



2022 State of Business Procurement Report

A Look at the Key Trends Driving Buyers' Procurement Strategies in 2022 and Beyond



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Executive summary

The role of procurement is evolving. Consumer expectations, digital transformation, and updates to the way we work now require business buyers to wear multiple hats.

Today, procurement teams must act as digital transformation evangelists, budget guardians, and work-from-anywhere enablers, while also pushing forward corporate social responsibility (CSR) goals. That's a tall order for one department also facing significant challenges like [global inflation](#), [supply chain disruptions](#), and [increased turnover](#).

In response, procurement leaders are looking for ways to become more strategic, efficient, and collaborative with other departments—all while continuing to provide functional value by securing the supplies needed to keep their organizations' operations running smoothly and cost-effectively.

To better understand the needs, challenges, and priorities of business buyers as well as the ongoing transformation of B2B purchasing, Amazon Business surveyed 440 buyers across the U.S. This is our second annual **State of Business Procurement Report**, which explores the key trends that push the procurement function forward.

Respondents worked at organizations ranging in size from mid-sized businesses (fewer than 250 employees) to large enterprises (10,000 or more employees). All commercial organizations made over \$250 million in revenue last year. Buyers worked in a variety of sectors, including government and nonprofit, education, healthcare, and commercial industries. In the four **sector spotlights** distributed throughout this report, we shine a light on procurement complexities unique to each surveyed sector.

Key findings

91%

of B2B buyers state a preference for online purchasing.

58%

of B2B buyers now make purchases that have to be delivered directly to an employee's personal residence.

47%

of B2B buyers expect to manage more budget this year than last year, and those that are experiencing decreases are called to spend smarter.

Our research found that while optimizing costs and increasing efficiency remain high priorities for procurement, purchasing in line with organizational values continues to grow in importance. Business buying looks more like personal shopping than ever, with B2B buyers increasingly taking advantage of e-procurement—*also known as Smart Business Buying*—technologies to find, compare, and purchase supplies in their price range that are aligned with their core values.

Overall, increased adoption of Smart Business Buying is helping business buyers adjust to their new responsibilities and overcome common pain points like accessing a wider range of suppliers and managing distributed purchasing. Technological advancements—like purchase order and invoice, storage and sharing, approval workflows, expense management, and guided buying capabilities—enable operational efficiencies across entire organizations, not just in procurement.

However, the recent gains in digital transformation aren't over yet. Business buyers now need to refine their processes, workflows, and digital strategies to take full advantage of e-procurement.

Read on for a deeper analysis of the trends shaping procurement, as well as the insights buyers need to know to evolve operations and achieve success.

Key findings (continued)

84%

of B2B buyers say their organization plans to increase the purchasing budget reserved for Black or other diverse-owned businesses.

63%

of B2B buyers say improving sustainability in their purchasing practices is a top goal.

55%

of B2B buyers with sustainability goals say it's difficult to source suppliers that follow sustainable practices. Among this group, 81% of buyers agree this difficulty is holding their company back from achieving procurement sustainability goals.

89%

of B2B buyers say if it was easier to identify sustainably-certified products, they would be more likely to purchase more sustainable products.



Section One

Buyers' preference for online purchasing holds strong



Business buyers continue to maintain a preference for omnichannel—and in some cases online only—engagements with suppliers.

The past few years significantly accelerated the pace of digital transformation at most organizations. While the initial steps may have been necessary for survival during the early pandemic, the continued adoption of digital tools is a deliberate choice many businesses are making to thrive. IBM found that of the 60% of organizations that accelerated their digital technology investments due to COVID-19, more than half made these [organizational strategies permanent](#).

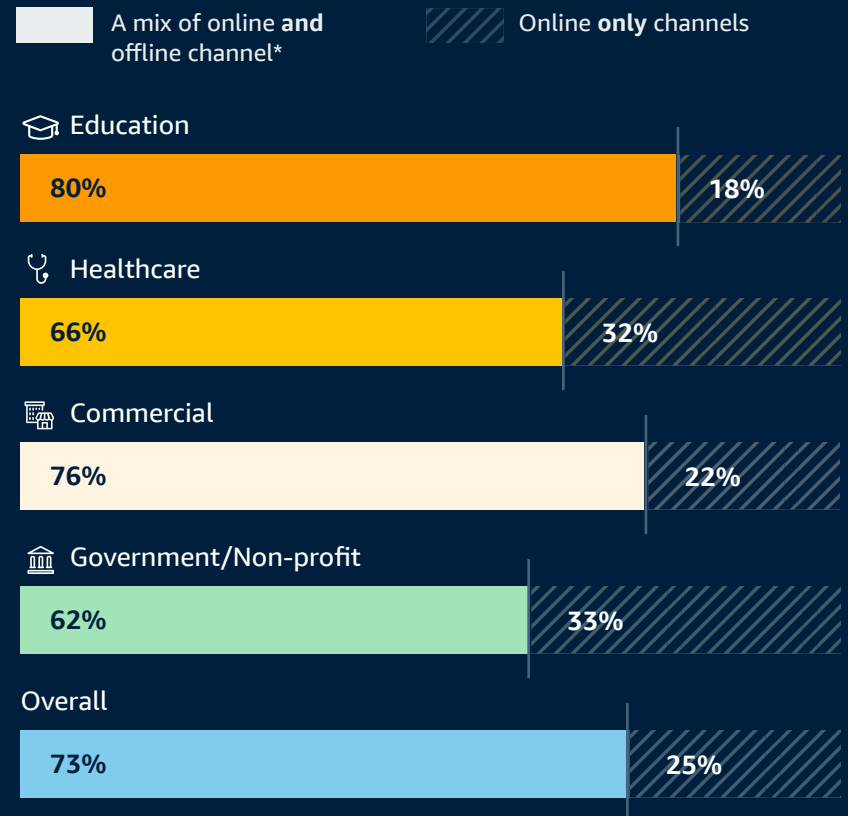
Our data tells a similar story regarding the initial investment and continued use of digital procurement technologies. In our [2021 B2B Evolution in E-Commerce Report](#), 85% of business buyers pushed more of their procurement online due to COVID-19. This year’s report found that organizations plan to increase their use of online purchasing—indicating that increased reliance on e-procurement spurred by the pandemic isn’t temporary, it’s solidifying as a core procurement process.



