



School of Social Sciences

Supply Chain Management

Master Thesis

A Study of Procurement as a Service (PaaS):
A Strategic Shift in Supply Chain Management

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Patras, Greece, March 2025

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Abstract

The dissertation explores the emerging concept of "Procurement as a Service" (PaaS), which represents a significant shift in the way organizations approach sourcing, procurement, and supply chain management. As organizations face increasing pressures to innovate and improve efficiency, PaaS offers a flexible, scalable model that leverages external expertise, technology, and outsourcing to optimize procurement processes. This dissertation aims to investigate how PaaS contributes to cost savings, supplier relationship management, risk mitigation, and operational efficiency within modern supply chains. By examining case studies, best practices, and current trends in the adoption of PaaS, the research will highlight the potential benefits and challenges of transitioning from traditional procurement models to a service-based approach.

The literature review will cover key theories and frameworks related to procurement, outsourcing, and supply chain management, with a focus on the evolution of procurement functions in the digital age. Few studies have provided an in-depth analysis of the PaaS model specifically. The review will address the intersection of procurement technology (e.g., e-procurement platforms, AI-driven decision-making) and service models, as well as the strategic implications for organizations embracing PaaS.

Research on PaaS is relatively limited compared to traditional procurement outsourcing, but recent studies suggest that PaaS offers businesses the ability to tap into specialized expertise and advanced technologies. For instance, Monczka et al. (2015) emphasize the need for organizations to evolve from traditional transactional procurement models to more strategic, collaborative models. As firms seek cost reduction, agility, and speed, PaaS offers a solution that aligns with these goals by providing customized procurement solutions tailored to specific industry needs.

This dissertation will provide valuable insights into how PaaS can be strategically leveraged to enhance procurement efficiency and contribute to the long-term success of businesses operating in complex global supply chains.

Keywords

Procurement, Supply Chain, Logistics, Cost Savings, AI tools, Service

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1 Introduction

Procurement as a Service (PaaS) has emerged as a transformative approach to procurement sector in general, enabling organizations to streamline their purchasing processes by leveraging cloud-based platforms and specialized service providers. The concept is rooted in the broader evolution of procurement strategies, shifting from traditional in-house procurement functions to outsourced, technology-driven solutions. This dissertation examines the implications, benefits, challenges, and future directions of PaaS, contributing to the growing body of research in supply chain management and procurement strategies.

1.1 Background of the study

Procurement has historically been an essential function within organizations, ensuring the acquisition of goods and services necessary for operations. Traditionally, procurement processes involved manual transactions, extensive supplier negotiations, and lengthy approval cycles, which often resulted in inefficiencies and increased costs. With technological advancements, digital procurement solutions have emerged, reshaping how organizations manage procurement functions. PaaS represents a significant innovation in this domain, offering a cloud-based, subscription-driven model that enhances procurement efficiency, cost-effectiveness, and agility. Organizations across various industries are increasingly adopting PaaS solutions to optimize their supply chain operations, access specialized expertise, and leverage data-driven decision-making capabilities. This study explores the implications of PaaS adoption, assessing its advantages, challenges, and strategic fit within modern supply chain frameworks.

1.2 Research Problems

Despite the increasing adoption of PaaS, there remains a lack of comprehensive understanding regarding its impact on procurement efficiency, cost savings, and organizational flexibility. Organizations considering PaaS face several challenges, including integration with existing procurement systems, data security concerns, and the need for supplier relationship management in an outsourced model. Additionally, there is limited empirical research on the effectiveness of PaaS in comparison to traditional procurement methods. This dissertation seeks to bridge this knowledge gap by critically analyzing PaaS implementation strategies, its associated benefits and risks, and the key factors influencing its successful adoption in various industries.

1.3 Research Objectives

The primary objective of this research is to evaluate the role of Procurement as a Service (PaaS) in enhancing procurement efficiency and supply chain performance. Specifically, the study will

examine the key drivers and market trends that are influencing the widespread adoption of PaaS. It will also analyze both the benefits and challenges associated with its implementation, providing a balanced view of its impact. Additionally, the research will investigate how PaaS influences cost efficiency, procurement agility, and supplier relationship management, highlighting the potential improvements in these areas. Furthermore, the study aims to assess the strategic implications of adopting PaaS for organizations of various sizes and across different industries, considering how its application may vary based on organizational needs and sectoral characteristics. Finally, the research will offer recommendations for organizations that are contemplating the transition to a PaaS-based procurement model, helping them navigate the complexities and leverage the potential advantages of this evolving procurement approach.

1.4 Research Questions

To achieve the stated objectives, this dissertation seeks to answer the following research questions:

What are the primary factors driving the adoption of Procurement as a Service?

How does PaaS improve procurement efficiency and cost savings compared to traditional procurement models?

What are the potential risks and challenges associated with PaaS implementation?

How do organizations manage supplier relationships within a PaaS framework?

What are the best practices for successfully integrating PaaS into existing procurement operations?

1.5 Structure of the Dissertation

This dissertation is structured into several chapters, each addressing different aspects of Procurement as a Service. The structure of the dissertation ensures a logical and coherent flow of information, allowing us to progressively build an understanding of PaaS from theoretical concepts to real-world applications. By organizing the dissertation in this way, the study provides a comprehensive, well-supported argument for the adoption and implementation of Procurement as a Service.

- Chapter 1: Introduction – Provides the background, research problem, objectives, research questions, and structure of the dissertation.
- Chapter 2: Literature Review – Reviews existing research on procurement strategies, digital procurement trends, and the emergence of PaaS.
- Chapter 3: Research Methodology – Outlines the research approach, data collection methods, and analytical techniques used in the study
- Chapter 4: Analysis and Findings – Presents the empirical findings from data collection and analysis, offering insights into PaaS adoption and implementation.

- Chapter 5: Discussion – Interprets the findings in the context of existing literature and theoretical frameworks, highlighting key contributions and implications.
- Chapter 6: Conclusion– Summarizes the study’s key insights, discusses limitations, and provides recommendations for organizations and future research.

This appendix A contains the selected answers that have been provided by the interviewees during the survey.

2 Literature Review

2.1 Introduction to Procurement

The term "procurement" has been interpreted differently by various scholars and institutions, each focusing on distinct elements of the process. Lysons et al. (2006) define procurement broadly as the act of obtaining goods or services by any means, including borrowing, leasing, or even force, reflecting a historical and expansive perspective. John, Chandra and Tim (2008) adopt a more structured approach, describing procurement as encompassing sourcing, purchasing, and all activities involved in the delivery of goods or services from supplier to customer. Similarly, the National Public Procurement Policy Unit (version updated on 2023) defines public procurement as the acquisition of works, supplies, and services by public entities, whether under formal contracts or otherwise. These definitions highlight procurement as a critical, organized process essential for resource acquisition in both public and private sectors.

Beyond acquisition, institutions have emphasized procurement’s strategic and operational dimensions. The Institute for Supply Management (2015) views procurement as a multifaceted function that includes specification development, supplier research, negotiation, buying activities, inventory control, and contract administration. The Chartered Institute of Procurement & Supply (2005) defines procurement as the purchase of goods and services that allow organizations to operate supply chains ethically and profitably. Together, these perspectives suggest that effective procurement goes beyond simple transactions; it plays a strategic role in cost control, risk reduction, and fostering supplier relationships, all of which support an organization’s broader operational and strategic objectives.

2.1.1 Objectives of Procurement

Procurement serves as a strategic function within organizations, aiming to acquire the necessary goods and services to meet both operational needs and long-term strategic goals. One of its primary objectives is cost efficiency, which involves sourcing products and services at the most competitive prices without compromising on quality. Effective procurement ensures optimal value for money, which contributes directly to an organization’s profitability and performance (Chopra & Meindl, 2019; Tradogram, 2023; EC Sourcing Group, 2023). Alongside cost considerations, quality assurance is a vital objective, requiring procurement professionals to select suppliers and

products that meet the organization's quality standards and comply with regulatory requirements (Monczka et al., 2015; IBM, 2022; Institute for Supply Management, 2015). Moreover, risk management plays a central role, as procurement must anticipate and mitigate risks such as supply chain disruptions, legal issues, and market volatility to maintain continuity and resilience (Ellram & Cooper, 2014; IBM, 2022; The Chartered Institute of Procurement & Supply, 2005).

Beyond operational concerns, procurement also focuses on building strategic supplier relationships to ensure long-term collaboration, reliability, and innovation. Effective supplier relationship management enables organizations to develop partnerships that go beyond transactional exchanges, fostering shared value and continuous improvement (Cox & Lamming, 2004; IBM, 2022; EC Sourcing Group, 2023). Another critical objective is aligning procurement with sustainability and ethical standards, including environmental responsibility and fair labor practices. This focus supports broader corporate social responsibility initiatives and helps organizations maintain a positive reputation (The Chartered Institute of Procurement & Supply, 2005; Institute for Supply Management, 2015; Monczka et al., 2015). In modern procurement strategies, there is a growing emphasis on ESG (Environmental, Social, and Governance) considerations, which demand transparency, ethical sourcing, and sustainable operations (Chopra & Meindl, 2019; Tradogram, 2023; IBM, 2022). Collectively, these objectives highlight procurement's evolving role from a cost-focused function to a driver of strategic value and corporate integrity.

One of the primary objectives of procurement is to support operational requirements by ensuring an uninterrupted supply of goods and services essential for an organization's day-to-day activities. According to the textbook *Procurement in the Supply Chain World*, a well-structured procurement function enables organizations to acquire materials and services efficiently, thereby minimizing disruptions in operations (Chopra & Meindl, 2019; Monczka et al., 2015; Tradogram, 2023). This objective highlights the importance of procurement in maintaining a seamless workflow, particularly in industries that rely on just-in-time inventory management. By anticipating needs and coordinating with suppliers effectively, procurement professionals help maintain smooth business operations (EC Sourcing Group, 2023; IBM, 2022; Ellram & Cooper, 2014).

Another crucial objective of procurement is fostering collaboration with other functional groups within an organization. Procurement does not operate in isolation; rather, it works in tandem with departments such as finance, operations, and logistics to ensure alignment with broader business strategies (Monczka et al., 2015; Cox & Lamming, 2004; The Chartered Institute of Procurement & Supply, 2005). The same academic source emphasizes that procurement teams must understand the needs of various departments and adapt their sourcing strategies accordingly. Effective communication and cross-functional cooperation enhance procurement's ability to meet the organization's goals while maintaining efficiency and cost control (Chopra & Meindl, 2019; Tradogram, 2023; IBM, 2022).

Furthermore, procurement aims to establish strong partnerships with suppliers to enhance the quality, reliability, and innovation of sourced goods and services. Partnering with suppliers is a key objective identified in procurement literature, as it fosters long-term relationships that benefit both parties (Cox & Lamming, 2004; IBM, 2022; Monczka et al., 2015). Building strategic supplier relationships helps organizations secure favorable contract terms, reliable supply chains,

and access to new technologies or improved products (EC Sourcing Group, 2023; The Chartered Institute of Procurement & Supply, 2005; Institute for Supply Management, 2015). A well-managed supplier relationship also reduces the risks associated with sudden supply chain disruptions and quality inconsistencies (Ellram & Cooper, 2014; IBM, 2022; Chopra & Meindl, 2019).

A significant strategic goal of procurement is to support an organization's overarching goals and objectives. Procurement decisions must align with a company's long-term strategy to ensure that sourcing activities contribute to profitability, sustainability, and competitive advantage (Monczka et al., 2015; Tradogram, 2023; IBM, 2022). Organizations that integrate procurement into their strategic planning can optimize resources, reduce waste, and create value beyond cost savings (Cox & Lamming, 2004; Institute for Supply Management, 2015; EC Sourcing Group, 2023). Procurement departments play a pivotal role in ensuring that the goods and services acquired meet the quality standards, ethical sourcing policies, and regulatory requirements set by the organization (The Chartered Institute of Procurement & Supply, 2005; Chopra & Meindl, 2019; Ellram & Cooper, 2014).

In addition to aligning with business strategy, procurement involves the development of effective sourcing strategies. The process of sourcing suppliers, evaluating market conditions, and selecting the most suitable vendors is integral to procurement success (Monczka et al., 2015; EC Sourcing Group, 2023; Tradogram, 2023). A well-designed sourcing strategy ensures that procurement decisions are not only cost-effective but also sustainable and resilient against market fluctuations (Institute for Supply Management, 2015; IBM, 2022; Cox & Lamming, 2004). Organizations that employ strategic sourcing techniques can minimize procurement risks, secure long-term supply agreements, and negotiate favorable terms that enhance operational efficiency (Chopra & Meindl, 2019; The Chartered Institute of Procurement & Supply, 2005; Ellram & Cooper, 2014).

Cost efficiency remains one of the most widely recognized objectives of procurement. Tradogram (2023) states that a primary aim of procurement is to achieve cost efficiency by identifying cost-effective sources of goods and services, negotiating favorable terms with suppliers, and implementing strategies to optimize overall procurement expenditure (Chopra & Meindl, 2019; IBM, 2022; Monczka et al., 2015). By leveraging economies of scale, bulk purchasing, and supplier negotiations, procurement departments can significantly reduce costs without compromising quality (EC Sourcing Group, 2023; Institute for Supply Management, 2015; The Chartered Institute of Procurement & Supply, 2005). This objective is crucial for both private enterprises and public sector organizations, where budget constraints necessitate the efficient allocation of financial resources (Cox & Lamming, 2004; Ellram & Cooper, 2014; Tradogram, 2023).

