

The Ultimate Guide to Procurement Best Practices in 2025

2025 is looking to be the most challenging year ahead yet, for a lot of different industries where procurement plays a key role.



Here are our top insights you need to keep top of mind, based on the challenges our customers in procurement and directly related fields have been facing and our own data signals.

In the next part of this report, we'll go over three main categories of insights: the main challenges that procurement is facing in 2025, the main trends in the field that you need to capitalize on, and your procurement workboard priorities for strategic alignment this year.

Finally, we'll deliver some insights about the role of quality data as the starting foundation for solid procurement processes and the experience Veridion has in empowering procurement departments to achieve their next-level targets.



A. Challenges in the Procurement Landscape in 2025

After recovering from the pandemic years, the still-ongoing armed conflicts taking place on multiple fronts in the world, and their harsh impact on procurement, this field is now faced with many changes happening quickly. The top procurement leaders have built resilience into their networks and chains, but new challenges are coming up.

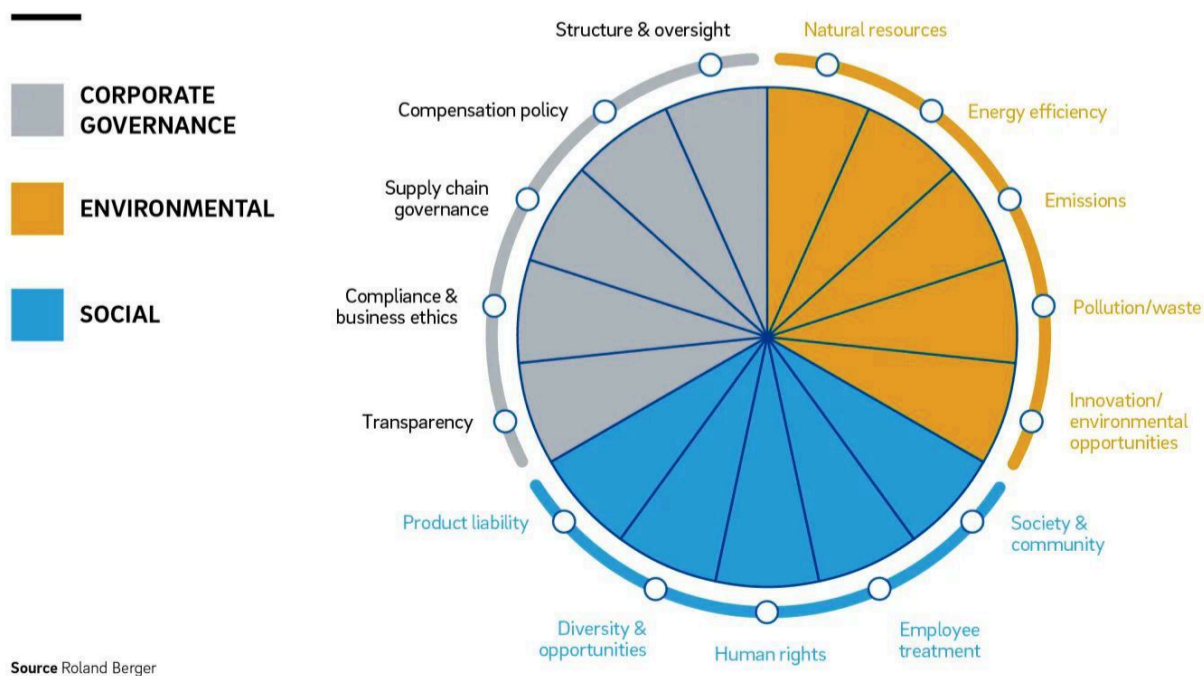
Navigate these coming changes well and be on the winning side at the end of 2025! Here are the main challenges and trends you must know this year.

#1. Sustainable Procurement within ESG Frameworks:

Sustainability has evolved from being a buzzword to a fundamental aspect of procurement. Companies are under increasing pressure from consumers, stakeholders, and regulations to adopt sustainable procurement practices.

This means considering the environmental impact and social and ethical aspects. Organizations like Unilever, Nestlé, and Bayer lead the way with initiatives focused on climate adaptation, responsible sourcing, and supply chain resilience.

