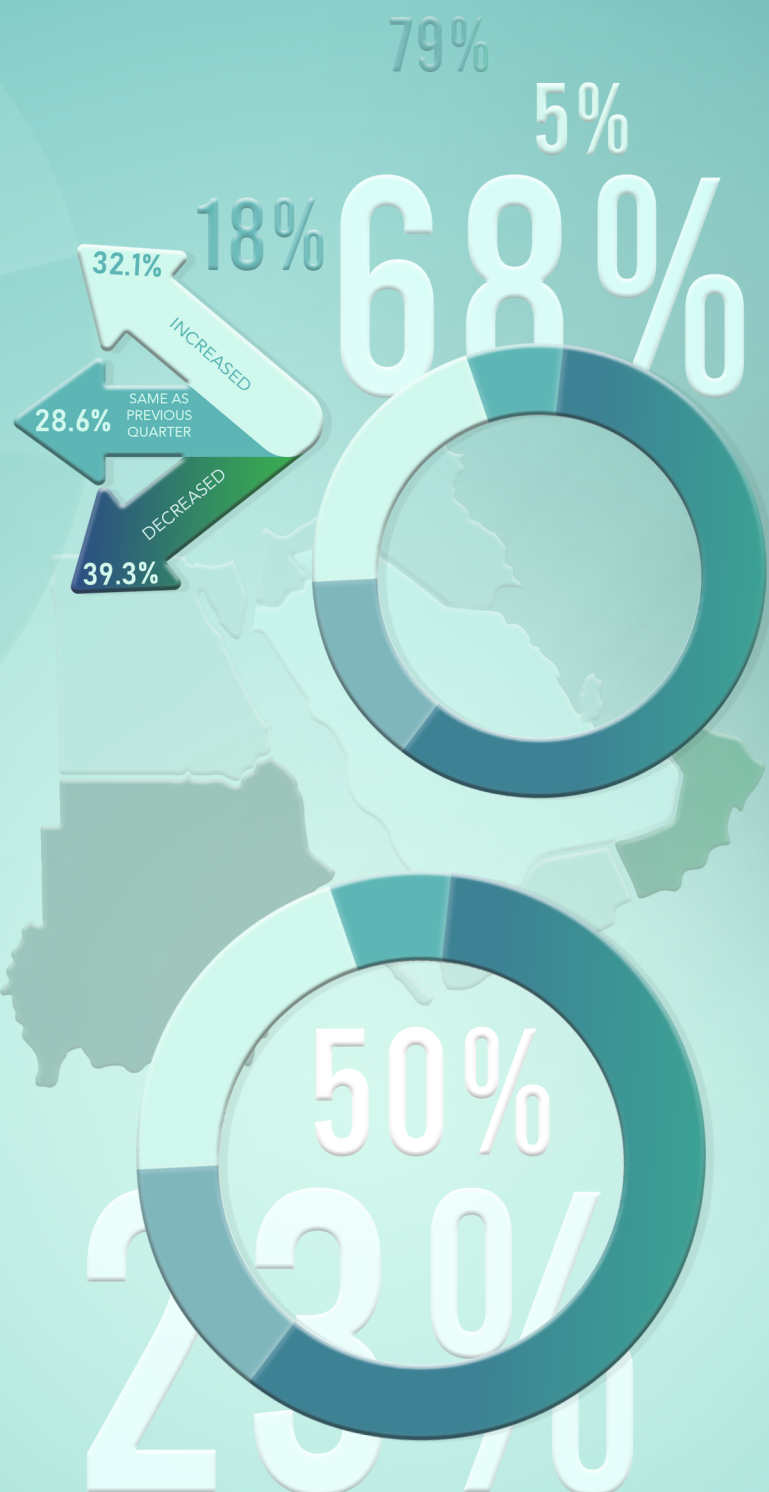




# CoProvider Procurement Review

## Q4 2020



*Q4 data were collected  
from 22 Dec 2020 to 08  
Jan 2021*



# **CoProvider**

## **Procurement Review**

### **Q4 2020**

*A look at changes in the procurement and supply chain world that occurred in Q4 2020 including expert opinions and primary market research of the industry conducted by CoProvider.*

## Key Findings:

### Pricing Indicators:

- **71%** of the respondents see changes on local prices of supplies while **82%** see changes on global prices compared to Q3.
- **50%** of respondents have a 2021 budget that is higher than their 2020 budget.
- **46.4%** of the respondents have spent less than the allocated budget in 2020.

### Mid Term Economic Indicators

- **39%** of the respondents have claimed an increase in overall outputs of their firms.
- **53.6%** of respondents have confirmed an increase in lead time of delivering service compared to Q3.

### Near Term Economic Indicators

- **46.6%** of the respondents have reported no changes in staff cost.
- **50%** of the respondents have confirmed an increase in local orders for services.