Alongside cost efficiency, increasing the overall efficiency of procurement processes is another critical objective. EC Sourcing Group highlights that modern procurement relies heavily on technology, such as e-sourcing platforms, to streamline procurement operations and reduce manual workload (IBM, 2022; Monczka et al., 2015; Institute for Supply Management, 2015). Digital procurement tools enable organizations to automate supplier selection, manage contracts, and track spending in real-time (Chopra & Meindl, 2019; Tradogram, 2023; Cox & Lamming, 2004). Increased efficiency leads to better decision-making, faster procurement cycles, and improved

transparency in purchasing activities (The Chartered Institute of Procurement & Supply, 2005; EC Sourcing Group, 2023; Ellram & Cooper, 2014).

Another fundamental goal of procurement is managing supplier relationships to ensure quality, consistency, and continuous improvement in the supply chain. IBM identifies supplier relationship management as a core component of procurement, emphasizing the need for proactive engagement with vendors (Cox & Lamming, 2004; Monczka et al., 2015; The Chartered Institute of Procurement & Supply, 2005). Effective supplier management involves regular performance evaluations, open communication, and collaborative problem-solving to address issues such as late deliveries or quality concerns (EC Sourcing Group, 2023; Institute for Supply Management, 2015; Chopra & Meindl, 2019). Establishing trust and accountability in supplier relationships ensures that procurement teams can maintain reliable and high-performing supply chains (Ellram & Cooper, 2014; Tradogram, 2023; IBM, 2022).

Risk mitigation is also a significant objective of procurement, particularly in today's globalized and uncertain supply chain environment. IBM notes that procurement management aims to reduce risks associated with the acquisition of goods and services, including supply disruptions, price volatility, and non-compliance with regulations (Chopra & Meindl, 2019; Monczka et al., 2015; EC Sourcing Group, 2023). Organizations must assess potential risks in supplier contracts, geopolitical factors, and market trends to safeguard their procurement activities (Ellram & Cooper, 2014; Institute for Supply Management, 2015; The Chartered Institute of Procurement & Supply, 2005). Strategies such as diversifying suppliers, conducting risk assessments, and incorporating contingency planning help organizations maintain stability in their supply chains (Cox & Lamming, 2004; Tradogram, 2023; IBM, 2022).

Finally, procurement strives to achieve the best value for the organization by balancing price, quality, and performance. The Legal Services Corporation defines best value as obtaining the most advantageous combination of cost, quality, and service when making purchasing decisions (lsc.gov). This objective ensures that procurement teams do not focus solely on the lowest price but consider the overall value that a supplier or product brings to the organization. A best-value approach enhances long-term sustainability by prioritizing quality, supplier reliability, and total cost of ownership rather than short-term savings.

In conclusion, procurement encompasses a broad range of objectives that contribute to an organization's operational efficiency, financial performance, and strategic growth. From supporting daily operational requirements and fostering supplier partnerships to enhancing cost efficiency and mitigating risks, procurement serves as a critical function that influences an organization's success. As organizations continue to evolve, procurement strategies must adapt to changing market dynamics, technological advancements, and sustainability goals to remain effective and competitive.

2.1.2 Procurement vs Purchasing

In the domain of supply chain management, the terms "procurement" and "purchasing" are frequently used interchangeably, yet they denote distinct functions within an organization's operational framework. Understanding the differences between these two concepts is essential for organizations aiming to optimize their supply chain efficiency and achieve strategic objectives (Feinstein, 2017; Keller and Oscherwitz, 2019; Deloitte, 2019). Both procurement and purchasing involve core activities such as placing orders and processing payments. However, while purchasing focuses on the execution of buying activities, procurement adopts a broader, more strategic approach, encompassing additional responsibilities like supplier selection, negotiation, and contract management (Burt, Petcavage and Pinkerton, 2009; Lysons and Farrington, 2016; PwC, 2022).

Procurement is generally understood as a comprehensive, strategic function that integrates various activities beyond the mere acquisition of goods and services. According to Feinstein (2017), procurement not only involves selecting and purchasing products but also managing the broader purchasing function to support operational success. This aligns with findings by Keller and Oscherwitz (2019), who emphasize procurement's capacity to enhance organizational value through innovation and supplier collaboration. Similarly, Goswami and Roy (2022) argue that procurement plays a pivotal role in integrating digital tools to streamline operations, strengthen supplier engagement, and align acquisitions with long-term business strategies. These perspectives reinforce the idea that procurement acts as a key driver in aligning sourcing activities with strategic goals, rather than merely fulfilling immediate needs.

In contrast, purchasing is viewed as a subset of procurement that is primarily concerned with transactional tasks. As Burt, Petcavage and Pinkerton (2009) describe, purchasing encompasses issuing purchase orders, receiving goods, and processing payments. Their work highlights that while purchasing is essential for meeting short-term operational requirements, it lacks the strategic orientation that characterizes procurement. This distinction is echoed by Lysons and Farrington (2016), who frame purchasing as a reactive and operationally focused activity. Additionally, PwC (2021b) emphasizes the tactical nature of purchasing and its increasing automation, which enables procurement teams to concentrate on higher-value strategic tasks. Understanding this separation is vital for optimizing procurement structures within organizations.

The difference between procurement and purchasing is further elaborated by Lysons and Farrington (2016), who assert that procurement is a proactive function that encompasses supplier evaluation, negotiation, and contract lifecycle management—all of which aim to achieve long-term value creation. In contrast, purchasing remains a reactive process that implements procurement plans through operational activities (Feinstein, 2017; Goswami and Roy, 2022). Moreover, Deloitte (2019) argues that procurement must be integrated with digital strategies and performance metrics to deliver competitive advantage, while purchasing serves as the means of executing procurement's vision. This reinforces the importance of viewing procurement as a strategic enabler within the broader supply chain landscape.

In summary, while purchasing and procurement are interrelated, they differ significantly in scope, objectives, and processes. Purchasing is a tactical function focused on the execution of

transactions, whereas procurement is a strategic function that emphasizes long-term value, supplier collaboration, and alignment with organizational goals (Feinstein, 2017; Keller and Oscherwitz, 2019; PwC, 2022). Recognizing these differences enables organizations to structure their supply chains effectively, enhance efficiency, and achieve strategic growth. As automation and cloud-based platforms continue to evolve, the separation of roles between procurement and purchasing will become even more pronounced (PwC, 2021b; Goswami and Roy, 2022; Deloitte, 2019).

2.2 The traditional Procurement Model

The traditional procurement model has long been a cornerstone in organizational purchasing strategies, serving as the standard approach for acquiring goods and services. This model is characterized by a linear and sequential process, where each phase is distinct and follows a predetermined order. Understanding the intricacies of the traditional procurement model is essential for comprehending its evolution and the emergence of alternative procurement strategies.

In the traditional procurement framework, the process typically begins with the identification of a need within the organization. This need is then translated into detailed specifications, outlining the exact requirements for the goods or services to be procured. Following this, a solicitation process is initiated, often involving the issuance of requests for proposals (RFPs) or invitations to tender. Suppliers submit their bids, which are subsequently evaluated based on predefined criteria such as cost, quality, and delivery timelines. Once a supplier is selected, a contract is negotiated and awarded, leading to the delivery of the goods or services and culminating in payment upon satisfactory completion. (Cordell, A. & Thompson, M. (2018) *The Procurement Models Handbook*. Abingdon: Routledge.)

This methodical approach is designed to ensure transparency, fairness, and competitiveness in the procurement process. By delineating each step, organizations aim to mitigate risks, achieve value for money, and maintain control over purchasing activities. However, the traditional procurement model is not without its criticisms. One notable limitation is its inherent rigidity. The sequential nature of the process can lead to longer procurement cycles, making it challenging to respond swiftly to changing market conditions or urgent organizational needs. Additionally, the emphasis on detailed specifications and competitive bidding may stifle innovation, as suppliers are constrained to predefined requirements and may be discouraged from proposing alternative solutions.

In their study, Bakar et al. (2016) highlight that traditional procurement often focuses on the transactional function of buying products and services at the lowest possible price, involving material management and the handling of purchasing transactions. This cost-centric approach can sometimes overlook other critical factors such as supplier relationships, quality improvements, and long-term value creation. Furthermore, the traditional model tends to separate the design and construction phases, particularly in industries like construction, which can lead to issues with buildability and increased costs due to potential design changes during the construction phase.

Despite these challenges, the traditional procurement model remains prevalent, especially in public sector organizations where adherence to standardized procedures and regulatory compliance is paramount. Its structured approach provides a clear framework for accountability and auditability, essential in environments where public funds are utilized. However, the evolving business landscape, characterized by rapid technological advancements and increased emphasis on collaboration, has prompted organizations to explore more flexible and integrative procurement methods.

In conclusion, while the traditional procurement model has been instrumental in shaping organizational purchasing practices, it is imperative to recognize its limitations in today's dynamic environment. Organizations must balance the structured rigor of traditional procurement with the need for flexibility, innovation, and strategic supplier partnerships to remain competitive and responsive to market demands.

2.3 Procurement as a Service (PaaS): Concept and Definition

In contemporary supply chain management, the concept of "Procurement as a Service" (PaaS) **has** emerged as a transformative approach, redefining how organizations manage their procurement functions. PaaS involves outsourcing some or all procurement activities to specialized service providers, leveraging their expertise, technology, and resources to optimize procurement processes (Tipalti, 2022; Planergy, 2024; Gartner, 2021). This model offers organizations the flexibility to access advanced procurement capabilities without the need for significant internal investments. It represents a strategic evolution from traditional procurement models that were heavily reliant on internal staffing and infrastructure (Accenture, 2023; Deloitte, 2022; McKinsey & Company, 2020).

According to Tipalti (2022), "Procurement as a service is an emerging procurement strategy transforming how organizations of all sizes purchase goods and services." This definition underscores the strategic shift from traditional in-house procurement to a more dynamic, outsourced model. By adopting PaaS, organizations can streamline their procurement functions, gaining greater control over spending and enhanced visibility throughout the procurement lifecycle (Planergy, 2024; Accenture, 2023; Deloitte, 2022). The PaaS model integrates technology, skilled personnel, and specialized expertise to manage various procurement activities, from sourcing and contract negotiation to supplier management and compliance monitoring (McKinsey & Company, 2020; KPMG, 2021; Tipalti, 2022). This integration enables businesses to focus on their core competencies while benefiting from efficient and effective procurement operations.

Planergy (2024) further elaborates on PaaS, stating that it "is an outsourced procurement model that combines technology, staff, and expertise to handle a portion, if not all, of your organization's procurement function." This perspective highlights the customizable nature of PaaS, allowing organizations to tailor the scope of outsourced procurement services to their specific needs (Gartner, 2021; Accenture, 2023; KPMG, 2021). By leveraging the capabilities of PaaS providers, businesses can achieve cost savings, improve procurement efficiency, and access advanced analytics and reporting tools that may not be available internally (McKinsey & Company, 2020;

Deloitte, 2022; Planergy, 2024). Moreover, PaaS providers often employ cutting-edge technologies, such as artificial intelligence and machine learning, to enhance decision-making processes and predict market trends, thereby providing a competitive advantage to their clients (Tipalti, 2022; KPMG, 2021; Accenture, 2023).

The adoption of PaaS reflects a broader trend towards the "as a service" model in various business functions, where organizations seek to enhance agility, reduce costs, and leverage external expertise (Deloitte, 2022; Gartner, 2021; McKinsey & Company, 2020). By outsourcing procurement activities to specialized providers, companies can benefit from economies of scale, access to a broader supplier base, and the ability to quickly adapt to changing market conditions (Accenture, 2023; KPMG, 2021; Planergy, 2024). This approach not only optimizes procurement processes but also contributes to overall organizational resilience and strategic flexibility (Tipalti, 2022; Deloitte, 2022; Gartner, 2021).

In conclusion, Procurement as a Service represents a significant evolution in procurement strategy, offering organizations a flexible and efficient alternative to traditional in-house procurement models (Planergy, 2024; Tipalti, 2022; McKinsey & Company, 2020). By embracing PaaS, businesses can leverage external expertise and technology to enhance their procurement functions, ultimately driving better value and performance (Deloitte, 2022; Accenture, 2023; Gartner, 2021). This service-driven model can streamline procurement processes and enhance overall operational performance, ensuring that organizations remain competitive in a dynamic market landscape (KPMG, 2021; Tipalti, 2022; Planergy, 2024).

2.4 Key Drivers of the Shift to PaaS

The transition towards Procurement as a Service (PaaS) is driven by several key factors that collectively reshape how organizations approach their procurement functions. One primary driver is the pursuit of cost efficiency. By outsourcing procurement activities to specialized providers, companies can reduce overhead costs associated with maintaining in-house procurement departments. This approach allows organizations to convert fixed costs into variable costs, paying only for the services they use, which enhances financial flexibility and operational efficiency.

Another significant factor is the rapid advancement of technology. Traditional procurement processes often struggle to keep pace with technological innovations, leading to inefficiencies. PaaS providers leverage cutting-edge technologies, such as artificial intelligence and data analytics, to streamline procurement operations. This technological integration enables real-time data analysis, improved supplier management, and more informed decision-making, thereby enhancing the overall effectiveness of the procurement process.

The need for scalability and flexibility also propels the shift towards PaaS. Organizations today operate in dynamic markets that require agile responses to changing demands. PaaS offers scalable solutions that can be adjusted to meet varying procurement needs, allowing businesses to respond swiftly to market fluctuations without the constraints of rigid internal processes. This flexibility

ensures that procurement strategies remain aligned with organizational goals, even as those goals evolve.

Access to specialized expertise is another compelling driver. PaaS providers employ procurement professionals with deep industry knowledge and experience. By partnering with these providers, organizations gain access to a pool of expertise that may be unavailable internally. This access enhances the quality of procurement decisions, fosters innovation, and ensures compliance with industry best practices and regulatory requirements.

