

Procurement as a Service Market to Hit USD 16.92 Billion by 2035 on Demand for Agile and Cost-Efficient Sourcing Models

The procurement as a service market is expected to reach USD 16.92 billion by 2035, driven by agile and cost-effective sourcing needs.

NEWARK, DE, UNITED STATES, May 29, 2025 /EINPresswire.com/ -- The global [Procurement as a Service market](#) is projected to expand significantly over the next decade, growing from USD 9,432.9 million in 2025 to USD 16,923.1 million by 2035. This growth reflects a robust compound annual growth rate (CAGR) of 8.2% during the forecast period. The increasing need for cost optimization, streamlined supply chains, risk mitigation, and access to

procurement expertise is driving organizations across industries to adopt procurement outsourcing models. PaaS solutions allow businesses to outsource their procurement functions to specialized providers who offer domain expertise, category management, spend analysis, and supplier relationship management through cloud-based platforms and data-driven insights. The shift from traditional procurement to service-based, agile sourcing frameworks is gaining traction as organizations seek scalability, cost transparency, and faster time-to-value.

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As businesses prioritize flexibility and cost control, procurement as a service is emerging as a smart, scalable model to streamline sourcing and drive strategic value.”

Sudip Saha



Procurement as a Services Market

In addition to operational efficiency, the adoption of Procurement as a Service is being influenced by the growing complexity of global supply chains and the increasing focus on sustainability, compliance, and supplier diversity. Businesses are leveraging PaaS to navigate fluctuating raw material prices, geopolitical disruptions,

and regulatory compliance challenges. Cloud-based procurement platforms equipped with advanced analytics, artificial intelligence, and robotic process automation are enabling more strategic decision-making and predictive procurement processes. From mid-sized enterprises looking to optimize indirect spend to large corporations focusing on strategic sourcing, the versatility and customizability of PaaS models are making them a vital component of modern business transformation strategies. Industries such as manufacturing, healthcare, retail, BFSI, and IT & telecom are among the leading adopters, driven by the need to enhance operational agility while reducing procurement overhead.

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Key Takeaways from the Procurement as a Service Market:

The Procurement as a Service market is expected to grow from USD 9.43 billion in 2025 to USD 16.92 billion by 2035, at a steady CAGR of 8.2%, supported by the rise in demand for scalable and expert-led procurement models. Category management and strategic sourcing services are key drivers of demand, as companies increasingly seek to rationalize supplier bases and consolidate spend across regions. The growing adoption of cloud technologies, AI, and big data analytics in procurement processes is enabling predictive analysis, real-time decision-making, and improved contract management. North America is projected to hold a dominant share in the global market due to high digital adoption and the presence of major PaaS providers, while the Asia-Pacific region is expected to witness the fastest growth, driven by expanding enterprise outsourcing and digitalization initiatives in countries like India and China. Medium to large enterprises are the leading adopters of procurement services, but small businesses are gradually recognizing the value of outsourcing procurement to reduce operational burdens.

Emerging Trends in the Global Procurement as a Service Market:

One of the most prominent trends is the integration of artificial intelligence and machine learning into procurement platforms, allowing providers to deliver smart recommendations, automate supplier assessments, and analyze market trends with high accuracy. Predictive analytics is being used to forecast demand, mitigate supply chain risks, and improve vendor negotiations. Another trend reshaping the market is the rise of outcome-based procurement, where service providers are compensated based on realized savings and performance improvements, aligning their goals with the client's strategic objectives.

Sustainability and ESG (Environmental, Social, and Governance) compliance are becoming core to procurement strategies, leading companies to demand ethical sourcing, carbon tracking, and responsible supplier selection through their PaaS partners. Additionally, there is increasing demand for on-demand procurement models, where services can be scaled up or down depending on project needs. This flexibility is particularly useful for businesses operating in dynamic sectors like retail and construction, where procurement volumes fluctuate with market

trends. The emphasis on real-time collaboration, mobile access, and integrated procurement ecosystems is driving the development of user-friendly, modular platforms that enable seamless engagement between internal teams and external suppliers.

Significant Developments in the Global Sector: Trends and Opportunities in the Market:

Significant developments in the Procurement as a Service market include the evolution of industry-specific procurement solutions tailored for verticals such as pharmaceuticals, financial services, and logistics. These tailored services address unique regulatory environments, supplier ecosystems, and compliance frameworks, helping organizations achieve procurement goals faster and more effectively. Another important development is the consolidation within the PaaS sector, as larger procurement technology firms acquire niche players to expand their service capabilities and market reach.

There is also a growing opportunity in integrating procurement services with broader business process outsourcing (BPO) offerings, providing clients with end-to-end operational support. Furthermore, the adoption of blockchain technology for contract authentication, supplier traceability, and fraud prevention is being explored by forward-thinking service providers. As businesses aim to streamline procurement cycles and reduce time to value, PaaS platforms that offer pre-integrated supplier networks and API-based architecture are gaining a competitive edge.

Recent Developments in the Market:

In recent years, leading procurement service providers have launched AI-powered platforms and collaborative tools to enhance sourcing agility and category insights. Providers such as GEP, Accenture, and IBM have unveiled new procurement suites with intelligent spend analysis, automated contract lifecycle management, and dynamic supplier engagement tools. Several companies have also entered into strategic partnerships with ERP and cloud service providers to enable seamless integration between procurement and other enterprise functions.

Organizations are increasingly shifting to subscription-based or pay-per-use models, reducing upfront investment and improving budget control. Investment in procurement centers of excellence and the use of nearshore and offshore delivery models are also rising, allowing companies to tap into global expertise while maintaining regional responsiveness. Additionally, government and public sector entities are adopting PaaS to improve procurement transparency and combat inefficiencies in traditional sourcing methods.

Comprehensive Industry Report: A Full Market Analysis

<https://www.futuremarketinsights.com/reports/procurement-as-a-service-market>

Competition Outlook:

The Procurement as a Service market is highly competitive and characterized by a mix of global

consulting firms, specialized procurement providers, and cloud technology vendors. Service differentiation is increasingly based on AI capabilities, platform integration, domain expertise, and client-specific customization. Leading players are expanding their global delivery centers and enhancing their service portfolios through mergers, acquisitions, and innovation in digital procurement technologies.

Key Players

Key players in the Procurement as a Service market include Accenture Plc, GEP, IBM Corporation, Wipro Limited, Infosys Limited, Genpact, Capgemini SE, TCS (Tata Consultancy Services), Corcentric Inc., and HCL Technologies Ltd. These companies are known for their strong global presence, diversified procurement offerings, and robust client relationships across sectors.

Key segmentations

The market is segmented based on component (strategic sourcing, supplier management, category management, transaction management, process management), enterprise size (large enterprises and small & medium enterprises), and end-use industry (manufacturing, BFSI, healthcare, retail, IT & telecom, and others). Among these, strategic sourcing and category management are expected to dominate due to their direct impact on cost savings and procurement efficiency, while the IT & telecom and manufacturing sectors are anticipated to remain the largest consumers of PaaS solutions over the coming decade.

Vertical Solution Industry Analysis

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