Procurement Outsourcing Services Market Expands with Cost Reduction, and Enhanced Supply Chain Efficiency

Procurement Outsourcing Services Market grows as businesses seek to reduce costs, streamline processes, and leverage expertise in supply chain management.

Procurement Outsourcing Services Market

AUSTIN, TX, UNITED STATES, November 4, 2024 /EINPresswire.com/ -- Market Scope and Overview

Procurement outsourcing services are experiencing rapid growth as organizations across industries recognize the strategic value of outsourcing to improve operational efficiency and reduce costs. With pressures on procurement to deliver more value while navigating complex supply chains, demand for these services is expected to rise steadily over the coming decade.

According to a recent SNS Insider report, the global Procurement Outsourcing Services Market was valued at USD 3.41 billion in 2023 and is projected to reach USD 11.13 billion by 2032, with a compound annual growth rate (CAGR) of 14% from 2024 to 2032.

The Procurement Outsourcing Services Market has witnessed significant growth as businesses increasingly turn to outsourcing for procurement functions. This shift is largely driven by the complexities of supply chains, which are further compounded by global disruptions, rising raw material costs, and the need for continuous cost reductions. By leveraging procurement outsourcing services, organizations can achieve streamlined operations, minimize procurement costs, and optimize resource allocation, allowing for greater focus on core competencies and strategic initiatives.

A key aspect of procurement outsourcing is its flexibility, which allows companies to customize service levels and concentrate on areas such as supplier relationship management, purchase order management, and contract negotiations. This flexibility facilitates efficient resource management, particularly for mid-sized organizations and startups that may not have fully developed procurement departments. Additionally, outsourcing companies often bring specialized knowledge and technology, such as AI-driven analytics and automation tools, which help organizations better forecast demand, manage risks, and improve decision-making processes.

The procurement outsourcing market scope includes multiple segments based on industry verticals, with healthcare, retail, automotive, and technology sectors leading the way. Each sector brings its own set of requirements, pushing providers to diversify and specialize in domain-specific solutions. The increasing integration of automation and digital transformation technologies across procurement functions is expected to provide significant growth opportunities as businesses aim to digitize processes, reduce errors, and enhance supply chain visibility.

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Some of the Major Key Players Studied in this Report are:

- International Business Machines Corporation
- Accenture
- GEP
- Infosys
- Capgemini
- Genpact
- Tata Consultancy Services Limited
- DXC Technology Company
- WNS Limited
- Wipro Limited
- Others

Segmentation Analysis

By Application

In 2023, IT-related services held the largest market share, accounting for approximately 24%. As businesses increasingly focus on digitization to improve operational efficiency and gain a competitive advantage, IT services have become essential to this effort. This category includes various solutions such as software development, system integration, and data collection tools, all of which play a crucial role in optimizing procurement processes. The rising demand for advanced technologies, including Machine Learning, Artificial Intelligence, and cloud solutions, underscores the commitment of companies to harness diverse IT services for enhancing operational performance.

The Facilities Management & Office Services segment of the Procurement Outsourcing Services Market is expected to experience significant growth due to the increasing demand for cost-effective and efficient workplace solutions. Organizations are outsourcing these services to enhance operational efficiency, reduce overhead costs, and focus on core business functions. Technological advancements, such as automation and integrated software solutions, are further driving this segment's growth by improving service delivery and resource management. Additionally, the rising trend of remote work and flexible office spaces is prompting companies to seek comprehensive facilities management services. Forecasts indicate that this segment will continue to expand, with a growing emphasis on sustainability and innovative service delivery models over the next few years.

Market Segmentation and Sub-Segmentation Included Are:

On The Basis of Component
- Solution
- Services

On The Basis of Deployment Model
- On-Premises
- Cloud

On The Basis of Enterprise Size
- Large Enterprises
- Small & Medium Enterprises

On The Basis of Application
- Marketing Related Services
- IT Related Services
- HR Related Services
- Facilities Management & Office Services
- Others

On The Basis of Industry Vertical
- BFSI
- Energy & Utilities
- Healthcare
- IT & Telecom
- Professional Services
- Manufacturing
- Retail
- Logistics
- Others

Regional Analysis

North America held the largest market share at around 42% in 2023. The North American market is mature and is predicted to grow at a stable rate during the evaluation period due to increased usage of procurement outsourcing services across sectors such as energy, utilities, healthcare, and life sciences. The presence of leading procurement service providers in the region contributes to market growth, as they offer a wide range of specialized services tailored to the unique needs of North American businesses. Moreover, economic factors such as rising operational costs and a competitive business environment have prompted organizations to adopt outsourcing solutions to maintain agility and responsiveness. This combination of factors positions North America as a frontrunner in the procurement outsourcing services market.

According to the U.S. Bureau of Labor Statistics, the professional and business services sector, which includes procurement outsourcing services, had a total of 21.6 million jobs in the United States as of 2023, reflecting robust demand for specialized services, including procurement outsourcing.

Asia-Pacific is forecast to be the fastest-growing market, with significant adoption in the industrial vertical. The procurement outsourcing industry is being driven by developing countries like India, China, and South Korea, as well as more mature markets like Japan and Singapore. Vendors of procurement outsourcing solutions and services might find various prospects in the rest of the globe, particularly in sectors such as retail and consumer goods, manufacturing, and IT and telecommunications.

Recent Developments

 April 2024: Capgemini expanded its procurement outsourcing services by launching a new platform focused on vendor risk assessment and compliance monitoring for European clients.

 April 2024: Wipro partnered with a North American telecom provider to optimize procurement processes, leveraging AI to reduce lead times and improve supplier management.

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Our staff is dedicated to giving our clients reliable information, and with expertise working in the majority of industrial sectors, we're proud to be recognized as one of the world's top market research firms. We can quickly design and implement pertinent research programs, including surveys and focus groups, and we have the resources and competence to deal with clients in practically any company sector.

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