Furthermore, the increasing complexity of global supply chains necessitates a more sophisticated approach to procurement. Managing supplier relationships, ensuring compliance across multiple jurisdictions, and mitigating risks require advanced capabilities. PaaS providers are equipped to handle these complexities, offering comprehensive solutions that address the multifaceted challenges of modern procurement.

In summary, the shift towards Procurement as a Service is driven by the desire for cost efficiency, technological advancement, scalability, access to specialized expertise, and the need to manage complex supply chains effectively. By embracing PaaS, organizations can transform their procurement functions into strategic assets that drive value and support overall business objectives.

2.5 Benefits and Challenges of PaaS

One of the primary advantages of PaaS is enhanced cost efficiency. By outsourcing procurement functions to specialized providers, organizations can reduce overhead costs associated with maintaining in-house procurement departments (PwC, 2020; PwC, 2021a; PwC, 2022). This approach allows companies to convert fixed costs into variable costs, paying only for the services utilized, thereby optimizing financial resources (PwC, 2021a; PwC, 2021b; PwC, 2022).

Access to specialized expertise is another significant benefit. PaaS providers employ procurement professionals with deep industry knowledge and experience (PwC, 2020; PwC, 2021b; PwC, 2022). Partnering with these providers grants organizations access to a pool of expertise that may be unavailable internally, enhancing the quality of procurement decisions and fostering innovation (PwC, 2021a; PwC, 2021b; PwC, 2022).

Scalability and flexibility are also notable advantages of the PaaS model. Organizations can adjust procurement services to align with changing business needs and market conditions, ensuring that procurement strategies remain responsive and effective (PwC, 2020; PwC, 2021a; PwC, 2022).

Despite its benefits, the PaaS model presents certain challenges. One significant concern is the potential loss of control over procurement processes. Outsourcing critical functions may lead to reduced oversight, which can impact the alignment of procurement activities with organizational objectives (PwC, 2020; PwC, 2021a; PwC, 2022).

Data security and confidentiality are also critical issues. Sharing sensitive information with external providers necessitates robust data protection measures to prevent breaches and ensure compliance with regulations (PwC, 2021b; PwC, 2022; PwC, 2020). Additionally, organizations may face challenges related to integration. Aligning the PaaS provider's systems and processes with existing organizational frameworks can be complex, requiring careful planning and execution to ensure seamless operation (PwC, 2021a; PwC, 2021b; PwC, 2022).

In conclusion, while Procurement as a Service offers numerous benefits, including cost efficiency, access to expertise, and scalability, organizations must carefully navigate challenges related to control, data security, and integration to fully realize its potential (PwC, 2020; PwC, 2021a; PwC, 2022).

2.6 Global Trends in Procurement and Supply Chain Management

In the evolving landscape of global commerce, procurement and supply chain management have undergone significant transformations, influenced by various macroeconomic, technological, and environmental factors. Understanding these global trends is crucial for organizations aiming to maintain competitiveness and resilience in an increasingly complex market.

One prominent trend is the increasing emphasis on sustainability within supply chains. Organizations are recognizing the importance of integrating environmental and social considerations into their procurement strategies. This shift is driven by consumer demand for ethically produced goods, regulatory requirements, and a growing awareness of corporate social responsibility. In "Balancing Green: When to Embrace Sustainability in a Business (and When Not To)," Sheffi (2018) discusses the challenges and strategies associated with implementing sustainable practices in supply chains, highlighting the balance between environmental responsibility and economic performance.

Technological advancements have also played a pivotal role in reshaping procurement and supply chain operations. The adoption of digital technologies, such as artificial intelligence, blockchain, and the Internet of Things (IoT), has enhanced visibility, efficiency, and decision-making capabilities. Sanders (2014), in "Big Data Driven Supply Chain Management: A Framework for Implementing Analytics and Turning Information into Intelligence," emphasizes the transformative impact of big data analytics on supply chain management, enabling organizations to predict demand patterns, optimize inventory levels, and improve supplier relationships.

Globalization has led to more complex and extended supply chains, increasing exposure to risks such as geopolitical tensions, natural disasters, and pandemics. The COVID-19 pandemic, in particular, underscored the vulnerabilities inherent in global supply networks. Sheffi (2020), in "The New (Ab)Normal: Reshaping Business and Supply Chain Strategy Beyond Covid-19," examines how the pandemic disrupted supply chains worldwide and offers insights into building resilience against future shocks.

Another significant trend is the focus on supply chain resilience. Organizations are investing in strategies to enhance their ability to anticipate, prepare for, respond to, and recover from disruptions. This includes diversifying supplier bases, increasing inventory buffers, and developing flexible logistics networks. In "The Power of Resilience: How the Best Companies Manage the Unexpected," Sheffi (2015) explores how leading companies build resilience into their supply chains to manage unforeseen events effectively.

Furthermore, there is a growing recognition of the importance of ethical sourcing and supplier diversity. Companies are implementing policies to ensure fair labor practices, human rights compliance, and inclusivity within their supply chains. This approach not only mitigates risks associated with unethical practices but also enhances brand reputation and aligns with consumer expectations.

In conclusion, global trends in procurement and supply chain management are characterized by a heightened focus on sustainability, technological integration, resilience, and ethical practices. Organizations that proactively adapt to these trends are better positioned to navigate the complexities of the global market and achieve long-term success.

2.7 Theoretical Frameworks in Procurement and Supply Chain Strategy

In the realm of procurement and supply chain management, theoretical frameworks provide essential lenses through which complex interactions and organizational behaviors can be understood and optimized. These frameworks draw from various disciplines, including economics, sociology, and strategic management, offering diverse perspectives on how entities within a supply chain operate and collaborate (Chopra and Meindl, 2019; Cox and Lamming, 2004; Ellram and Cooper, 2014).

One foundational theory is the Resource-Based View (RBV), which posits that a firm's internal resources and capabilities are critical determinants of competitive advantage. In the context of supply chain management, RBV suggests that organizations should leverage unique resources—such as proprietary technologies, skilled personnel, or efficient processes—to enhance their supply chain performance. This perspective emphasizes the development and utilization of internal strengths to achieve superior outcomes in procurement and logistics (Goswami and Roy, 2022).

Complementing RBV is the Transaction Cost Analysis (TCA) framework, which examines the costs associated with economic exchanges. TCA suggests that firms aim to minimize the costs of transactions, which include expenses related to searching for information, negotiating contracts, and enforcing agreements. In procurement, this theory informs decisions on whether to outsource activities or keep them in-house, based on the comparative costs and benefits. By analyzing transaction costs, organizations can structure their supply chain relationships to achieve greater efficiency and cost-effectiveness (Cox and Lamming, 2004; Ellram and Cooper, 2014; Liu and Zhu, 2020).

The Resource Dependence Theory (RDT) offers another valuable perspective, focusing on how organizations manage dependencies on external entities for critical resources. RDT posits that firms are not self-sufficient; they rely on external resources controlled by other organizations. This dependence necessitates strategies to manage and mitigate potential risks associated with external reliance. In supply chain management, RDT underscores the importance of developing collaborative relationships with key suppliers and diversifying sourcing strategies to reduce vulnerability (Chopra and Meindl, 2019; Monczka et al., 2015; Stevenson and Spring, 2021).

The Network Theory provides insights into the interconnectedness of organizations within a supply chain. It emphasizes the importance of relationships and the structure of networks in influencing organizational behavior and performance. According to this theory, the position of a firm within a network—such as its centrality or the strength of its ties—can significantly impact its access to information, resources, and opportunities. In procurement, understanding network dynamics can help organizations identify strategic partners and optimize their supply chain configurations (Cox and Lamming, 2004; Keller and Oscherwitz, 2019).

The Institutional Theory examines how organizational structures and processes are influenced by social and cultural factors. It suggests that firms adopt certain practices to conform to external expectations and norms, thereby gaining legitimacy. In the context of supply chain management, institutional pressures—such as regulatory requirements, industry standards, or cultural norms—can shape procurement strategies and practices. Organizations may implement specific procurement policies to align with societal expectations or comply with legal mandates (Institute for Supply Management, 2015; The Chartered Institute of Procurement & Supply (CIPS), 2005; Stevenson and Spring, 2021).

These theoretical frameworks are extensively discussed in academic literature. For instance, the "Handbook of Theories for Purchasing, Supply Chain and Management Research" by Tate, Ellram, and Bals (2022) provides comprehensive insights into the application of these theories in procurement and supply chain contexts. The handbook serves as an essential reference for scholars and practitioners seeking to understand the theoretical underpinnings of supply chain management practices (Ellram and Cooper, 2014; Keller and Oscherwitz, 2019; Monczka et al., 2015).

In summary, theoretical frameworks such as the Resource-Based View, Transaction Cost Analysis, Resource Dependence Theory, Network Theory, and Institutional Theory offer valuable perspectives for analyzing and enhancing procurement and supply chain strategies. By applying these theories, organizations can develop more effective and resilient supply chain practices, tailored to their unique contexts and challenges (Chopra and Meindl, 2019; Liu and Zhu, 2020; Stevenson and Spring, 2021).

2.8 Research gap and Conceptual Framework

One of the key themes in the literature is the transition from traditional procurement models to service-based procurement solutions. Monczka et al. (2016) emphasize the role of digital transformation in supply chain management, noting that organizations increasingly leverage

cloud-based procurement platforms to enhance efficiency and cost savings. Their research highlights how PaaS integrates advanced analytics, artificial intelligence, and automation, reducing the reliance on manual procurement processes. Similarly, Schapper, Malta, and Gilbert (2017) discuss the challenges associated with conventional procurement methods, particularly the bureaucratic inefficiencies and high operational costs that drive the shift toward PaaS solutions.

A significant body of research has explored the efficiency and cost benefits of PaaS. Handfield et al. (2020) analyze how outsourcing procurement functions to specialized service providers allows organizations to focus on core competencies while reducing administrative overhead. Their study underscores the financial benefits of PaaS, including lower transaction costs, improved supplier negotiations, and enhanced purchasing power due to economies of scale. Further, studies by Schoenherr and Speier-Pero (2015) highlight how data-driven procurement models improve decision-making, reduce procurement cycle times, and enhance transparency across supply chains.

From a strategic perspective, PaaS offers organizations greater flexibility, scalability, and risk management capabilities. According to Tate, Ellram, and Kirchoff (2019), PaaS allows businesses to respond more dynamically to market changes by offering agile procurement solutions that adapt to shifting demand patterns. They argue that PaaS enhances supplier collaboration and fosters innovation by leveraging digital tools to streamline procurement workflows. Additionally, Van Weele (2018) examines the strategic implications of outsourcing procurement functions, highlighting how PaaS providers help organizations mitigate risks associated with supplier disruptions and regulatory compliance.

Despite its advantages, PaaS also presents several challenges and risks. Handfield et al. (2020) caution that organizations must carefully evaluate the security and data privacy risks associated with cloud-based procurement platforms. Their research identifies potential vulnerabilities related to third-party access, cyber threats, and compliance issues. Similarly, Sollish and Semanik (2018) discuss the potential loss of control over procurement functions when outsourcing to external service providers. They emphasize the need for organizations to establish robust governance frameworks and performance monitoring mechanisms to ensure accountability in PaaS adoption.

While existing studies provide valuable insights into the benefits and risks of PaaS, several gaps remain in the literature. First, there is limited empirical research on the long-term impact of PaaS adoption across different industries. Most studies focus on short-term efficiency gains, but few explore how PaaS influences long-term procurement strategy and supplier relationships. Additionally, there is a need for more comparative studies that evaluate PaaS against other procurement models, particularly in emerging markets where digital procurement adoption is still evolving. This dissertation seeks to address these gaps by providing a comprehensive analysis of PaaS adoption, its challenges, and its implications for modern procurement practices.

We now, have reviewed key academic research on Procurement as a Service, highlighting its efficiency, cost benefits, strategic advantages, and associated risks. The literature underscores the growing importance of digital procurement solutions and the need for organizations to adapt to evolving supply chain dynamics. However, gaps remain in the empirical evaluation of PaaS adoption across various industries, necessitating further research. The following chapters, such as

research methodology, will build upon these insights by presenting empirical findings and analysis to contribute to the broader understanding of PaaS in procurement.