By the end of the year, 68% of buyers plan to make at least 40%, or more, of their purchases online—up from 56% of buyers in 2021. Nearly one in 10 buyers (9%) expects to complete upward of 80% of their purchases online.

Figure 1

Where B2B buyers make purchases for their organizations, by industry



* Offline channels include: offline distributors, brick-and-mortar stores, phone orders, catalog orders, and sales meetings

Most B2B buyers now make purchases for their organizations online at least some of the time. In fact, **only 2% of respondents purchase exclusively offline**. These numbers are relatively consistent across industries, demonstrating widespread adoption of online purchasing. In every industry, the percentage of organizations making offline purchases only is in the single digits (**Figure 1**).

E-procurement isn't just a necessity, it's the preferred purchasing method for a majority of buyers. 91% of B2B buyers state

a preference for online purchasing over traditional methods like offline distributors, brick-and-mortar stores, phone orders, catalog orders, and sales meetings. Instead of searching for, buying from, and communicating with suppliers across various channels and means, buyers can leverage Smart Business Buying channels to complete purchases seamlessly, in one convenient location.

However, some business buyers still feel some hesitation about fully adopting online procurement. Because e-procurement is

self-service, some buyers fear missing the personalized interactions that are typical of traditional procurement methods. While the majority of buyers are happy to make this trade—favoring speed and efficiency over direct personal interactions—it's certainly something for buyers to consider based on their business needs (**Figure 2**).

Figure 2

The top three pain points buyers experience when purchasing items online include



Online stores have too many supply chain disruptions and shipping delays



Product information / descriptions are inadequate



It's too hard to get in touch with salespeople / company representatives

Organizations should tackle the basics of digital transformation

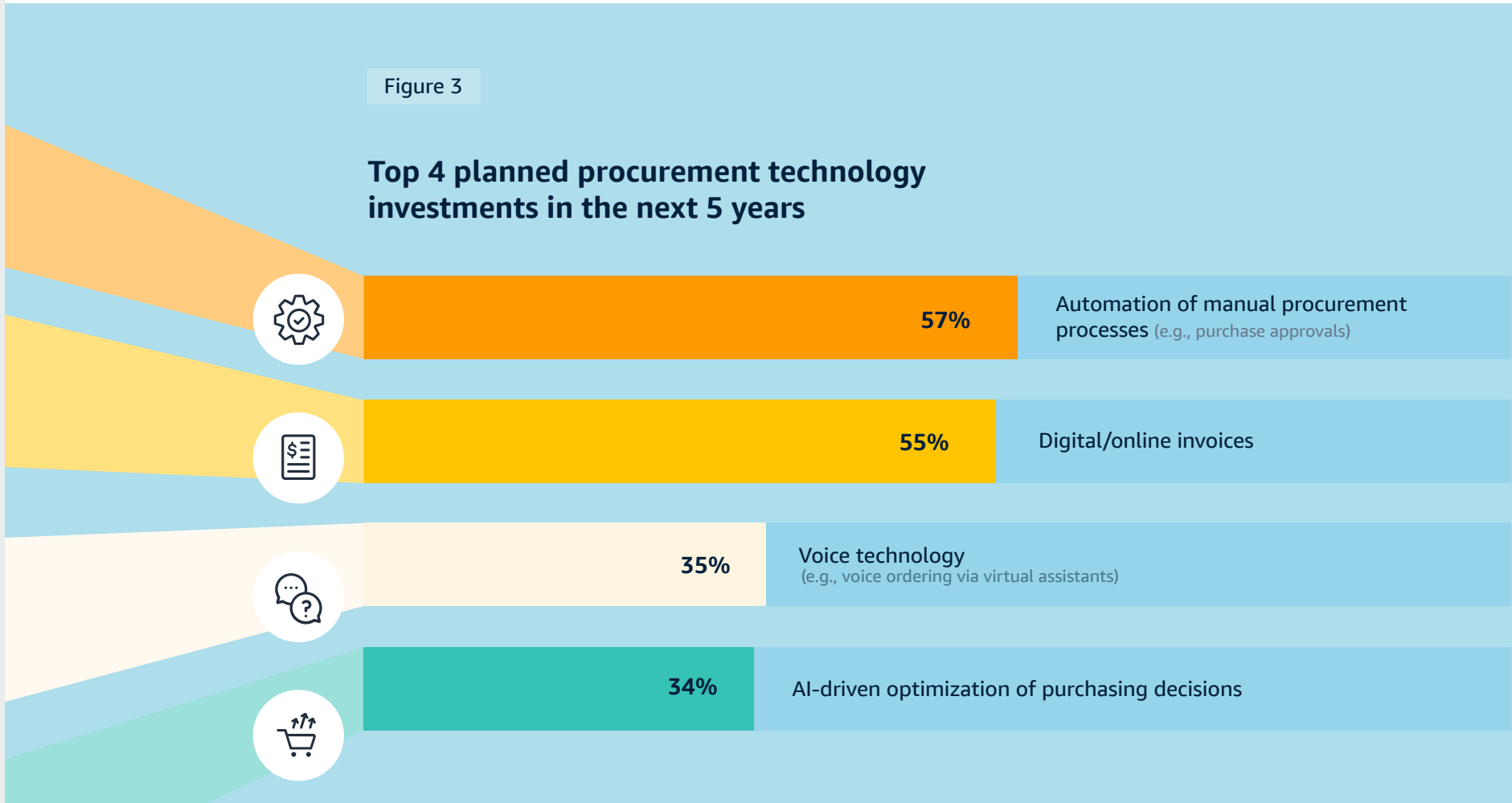
Despite some pain points with online purchasing, many business buyers are moving full speed ahead when it comes to digitizing their procurement processes to keep pace with their industry and customers. In addition to the adoption of Smart Business Buying technologies, B2B buyers plan to invest in several procurement technologies over the next 5 years **(Figure 3)**.