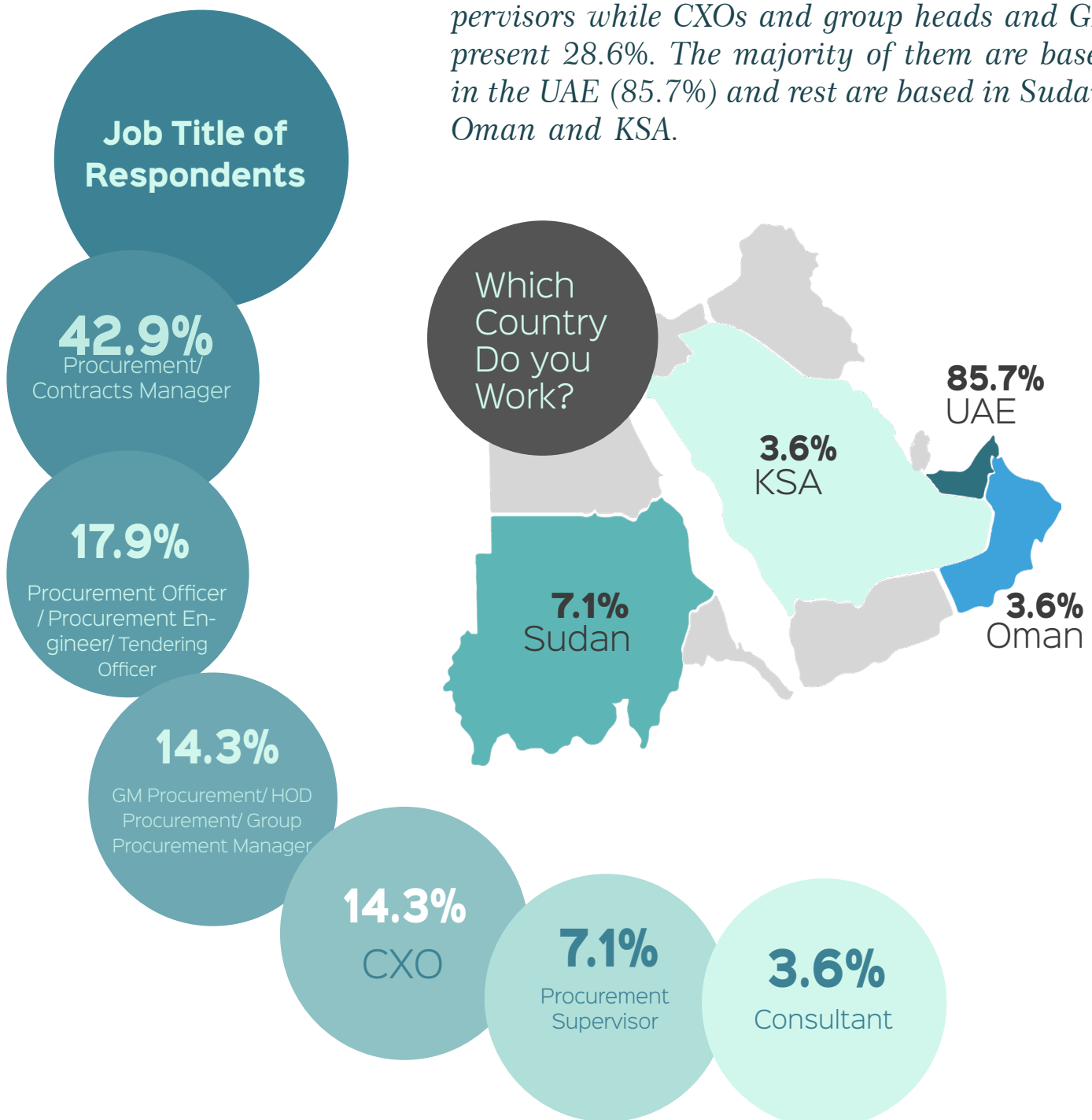


#### Advices From CoProvider

- ✓ Consider PaaS as a supportive hiring solution during tough times.
- ✓ Consider digital procurement as an imperative new norm.

## Survey Respondents

*All of the data in the Procurement Index Score survey comes from primary market research in the form of a survey completed by preselected procurement professionals and leaders. As 43% of the respondents are procurement/ contracts managers, 25% are procurement officers and supervisors while CXOs and group heads and GM present 28.6%. The majority of them are based in the UAE (85.7%) and rest are based in Sudan, Oman and KSA.*



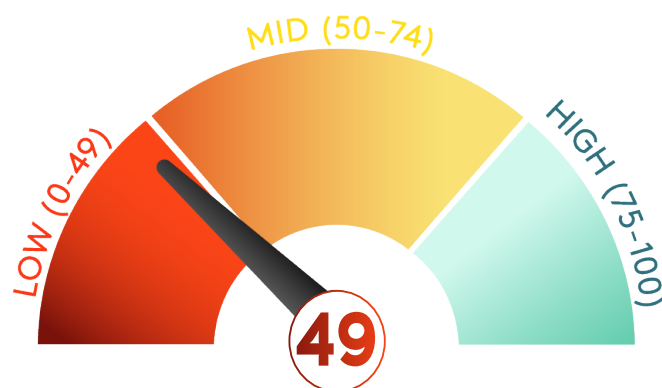
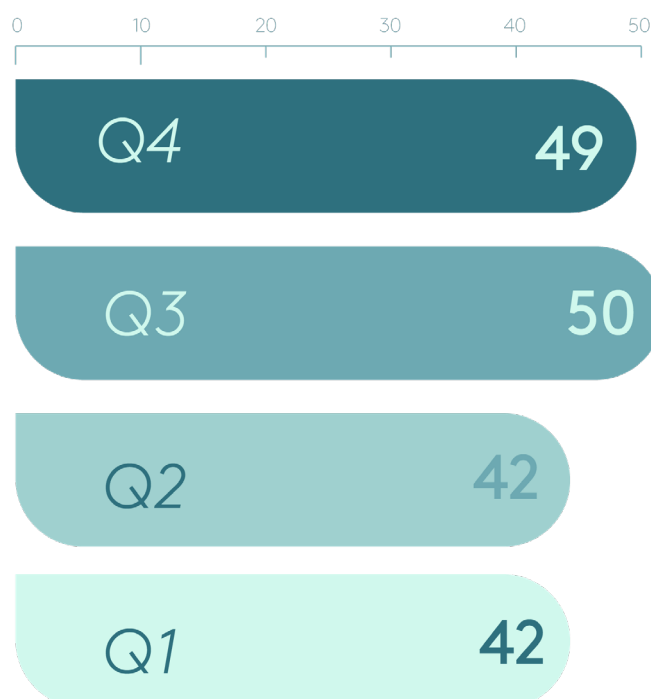
*Q4 data were collected from 22 Dec 2020 to 08 Jan 2021*



## Procurement Index Score (PIS)

*The procurement index report gives a rapid overview of the market from a buying perspective. Through CoProvider's periodic survey of supply and procurement leaders, we are able to assess purchase order volumes, prices, and backlogs for various industries. Our algorithm then combines this information to deliver a quarterly procurement index score (PIS). This score offers a snapshot of the health of the buying related activities and insights into future trends.*

### Procurement Index Score 2020



**Q4 2020: The PIS is 49. This is slightly lower than the previous score of 50 (in August 2020) and it reflects both the stability in the industrial recovery, but also the challenges that the pandemic still brings as of December 2020.**

# Pricing Indicators

*The pricing indicators show the changes in actual spends to budget in addition to changes in local and global prices of provided services.*

***Interestingly, 50% of respondents have a 2021 budget that is higher than their original 2020 budget.***

*In the Q3 report, 47% of respondents reported no change in purchase pricing. However, in Q4 2020 this has changed significantly with 71% of respondents seeing volatility by either an increase (32%) or decrease (39%) in overall local prices of services while 82% see (higher volatility) by either an increase (39%) or decrease (43%) in global prices of services. These contradicting changes mostly referred to following reasons;*

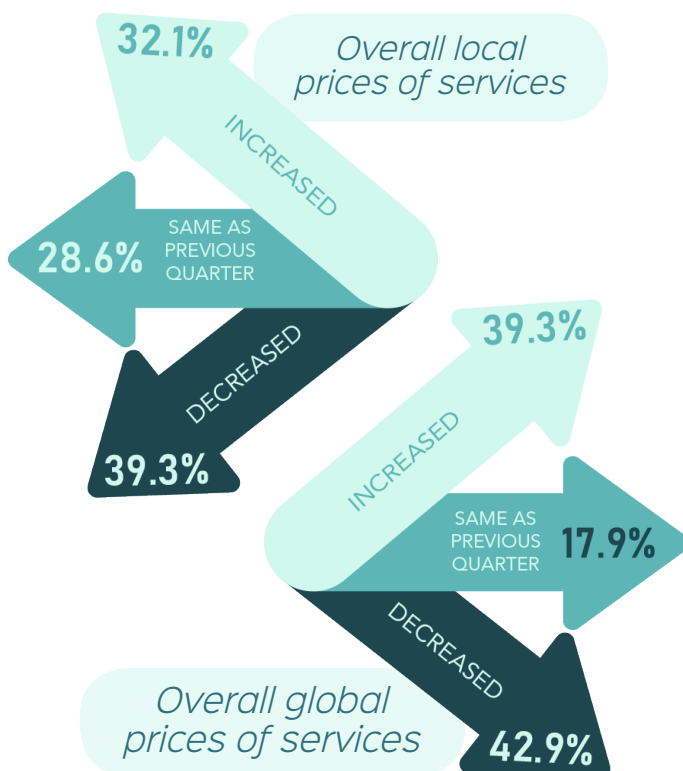
Which of the following best describes your budget of 2021?