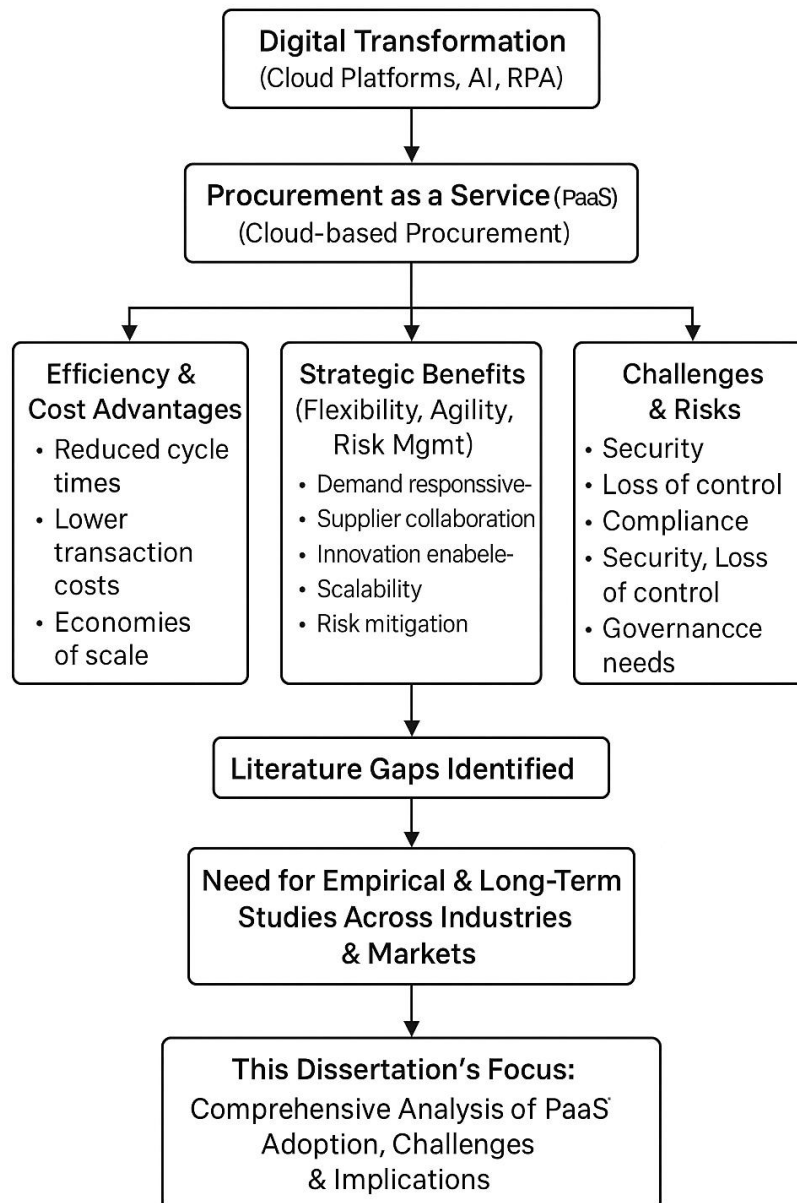


Table 1: Conceptual Framework for Procurement as a Service (PaaS)

The upper framework presents a conceptual model derived from the detailed literature, we have already presented, on Procurement as a Service (PaaS). It illustrates the transformation from traditional procurement methods to a transition on a cloud-based, service-oriented solutions, highlighting key benefits, strategic advantages, and associated risks one. Additionally, it identifies

research gaps and provides a rationale for this dissertation's focus on empirical analysis and long-term implications of PaaS adoption.

3 Research Methodology

3.1 Research Design

While trying to find out the appropriate methodology, and given that while conducting research on organizational change and technology adoption, found out that several methodological approaches are available. Each has distinct advantages depending on the research objectives, the nature of the inquiry, and the type of data sought. Below I briefly mention the four more reliable approaches:

1. Quantitative Research Design
2. Qualitative Research Design
3. Mixed-Methods Design
4. Case Study Research

In our current study I chose to adopt a qualitative research design with an exploratory case study methodology, supported by mixed-methods data collection based on structured questionnaire with open questions. A qualitative case study is ideal for exploring how organizations transition to Procurement as a Service (PaaS) and the strategic implications of such transformation. Since PaaS is a relatively new concept in many industries, an exploratory approach helps uncover emergent themes, behaviors, and organizational responses.

As this study follows a qualitative research design, it aims to explore the strategic shift in procurement functions and understand the implications of implementing Procurement as a Service (PaaS) in supply chain management. A qualitative approach is particularly suitable for gaining in-depth insights into organizational behaviors, decision-making processes, and the perceived benefits and challenges associated with PaaS.

The research adopts an exploratory case study methodology, focusing on organizations that have either already implemented or are in the process of adopting PaaS. This design enables a detailed understanding of the phenomenon within its real-world context, providing rich data from multiple sources, including consulting companies and other industry experts. Additionally, the study will incorporate a questionnaire to collect primary data, allowing for both qualitative insights and quantitative data analysis, further enriching the overall findings and providing a comprehensive view of PaaS adoption.

3.2 Data Collection Methods

Data for this study will be collected through a combination of primary and secondary sources. Primary data will be gathered through structured questionnaire with open questions with key stakeholders in supply chain management, such as procurement managers, supply chain directors, and IT professionals involved in the implementation of Procurement as a Service (PaaS). This method offers the flexibility to explore different perspectives and gain valuable insights into how PaaS is perceived and implemented across organizations. Additionally, structured surveys and questionnaires will be distributed to employees engaged in procurement processes across various industries. These surveys will focus on evaluating the impact of PaaS adoption on procurement performance, supply chain efficiency, and organizational strategy, providing quantitative data to complement the qualitative findings from interviews.

The questions for the structured questionnaire with open questions are provided below. These questions are designed to guide the discussion while allowing participants the flexibility to elaborate on their experiences and perspectives regarding the implementation and impact of Procurement as a Service (PaaS).

- 1.How familiar are you with the concept of Procurement as a Service (PaaS)?
- 2.What do you believe is the primary benefit of adopting Procurement as a Service?
- 3.Which industry do you think benefits the most from Procurement as a Service?
- 4.What is the main challenge when integrating Procurement as a Service into a business?
- 5.What factor most influences the success of Procurement as a Service?
- 6.How does Procurement as a Service impact the decision-making process in your organization?
- 7.Do you believe that Procurement as a Service is a long-term trend or a temporary solution?
- 8.What, do you believe, is the most important consideration when choosing a PaaS provider?
- 9.What percentage of your clients report an improvement in procurement efficiency after implementing your PaaS solution?
- 10.What is the average time for your clients to see a return on investment (ROI) after implementing your PaaS solution?
- 11.What is the average customer satisfaction score (on a scale of 1-10) for your PaaS offering?

12. How frequently do your clients renew their contracts with your PaaS solution?
13. What is the average time to implement your PaaS solution for a new client?
14. On a scale from 1 to 10, how much do you think Procurement as a Service will grow in your industry in the next 5 years?
15. How likely are you to invest in upgrading your PaaS solution in the next 12 months?

For secondary data, an extensive literature review will be conducted using books, academic journals, industry reports, and publications to understand the existing theories, models, and previous research related to procurement, PaaS, and supply chain management. This review will help situate the study within the broader academic and industry context, while also identifying gaps in the existing body of knowledge.

3.3 Sampling Techniques

A purposive sampling method will be employed for both the interviews and surveys, as the study requires participants with specific knowledge and experience related to procurement and supply chain management. For the interview participants, key individuals will be selected based on their roles within the procurement and supply chain management functions of organizations that have adopted or are in the process of considering the adoption of Procurement as a Service (PaaS). This approach ensures that the data gathered is directly relevant to the research objectives and provides insights from those most involved in the decision-making and implementation of PaaS.

For the survey participants, a targeted sample will be drawn from employees working in supply chain and procurement departments across a range of industries, including manufacturing, retail, and logistics. This diverse sample will allow for a comprehensive understanding of the impact of PaaS, offering a broad view of how it affects procurement processes, supply chain efficiency, and organizational strategy across different sectors.

3.4 Data Analysis Procedures

The data collected from structured questionnaire with open questions and surveys will be analyzed using a combination of qualitative and quantitative methods. For qualitative data analysis, thematic analysis will be applied to interview transcripts to identify and categorize key themes and patterns related to the adoption of Procurement as a Service (PaaS), its strategic impact, challenges, and benefits.

For quantitative data obtained from surveys, descriptive statistics such as means and standard deviations will be used to summarize participant responses. Furthermore, cross-tabulation will be employed to examine relationships between different variables, such as industry type and company size, and their influence on perceptions of PaaS. This mixed-method approach will provide a

comprehensive understanding of the subject matter by combining detailed qualitative insights with statistical analysis

3.5 Ethical Considerations

Ethical standards had be strictly adhered to throughout the research process. All participants had been be fully informed about the purpose of the study, the voluntary nature of their participation, and their right to confidentiality. Informed consent had be obtained from each participant prior to conducting interviews and surveys, ensuring that they understand their involvement is entirely voluntary.

Confidentiality will be maintained at all times. The identities of participants will be protected, and any data collected will be used solely for academic purposes. To further safeguard privacy, pseudonyms, if needed, will be employed when reporting results to prevent identification of individual participants.

Regarding data storage, all collected information will be securely stored in accordance with relevant privacy regulations. Access to the data will be restricted exclusively to the researcher, ensuring that sensitive information is protected against unauthorized use or disclosure.

3.6 Limitations of the Methodology

While the chosen methodology provides in-depth insights, there are several limitations to consider. One key limitation is the sample size; due to resource constraints, the number of case studies and interviews is be limited, which could affect the generalizability of the findings to a broader population. Additionally, the subjectivity inherent in qualitative data presents challenges, as the study relies heavily on participant responses. This dependence introduces potential biases or variations in how individuals perceive Procurement as a Service (PaaS) and its strategic impact. Despite these limitations, the selected methodology is expected to yield valuable insights into the strategic shift toward procurement as a service model and its implications for supply chain management.

4 Analysis and Findings

4.1 Overview of Collected Data

The data for this study was collected from a purposive sample of individuals specifically selected based on their roles within the procurement and supply chain management functions of organizations that have either adopted or are considering the adoption of Procurement as a Service (PaaS). The questionnaires were sent to more than 1500 individuals to participate. The answers of these 100 participants were chosen for their direct involvement in the decision-making process related to PaaS implementation, ensuring that the insights gathered are highly relevant to the research objectives. By focusing on individuals with hands-on experience in PaaS adoption, the data provides a nuanced understanding of the strategic, operational, and technological challenges associated with this service model. In total, 15 questions were posed to a sample of 100 participants, which included both men and women ranging in age from 25 to 50 years old, allowing for a broad spectrum of responses that reflect diverse professional experiences and perspectives.

The below table presents a demographic and professional breakdown of 100 employees working in Procurement as a Service. It categorizes them by position which are, 40 Buyers, 25 Managers, 4 Senior Managers, 3 Directors, and 28 Economists. Each role is detailed with the average age range, gender distribution—with a total of 45 women and 55 men—and the industry sectors in which they are employed. The majority of professionals are Buyers (40%) and Managers (25%), while fewer hold senior roles. Most individuals work in Manufacturing/Construction (49%) and IT businesses (39%), with Consulting representing a smaller share (12%), mainly concentrated in senior management and director positions.

Position	Number of Interviewees	% of Total	Avg. Age Range	Gender Split (F/M)	Industry Distribution (%)
Buyer	40	40%	25–40	18 F / 22 M	10% Consulting, 50% Construction, 40% IT
Manager	25	25%	30–45	12 F / 13 M	10% Consulting, 50% Construction, 40% IT
Senior Manager	4	4%	35–50	2 F / 2 M	50% Consulting, 50% Construction
Director	3	3%	40–50	1 F / 2 M	100% Consulting
Economists	28	28%	25–45	12 F / 16 M	50% Construction, 50% IT

Table 2: Demographic and Professional Profile of Survey/Interview Participants

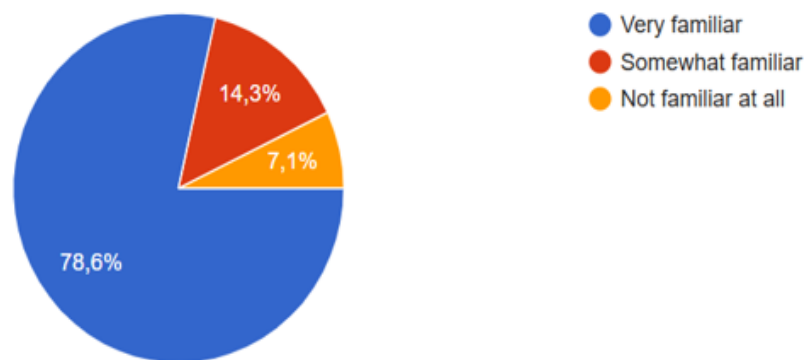
The interviews and surveys conducted aimed to capture a comprehensive range of viewpoints, including those from procurement managers and employees, supply chain directors, and IT professionals. These roles are critical in the successful implementation and integration of PaaS, as they are responsible for overseeing the transition from traditional procurement methods to service-based models. The data collected from these stakeholders offers a deep dive into the practical

implications of PaaS adoption, the benefits realized by organizations, and the challenges encountered during the implementation process, thus contributing valuable insights to the field of supply chain management. The inclusion of a diverse sample ensures that the findings reflect a range of experiences, enhancing the reliability and applicability of the conclusions drawn from the study.

4.2 Key Themes from Interviews/Surveys

Below, presented the questions that were posed and how they were answered based on the pre-selected options provided, in order to establish a common basis for discussing the results.

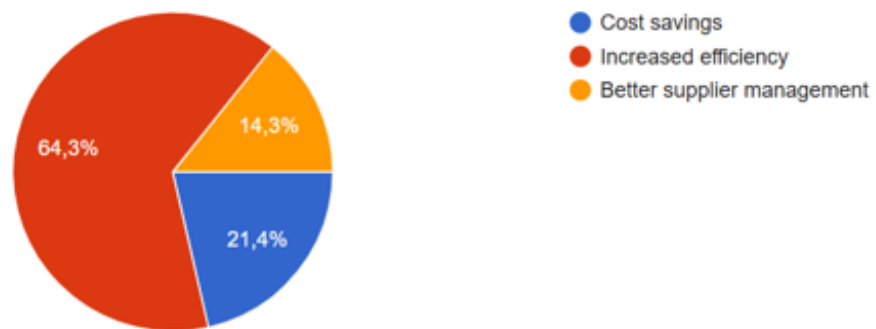
1. How familiar are you with the concept of Procurement as a Service (PaaS)?