The ranking of these upcoming digital investments makes sense. Organizations should

tackle the basics of digital transformation—such as adopting digital/online invoices and automating procurement processes—before tackling advanced technologies like voice technology or AI. Laying a strong digital foundation helps procurement departments confidently and effectively tackle advanced capabilities when they're ready. Being prepared for the needs of tomorrow starts by taking small steps today.

Figure 3

Top 4 planned procurement technology investments in the next 5 years



Industry spotlight

 **Education****Purchasing for a range of price points and needs**

Following two years of e-learning and extreme disruptions (like recurring COVID-19 outbreaks), schools are reestablishing what standard operations look like. In the wake of two years of [higher-than-normal spending to adjust to the pandemic](#), many in the education sector are dealing with tighter budgets.

“Cost has always been a concern for the education sector, which relies heavily on public funding or private donations. Smart Business Buying’s search features help organizations find competitive prices for any given product. Amazon Business works with hundreds of thousands of suppliers, enabling education buyers to purchase items that meet their needs and easily ship to wherever students, teachers, or other school staff are at.

While many educators have returned to the classroom, virtual learning environments aren’t going anywhere, solidifying e-procurement as a cornerstone of efficient and cost-efficient purchasing.”

— Mike Kernish, director and general manager of Public Sector, Amazon Business



Two-thirds of education buyers say 2022 budgets are either lower than or the same as 2021. The biggest day-to-day pain point for education buyers is maintaining compliance with spending policies as well as dealing with rogue spend.



Section Two

Buyers balance cost efficiency with social responsibility



Buyers are price-conscious, but corporate social responsibility is the main driver of purchasing decisions and procurement goals.

With the [cost of goods rising](#) and annual budget increases fairly routine, it's no surprise most business buyers say purchasing budgets will stay the same or increase. Nearly half (47%) of B2B buyers said their purchasing budget was higher than last year, and 31% of respondents said budgets remained the same. Only 22% of respondents expected a budgetary decrease.

Despite the majority of budgets increasing or holding steady, buyers are dealing with issues that threaten to negate those gains—like [inflation](#), [supply chain disruptions](#), [discussion of a potential recession](#), and distributed purchasing. Distributed purchasing refers to the practice of devolving purchasing responsibility to non-procurement professionals and can result in missed opportunities to optimize or consolidate spend (More on the pros and cons of distributed purchasing in section four, "[Distributed procurement and rogue spending complicate the buyer's journey.](#)")



The sector experiencing the greatest budgetary gains is the commercial sector. In fact, 59% of commercial organizations expect to manage more budget. The sector experiencing the largest budgetary decline is education, with 38% of respondents reporting their budget has decreased since 2021.

Figure 4

Top 4 most important procurement improvements in 2022

- 1 **Increasing efficiency within the procurement department**
- 2 **Reducing costs in our purchasing practices**
- 3 Streamlining the purchase process for stakeholders outside of procurement
- 4 Consolidating tail spend for increased efficiency