Sustainable procurement directly affects all ESG sub-dimensions



While ESG goals have been on the roadmap for many organizations for decades, push is now coming to shove. Regulations and consumer preferences are exerting increasing pressure on organizations to start walking the walk instead of talking the talk. As with many other business goals, it will fall mostly on procurement pros to ensure the new goals are met.

#2. **Sustainability Reporting:**

Transparency is paramount in today's business environment, especially when it comes to ensuring the success of new programs and initiatives, such as those falling in the ESG umbrella.

Sustainability reporting is expected to become a dominant trend in procurement in 2025. Companies recognize that these reports are powerful tools for showcasing their environmental and social performance metrics in the context of their supply chain operations, for the benefit of a wide range of external and internal stakeholders, partners, customers and so on.

Last, but not least, the success of organizations can be greatly impacted by how well they are perceived to be doing on keeping sustainability promises, which is why reporting will be taken very seriously in 2025.

#3. **Regulatory Changes:**

Governments worldwide are enacting stricter regulations to encourage sustainability. For instance, the European Union has approved the common charger directive, which mandates the use of USB-C ports across various electronic devices. This directive aims to reduce electronic waste and standardize chargers, contributing to environmental goals.

To an outside eye, this specific example can look like a change with no relevance beyond the world of producers of such devices, but procurement professionals are aware that it can cause chain changes across many adjacent industries and supplier networks.

#4. Cleaning Up Old Databases

Many procurement professionals we're working with report that 2025 will be the year for a long overdue data cleanup in their organizations. While the need to complete this is not new, many organizations have just postponed this until now.

Normally, the bigger an organization is, the harder it is to update a key component of the tech and information flow, hence the inertia. But as the advances made in data analytics are changing the game, 2025 is a year when organizations simply can't afford lagging on it anymore. Not when the competition is getting 2.5x times better performance on key metrics just thanks to addressing the state of bad data.

We'll dive deeper into this since we're the experts on [data for procurement](#) professionals. These are the main challenges that make database clean-ups imperative in 2025.



Data Quality Issues:

Over time, procurement databases accumulate vast amounts of data, including supplier information, purchase history, and contract details. However, data quality degrades as outdated or incorrect information enters the database. Duplicate records, missing fields, and inconsistent data formats become common issues, making it challenging to rely on the database for accurate decision-making.



Risk of Errors:

Inaccurate data in procurement databases poses a significant risk to organizations. Errors in supplier information can lead to miscommunication, delayed deliveries, and contract disputes. Additionally, inaccurate financial data can impact budgeting and financial planning, potentially leading to costly mistakes.



Inefficient Processes:

Outdated databases can lead to inefficient procurement processes. Procurement professionals spend valuable time searching for information, verifying data, and manually correcting errors. This inefficiency can result in delayed procurement cycles, missed opportunities for cost savings, and increased operational costs.



Compliance Challenges:

Procurement regulations and compliance requirements evolve over time. An old database may not accurately reflect the latest compliance standards, exposing the organization to regulatory risks. Keeping procurement databases up to date with current compliance requirements is essential to avoid legal issues.