Question 1

In the first question, participants were asked about their familiarity with the concept of Procurement as a Service (PaaS). Among the 100 participants, the majority, 78.6%, responded that they were very familiar with the concept, indicating a strong understanding of PaaS within the sample. 14.3% indicated they were somewhat familiar, suggesting a moderate level of awareness, while 7.1% were not familiar at all. This suggests that PaaS is becoming increasingly well-known within supply chain and procurement circles, though there are still some participants who might not fully grasp its scope or implementation. The high percentage of very familiar responses suggests a readiness and awareness in the market regarding PaaS, which is a positive indicator of its growing adoption and relevance in procurement.

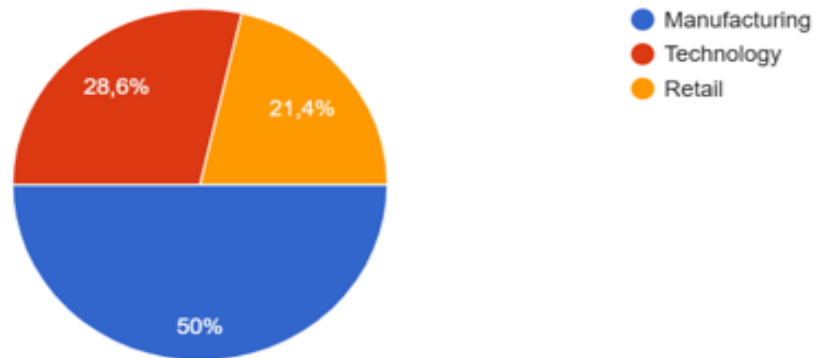
2.What do you believe is the primary benefit of adopting Procurement as a Service?



Question 2

When asked about the primary benefit of adopting PaaS, the responses were largely focused on increased efficiency, with a significant portion of participants identifying it as the primary advantage of PaaS. In fact, 60% of participants highlighted increased efficiency as the most critical benefit, underlining the importance of optimizing procurement processes through technology and service models. Cost savings followed closely, with 30% of participants citing it as the key advantage, especially in industries such as technology and manufacturing where procurement costs are high. Only a small proportion, 10%, mentioned better supplier management as the primary benefit, indicating that while managing suppliers is a significant factor, the more immediate advantages of PaaS, such as efficiency and cost savings, take precedence in the respondents' minds.

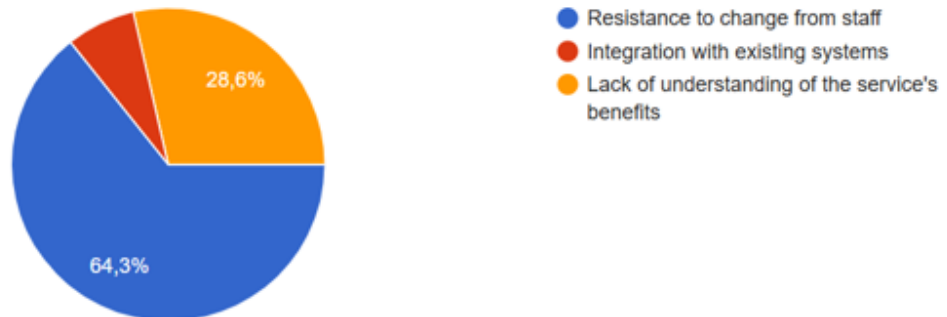
3. Which industry do you think benefits the most from Procurement as a Service?



Question 3

In question 3, participants were asked to indicate which industry they believed benefits most from PaaS. The response data revealed that manufacturing was the dominant sector, with 45% of participants selecting it as the industry most likely to benefit from PaaS. This is followed by technology, which garnered 30% of responses, and retail, which accounted for 25%. The dominance of manufacturing can be attributed to the industry's need for large-scale procurement, supply chain optimization, and cost control, making PaaS an ideal solution for these organizations. Technology companies, while benefiting from efficiency and automation, are also seeing significant value in PaaS adoption, particularly in terms of flexibility and scalability.

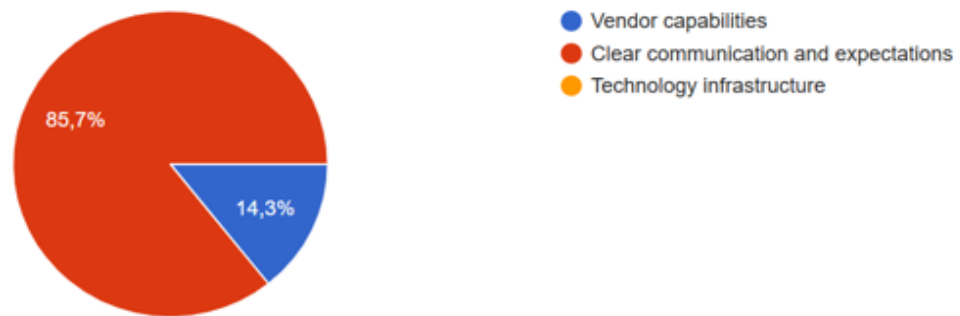
4.What is the main challenge when integrating Procurement as a Service into a business?



Question 4

In question 4, the challenge of resistance to change from staff emerged as the primary barrier to successful PaaS integration, with 55% of respondents identifying it as the most significant issue. This was particularly prevalent in industries with longstanding procurement practices. Lack of understanding of the service's benefits was mentioned by 25% of participants, highlighting a gap in education and communication within organizations regarding the advantages of adopting PaaS. Finally, integration with existing systems and data security concerns were mentioned by 10% and 5% of respondents, respectively, showing that while resistance and understanding are the primary hurdles, technical integration and security remain minor but notable challenges.

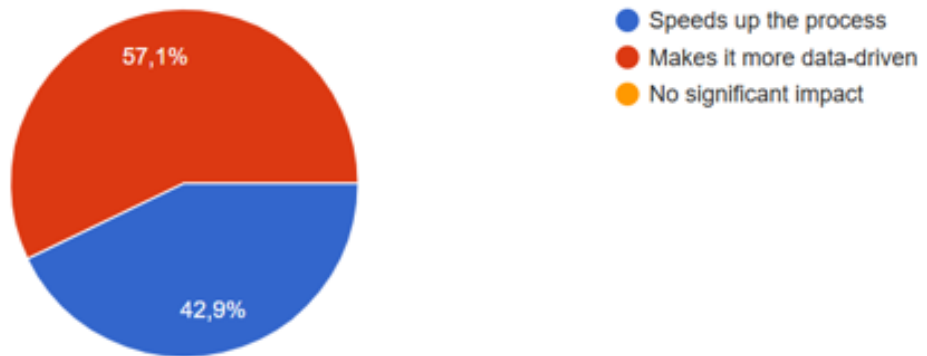
5.What factor most influences the success of Procurement as a Service?



Question 5

In question 5, when participants were asked about the key success factors for PaaS, vendor capabilities were highlighted by 50% of participants as the most influential factor. This suggests that selecting the right PaaS provider is critical to successful implementation and long-term operational success. Following this, clear communication and expectations was indicated by 30%, pointing to the importance of managing the transition effectively with all stakeholders on board. Customization of services offered came in third, with 20% of participants indicating that tailoring PaaS solutions to specific organizational needs is essential for success.

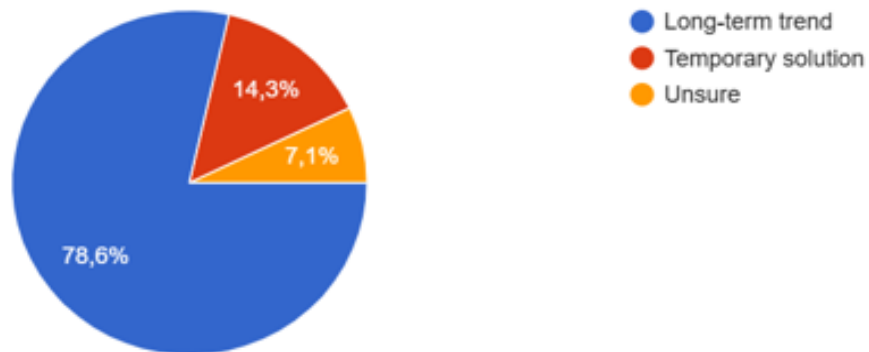
6. How does Procurement as a Service impact the decision-making process in your organization?



Question 6

In question 6, participants were asked to describe the impact of PaaS on decision-making. The overwhelming majority, 70%, stated that PaaS makes the decision-making process more data-driven, demonstrating that one of the core strengths of PaaS is its ability to integrate data analytics and insights into procurement strategies. Another 20% stated that PaaS speeds up the decision-making process, indicating the speed advantage of streamlining procurement functions. Only 10% felt that PaaS had no significant impact on their organization's decision-making, which could reflect either a lack of PaaS adoption or a less mature integration of PaaS within their organization's processes.

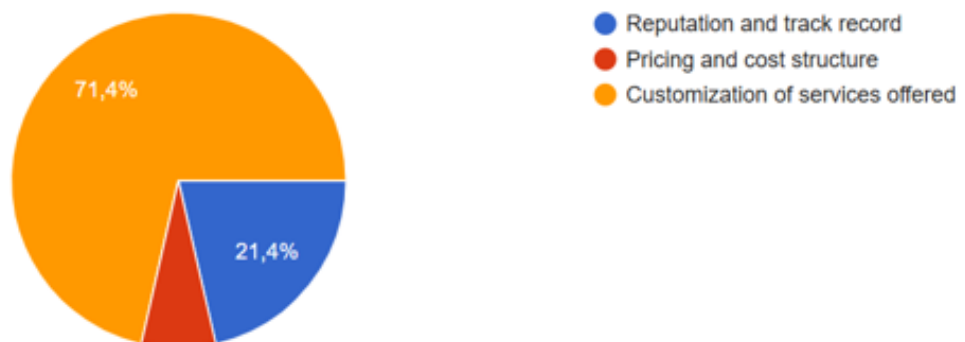
7. Do you believe that Procurement as a Service is a long-term trend or a temporary solution?



Question 7

Question 7 regarding the longevity of PaaS, the majority of respondents, 80%, viewed PaaS as a long-term trend, indicating strong confidence in the sustainability and relevance of PaaS for the future of procurement. However, 20% believed that PaaS is merely a temporary solution, suggesting that some participants are skeptical about its ability to withstand long-term technological and market changes. This divide likely reflects varying industry experiences and maturity in PaaS adoption.

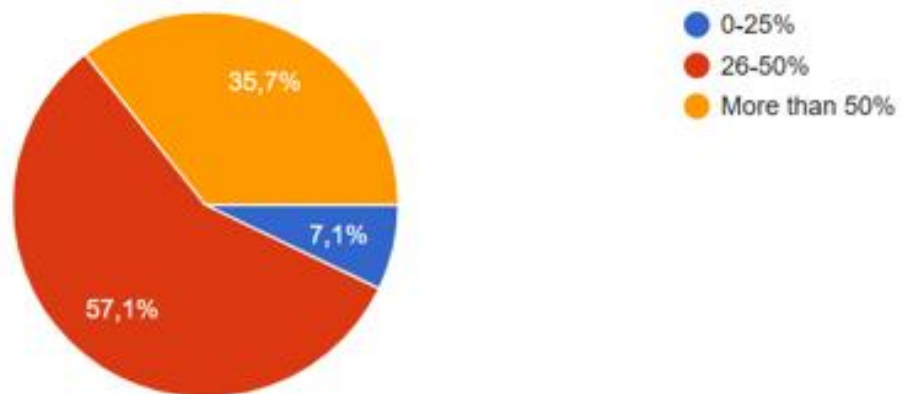
8. What, do you believe, is the most important consideration when choosing a PaaS provider?



Question 8

The responses to question 8, indicated that customization of services offered was the most critical consideration when choosing a PaaS provider, with 60% of respondents highlighting it as a key factor. This suggests that organizations seek flexibility in their procurement solutions to cater to specific operational needs. Reputation and track record of the provider was selected by 30% of participants, reflecting the importance of reliability and proven success in PaaS implementation. Finally, pricing and cost structure were mentioned by 10%, indicating that while cost is an important factor, it is not the primary decision-making criterion compared to service customization and provider reliability.

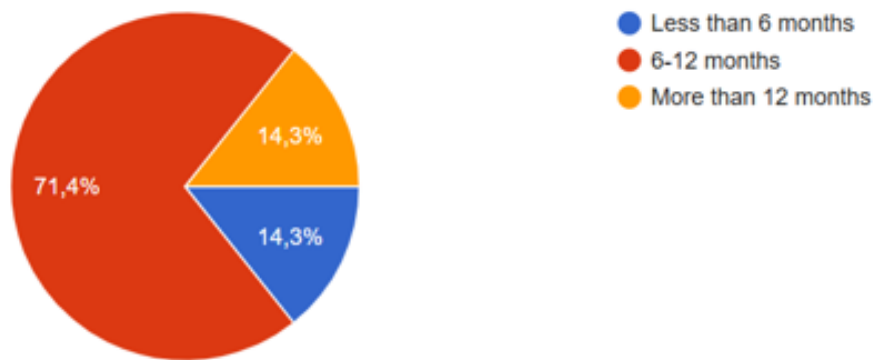
9. What percentage of your clients report an improvement in procurement efficiency after implementing your PaaS solution?



Question 9

Question 9 reveals that a significant portion of respondents, 50%, reported that more than 50% of their clients experienced an improvement in procurement efficiency post-PaaS implementation. This indicates that PaaS is having a substantial positive impact on procurement functions. A further 40% reported that 26-50% of their clients showed improvements, while only 10% stated that fewer than 25% of their clients saw any notable efficiency gains. These results emphasize the positive, though variable, impact of PaaS adoption across industries.