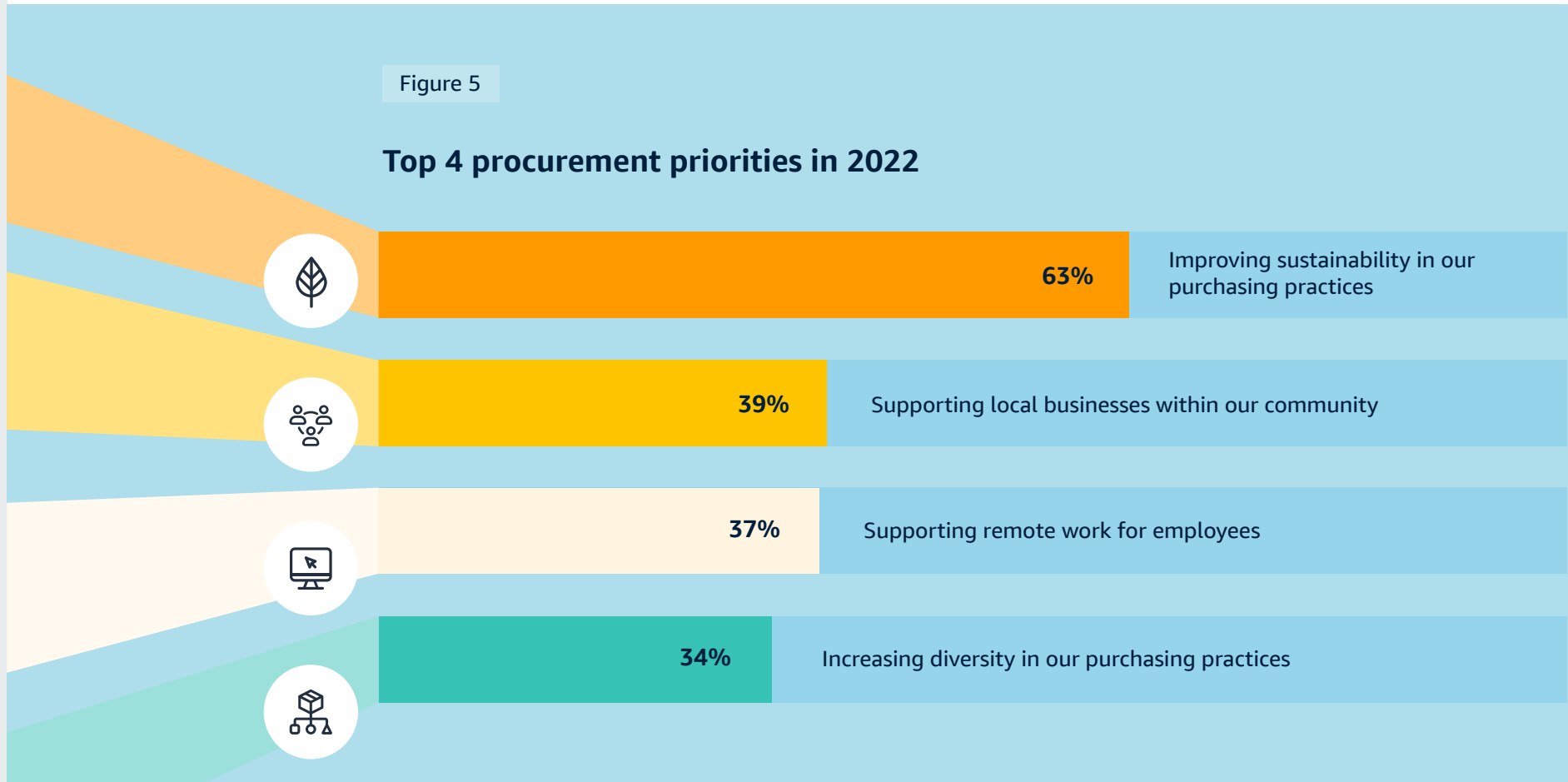
The top four most important procurement improvements respondents hope to achieve in 2022 highlight buyers' focus on cutting costs and increasing efficiency.

With issues like this being top of mind for buyers, no wonder optimizing costs and reducing spending weigh heavily on buyers across industries. The top four most important procurement improvements respondents hope to achieve in 2022 highlight buyers' focus on cutting costs and increasing efficiency. Increasing efficiency—both within the procurement department and for stakeholders outside of procurement—is also a cost-reduction strategy, as it frees up buyers to focus on more value-add activities (Figure 4).

Even though buyers are concerned about rising costs, cost-cutting measures are **not** the focus of most procurement programs. Rather, organizations are building their purchasing strategies around social initiatives, like supporting diverse-owned businesses and improving sustainability in purchasing practices. Three of the four most important procurement priorities center around contributing to organizational CSR goals, including supporting sustainable, diverse, and local businesses. (Figure 5) (More on this in section three, "[Making procurement more responsible.](#)")

Figure 5

Top 4 procurement priorities in 2022



Business buyers cited accessing a wider range of products in their price range as a pain point.

Optimizing purchases and achieving CSR goals are not mutually exclusive—with Smart Business Buying, organizations can use search and filter features to find products from certified suppliers that are also within their price range. Considering business buyers' **most frequently cited pain point** over the past 12 months was accessing a wider range of products in their price range, e-procurement can help procurement access more suppliers, reduce costs, and diversify spend.

Certain Smart Business Buying channels offer guided buying capabilities to support buyers across departments align purchases with budgetary needs and organizational priorities. These advanced features alleviate the pressure placed on procurement professionals to onboard, guide, and monitor purchases made by non-procurement buyers, ultimately increasing overall efficiency.



Industry spotlight

Healthcare

Finding efficiencies in the face of strict product specifications and regulatory requirements

Healthcare buyers have very specific product and feature needs, which can make it challenging to quickly make purchases while ensuring alignment with other organizational goals. While purchasing is planned to an extent, healthcare buyers often need to find, buy, and obtain critical supplies on short notice—all while soliciting approval from multiple stakeholders. Traditional procurement can result in a time-consuming purchasing process and often forces healthcare buyers to compromise on other important factors, like the product's price point or supplier's certification status.

“In an industry where time is truly of the essence, the ability to order supplies quickly and with low stress allows healthcare providers to focus on what matters most—their patients. Amazon Business’ APIs enable online procurement to integrate within existing procurement and accounting technology. These integrations help healthcare buyers automate time-consuming tasks, find and order supplies, and evaluate suppliers’ certification statuses all within their existing systems. E-procurement makes that level of efficiency and agility possible at scale.”

— Todd Heimes, director and general manager, Amazon Business



Healthcare buyers name increasing efficiency within the procurement department as their No. 1 most important procurement improvement.



Section Three

Making procurement more responsible



Procurement pushes organizational CSR goals forward as B2B buyers increase their support for diverse-owned businesses and more sustainable supplies.

Consumers increasingly [make purchases based on their values](#)—and B2B buyers are no exception. Purchasing from ethical and/or diverse-owned businesses is an important way for organizations to make headway on company-wide CSR, and diversity and inclusion goals. Improvements in this area help form more value-oriented businesses, while also building stronger, more trusting relationships with consumers.