More than the budget of 2020 **50%**

Same as the budget of 2020 **7.1%**

Less than the budget of 2020 **39.3%**

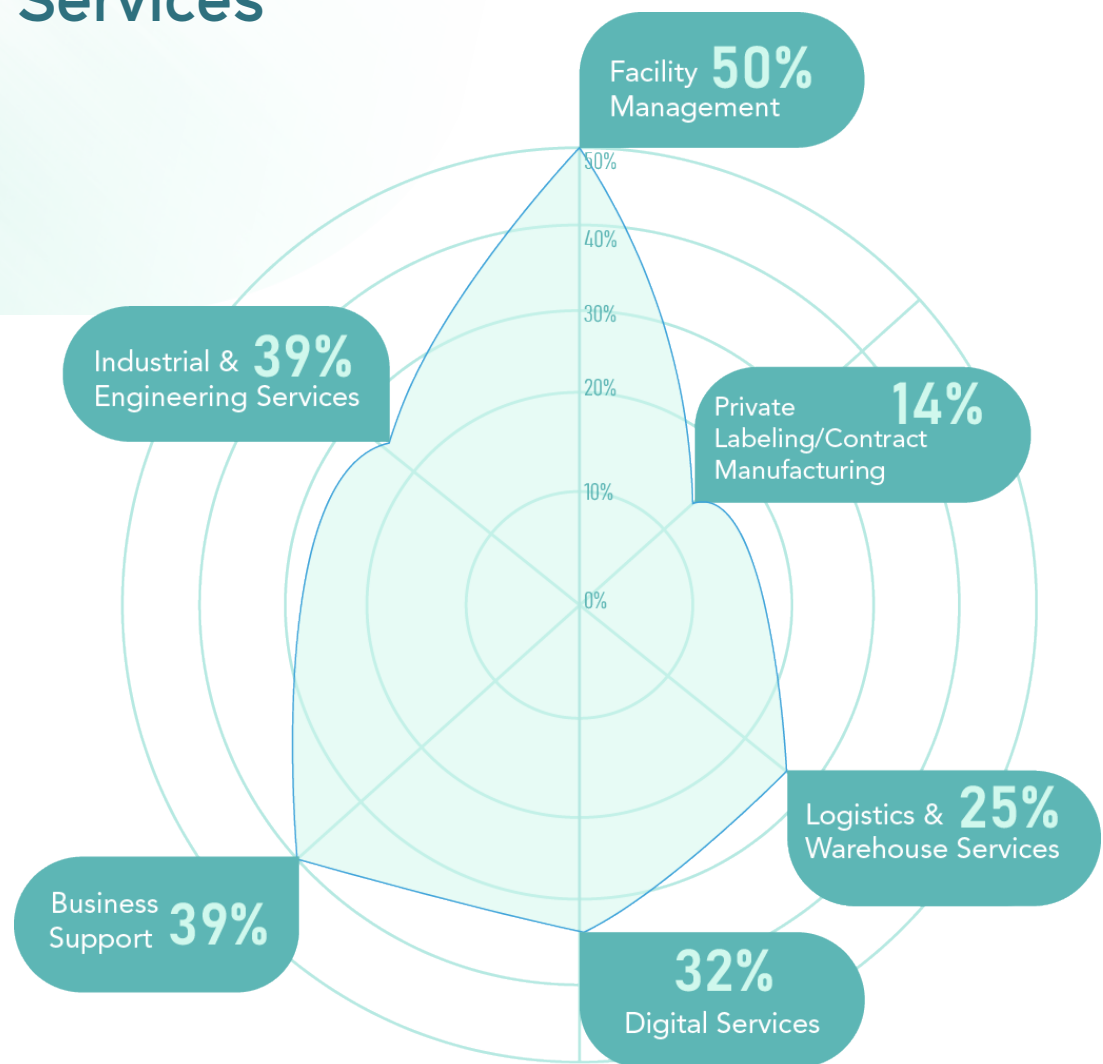
I don't know **5%**



- Q4 massive discount sales for some industries like retails.
- Insisting on advanced payments only for other sectors such as FMCG which suffer from accumulated unpaid over dues. And
- The sudden spike of buying in December for industries such as hospitality and its relative services.

***71% of the respondents see changes on local prices of supplies while 82% see changes on global prices compared to Q3.***

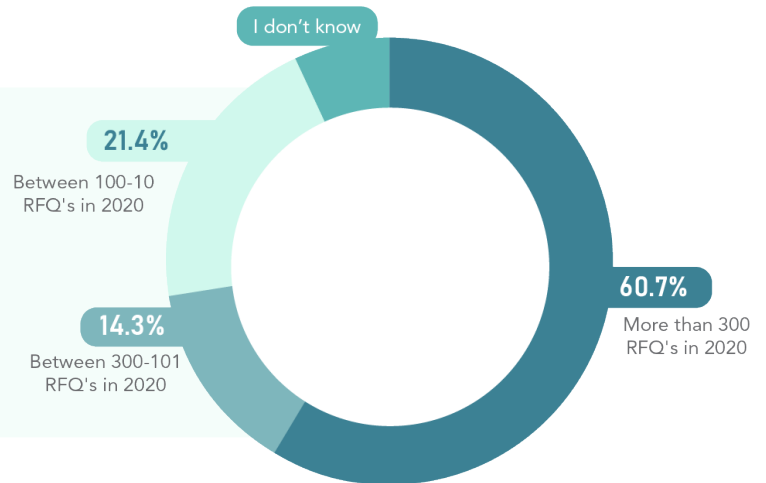
## Purchased Services



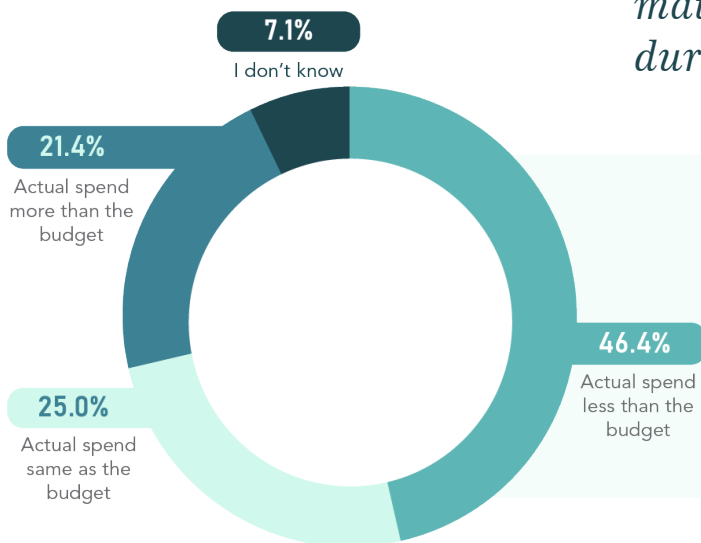
**In 2020, Facilities management services were procured by %50 of the respondents.**