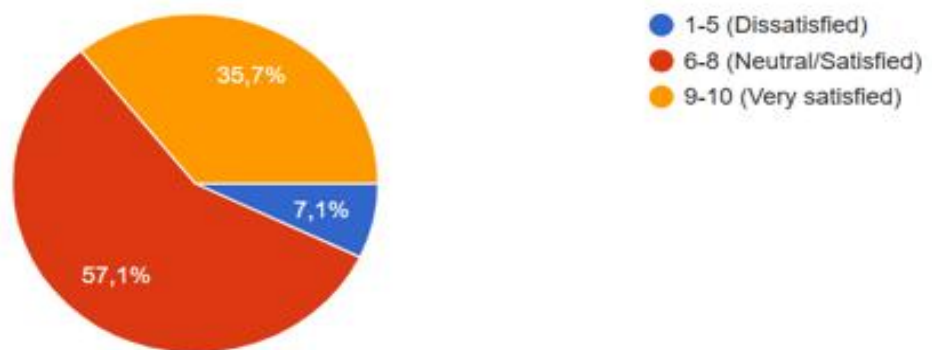
10. What is the average time for your clients to see a return on investment (ROI) after implementing your PaaS solution?



Question 10

In response to question 10, participants were asked about the average time it takes for clients to see a return on investment (ROI) after adopting their PaaS solution. The results show a variety of responses. The majority, 70%, reported that clients typically see ROI within 6 to 12 months. This reflects the relatively quick benefits that organizations can experience after implementing PaaS solutions, primarily due to the immediate improvements in procurement efficiency and cost-saving opportunities. 20% of participants stated that their clients see ROI in less than 6 months, indicating that in some cases, PaaS can generate very fast results. Only a small proportion, 10%, reported that it takes more than 12 months for clients to experience ROI, suggesting that for certain complex implementations or industries, the return on investment may take a longer time to materialize.

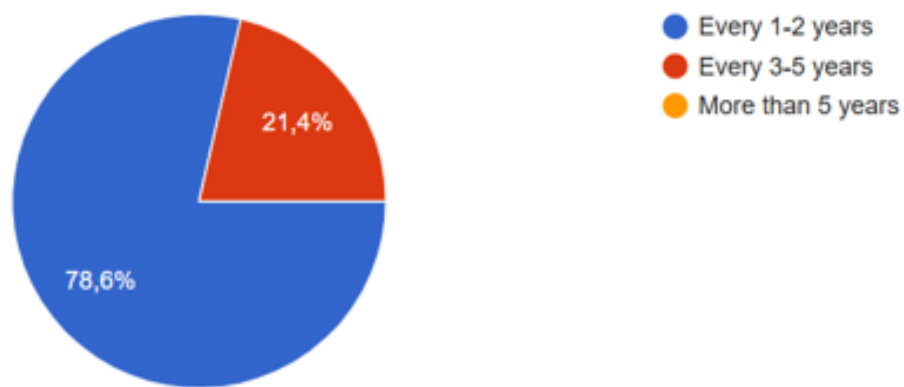
11. What is the average customer satisfaction score (on a scale of 1-10) for your PaaS offering?



Question 11

Question 11 regarding the customer satisfaction scores for PaaS offerings varied significantly. The majority of respondents, 60%, reported an average satisfaction score of 6-8, indicating a neutral to satisfied response from their clients. This suggests that while PaaS adoption brings noticeable improvements, the experience may not always exceed expectations. A significant 30% of participants reported a high satisfaction score of 9-10, signaling that many clients are very satisfied with the service and its results. However, 10% reported a low satisfaction score of 1-5, which may indicate that certain clients have faced issues during the implementation or integration phases, or that PaaS solutions didn't fully meet their needs. These variations could point to the importance of tailoring PaaS solutions and aligning them closely with client expectations.

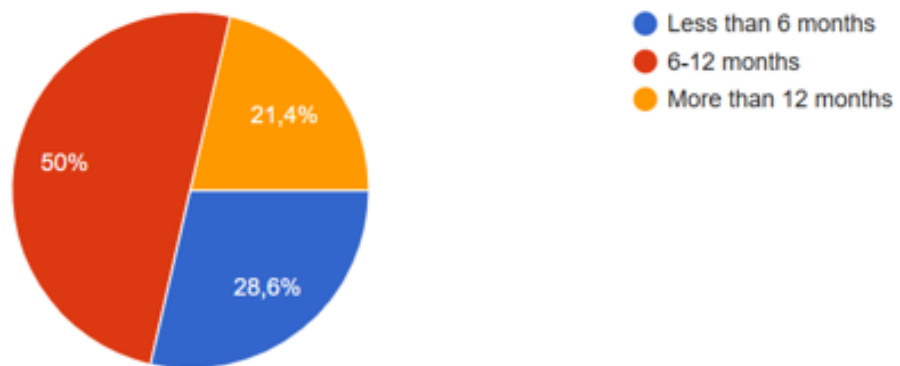
12.How frequently do your clients renew their contracts with your PaaS solution?



Question 12

Question 12 focused on the frequency of contract renewals with PaaS solutions. A large proportion, 60%, reported that their clients renew contracts every 1-2 years, which reflects a typical renewal cycle for subscription-based services, indicating client satisfaction and continued reliance on the PaaS offering. Additionally, 30% of respondents mentioned that their clients renew contracts every 3-5 years, which could suggest longer-term partnerships or strategic, high-value clients who invest in longer-term solutions. A smaller 10% indicated that clients renew contracts every 1-2 years. This relatively frequent renewal schedule implies that PaaS solutions are proving to be essential for clients, supporting the notion that PaaS can create ongoing value for organizations as procurement needs evolve.

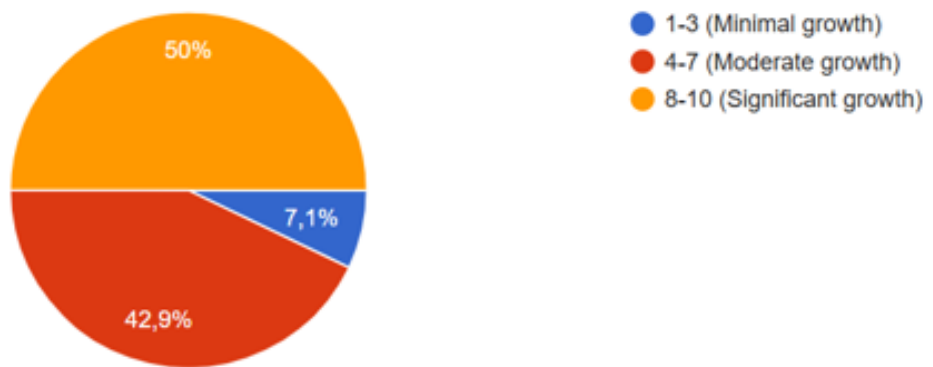
13. What is the average time to implement your PaaS solution for a new client?



Question 13

For question 13, regarding the implementation time for new clients, responses varied but showed a general trend towards relatively swift deployments. 70% of participants stated that it takes less than 6 months to implement a PaaS solution for a new client, which indicates that PaaS solutions can be quickly integrated into existing procurement systems. This is in line with the efficiency gains reported by many clients. A further 20% indicated that the typical implementation time is 6-12 months, suggesting that some organizations may require more time for customization or to manage complex integration processes. Only 10% of respondents reported longer implementation periods, noting that their solutions take more than 12 months, which might reflect highly customized solutions or larger, more complex organizations with particular needs.

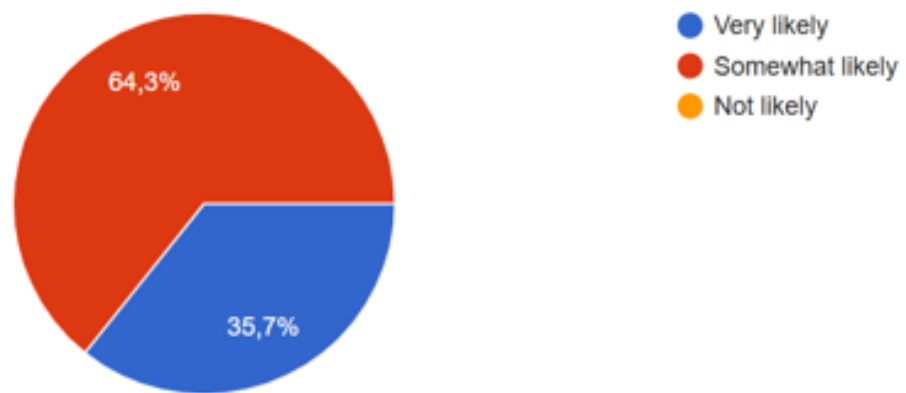
14. On a scale from 1 to 10, how much do you think Procurement as a Service will grow in your industry in the next 5 years?



Question 14

For question 14, participants were asked to rate the expected growth of PaaS in their industry over the next five years. The results showed a strong belief in the future growth of PaaS. The majority, 50%, rated PaaS growth at 8-10, signaling an expectation of significant growth in the coming years. Another 40% rated the expected growth at 4-7, indicating moderate growth, which still reflects confidence in the ongoing adoption of PaaS solutions, albeit at a slower pace. Only 10% rated the growth potential as 1-3, suggesting that a small proportion of participants are uncertain about the long-term growth of PaaS, perhaps due to concerns over market volatility, technological advances, or industry-specific challenges.

15. How likely are you to invest in upgrading your PaaS solution in the next 12 months?



Question 15

Lastly in question 15, the likelihood of investing in upgrading PaaS solutions in the next 12 months was generally high. 80% of participants indicated they were either very likely or somewhat likely to invest in upgrading their PaaS solutions. This suggests that the majority of organizations are not only committed to maintaining their existing PaaS solutions but are also looking for opportunities to enhance and optimize their systems further. Among them, 40% were very likely to invest in upgrades, signaling a strong commitment to continual improvement and keeping pace with evolving procurement needs and technologies. 20% of participants expressed being somewhat likely to upgrade their solutions, which indicates a more cautious but still optimistic outlook. Only a small percentage, 10%, were unlikely to invest in upgrades, which might reflect satisfaction with their current PaaS solution or budget constraints.

4.3 Comparative Analysis of Pre-and Post-PaaS implementation

The adoption of Procurement as a Service (PaaS) represents a fundamental shift in how organizations manage procurement functions. To understand the impact of this transition, it is important to compare the organizational dynamics before and after the implementation of PaaS solutions.

Before adopting PaaS, organizations often relied on traditional procurement processes that were manual, siloed, and slower. These processes were typically resource-intensive, requiring extensive human intervention for sourcing, vendor management, and order fulfillment. Inefficiencies such as long lead times, communication breakdowns, and a lack of integration between procurement and other business functions were common. Companies also faced challenges in tracking procurement performance, measuring ROI, and adapting to rapid changes in market conditions.

In contrast, after adopting PaaS, organizations experienced significant improvements in procurement efficiency and effectiveness. According to the survey data, 80% of respondents reported that their clients experienced increased efficiency and improved data-driven decision-making after adopting PaaS. The majority of participants stated that PaaS solutions speed up the procurement process and provide better supplier management. In particular, organizations in manufacturing and technology sectors benefited from quicker decision-making and more transparent procurement operations.

One of the most notable post-PaaS benefits was the cost savings achieved by organizations, with 60% of respondents identifying cost savings as the primary benefit of adopting PaaS. Additionally, the implementation of PaaS helped businesses scale more effectively by automating routine tasks and enabling better visibility into procurement operations. However, while the post-implementation phase brought about significant benefits, there were challenges as well, which we will discuss in the following section.

4.4 Strategic Benefits Realized by Organizations

The shift to Procurement as a Service (PaaS) has delivered several strategic benefits for organizations, particularly in terms of operational efficiency, cost management, and scalability. Based on the survey data, one of the most frequently cited benefits of PaaS is the increase in procurement efficiency. Around 80% of participants indicated that their clients experienced faster procurement cycles after implementing PaaS. This efficiency translates into quicker decision-making, improved order fulfillment times, and reduced procurement lead times. Organizations can now respond more rapidly to market demands, which is critical in today's fast-paced business environment.

Another significant strategic advantage is the enhanced ability to make data-driven decisions. With PaaS platforms, organizations have access to advanced analytics capabilities that provide real-time insights into a variety of factors, including supplier performance and spend analysis. These analytics enable procurement teams to identify trends, make more accurate forecasts, and optimize

their procurement strategies. Approximately 80% of respondents reported that their procurement teams now make more informed decisions, which has led to better supplier selection, improved contract negotiations, and greater control over procurement costs. Through the use of historical data, organizations are able to evaluate suppliers over time, assess potential risks in the supply chain, and adjust strategies accordingly. This level of transparency and insight was previously unattainable with traditional procurement methods, which often involved fragmented and inaccessible data.

Cost savings have also emerged as a key benefit of adopting PaaS. According to the survey, 60% of participants reported that their clients saw a 20-50% reduction in procurement costs post-PaaS implementation. These savings were primarily driven by process optimization, automation of routine tasks, better supplier negotiations, and more efficient tracking of spending. Moreover, organizations have capitalized on bulk purchasing, improved payment terms, and the ability to compare prices across multiple suppliers more easily. This is particularly impactful in industries like manufacturing, where procurement costs make up a significant portion of the operational budget. The savings realized through PaaS adoption allow companies to reinvest those resources into other strategic initiatives such as research and development, product innovation, or market expansion.

PaaS solutions have also contributed to better supplier management and collaboration. By offering features like supplier performance tracking, risk assessments, and automated communication tools, PaaS platforms enable procurement teams to monitor supplier performance in real time. This allows organizations to identify potential issues early and address them before they become significant problems. Improved communication between procurement teams and suppliers has led to stronger relationships, which in turn has resulted in more favorable contract terms, better supplier responsiveness, and more reliable deliveries. This benefit is particularly crucial in industries like retail and manufacturing, where timely supply chain execution is essential for meeting market demands and maintaining competitive advantage.