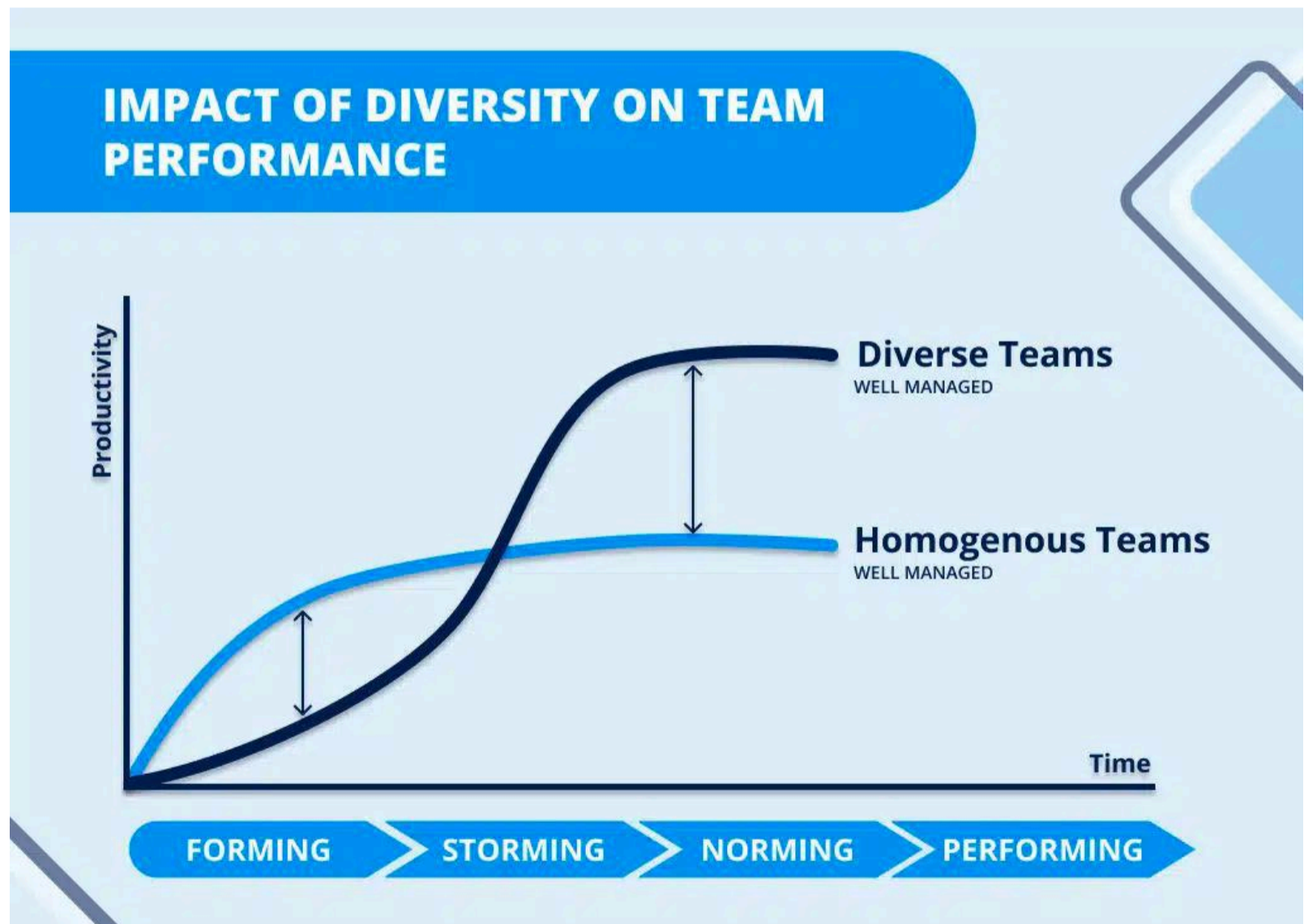
Supplier Relationships:

Outdated information can strain supplier relationships. Suppliers may become frustrated with incorrect payment details, outdated contact information, or inaccurate order histories. Maintaining accurate supplier records is vital for building and nurturing strong supplier relationships.

#5. DEIB Initiatives

Diversity, Equity, Inclusion, and Belonging (DEIB) initiatives increasingly influence procurement. Companies are extending diversity principles throughout their operations, fostering fairness in supplier selection, and promoting inclusivity.

This shift means that procurement professionals consider diversity and fairness when selecting new suppliers, nurturing their growth, making contract decisions, and executing various procurement tasks.



Furthermore, it seems that this will also be great for the team performance and for the organization overall, not just help score some CSR brownie points.

Countless studies have shown that a more diverse team can have an improved performance compared to homogenous teams, assuming both are well managed and all members of the team are made to feel welcome and valued.

#6. **Shortage of Qualified Professionals**

The growing focus on sustainability has led to a surge in sustainable procurement job opportunities. However, there's a shortage of skilled professionals in this emerging field.