*Business support services were purchased by 39% of respondents and Industrial and engineering services by 35% of respondents. Find more about top service providers per category in page 20.*

*Which of the following best describes your annual number of Request For Quotes (RFQ's) in 2020?*



*In 2020, 61% of the respondents reported posting more than 300 annual RFQs per procurement professional. Knowing that UAE alone has more than 20K procurement professionals, CoProvider estimates over 6M RFQs were raised in UAE during 2020.*



*Which of the following best describes your actual spend in 2020 comparing to the initial budget of 2020?*

***46.4% of the respondents have spent less than the allocated budget in 2020.***

*In terms of the cash value of the awarded jobs, 46% of the respondents have reported less spent compared to the 2020 budget and surprisingly, the same percentage of respondents have confirmed either equal or over purchasing value compared to what has been allocated in the budget.*



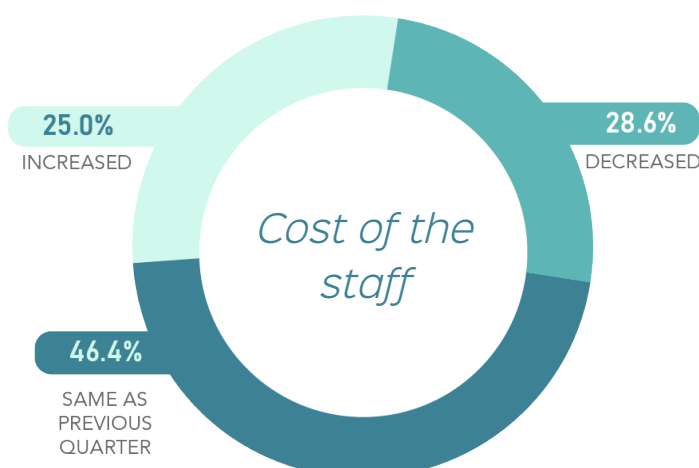
## Near Term Economic Indicators

*The near term economic indicators show what is happening now as it relates to purchasing activities and company financials.*

**50% of the respondents have reported an increase in RFQ's in services in Q4 2020.**

*This positive trend indicates traction within various service industries. In fact, it is a usual end-of-year action which takes place to complete all imperative purchases to business. These orders have been postponed for different reasons.*

*Yet, it is a slight increase in RFQs as over 80% of the respondents have confirmed that orders which were not completed as scheduled by end of Q4 were either increased or remained at the same level of backlogged orders of Q3.*



## ***46.6% of the respondents have reported no changes in staff cost***

*and 30% of the respondents are still seeing a decrease in staff costs which remain a lagging indicator of economic recovery. However, almost 40% of the respondents are indicating an increase in their enterprises outcomes compared to Q3. This, in turn, is a precursor to re-hiring activities that will take effect soon, once the enterprises are assured of stable and potential continuity of business.*

*But as everything around which takes unusual means, hiring procurement professionals can go on-demand to match the workload during the coming short term. Read about PaaS on the page 14.*

## ***50% of the respondents have confirmed an increase in local orders for services.***

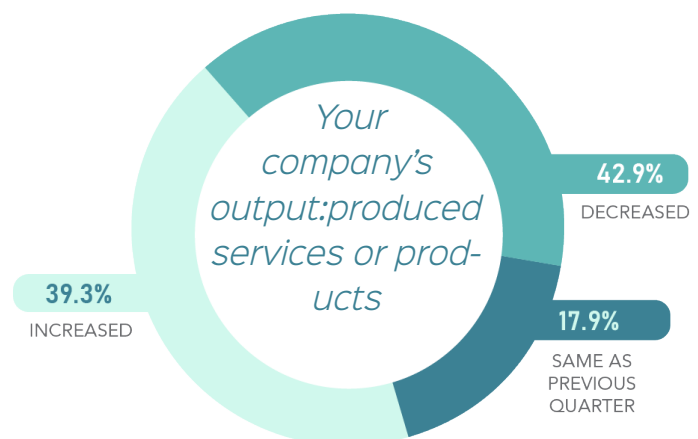
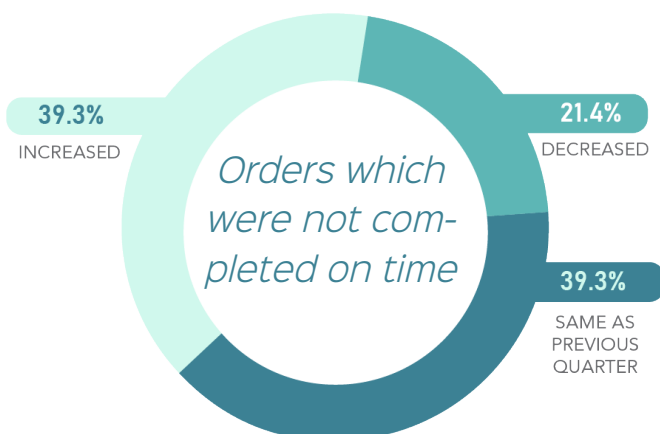
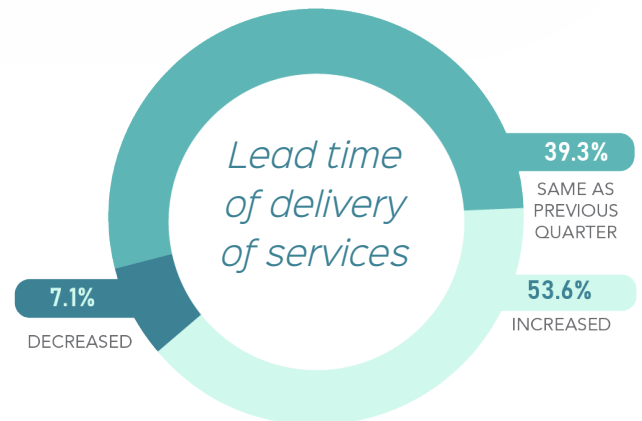
*At the favour of the local contents, the respondents and for the second time in a row are confirming a decrease of global imported services and an increase on the alternative local ones. Almost half of respondents, 46.4%, have narrowed their global orders which brings massive opportunities to local service providers who can quickly adopt world class quality on delivery and customer support.*