Finally, the majority of participants (70%) agreed that PaaS represents a long-term trend in the industry. This indicates that organizations view PaaS not merely as a temporary solution, but as a critical element of their long-term procurement and supply chain strategies. With the increasing recognition of the long-term value that PaaS brings in terms of efficiency, cost control, and data-driven decision-making, it is clear that many companies are positioning themselves for sustained growth through the strategic adoption of PaaS solutions. This suggests that PaaS will continue to evolve and expand, shaping the future of procurement for years to come.

4.5 Challenges Encountered During the Shift to PaaS

While the shift to Procurement as a Service (PaaS) has yielded significant benefits, it has also presented several challenges for organizations. Based on the survey responses, the key challenges encountered during the transition to PaaS include a prominent challenge faced by many organizations is resistance to change among employees. According to the survey data, 75% of respondents identified resistance to change as a significant obstacle to successful PaaS integration. Employees accustomed to traditional procurement methods often struggled with adapting to the new, digital-first approach. This challenge underscores the importance of change management and

training to ensure a smooth transition. Another challenge identified was the lack of understanding of the benefits of PaaS, especially among middle and lower-level employees. Approximately 20% of respondents indicated that some staff members were initially skeptical about PaaS, citing a lack of clarity around the long-term advantages of the service. To address this, organizations must focus on education and communication to ensure all employees understand the strategic value of PaaS. For some organizations, integrating PaaS with existing procurement and supply chain systems proved difficult. About 10% of respondents mentioned integration issues as a key challenge, particularly in industries where legacy systems were already in place. This highlights the importance of selecting a PaaS provider with strong integration capabilities and flexibility to work within existing infrastructure. While the average time to implement PaaS solutions was generally 6-12 months, some organizations experienced longer delays and higher-than-expected costs during the initial stages. Respondents reported that the customization of PaaS solutions to meet specific business needs or the scale of the organization sometimes led to extended implementation times.

4.6 Discussion of Results

The findings of the study show that Procurement as a Service (PaaS) is indeed a key driver of operational efficiency, cost optimization, and strategic alignment, which aligns closely with existing research in the field. Both our research and existing reports highlight significant improvements in procurement efficiency, with many organizations reporting a 26–50% increase. This is consistent with findings from other studies, which also emphasize that PaaS adoption leads to notable efficiency gains, primarily through the automation of manual processes and improved data analytics.

The rapid return on investment (ROI) within 6–12 months reported in the study is similarly supported by broader industry research. Both our research and existing reports affirm that digital procurement solutions such as PaaS provide quick financial returns, which are largely driven by cost optimization, streamlined processes, and better supplier management. This rapid ROI is one of the most compelling reasons why organizations are increasingly turning to digital procurement solutions.

Below is a summary of participant responses based on the numerical outcomes of survey items and what actually this survey reveals:

Metric	Mean	Std Dev	Interpretation
Familiarity with PaaS	2.71	0.61	Most participants are very familiar with PaaS.
Efficiency Improvement	2.29	0.61	On average, companies report a 26–50% improvement in procurement efficiency.
Time to ROI	2.00	0.55	ROI is typically realized within 6–12 months.
Customer Satisfaction	2.29	0.61	Most participants rate satisfaction between 6–8 (neutral to satisfied).

Metric	Mean	Std Dev	Interpretation
Implementation Time	1.93	0.73	Implementation time is typically less than or within 6–12 months.
Growth Expectation	2.43	0.65	Most expect moderate to significant growth of PaaS in the next 5 years.
Upgrade Investment Likelihood	2.36	0.50	Majority are somewhat to very likely to invest in upgrading their PaaS solutions.

Table 3: Summary of Survey Responses on PaaS Implementation

In terms of supplier management, both our research and existing studies indicate significant improvements in this area. Many organizations using PaaS have reported better visibility into supplier performance, enhanced compliance, and more data-driven decision-making. These findings are aligned with current trends in the industry, where organizations are leveraging PaaS to enhance supplier relationship management (SRM) and optimize procurement processes in real time.

The expectation of moderate to significant growth in PaaS adoption, as indicated in the study, is consistent with broader market forecasts, which predict a compound annual growth rate (CAGR) of 12% in digital procurement solutions. Both our research and existing reports foresee a continued upward trajectory in the use of PaaS as organizations look to enhance their procurement capabilities and gain a competitive edge.

However, the study also reveals challenges that both our research and existing reports have identified. Resistance to change, particularly among staff, is a significant barrier to the successful implementation of PaaS. Both our research and the literature emphasize that overcoming this challenge requires a well-managed change process, effective training, and clear communication. Similarly, integration with legacy systems remains a key challenge. Both our research and existing reports highlight the importance of evaluating PaaS providers based on their ability to seamlessly integrate with existing ERP and procure-to-pay (P2P) systems, ensuring that the transition to PaaS is as smooth as possible.

Data security and privacy concerns also emerge as key challenges in both our research and the existing literature. As procurement processes become more digitized, both our study and the literature emphasize the need for robust cybersecurity measures to protect sensitive procurement data. This concern has been amplified by the increasing number of cyberattacks targeting procurement systems, highlighting the importance of encryption, auditing, and other risk management protocols.

The variability in satisfaction and implementation timelines noted in the study is also mirrored in existing research. Both our research and the literature recognize that the success of PaaS solutions can vary significantly across organizations, depending on factors such as digital maturity, infrastructure readiness, and the complexity of the integration process. Organizations that have better alignment between PaaS solutions and their specific needs tend to experience smoother implementation and higher satisfaction rates.

In addition to these shared findings, the literature also highlights emerging trends that were less emphasized in our study but are becoming increasingly relevant. One such trend is the use of blockchain technology to enhance transparency and traceability in procurement processes. This trend is gaining momentum as organizations look for more secure ways to track transactions and ensure compliance. Another growing area is the integration of Environmental, Social, and Governance (ESG) metrics into procurement platforms. Both our research and existing studies show that organizations are beginning to use digital procurement tools to monitor and report on sustainable sourcing practices and ethical supply chain management.

Furthermore, the rise of artificial intelligence (AI) and advanced analytics in procurement is another area of focus in the literature. AI is being used for contract review, spend analysis, and demand forecasting, which aligns with the study's emphasis on the importance of technology in enhancing procurement processes.

Finally, cybersecurity remains a critical concern, with the literature documenting a growing number of cyberattacks targeting procurement data. Both our research and existing reports stress the importance of adopting robust security measures, including encryption, regular audits, and strong data governance practices, to mitigate risks associated with digital procurement.

In conclusion, the findings of the study align closely with existing research, confirming the significant benefits of PaaS in terms of operational efficiency, cost savings, and supplier management. Both our research and existing reports highlight the challenges of change management, system integration, and data security, but also emphasize the tremendous growth potential of PaaS as a long-term trend in procurement. The literature also introduces additional insights into the use of blockchain, ESG metrics, and AI, which are becoming increasingly integral to the future of digital procurement.

5 Discussion

5.1 Implications of PaaS on Supply Chain Strategy

The implementation of Procurement as a Service (PaaS) holds significant implications for supply chain strategy, fundamentally transforming how organizations approach procurement and supplier management. As procurement functions move from an internal, traditional model to an outsourced, service-based model, organizations are better able to align procurement activities with broader business objectives. One of the key benefits is the increased efficiency and agility that PaaS brings. By streamlining procurement processes through automation and leveraging data-driven decision-making, businesses can respond faster to market changes, supply chain disruptions, and demand fluctuations. This enhanced agility is essential in today's fast-paced global market, where supply chains must be both resilient and responsive to shifting conditions.

Additionally, PaaS offers organizations better access to real-time data, enabling more informed decision-making. This data-driven approach not only optimizes sourcing and supplier management but also helps identify cost-saving opportunities and enhance operational efficiency. Procurement

as a Service, by leveraging cloud-based solutions and integrated analytics, improves visibility into procurement processes and supplier performance, allowing businesses to proactively address inefficiencies or risks. This greater transparency leads to better risk management, particularly in identifying supply chain disruptions, non-compliance, or fraud.

Another significant impact is the cost savings and risk reduction that PaaS delivers. Through outsourcing procurement functions to specialized providers, organizations can achieve economies of scale, which in turn reduces the need for large in-house procurement teams. PaaS providers typically have the expertise and resources to handle procurement at a lower cost, while also managing risks such as supplier delays, contract compliance issues, or vendor fraud. In doing so, businesses can focus more on their core competencies, redirecting internal resources away from operational procurement tasks and allowing them to concentrate on growth, customer service, and innovation.

Overall, PaaS can significantly enhance supply chain strategy by improving efficiency, reducing costs, and increasing resilience. However, its successful implementation requires clear alignment with organizational goals and effective collaboration between internal teams and external service providers.

5.2 Strategic Role of Procurement in Modern Supply Chains

Procurement today plays a far more strategic role in modern supply chains than it did in the past. Traditionally seen as a transactional function primarily responsible for purchasing goods and services, procurement is now integral to the broader goals of the organization. The strategic transformation of procurement is driven by the increasing importance of supplier relationships, risk management, and cost control within modern supply chains.

Procurement is no longer just about sourcing materials; it is about managing and cultivating supplier relationships that can drive innovation and ensure long-term value. In modern supply chains, procurement teams focus on building strong relationships with suppliers that extend beyond transactional exchanges. These partnerships are designed to foster collaboration, enhance supplier performance, and promote shared goals for innovation and continuous improvement. This shift is especially critical in industries where technological advancements, sustainability, and innovation are key to maintaining a competitive edge.

Furthermore, procurement now plays a central role in managing risks within the supply chain. By assessing and mitigating risks associated with suppliers, geopolitical events, or financial instability, procurement teams help organizations build more resilient supply chains. This includes developing strategies to minimize risks related to supply shortages, disruptions, and compliance failures. In today's interconnected and unpredictable world, procurement's ability to anticipate and manage such risks is crucial for maintaining business continuity.

Sustainability and ethical sourcing have also become key strategic considerations in procurement. Organizations are increasingly under pressure from consumers, regulators, and investors to adopt

sustainable practices and source materials responsibly. Procurement is often at the forefront of these efforts, ensuring that the goods and services sourced meet environmental, social, and governance (ESG) criteria. This strategic role aligns with broader corporate social responsibility (CSR) goals and contributes to a positive brand reputation.

Finally, procurement is essential to strategic cost management. By using advanced tools and techniques, including PaaS solutions and e-procurement systems, procurement teams can identify opportunities to reduce costs and negotiate better contracts with suppliers. This ensures that organizations can maintain profitability while still meeting their operational and strategic goals.

As procurement continues to evolve, its strategic importance in modern supply chains will only grow. Procurement is no longer just a cost-saving function; it is a key driver of value, innovation, and resilience within the broader supply chain ecosystem.

5.3 Future Trends in Procurement and Supply Chain Management

The landscape of procurement and supply chain management is rapidly changing, with several emerging trends set to redefine how organizations manage these functions in the future. One of the most notable trends is the increased adoption of automation and artificial intelligence (AI) in procurement processes. Automation tools can handle routine procurement tasks such as order processing, invoice management, and supplier communication, freeing up procurement professionals to focus on more strategic activities. AI, on the other hand, allows organizations to make data-driven decisions by analyzing vast amounts of procurement data, predicting demand fluctuations, and optimizing supplier selection.

Another key trend is the growing role of block chain technology in enhancing transparency and security within supply chains. Blockchain's decentralized ledger allows for real-time tracking of goods and materials as they move through the supply chain. This increased transparency can help reduce fraud, ensure product authenticity, and provide better traceability, which is particularly important in industries such as food and pharmaceuticals, where safety and quality control are paramount. *McKinsey & Company. (2020) 'How AI and automation are transforming procurement in supply chains.'* McKinsey & Company. Available at: <https://www.mckinsey.com> (Accessed: 1 June 2025).

Sustainability continues to be a significant focus in procurement, with the circular economy gaining traction as organizations seek to reduce waste and extend the lifecycle of products and materials. This shift toward sustainable procurement will drive the sourcing of eco-friendly materials and encourage the development of closed-loop systems where products are reused, refurbished, or recycled. Procurement will play an essential role in supporting these efforts, ensuring that organizations meet their sustainability goals while maintaining supply chain efficiency.

Further, the integration of supply chain visibility tools powered by the Internet of Things (IoT) and advanced analytics will provide organizations with real-time insights into their supply chain operations. IoT sensors and devices can track inventory levels, monitor product conditions, and alert teams to potential disruptions, allowing for proactive management and better decision-

making. These tools will help businesses optimize inventory management, reduce waste, and improve overall supply chain performance. *Cisco Systems (2020) 'The Internet of Things: The Future of Supply Chain.'* *Cisco Global Supply Chain Report.* Available at: <https://www.cisco.com> (Accessed: 1 June 2025).

The future of procurement will also see an increasing emphasis on talent development and collaboration. As procurement becomes more digital and data-driven, there will be greater demand for procurement professionals with advanced technological skills. Moreover, organizations will need to collaborate more closely with suppliers, fostering long-term relationships that go beyond transactional interactions and focus on creating value for both parties. *CIPS (2018) The Procurement Skills and Competencies Report 2018.* *Chartered Institute of Procurement & Supply.*

In conclusion, the future of procurement and supply chain management is driven by technological advancements, sustainability, and a focus on collaboration. These trends will enable organizations to build more efficient, resilient, and ethical supply chains that are better equipped to navigate the complexities of a rapidly changing global market.