India and China, for example, have seen significant growth in "green employment" and sustainable procurement roles, highlighting the need for professionals to develop new sustainability-related skills. Procurement teams must adapt to this changing landscape by upskilling their members and attracting new talent.

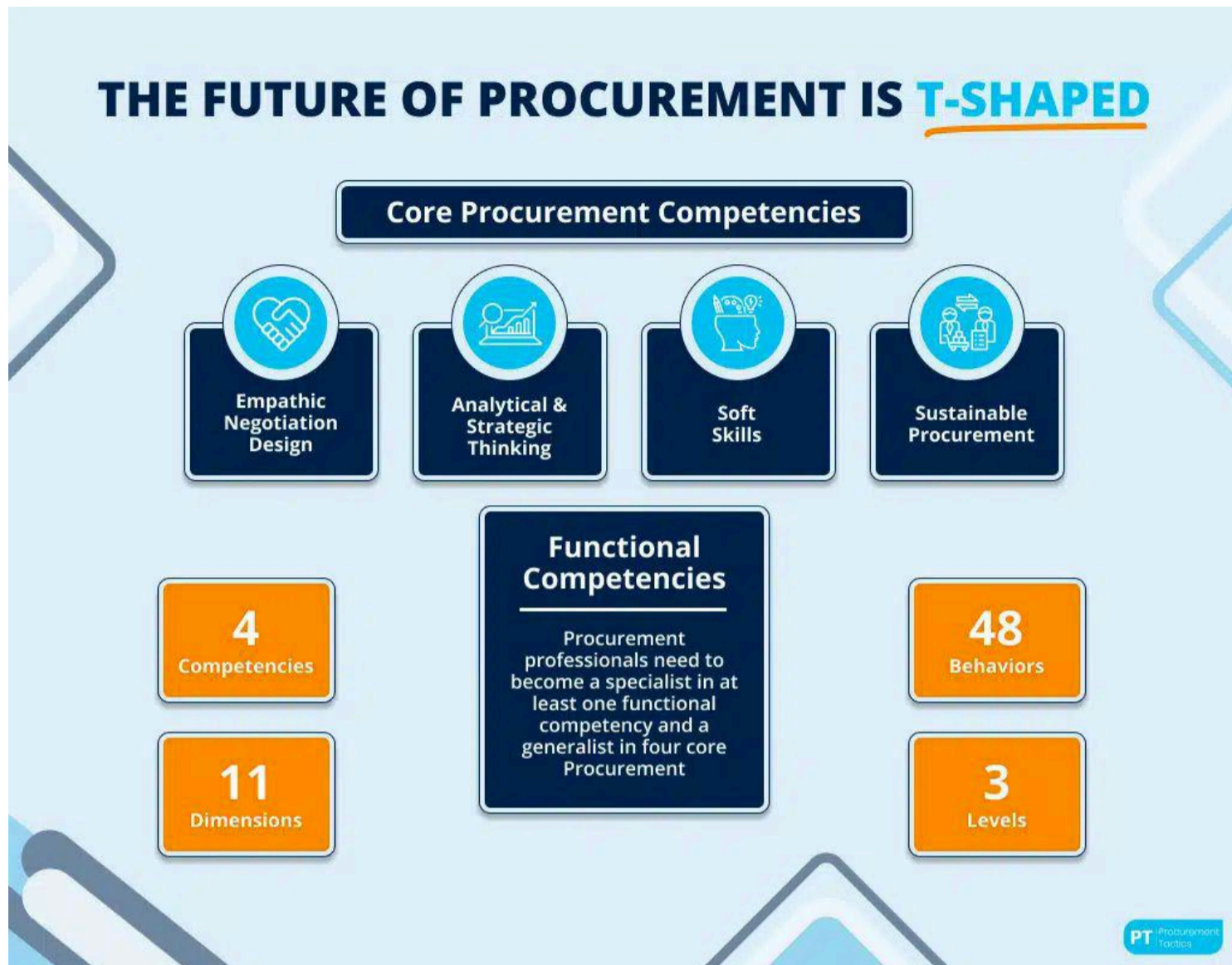
#7. **The Need for T-shaped Procurement Professionals**

The demand for **T-shaped** procurement professionals is on the rise. These professionals possess deep expertise in a specific area of procurement while also having a broad skill set that allows them to adapt to various challenges.