# Mid Term Economic Indicators

*The mid-term economic indicators show how we should expect purchasing behaviours, and economic traction to change over the coming 3-6 months.*

**39% of the respondents have claimed an increase in overall outputs of their firms**

*and slightly higher, 43%, are still witnessing decline in their business outcomes. There is no doubt that some industries were impacted more than others in 2020 but also operational strategies and recent introductions to adoptive business models matter. Digital transformation is for sure at the heart of the recent successful adaptation and experts are expecting the continuity of the digital trend and relative hiring activities for the next 24-36 months. Read about digital transformation on the page 17.*





***53.6% of respondents have confirmed an increase in lead time of delivering service compared to Q3.***

*This clearly indicates a failure in capacities to meet demands at the new circumstances. As only 7.7% of the respondents have reported a decrease in lead time in delivery of different services. Service providers should unlock the opportunities and start 2021 with effective new norms to join the 39% of respondents who already did it in Q4 of 2020.*

***Therefore, the opportunities are still untapped and it is never too late to try different ways.***





## Methodology:

*The Procurement Index Score (PIS) is developed by CoProvider from responses to questionnaires sent to over 570 procurement professionals, majority of them in UAE. The sectors covered by the survey include trading, manufacturing, services and governmental authorities.*

*The PIS is a weighted average of the following ten indices: Company's Output, Requests for new services, Number of RFQs in services, Global Orders For Services, Local Orders For Services, Overall Prices For Global Services, Overall Prices For Local Services, Lead Time Of Delivery Of Services, Backlog On Orders and Cost Of The Staff.*

*The PIS is the sum of the percentage of 'increased' responses on the first five indices, the sum of the percentage of 'decreased' responses on the second five indices and half the percentage of 'same as previous quarter' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous quarter while below 50 an overall decrease.*

**Q4 data were collected from 22 Dec 2020 to 08 Jan 2021.**



## CoProvider

### About CoProvider:

*CoProvider is an online B2B marketplace and RFQ platform for professional services. The marketplace aims to provide a single stop shop for buyers to find and communicate with providers of facility management, private labeling, digital services, industrial services, business support and other categories. Our focus is on SMEs who are looking for affordable transformation into digital business experience.*

# Procurement as a Service (PaaS)

*By Ahmed Khalid, Founder of CoProvider*

*Do your purchases almost always over-priced or with poor quality on delivery? You don't have professional procurement staff and can't afford their cost?? Allow PaaS specialists to save you money with on demand agreement.*

*Do your purchase orders almost always late as you have a bunch of monthly requests with low staff capacity? Allow PaaS specialists to save your team's time for what is more strategic to the company while PaaS professionals will cater your tactical purchases with flexible on-demand agreement.*

*Do you miss periodic data-driven discussions on your purchases? Do you suffer from the reality that your team is so busy developing a list of corrective and improvement actions to assure continuous improvement? Allow the PaaS specialists to support you with infographics based on your transactions. Also, to provide you with market insightful reports which will shift your organization into the growth path.*



## PaaS

### What is PaaS?

Procurement as a Service (PaaS) is an outsourced service of procuring the organization's goods and services. It is a new sort of outsourcing services similar to the classic choices such as consultancy, accounting, auditing, training or digital marketing services. Where CIPS qualified procurement officers and freelancers, buy for you upon your detailed requests with integral, ethical and transparent ways which assure the optimum total cost of ownership (TCO). The PaaS specialists leverage CoProvider's platform to speed up sourcing and benchmarking offers from pre-qualified local and regional vendors.

**How it works ?** PaaS solution covers multiple activities in sourcing which happens in a seamless and effective ecosystem. The process as follow;

1. Receiving and understanding the purchase requests (PRs) from the client prior to develop it properly in a standard RFQ form.
2. Use the client account in CoProvider to circulate the RFQ with the relative pre-qualified service providers in the online marketplace of CoProvider.com
3. Flexibility to modify RFQ's (if needed) and follow up with service providers.
4. Benchmark received offers, negotiate offers, present it to the client to take decision
5. Develop a contract, track the performance of supply and vendor's payment by the client.
6. Finally, evaluate the contract and conduct a monthly review with the client for continuous improvement. Clients also can access valuable reports on their spend analysis and associated market insights for better future decisions.

## **Social Impact:**

Many of the SMEs were forced to stop or reduce the capacity of some of their business activities because of the continual reduction on their outcomes and revenues during 2020. Consequently, that resulted the massive layoffs of the workforce, including procurement professionals. In alignment with CoProvider's mandate to optimize regional supply chains and democratize opportunities for service providers, CoProvider is glad to open its platform to SMEs and procurement professionals for win-win service agreements, where the procurement professionals can keep provide professional services to clients in a way governed and streamlined by the platform of CoProvider. The procurement freelancers or PaaS specialists will receive their full charges by the clients without any deduction from CoProvider.

The platform, which currently serves +2000 users, utilizes different logarithms to keep validating sellers such as PaaS and showing their received ratings and reviews.

## **Price Structure**

The service fee for a PaaS specialist depends on value and volume of requests, pre-planning activities, approval hierarchy and other SLA elements between the PaaS specialists and the client. The agreement can be on monthly fixed fees or a rate (AED per RFQ with minimum orders).



# Digital Procurement

*By Fredrick Magana, FCIPS*

## What is Digital Procurement

*Digital Procurement is the application of disruptive technologies that enable Strategic Sourcing (S2C) to become predictive, Transactional Procurement (P2P) to become automated, and Supplier Risk Management (SRM) to become proactive, according to Deloitte. Summarized in the figure below, Digital Procurement uses artificial intelligence, advanced analytics and data-driven optimization tools providing stakeholders across the business with real time and better insights resulting to procurement excellence.*

