

2021 Digital Procurement & Supply Chain Hiring Trends

1. Headlines - What we are seeing in the Procurement Technology market?

- Strong demand for experienced hires in client facing roles, particularly sales, presales, professional services and customer success from software vendors.
- Less activity at leadership level but still a very busy market compared to other professional job markets as reported in our recent Insider report.
- More activity at the top end of the market anticipated in Q2.
- Responses to job adverts from experienced, relevant quality candidates noticeably down since November 2020 when the wider market conditions started to improve.
- Numerous best of breed solutions seeking to accelerate hiring to support real/expected growth, most noticeably in spend analytics.
- Less candidates actively in the job market than pre-Covid.

2. Case Study examples of companies that are experiencing these challenges:

Global Software Giant

- Hiring freeze ended in February
- Blanket ban on use of external recruiters across the organisation, no exceptions,
- Internal TA team struggling with workload through time spent processing internal moves, promotion etc
- Advert responses to their careers pages down significantly in terms of quality.
- Behind on 2021 hiring plans already
- Hiring managers applying pressure to internal TA for results

Leading Spend Management Platform Provider

- No dedicated internal TA resource for Europe
- HR now tasked with direct sourcing using LinkedIn Recruiter etc
- Advertising responses noticeably down since Nov 2020
- Use of agency support is on a case by case basis to be approved at CEO level only if all avenues have been exhausted and the role is business critical/ causing revenue loss.

Leading Global S2P Vendor

- Advert responses down significantly in 2021
- Numerous business critical open vacancies
- Sensitivity around paying fees to recruiters
- Sales activity constrained by need to increase headcount in sales and presales roles
- Internal talent team under real pressure to find solutions

Spend Analytics

We have three customers who have specialist offerings in this area. Two are emerging businesses with less than 200 employees, whilst one has 700+ staff.

All are recruiting for sales, presales and/or customer success in Europe and/or North America at present and want experienced people from competitors or other emerging procurement tech vendors:

- Advert responses have been poor in terms of quality and relevance
- Target candidates in competitor organisations are often reluctant to move
- High demand for rare, niche skill sets so competition to hire these people is fierce
- Clients having to make selection from much smaller short lists than expected

We use this specific example because it's a particularly busy area of the procurement tech market that we are very active in, both in Europe and North America.

Digital Procurement Consulting

We are seeing very strong demand for experienced consultants capable of leading major implementation and transformation projects for P2P, S2C solutions like Ivalua, Coupa and Ariba. I'm not sure we've ever seen such a high demand for this profile in the past. In fact it's noticeable that all the big four in Europe are hiring as are several smaller niche consultancies. We are seeing changes in their recruitment behaviour as follows:

- Much more engagement with external recruiters because application numbers are down and direct sourcing is not a productive route for them.
- Previously they have seen external recruiters like us as a necessary evil at best but that is changing because of market conditions.
- Financial incentives to move between consultancies have increased i.e. bigger offers and promotions available - this hasn't been the case in the past.
- Aggressive counter offers are common when people do resign.
- Lots of open roles in several businesses.

3. Why have things changed in recent months?

The Candidate View

This quote from a long standing contact of ours summarises the attitude of many people when considering a job move at present and goes a long way to explaining the limited supply of quality people in the market at present. The person in question is a successful enterprise sales specialist working in the procurement technology market:

"It would need to be something really special for me to consider moving. Last year when things were really uncertain my employer reassured me that my job was safe in the long term, that they believed in me, and that they were confident that we would perform well against our competition in a recovering market."

Much of my sales pipeline went on hold in the middle of last year but towards the end of 2020 and early this year a lot of those customers have come back to me wanting to pick up the discussion. As a result my pipeline is really strong, I've closed deals in Q1 and Q2 is looking really positive for me. I'm confident I will do my annual target by Q3 so it would take a lot for me to walk away from this."

If you really want to hire the very best talent, how do you overcome this sort of objection? That's a conversation we've been having with our customers a lot recently. There are always answers and it starts with having the right approach to talent attraction across your organisation. What is that "right approach?" That depends on who you are and what you have to offer the people you want to hire.

We are able to advise on this and help develop a compelling TA strategy.

4. Our recent research

At the end of 2020 and early 2021 we conducted some research into “The importance of job security and the criteria for your next job move – How have your opinions changed since Covid?” The headlines are that trust and reputation are more important than ever to candidates. Here are our findings.

5. Summary Conclusions

It has become harder and/or more time consuming to fill certain roles in 2021. The procurement technology industry had a talent gap prior to Covid which has only been exacerbated by recent developments which include:

- Strong demand for key skills across the sector
- Increased competition for the best candidates amongst various vendors and consultancies
- Lack of candidates in the job market generally
- Quality, relevant candidates replying to adverts are significantly lower in quantity
- Unsuitable candidate applications up by c.40%
- Slow response times from candidates when headhunted for new opportunities is resulting in more time spent pursuing candidates to gain engagement.
- Candidates are being much more selective about possible moves out of loyalty and/or a desire for greater job security.

6. What is working for us?

We have a vital role to help our clients find solutions to the problems outlined above. There is no one single answer, but our recent successes can be attributed to the following:

- Long term candidate relationships nurtured over months/years enabling us to have exclusive access to people just as they are coming to the market.
- Extensive candidate mapping of companies that we don't work with as clients to target their best people on behalf of our customers.
- A tenacious pursuit of target candidates where appropriate.
- Seeking recommendations and introductions through extensive networking.
- Creativity in identifying candidates from neighbouring tech markets
- Credibility and professionalism - our long standing, highly visible commitment to the procurement tech market makes people more likely to engage with us.

If you would like to discuss any of the issues mentioned in this summary please feel free to get in touch using the contact details below. Whether you just need some guidance on any of these issues or you are actually considering a new strategy or supplier, I'm confident that we can help you make progress.

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