The T-shaped model is gaining popularity in procurement teams. T-shaped professionals possess deep expertise in a specific area of procurement while also having a broad skill set that allows them to adapt to various challenges.

In 2025, the procurement landscape is rapidly evolving, driven by technological advancements and changing market dynamics. T-shaped professionals are well-equipped to navigate these changes. Key skills for T-shaped procurement professionals include empathic negotiation design, analytical and strategic thinking, soft skills, and sustainable sourcing.

Right now, experts have deemed that so many candidates were good on paper only in the past because the recruiting practitioners weren't aware of the T-model when identifying suitable candidates. This is still a hot challenge that organizations will try their best to solve in 2025.



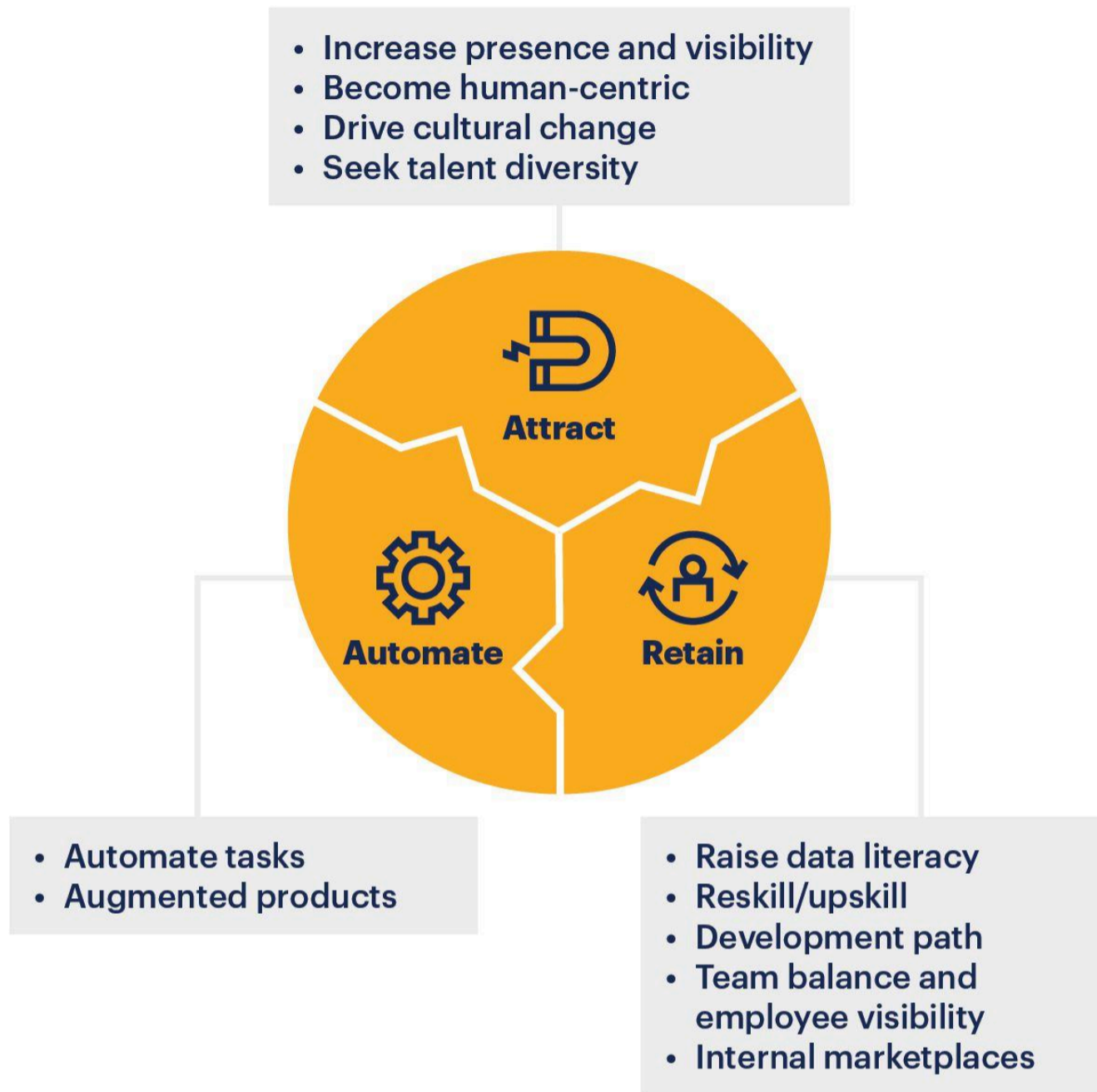
<https://procurementtactics.com/t-shaped-procurement-professionals/>

