessary tools to deliver significant cost savings in weeks, not months. Procurement and finance professionals must not accept anything less from the industry.”*

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Notes to editors:

*The survey of 70 procurement and 30 finance professionals, from 100 UK-based organizations, was conducted in June-July 2009. Diagrams of survey findings are available upon request.

What is the quickest time a spend analysis vendor has, if at all, delivered a return on investment?



About Rosslyn Analytics

Rosslyn Analytics, a fast growing technology company, specializes in helping organizations of all sizes make faster, easier and more reliable business decisions based on access to enterprise-wide spend data. Rosslyn Analytics is uniquely positioned as the only pure-play spend analysis company that also specializes in data extraction and hosted data warehouse. Rosslyn Analytics’ suite includes the industry’s first web-based Automated Spend Analytics Platform (W-ASAP), rapidintel.com, a cloud-based software as a service solution that enables organizations to quickly, cost effectively and securely build, deploy and run pre-packaged “on-demand” spend analysis applications. Global organizations such as Aberdeen Asset Management, Capita Group, Clifford Chance, Rio Tinto and Serco Group turn to Rosslyn Analytics for the biggest cost savings, quickest return on investment and lowest cost of ownership than any spend analysis provider in the market. Please visit www.rosslynanalytics.com for more information.

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