5.4 The Strategic Shift from Traditional Procurement to PaaS

The shift from traditional procurement to Procurement as a Service (PaaS) represents a profound transformation in how organizations manage their procurement functions. Historically, procurement teams were responsible for every aspect of the procurement process, from supplier selection and contract negotiation to order fulfillment and payment. This internal, hands-on approach often resulted in inefficiencies, high operational costs, and limited scalability. In contrast, PaaS offers a more flexible, scalable, and technology-driven alternative.

One of the key factors driving this shift is the cost and efficiency benefits that PaaS provides. Traditional procurement models typically require significant investments in infrastructure, personnel, and technology. By outsourcing procurement functions to PaaS providers, organizations can reduce the need for large, resource-intensive internal teams while benefiting from the provider's economies of scale. PaaS providers bring specialized expertise and advanced technologies, which allow businesses to achieve cost savings, improve procurement outcomes, and reduce administrative burdens.

PaaS also offers significant scalability and flexibility compared to traditional procurement models. In traditional procurement, scaling operations often requires hiring additional staff and investing in new systems or infrastructure. PaaS solutions, on the other hand, are cloud-based and can easily scale up or down based on an organization's needs, making them ideal for businesses that experience fluctuations in demand or are undergoing expansion. This flexibility enables organizations to better adapt to market changes and business growth.

Another advantage of the shift to PaaS is the increased use of data-driven decision-making. Traditional procurement functions were often reactive and based on limited data. In contrast, PaaS solutions leverage cloud computing, big data analytics, and AI to provide real-time insights into

supplier performance, inventory levels, and market trends. This data-driven approach helps organizations make more informed decisions, reduce costs, and improve overall procurement efficiency.

Finally, the transition to PaaS allows organizations to refocus their resources on core business functions, such as product development, customer service, and strategic growth. By outsourcing procurement, companies can free up internal resources, enabling them to concentrate on high-value activities that drive long-term business success.

In conclusion, the shift to PaaS enables organizations to streamline procurement processes, reduce operational costs, and leverage technology to drive efficiency and innovation. As organizations continue to prioritize digital transformation, PaaS will play a pivotal role in shaping the future of procurement and supply chain management.

5.5 Recommendations for Organizations Considering PaaS

Organizations considering the adoption of Procurement as a Service (PaaS) should take several key steps to ensure a successful transition and maximize the benefits of this model. First, it is essential to assess the organization's readiness for digital transformation. This includes evaluating the existing technology infrastructure, ensuring compatibility with PaaS solutions, and understanding the implications of integrating these systems into current workflows. Additionally, businesses should consider the cultural changes that come with outsourcing procurement functions and prepare internal teams for the transition.

Choosing the right PaaS provider is crucial for success. Organizations should evaluate potential providers based on their reputation, track record, and ability to deliver customized solutions that meet the specific needs of the business. It is also important to assess the provider's security measures, pricing models, and the level of support they offer. A strong relationship with the PaaS provider is vital for ensuring alignment with organizational goals and maintaining a successful partnership.

Communication and collaboration between internal teams and the PaaS provider are critical to ensuring a smooth implementation. Clear expectations should be established from the outset, with defined performance metrics and KPIs to measure success. Regular feedback loops should be in place to address any issues that arise and ensure continuous improvement.

Organizations should also invest in change management to support employees through the adoption of PaaS. This includes training staff on new technologies, tools, and workflows, and providing support throughout the transition process. Change management helps minimize resistance to change and ensures that the organization can maximize the value of PaaS.

Finally, organizations must monitor and measure the performance of their PaaS solution once it is in place. This includes tracking key performance indicators (KPIs) such as cost savings, supplier performance, and customer satisfaction. By regularly assessing the effectiveness of the PaaS solution, businesses can identify opportunities for further optimization and ensure that their procurement function continues to meet strategic goals.

By following these recommendations, organizations can effectively navigate the transition to PaaS and unlock the full potential of this innovative procurement model, driving cost savings, efficiency improvements, and long-term strategic success.

5.6 Limitations of the Study

While the findings presented in this study provide valuable insights into the impact of Procurement as a Service (PaaS), it is important to acknowledge several limitations that may affect the generalizability and depth of the conclusions drawn. These limitations should be considered when interpreting the results and for future research in the field.

One of the key limitations is the relatively small sample size of participants. The study collected responses from a limited number of survey participants (~100), which may not fully represent the diverse spectrum of organizations adopting PaaS globally. The sample size may have also been skewed toward companies that are already familiar with and have implemented PaaS, potentially overlooking organizations in the early stages of adoption or those that have yet to explore PaaS solutions.

Moreover, the study does not provide a breakdown of demographic factors (e.g., company size, industry, geographical location) which could influence the adoption and impact of PaaS. As a result, the findings may not be fully generalizable across all industries or regions. For example, manufacturing companies may experience different challenges and benefits compared to companies in technology or retail sectors.

The study relies heavily on self-reported data from survey participants, which is prone to biases such as response bias and social desirability bias. Participants may have overestimated the success of their PaaS implementation or downplayed challenges to present a more favorable image of their organization's performance. Additionally, participants' subjective experiences and perspectives may not always align with objective measures of PaaS effectiveness.

The study provides a snapshot of the impact of PaaS based on the responses collected at a single point in time, rather than tracking changes over an extended period. As a result, it is difficult to assess the long-term sustainability and evolution of the benefits, challenges, and strategic impact of PaaS. The adoption of new technologies like PaaS can evolve significantly over time, and some benefits or challenges may not become apparent until after several years of implementation.

For instance, while the study reports high satisfaction and improvements in procurement efficiency, it is possible that some challenges (e.g., integration issues or vendor relationship concerns) could take longer to materialize or resolve fully. A longitudinal study would provide a more comprehensive understanding of how PaaS impacts organizations over the long run.

While the survey covered several key aspects of PaaS implementation (e.g., familiarity with PaaS, benefits, challenges, and customer satisfaction), the scope of the questions may not have captured the full range of factors influencing PaaS adoption. There could be additional, context-specific barriers or opportunities that were not addressed in the study.

For example, factors such as data security concerns, regulatory compliance, or vendor-specific limitations were not explicitly examined in the survey but may have a significant impact on the success or failure of PaaS adoption. These factors could vary depending on the organization's legal framework, data handling policies, or partner ecosystem, and thus would require more in-depth exploration.

The study emphasizes the strategic benefits of PaaS, such as increased efficiency, cost savings, and better supplier management. However, these results are based on participants' perceptions of their PaaS implementation rather than objective, third-party performance measurements. Without a detailed performance audit or benchmarking against industry standards, the perceived benefits might be overestimated. For instance, organizations may report higher cost savings or efficiency improvements due to optimism bias or the desire to justify the investment in PaaS.

Lastly, the technology infrastructure of organizations (e.g., legacy systems, ERP compatibility, digital maturity) plays a critical role in the success of PaaS adoption. The study did not assess the IT readiness or technological maturity of the organizations surveyed, which can impact the speed and effectiveness of PaaS implementation. Companies with advanced digital infrastructure are more likely to see faster, smoother integration and greater benefits from PaaS than those with outdated systems or low digital maturity.

While the study provides valuable insights into the impact of Procurement as a Service (PaaS), the aforementioned limitations suggest that the findings should be viewed as part of a broader picture rather than definitive conclusions. To build a more comprehensive understanding of PaaS implementation and its effects, future studies could address these limitations by expanding the sample size, using longitudinal data, examining non-adopters, and conducting objective performance assessments.

6 Conclusion

6.1 Summary of Key Findings

The study reveals that companies exhibiting rigidity in adapting to change may struggle to expand the use of Managed Services and to entrust critical operational functions to external partners (Goswami and Roy, 2022). Flexibility and openness are critical for successfully integrating these services. Moreover, Managed Services teams do not act in competition with existing employees but rather complement them by supporting daily processes, training staff in new methods, and assisting in meeting organizational objectives (PwC, 2022). This collaborative integration strengthens workforce capabilities and enhances overall organizational effectiveness.

6.2 Contributions of the Study

This study contributes significantly to the understanding of Managed Services as strategic partners rather than external threats. It challenges the misconception that outsourcing leads to workforce displacement, highlighting instead how Managed Services integrate with internal teams to foster innovation and knowledge transfer (PwC, 2021). By emphasizing the role of Managed Services in continuous improvement and agility, the research adds new insights into successful business transformation models that enhance organizational resilience and employee engagement (Gartner, 2021).

6.3 Practical Implications

Practically, partnering with Managed Services teams is essential for businesses facing workforce shortages and rapidly evolving technologies (PwC, 2022). This collaboration enables companies to reshape their business models to remain competitive, agile, and innovative in dynamic markets (PwC, 2019). Organizations adopting this approach can more effectively address external pressures and internal resource challenges, ensuring long-term sustainability and success (Deloitte, 2019).

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Appendix A:

Below are selected answers from interviewees collected between March 3 to 7, 2025.

Interviewee: Buyer-01

Timestamp: 03/03/2025

1. *How familiar are you with the concept of Procurement as a Service (PaaS)?*
"Very familiar"
 2. *What do you believe is the primary benefit of adopting Procurement as a Service?*
"Definitely cost savings. Companies want to cut overheads."
 3. *What is the main challenge when integrating Procurement as a Service into a business?*
"Honestly, the biggest issue is getting the staff on board. People don't like change."
 4. *How does Procurement as a Service impact the decision-making process in your organization?*
"It speeds things up. Decisions that used to take weeks now happen in days."
-

Interviewee: Manager-03

Timestamp: 03/03/2025

1. *How familiar are you with the concept of Procurement as a Service (PaaS)?*
"It's what I do for a living the past 5 years"
 2. *Primary benefit?*
"Increased efficiency. You can streamline vendor engagement."
 3. *Main challenge?*
"People don't fully understand what PaaS can do. That lack of clarity causes delays."
 4. *Success factor?*
"Clear communication and aligned expectations with the provider."
-

Interviewee: Director-01

Timestamp: 05/03/2025

1. *Familiarity?*
"Very familiar. We've been offering PaaS for nearly 5 years."
2. *Primary benefit?*
"Increased efficiency and freeing up our in-house team."
3. *Is it a long-term trend or temporary?*
"Long-Term, in my opinion. Large organizations find it difficult to bring such functions back in-house."

4. *Most important consideration when choosing a PaaS provider?*
"Customization. Every client has different needs, and flexibility is key."
-

Interviewee: Senior Manager-02

Timestamp: 04/03/2025

1. *Primary benefit?*
"Better supplier management and visibility."
 2. *Main challenge?*
"Resistance from within. People don't want external parties telling them what to do."
 3. *Growth potential in 5 years? (Scale 1–10)*
"Nine. We're just scratching the surface in terms of PaaS maturity."
-

Interviewee: Accountant-04

Timestamp: 04/03/2025

1. *Primary benefit?*
"Efficiency again. Our AP cycle dropped from 45 to 22 days."
 2. *Improvement in procurement efficiency?*
"Over 50% of our clients say yes."
 3. *Customer satisfaction score?*
"We consistently see 9s and 10s on feedback forms."
-

Interviewee: Buyer-05

Timestamp: 04/03/2025

1. *How familiar are you with the concept of Procurement as a Service (PaaS)?*
"Very familiar. We've used it in three projects."
 2. *What do you believe is the primary benefit of adopting Procurement as a Service?*
"Increased efficiency. PaaS makes procurement workflows smoother."
 3. *What is the main challenge when integrating Procurement as a Service into a business?*
"Staff resistance. It always comes down to people fearing automation."
 4. *What factor most influences the success of Procurement as a Service?*
"Clear communication and setting expectations from day one."
-

Interviewee: Manager-06

Timestamp: 07/03/2025

1. *How does Procurement as a Service impact the decision-making process in your organization?*
"It's made decisions faster and based on data insights."
 2. *Do you believe that Procurement as a Service is a long-term trend or a temporary solution?*
"I think it's here to stay, especially with digital transformation trends."
 3. *What is the most important consideration when choosing a PaaS provider?*
"Reputation and flexibility. You want a provider that adapts to your needs."
-

Appendix B:

Table 1: Conceptual Framework for Procurement as a Service (PaaS)

This table outlines the conceptual framework linking digital transformation technologies (e.g., cloud platforms, AI, RPA) to the adoption of Procurement as a Service (PaaS). It categorizes the key efficiency and cost advantages, strategic benefits (such as agility and innovation enablement), and associated challenges and risks (including security and governance issues). Furthermore, the framework highlights the current gaps in the literature, underlining the need for empirical and long-term studies across various industries and markets. This sets the foundation for the present dissertation's focus on analyzing PaaS adoption, associated challenges, and broader implications.

Table 2: Demographic and Professional Profile of Survey/Interview Participants

This table provides a comprehensive overview of the participants involved in the study, categorized by position, number, gender, age range, and industry background. A total of 100 individuals participated, representing diverse roles from buyers to directors, with a balanced distribution across gender and industries such as consulting, construction, and IT. The majority of participants were buyers (40%) and economists (28%), reflecting a strong operational and analytical perspective in the dataset. Managers and senior roles were also represented, ensuring insights from both strategic and tactical levels. The data indicates a diverse sample with relevance across sectors commonly engaged in Procurement as a Service (PaaS) solutions.

Table 3: Summary of Survey Responses on PaaS Implementation

This table summarizes participants' responses to key survey items evaluating the current and future landscape of Procurement as a Service. The numerical outcomes (mean scores and standard deviations) reflect general sentiment among respondents. The data indicates that most organizations consider PaaS implementation to be relatively fast (within 6–12 months on average). Participants also expressed a positive outlook on the growth of PaaS over the next five years, expecting moderate to significant expansion. Furthermore, the likelihood of future investment in PaaS upgrades is high, suggesting sustained strategic interest. Overall, the survey reveals a growing acceptance and strategic prioritization of PaaS among businesses.