Overall, 91% of buyers take seller certifications into consideration when purchasing—that’s up from 88% in 2021. For most businesses, supporting small or diverse-owned sellers is an internal goal. But for others—like government buyers who need to meet federal mandates—it’s a requirement (**Figure 6**).

Dedicated budgets for diverse-owned sellers are on the rise, showing diversification of suppliers is emerging as a core aspect of responsible purchasing. The majority (84%) of B2B buyers say their organization plans to increase the purchasing budget reserved for Black or other diverse-owned businesses.

Figure 6

Buyers' plans to purchase supplies and goods from certified sellers



Investing in sustainability is also a top priority for many business buyers. Sixty-three percent of respondents ranked improving sustainability in purchasing practices as a top priority. In general, 69% of B2B buyers work at organizations that require them to make more purchases from sellers following sustainable practices, like net-zero carbon emission production or the use of renewable energy.

More dedicated budget for certified sellers is a step in the right direction, but the good intentions don't necessarily translate to meeting targets. Buyers still report significant roadblocks hindering their ability to meet CSR goals. The issue is one of visibility: Buyers struggle to find certified suppliers that also meet specific product, price, and quantity requirements.

Of the procurement challenges respondents faced in the past 12 months, three of the top five involved difficulties accessing the right suppliers and products. Accessing a wider range of suppliers is a common challenge, especially through traditional procurement methods (**Figure 7**).

Of the respondents who named "accessing suppliers that fit the goals of my business" as a top procurement challenge, the primary barrier is identifying qualified suppliers. Buyers often don't have enough bandwidth to manually search for suppliers' certifications on top of also evaluating product details, prices, and available quantities (**Figure 8**).

Figure 7

Top five biggest procurement challenges

- 1 **Accessing a wider range of products in my price range** 
- 2 **Adjusting to new employee needs due to remote work** 
- 3 **Accessing suppliers that can fulfill my quantity needs** 
- 4 **Anticipating supply needs** 
- 5 **Accessing suppliers that fit the goals of my business** 

When it's difficult to find certified suppliers, procurement-related CSR metrics suffer. **Over half (55%) of business buyers with sustainability goals say it's difficult to source suppliers that follow sustainable practices.** And among that group, 81% of buyers agree that difficulty sourcing qualified suppliers is holding their company back from achieving its procurement sustainability goals.

On the flipside, 89% of respondents say when it's easier to identify sellers that offer

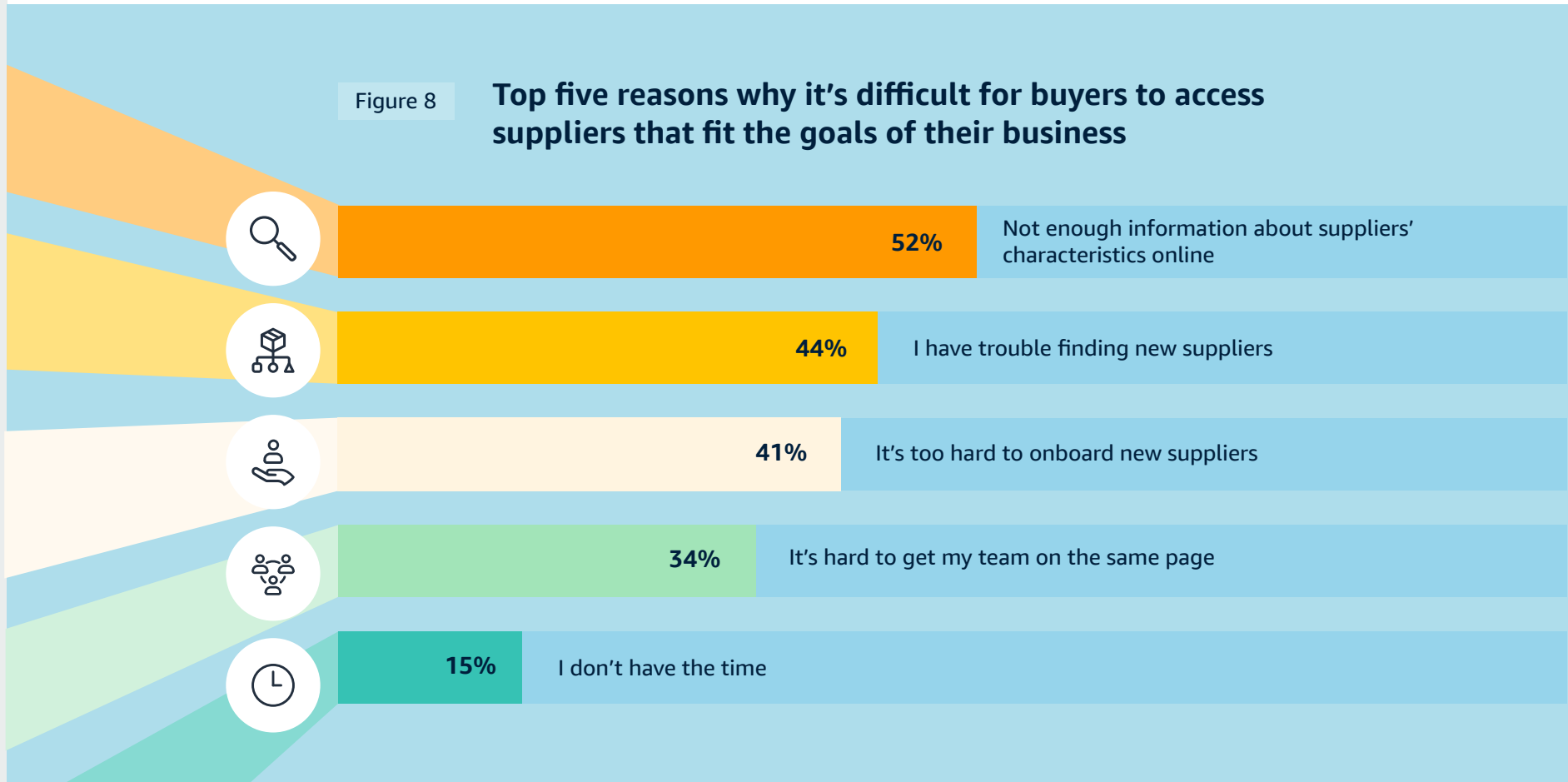
products with a sustainability certification, they would be more likely to make purchases with those sellers. When there's ample transparency around seller certifications, it's easier for procurement to support sellers that represent organizational values. Organizations should think critically about the operational changes needed to improve progress on CSR goals.