Fostering a culture that nourishes people who drive innovation is paramount. Organizations should encourage employees to think creatively, take a route off the beaten path, experiment with new ideas, and challenge the status quo.

We should also encourage hiring practices that look at transferable skills and not experience in the exact field.

There's also a need to prioritize ongoing learning and development. To attract and retain these T-shaped professionals, organizations should invest in training programs, workshops, and educational **resources that support skill diversification beyond an immediate role-related need.**

How to Attract and Retain Talent



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#8. Category Innovation for Procurement Optimization:

There is more and more talk in high-level procurement circles of innovation within categories as a key factor that needs to be included in any cost-benefit analysis. For example, let's say a new, slightly improved type of light bulb is being released. It may look like a small change, but you know the impact it can have on a year's supply of fixtures if the light bulbs last for longer.

Being aware of innovation within procurement categories is essential for procurement professionals to drive competitive advantage, reduce costs, enhance quality, mitigate risks, and align with organizational goals. **It also positions procurement as a strategic function that contributes to overall business success.**

Automation and innovation with the right tools can be a huge part of that, which allows procurement pros to use their macro level minds for strategic tasks instead of manual drudgery. We know all about that here at Veridion as we're directly involved in [helping organizations automate their supplier sourcing research](#).

#9. **Winning at Digital Transformation:**

Again, digital transformation is not a new topic, but it's gaining momentum and urgency in 2025 as so many of the other trends and challenges require it as a precondition for success.

Winning at the digital transformation game has two main components for procurement professionals: successful implementation in their own departments and, the Holy Grail, contributing to the success of digital transformation of the entire organization as well.

After all, **it's procurement pros that are supplying the business with software and tools as well, or they should be.** That's actually a pain point we've been hearing about a lot from our procurement customers: how often other departments are sourcing their own SaaS solutions circumventing the procurement process. **The right digital transformation plan should be a collaborative effort between procurement and other department leaders.**

#10. **Proactively Tackling Inflation**

Procurement departments have a chance to alleviate some of the inflationary pressures on their organizations, if they are proactive and have the right supplier data to act. By making smart buying decisions ahead of time and by building a resilient alternate supplier network, **some of the negative impact of inflation can be avoided.**

This requires good data and a good strategic overview that allows procurement professionals to empower their organizations to stay one step ahead on inflation through these key aspects:

Cost Analysis and Management	Procurement professionals can conduct thorough cost analyses of their organization's supply chain. By identifying cost drivers and areas of inefficiency, they can develop strategies to optimize costs and enhance cost management practices. This includes negotiating favorable terms with suppliers, exploring cost-effective alternatives, and leveraging economies of scale.
Supplier Relationship Management	Building strong and collaborative relationships with suppliers is essential. Procurement professionals can work closely with strategic suppliers to negotiate long-term contracts with price stability clauses. These agreements can help shield the organization from sudden price increases due to inflation.
Strategic Sourcing	Procurement teams can engage in strategic sourcing practices to identify and select suppliers that offer competitive pricing, quality, and reliability. This involves conducting supplier assessments, supplier audits, and evaluating supplier performance regularly. Strategic sourcing ensures that the organization gets the best value for its procurement spend.
Demand Forecasting	Accurate demand forecasting is crucial for managing inventory levels and procurement decisions. Procurement professionals can work with demand planning teams to improve forecasting accuracy. By aligning procurement with demand forecasts, organizations can avoid overstocking or understocking, reducing the impact of inflation on inventory costs.
Risk Management	Inflation can lead to increased price volatility in commodity markets. Procurement professionals can actively monitor commodity price trends and geopolitical factors that affect supply chains. They can develop risk mitigation strategies such as hedging, diversifying suppliers, and maintaining safety stock to cushion against supply disruptions.
Supplier Diversification	Overreliance on a single supplier can expose organizations to supply chain vulnerabilities. Procurement professionals can advocate for supplier diversification by identifying alternative suppliers and assessing their capabilities. Diversifying the supplier base can mitigate risks associated with supplier-specific inflationary pressures.
Contract Negotiation and Renegotiation	Procurement teams can proactively renegotiate contracts with suppliers when inflationary pressures emerge. This may involve revisiting pricing terms, delivery schedules, and payment terms to achieve more favorable conditions in light of changing economic conditions.
Value Engineering	Collaborating with cross-functional teams, procurement professionals can explore value engineering opportunities. This involves redesigning products or processes to reduce costs without compromising quality or performance. Value engineering can lead to significant cost savings in the face of inflation.
Continuous Improvement	Continuous improvement initiatives within the procurement function can drive efficiency gains. Procurement professionals can lead process optimization efforts, implement procurement technologies, and streamline procurement workflows to reduce operating costs.
Market Intelligence	Staying informed about market trends, inflation rates, and economic indicators is essential. Procurement professionals can leverage market intelligence to anticipate inflationary pressures and proactively adjust procurement strategies.
Cost Benchmarking	Comparing the organization's procurement costs to industry benchmarks can reveal opportunities for cost reduction. Procurement professionals can use benchmarking data to identify areas where cost-saving initiatives can be implemented.

Being aware of innovation within procurement categories is essential for procurement professionals to drive competitive advantage, reduce costs, enhance quality, mitigate risks, and align with organizational goals. **It also positions procurement as a strategic function that contributes to overall business success.**

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#11. Building Circular Economies

This one is perhaps the procurement trend that stands to have the most impact and the most gains for everyone, if the changes that derive from it are correctly implemented. If this trend becomes a successfully implemented program, it will attract success in many other of the trends and challenges detailed above, from ESG to sustainability, resilience, transparency, digital transformation and so on.

On a regulatory level and beyond, countries and major business actors are becoming increasingly aware of the need to build circular economies in order to make it easier for everyone to achieve both ESG goals and objective gains. A strong and resilient circular economy circuit is a win-win for everyone involved.



Here are just a few of the ways in which procurement departments can contribute to positioning their organizations as crucial participants and custodians of new circular economies:



Supplier Selection:

Procurement teams can choose suppliers who prioritize sustainability and circular economy principles. This includes suppliers who use recycled materials, offer products with extended lifecycles, or engage in take-back programs.



Materials Sourcing:

Procurement plays a critical role in sourcing sustainable and recycled materials. By identifying suppliers that offer environmentally friendly materials, such as recycled plastics or metals, procurement supports the circular economy's emphasis on resource efficiency.



Lifecycle Assessment:

Procurement professionals can conduct life cycle assessments of products and services. This involves evaluating the environmental impact of products from raw material extraction to disposal.



Product Design:

Procurement professionals can work closely with product designers to incorporate circular design principles. This includes designing products for disassembly, reuse, and recycling. Procurement's input in the design phase can lead to products that are easier to recycle or refurbish.



Waste Reduction:

Procurement can minimize waste generation by selecting suppliers who focus on waste reduction and management. This includes suppliers committed to reducing packaging waste, utilizing eco-friendly packaging materials, and implementing efficient waste disposal practices.



Reverse Logistics:

Procurement can facilitate the return and reuse of products and materials through effective reverse logistics processes. This includes managing returns, refurbishing products, and reintroducing them into the supply chain, reducing waste and extending product life.

As long as some of the macro trends and challenges that will be pursued in 2025 will be successfully achieved, the organization that masters that can boast that **its procurement initiatives are acting as a force for good.**

B. The Procurement Professional's WorkBoard for 2025

So what should a procurement pro do to start making progress on all of the above?