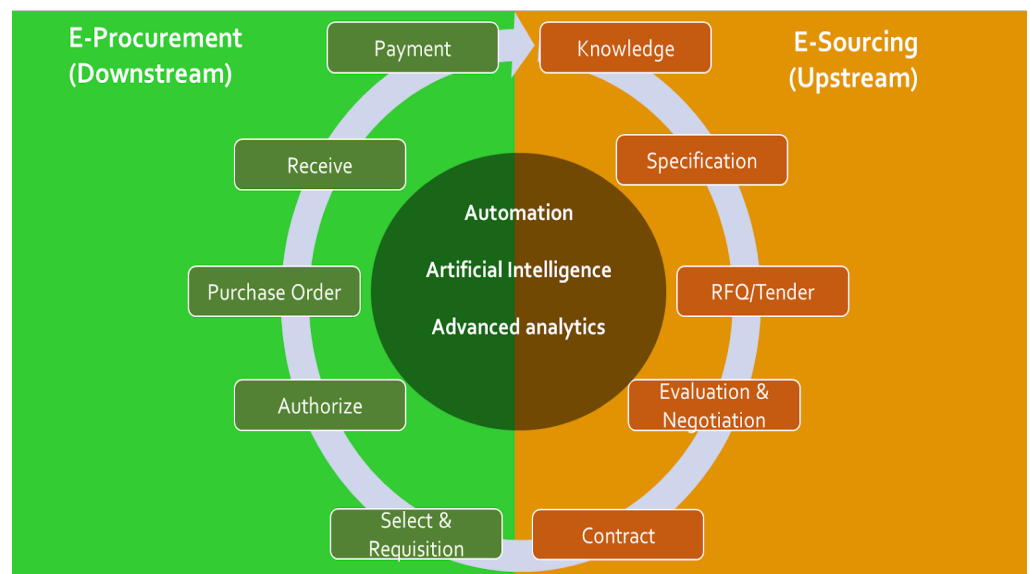


## Benefits of Digital Procurement

*Digital Procurement equips not only stakeholders across the business but also procurement functions with real-time insights and analytics through artificial intelligence (AI), deploying new and smarter ways to infuse data models to enrich day-to-day operations and better decision making. A quick win for digital procurement is automation of manual and repeatable tasks brought about by artificial intelligence and robotic processes, freeing up time for more strategic activities. Additionally, automation has resulted in quickness and efficiency during high volume sourcing for industries such as manufacturing, call centers, or retail leading to reduced lead time, reduced total costs of ownership, and improved value to internal customers. Artificial intelligence has led to smart procurement which has facilitated transmission of alerts to stakeholders on supply chain disruption, flagging of supplier compliance issues and quickly identifying instances of fraud.*



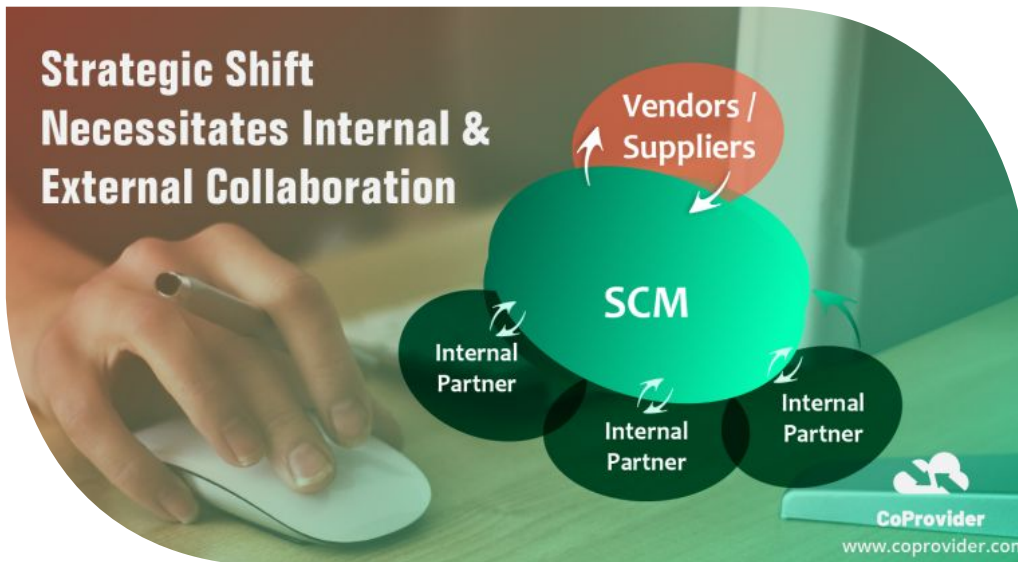
*Use of advanced analytics with easily configurable dashboards and easy to use online tools has enabled decision makers to make informed decisions. Spend analysis can be easily achieved with descriptive analytics through data mining and aggregation. For instance, some of the key benefits of spend analytics include full visibility on procurement spend, Identification and tracking of savings opportunities, aligning and streamlining of procurement processes across business units, management of maverick spending to ensure compliance, and evaluating supplier performance for better relationship management. Through Predictive analytics supply chain risk can easily be identified and mitigated by forecasting and demand planning. Prescriptive analytics has resulted in optimization and simulation algorithms which provide insights on possible outcomes in supply chain management thus helping to determine what to do next.*



## ***Is Digital Procurement possible?***

*Procurement function will first need to adopt technology to become more effective and further employ digital innovation to work in new ways armed with automation, advanced analytics, and artificial intelligence in turn boosting competitive advantage in respective organizations.*

# Digitally Transformed Supply Chains - Vendor Relationships



*Collaboration between vendors, suppliers and SCM professionals has always been and will always be a critical component of the SCM's day to day role. Furthermore, internal collaboration has become increasingly important as SCM has shifted from a cost reduction focus to a strategic implementation focus. In the past, this element of the digital transformation strategy has always been of great importance. This has, in part, been driven by the strategic shift of SCM, and by the globalization trends of the past 2 decades, necessitating close collaboration between internal partners. Now, in the Covid-19 world of ever increasing uncertainty, this digital collaboration has become even more important. For those companies currently undergoing digital transformation in the Supply chain, the focus has been shifted towards this collaborative benefit as a «quick win».*

# The Customer Centric View of Digital Transformation in Supply Chains



*Digital Transformation in the supply chain isn't simply a matter of automation over automation over automation. This well trodden path leads to ineffective impersonal decision making. Ultimately, there is a single perspective that trumps all other perspectives when planning and executing a digital transformation in SCM: The Customer. The customer view should be the primary lens through which all SCM decision making is made. The customer ultimately decides on whether efficiency supersedes cost, whether quality supersedes delivery and whether your transformation has been fruitful or futile.*



# *Featured Sellers*

*In CoProvider.com, we focused on 6 categories present top purchased services. Each category can hold 10-20 subcategories and hundreds of vetted service providers.*