To find certified suppliers, buyers should lean on e-procurement channels that allow them to search and filter products by certification

categories like woman-owned, veteran-owned, or carbon-neutral. Smart Business Buying also allows procurement leaders to keep a pulse on progress made toward CSR goals so they can adjust spending as needed throughout the fiscal year. Machine learning technologies can analyze large amounts of data and quickly provide insights on top spending categories, total spend, buyer purchasing habits, and more.

Figure 8

Top five reasons why it's difficult for buyers to access suppliers that fit the goals of their business



Industry spotlight



Government and nonprofit

Accessing certified suppliers to meet federal mandates

Many federal and state government buyers are mandated to allocate a certain percentage of their procurement dollars to small and diverse-owned suppliers, for example [women-owned](#), [veteran-owned](#), or [HUBZone certified](#) businesses. While supporting diverse-owned and small businesses has been a higher priority over the past few years, spending with businesses that have sustainability-related certifications has jumped to the top of the list this year.

“Buyers can find it difficult to identify whether a supplier has certain certifications or uses sustainable practices, like products that yield net-neutral carbon emissions or contain fewer packaging materials. Online procurement through Amazon Business simplifies the process of finding businesses with sustainability-related certifications by making certifications easily searchable and immediately visible. Amazon Business offers [more than 300,000 products](#) that are Climate-Pledge friendly and certified by any of [over 38 third-party organizations](#).”

— Mike Kernish, director and general manager of Public Sector Accounts, Amazon Business



Over half (53%) of government and nonprofit respondents said improving sustainability in their purchasing practices is a top priority—ranked as the No. 1 priority overall.



Section Four

Distributed procurement and rogue spending complicate the buyer's journey



At many companies, the days of purchasing supplies for a single office location are over. Today, the procurement function is more distributed than ever before.

Gains in digital transformation, the return of business travel, and widespread adoption of work-from-anywhere policies require more stakeholders to take on purchasing responsibility. Not only is distributed purchasing on the rise, but distributed deliveries across more locations are also becoming a standard part of procurement.

As noted in section two, supporting remote work is buyers' third most important procurement goal, behind purchasing with local businesses and businesses with sustainability-related certifications. As employees continue to work from their home offices or on the go, ensuring they're well-equipped to do their best work is top of mind for procurement. **Over half (58%) of B2B buyers now make purchases that have to be delivered directly to an employee's personal residence.**



But the office certainly isn't obsolete. In fact, many employees have already returned to at least part-time in-person work. **Nearly half of B2B buyers (46%) are responsible for making purchases for multiple offices.** Among B2B buyers making purchases for multiple offices, nearly a quarter (24%) are tasked with supporting offices in multiple countries.

As purchasing becomes more complex, organizations are experimenting with distributed purchasing to minimize the burden placed on procurement.

E-procurement has only recently made distributed purchasing possible since the buying experience mimics the ways employees shop in their personal lives. It is often too complex and time-consuming to onboard non-procurement buyers to traditional procurement technology or offline purchasing methods.

Distributed purchases are often spot buys and fall into the category of tail spend: small, low-value transactions for products needed immediately but not planned for in advance. When each business unit makes multiple

spot buys over the year, the costs can quickly add up.

There are pros and cons to distributed purchasing. Allowing department heads and employees to make purchases themselves frees up procurement's time to focus on more strategic initiatives. However, employees beyond procurement are often unaware of pricing or CSR concerns, causing procurement to lose out on opportunities to meet goals or optimize spending.



No wonder the rise of distributed purchasing is reflected in both buyers' plans for procurement improvements (listed in entirety in section two) and their top day-to-day pain points. When it comes to procurement improvements, buyers are prioritizing distributed purchasing-related changes—over a third (36%) named streamlining purchasing outside of procurement as a top improvement and nearly a fourth (24%) cited consolidating tail spend.

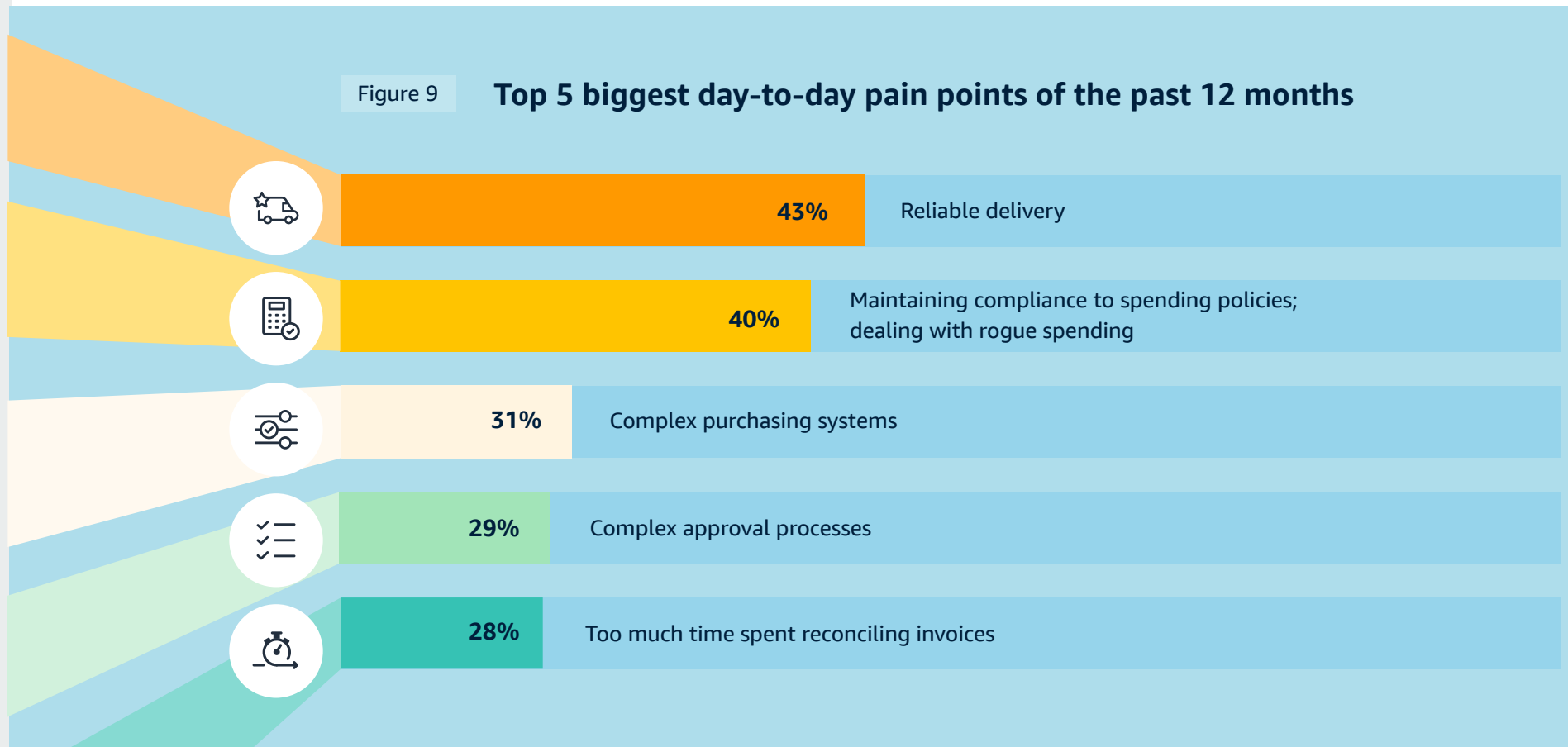
When comparing much-needed procurement improvements to buyers' day-to-day pain

points, the responses are complementary. Addressing buyer compliance issues and reining in rogue spending was ranked as buyers' second biggest day-to-day pain point. This suggests that distributed purchasing is now a necessary, yet difficult to manage aspect of procurement **(Figure 9)**.

Fortunately, the right procurement technology can alleviate some of buyers' challenges related to distributed purchasing and remote work. Smart Business Buying doesn't require buyers to enter into long-term contracts when purchasing from

suppliers, making the channel a good outlet for obtaining cost-effective spot buys. Guided buying capabilities can help procurement leaders identify preferred products, sellers, or certification categories so employees can support procurement goals with every purchase.

Figure 9 **Top 5 biggest day-to-day pain points of the past 12 months**



Industry spotlight



Commercial

Supporting a work-from-anywhere mindset

Remote work and collaborative purchasing are here to stay. Whether employees are working from the office or their homes, traveling as digital nomads or for work, commercial buyers are looking for ways to find efficiency in distributed purchasing and delivery.

“Online procurement minimizes the complexities that accompany having a dispersed workforce—making it easier to embrace this work type evolution. For example, sending goods to multiple locations, including employees’ homes, is easy with the right digital technology.

Amazon Business Prime’s robust data and analytics capabilities build visibility into every purchase. With real-time reporting, buyers can track CSR purchasing goals, organizational spending habits, and more. This ensures businesses can reap the benefits of distributed purchasing, without a lengthy buyer onboarding process or sacrificing procurement goals. Ultimately, you get better results with better oversight, and that benefits everyone.”

— Chris Costello, global leader of Enterprise Accounts, Amazon Business



Sixty-five percent of commercial business buyers now need to deliver purchases directly to employees’ personal residences. No wonder nearly half (44%) of commercial organizations named supporting remote work for employees as a top procurement priority—and all commercial buyers named it a top three challenge.



Conclusion

Procurement is emerging as a collaborative function, helping organizations live out their values.

Moving forward, business purchasing decisions will be made in tandem with a greater number of considerations and goals—whether it be cutting costs, meeting CSR goals, enabling remote work, or initiatives yet to come.

At the end of the day, where you buy from matters. It influences consumer and employee trust, your business' bottom line, and your ability to facilitate work evolution. And how you buy is just as important—affecting whether procurement is an enabler of enterprise agility or a tactical business function.