## *Facility Management*

## *Digital Services*

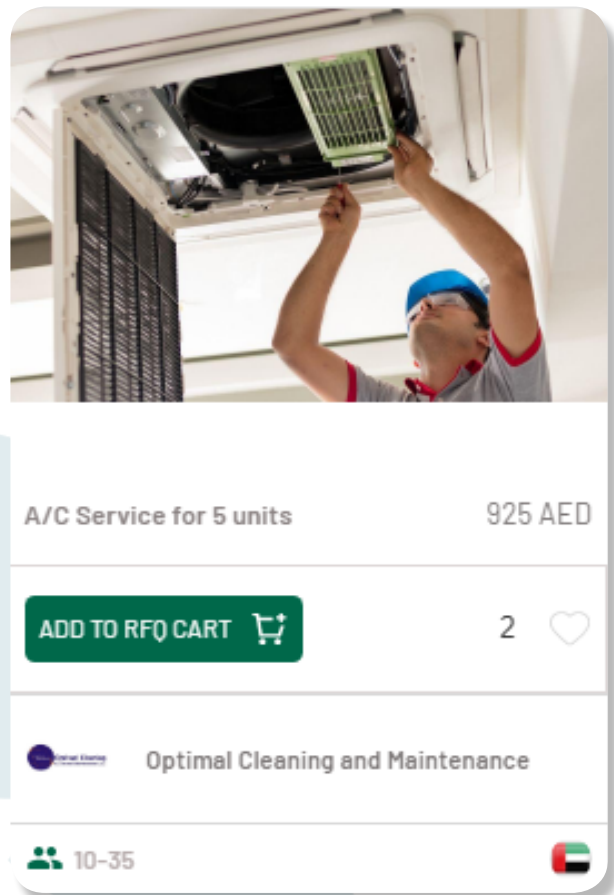


## Facility Management:

*It's a group of services and processes designed to ensure efficient coordination of operations, maintenance, functionality, safety and reliability of the hard and soft elements within facilities. One of the verified SMEs under this category is "Optimal Cleaning and General Maintenance L.L.C". The company which was established in 2019 in Al Ain is "one of the reliable cleaning and maintenance solutions providers in the UAE fulfilling the increasing demands of this fast-growing industry and providing highly trained and dedicated teams of professionals"Optimal Cleaning and Maintenance". (nice image for optimal cleaning)*

*Review the profile and service packages of Optimal Cleaning and General Maintenance in the following link. Also, explore 100s of similar companies ready to serve you.*

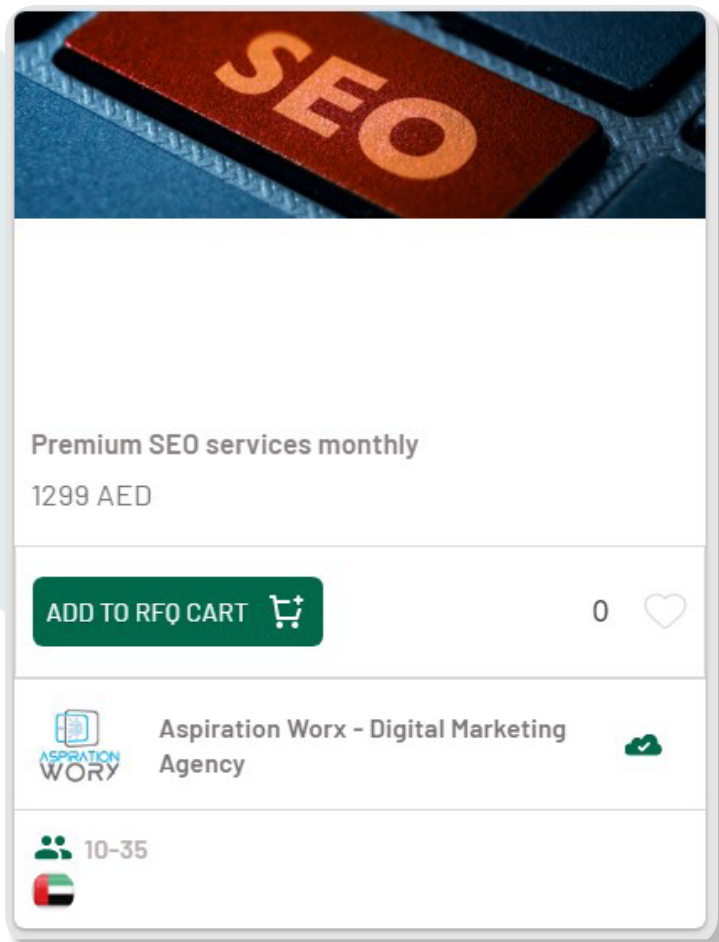
<https://www.coprovider.com/seller/profile/60>



## Digital Services:

*The service which designed to cater data and information electronically across multiple platforms and channels for better UX, security, digital presence and business continuity and growth. One of the verified SMEs under this category is “Aspiration Worx - Digital Marketing Agency”. The company started in the year 2011 in Dubai, providing the clients with seamless digital marketing services. Being fully dedicated to elevate our clients to new heights, we learn about you and understand your business requirements”.*

*Click [here](#) to review the profile and service packages of “[Aspiration Worx - Digital Marketing Agency](#)”. Also, explore 100s of similar companies ready to serve you.*







## *Logistics Warehouse*

## *Industrial Services*








## Industrial Services:


Set of services engaged primarily on the process of engineering and transforming raw or unfinished materials into another value-added product(s). Also, to conduct different types of testing and calibrations for quality control and assurance.



One of the SMEs under this category is “Max Technical Electrical Trading LLC (DUBAI)”. The company was established in 2008 in Dubai to provide a set of engineering solutions such as Automation Products, complete range of rockwell automation & DELTA electronics products electrical products, power cables, control & instrument and other solutions.



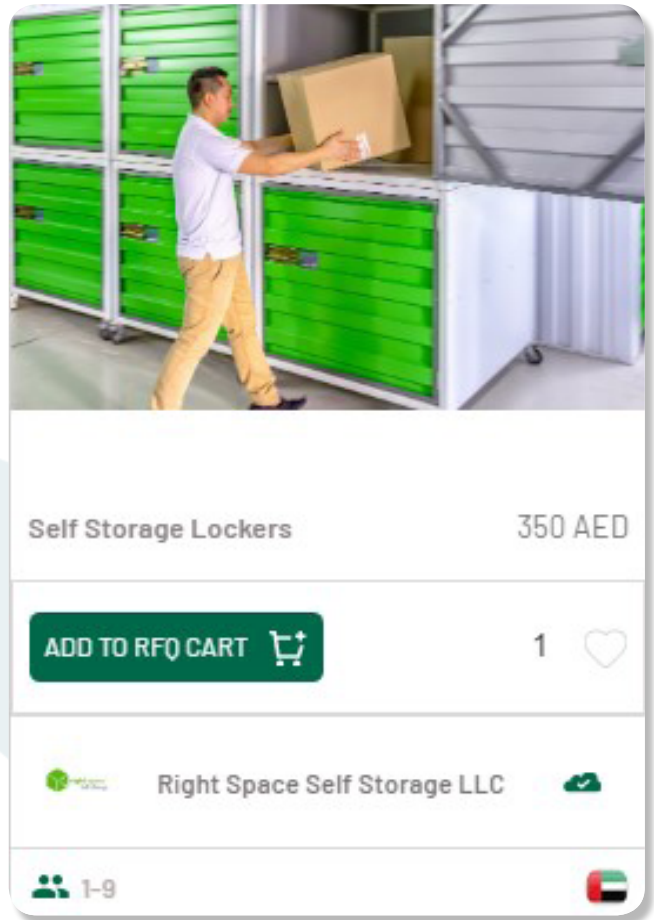
PLC / VFD / SCADA New supply & Service 25000 AED

ADD TO RFQ CART  2 

 MAX TECHNICAL ELECTRICAL TRADING LLC

 10-35 

Click here to review the profile and service packages of “ [Max Technical Electrical Trading LLC \(DUBAI\)](#) “. Also, explore 100s of similar companies ready to serve you.