As procurement becomes more strategic in nature, optimizing and automating workflows grows increasingly important. Traditional, manual processes and legacy technology may have worked in the past, but if the last two years have taught us anything, it's the importance of reacting to and evolving with the times. In fact, the organizations that significantly [experimented with and invested in new digital technologies](#) at the beginning of the pandemic were twice as likely to report outside revenue growth compared to their peers, according to McKinsey and Co.

Procurement leaders have the opportunity to drive efficiency and engineer a more value-focused organization by implementing digital solutions. Whether organizations need to make readily available spot buys or enable greater cross-team collaboration, e-procurement offers a cost-effective, streamlined solution for an array of needs. It's important to note that digital transformation is a continuous journey that requires constant optimization based on ever-evolving technologies, business insights, and customer needs. And it's not one-size-fits-all—businesses need to take the appropriate steps based on their current investments, processes, and overarching business needs, then tweak accordingly.

At Amazon Business, we're proud to help buyers across industries, organizational sizes, and revenues to meet their business goals and improve operations. We're constantly looking for opportunities to improve the buying experience for our customers.

[Contact us](#) to learn more about our Smart Business Buying solutions.

Methodology

To understand the state of B2B procurement, we surveyed 440 B2B buyers across the U.S. in April 2022 using an online survey platform.

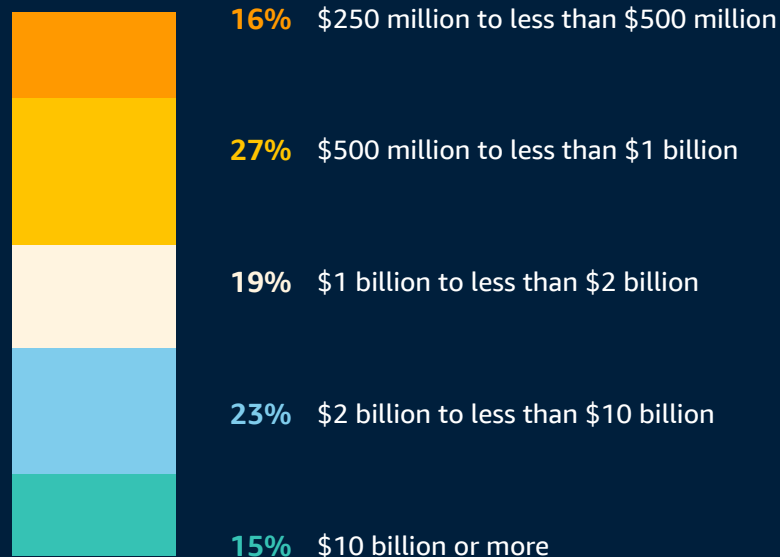
Respondents included full- and part-time employees across a range of job levels. Commercial organizations made at least \$250M in annual revenue. Respondents work in the following sectors: commercial industries (240), healthcare (95), education (60), and government/nonprofit (45). All buyer respondents play an influential role in their organization’s procurement process.

This report also references data from our [2021 B2B E-Commerce in Evolution Report](#), which surveyed 250 B2B buyers of similar demographics between December 2020 and January 2021.

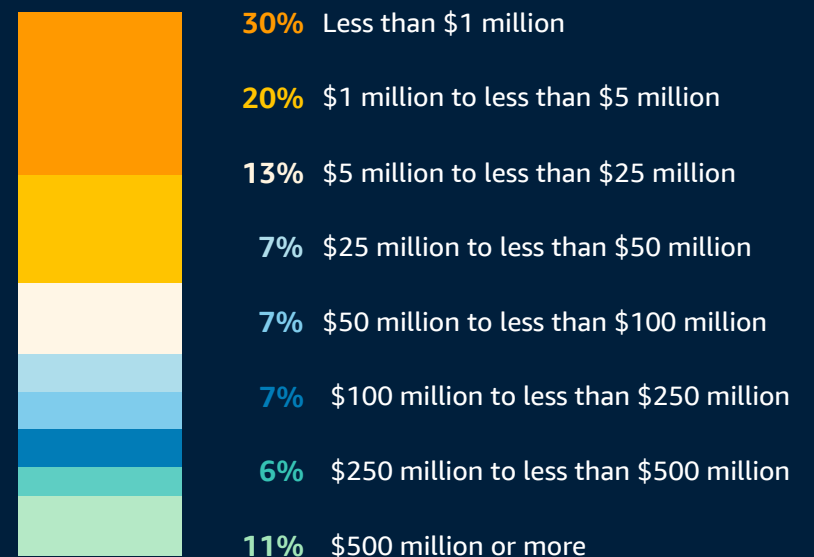
Buyers’ roles

4%	Entry-level
22%	Experienced professional
42%	Manager
20%	Director
4%	Vice President
9%	C-suite/Executive director

Commercial buyers’ organizational annual revenue



Buyers’ annual procurement budget





Amazon Business helps millions of customers worldwide—from small businesses, schools, hospitals, non-profit organizations, and government agencies, to large enterprises with global operations—reshape their procurement with cost and time savings, greater productivity, and insightful purchasing analytics. Procurement and business leaders enjoy convenient shipping options on hundreds of millions of supplies across categories like office, IT, janitorial, food service, and professional medical supplies. Customers also have access to a variety of business-tailored features and benefits, including a curated site experience, Business Prime, business-only pricing and selection, single or multi user business accounts, approvals workflow, purchasing system integrations, payment solutions, tax exemptions, dedicated customer support, and more. Amazon Business is currently available in the United States, Canada, United Kingdom, Germany, France, Italy, Spain, Japan, and India.

For more information, visit www.business.amazon.com, www.amazonbusinessblog.com, and [@AmazonBusiness](https://twitter.com/AmazonBusiness).