## Logistics - Warehouse:

*The third party management of movement and safe holding of goods across the supply chain. One of the verified SMEs under this category is “BrightLink Cargo and Movers LLC”. The company which entered, since 2013, into the sphere of Cargo, Storage, Packing and Moving services as a Transport Management Service (TMS) provider.*

*Click [here](#) to review the profile and service packages of “[BrightLink Cargo and Movers LLC](#)”. Also, explore 100s of similar companies ready to serve you.*



## *Business Support*

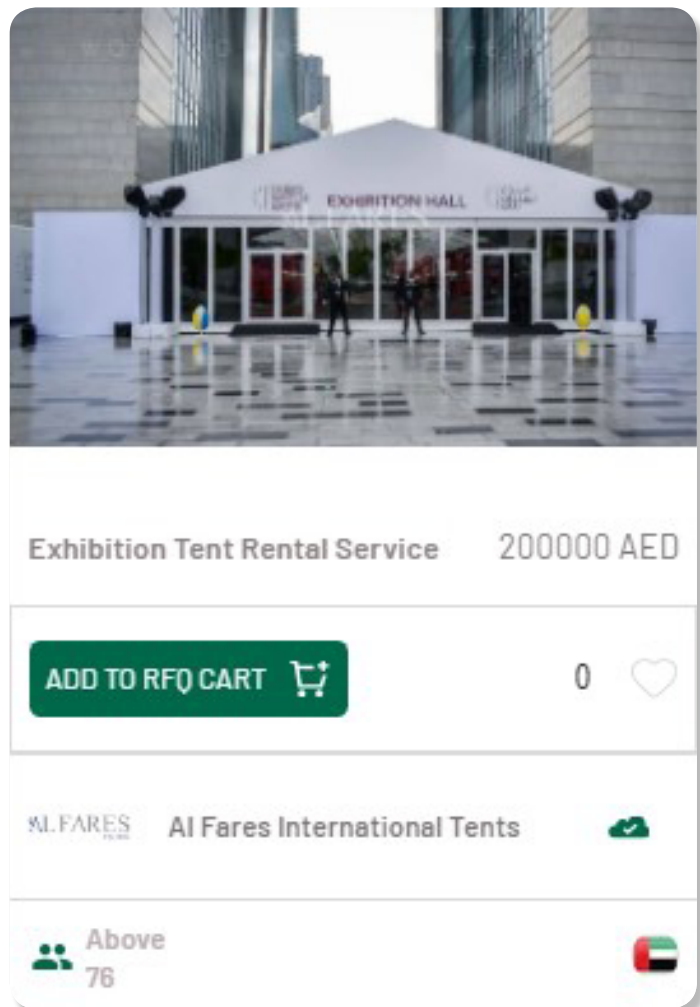
## *Private Labeling*



## Business Support:

All professional services which a firm decides to outsource to another firm that can make the job cheaper, better, or faster. Outsourcing support services can free up the companies' resources and allow them to focus on core and strategic business activities. One of the verified SMEs under this category is "Al Fares International Tents ". The company which was established in 2015 is a leading tents and shade structure manufacturer based at UAE & KSA - it hires and sells tents, marquees and temporary structures for events, exhibition, corporate functions and sports across UAE, KSA and Middle East."

Click here to review the profile and service packages of "[Al Fares International Tents](#)". Also, explore 100s of similar companies ready to serve you.

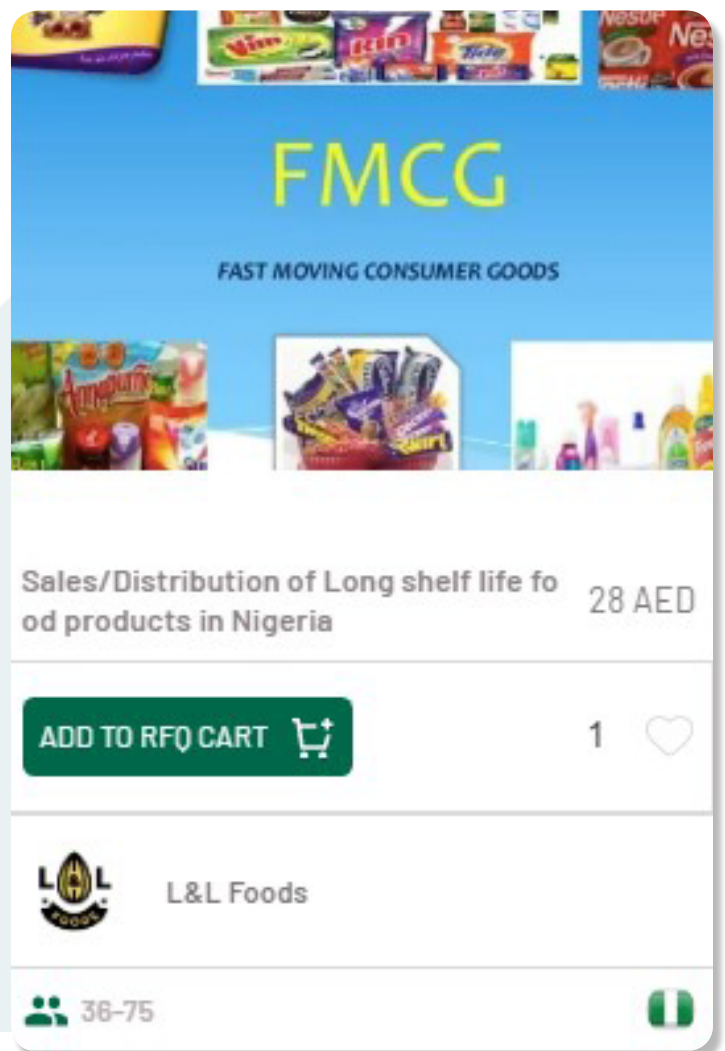




## Private Labeling:

A process to make assembled or manufactured products by another firm which to be sold under your company's brand. One of the SMEs under this category is "L&L Foods". The company is focused on FMCG (Fast Moving Consumer Goods) manufacturing & distribution in Nigeria. It is the manufacturer of a leading peanut brand in Nigeria called Mr. Ekpa Peanuts which is distributed nationwide. (nice image for the company)

Click here to review the profile and service packages of "[L&L Foods](#)". Also, explore 100s of similar companies ready to serve you.





*Website:*

[www.CoProvider.com](http://www.CoProvider.com)



*Email:*

[Info@CoProvider.com](mailto:Info@CoProvider.com)





[www.CoProvider.com](http://www.CoProvider.com)