This next section will consist of everything you should dive deeper into or creatively prioritize for managing to achieve both your role's targets and your organization's wider goals, bolstering your internal value in the process.

Priorities for Enhancing Your Procure

Priorities for Enhancing Your Procurement Processes' Effectiveness

Champion Digital Transformation:

Embrace digital transformation across various departments within your organization. As a procurement manager, your role extends beyond traditional procurement tasks. Advocate for the integration of digital tools and technologies that streamline procurement processes, improve efficiency, and enhance data analytics.

Collaborate with IT and other departments to implement e-procurement systems, artificial intelligence (AI) for supplier selection, and, potentially, blockchain for supply chain transparency. Digital transformation not only improves procurement but also positively impacts the entire organization.

Proactive ESG Alignment:

Proactively align your procurement practices with your organization's Environmental, Social, and Governance (ESG) goals. Sustainability is a driving force in 2025, and procurement plays a pivotal role in achieving these objectives. Collaborate with sustainability teams to identify suppliers that align with ESG criteria.

Implement ethical sourcing practices, promote responsible supply chain management, and monitor the environmental impact of your procurement decisions. Communicate these efforts transparently through sustainability reports to showcase your organization's commitment to responsible and eco-conscious procurement practices.

Supply Chain Risk Mitigation:

Develop TPRM frameworks and contingency plans to ensure a resilient supply chain. Collaborate with your risk management team to identify potential disruptions and establish alternative sourcing strategies. Implement advanced analytics and AI-driven tools to monitor supply chain data in real-time, allowing you to respond swiftly to emerging risks.

Inflation Optimization:

Proactively optimize against inflation through your procurement practices. Inflation can erode profitability and disrupt procurement budgets. Collaborate with finance teams to develop strategies for cost control and optimization.

Implement strategic sourcing practices, negotiate favorable terms with suppliers, and explore bulk purchasing opportunities. Leverage procurement analytics to identify cost-saving opportunities and monitor market trends. By staying ahead of inflationary pressures, you contribute to financial stability and growth within your organization.

C. It All Starts with Good Data:

Veridion's Role in Supporting Procurement Processes as a Key Partner

Good data is the lifeblood of effective procurement processes, especially in 2025. Veridion plays a vital role as a key partner in supporting procurement professionals across multiple organizations, which is where we got many of the insights in this guide.

Here's why the data provided by Veridion can dramatically improve your overall procurement flow and beyond.

Increase supplier diversity

Supplier diversity is a crucial way of building resilience in your chain. Our case studies consistently prove how much better and faster it is to identify a broader range of suppliers that fit complex criteria than traditional supplier search methods. Unlock better supplier diversity effortlessly so you can focus more on strategic tasks.

Reduce costs

Better business data applied to all supplier discovery efforts doesn't mean cost cutting only in identifying the more convenient supplier options but also in the man hours spent on the repetitive tasks of supplier search. Using Veridion data to eliminate most of the manual supplier research time, your team can focus on more productive areas of your business goals.

Accelerate speed to market

Good business data (like Veridion's supplier discovery data) empowers procurement pros to move faster through their supplier sourcing phases. The speed and the implicit resilience of having a more diverse supplier database and reduced costs can significantly accelerate the speed to market on all your organizational initiatives.

Data-Driven Decision Support:

Good data enables procurement professionals to make informed decisions. Veridion provides the building bricks for the ultimate reporting, that empowers procurement teams with real-time insights into supplier performance, market dynamics, and cost structures. With Veridion's data-driven solutions, procurement professionals can identify cost-saving opportunities, assess supplier risks, and optimize procurement strategies with confidence.

Risk Mitigation:

In the face of supply chain uncertainties, Veridion's data-driven risk assessment tools are indispensable, especially for supplier risk monitoring. Procurement managers can rely on Veridion's risk monitoring capabilities to identify potential disruptions and implement proactive risk mitigation strategies. Veridion's comprehensive risk analysis helps safeguard the supply chain, ensuring business continuity even in challenging times.

Sustainability Tracking:

As sustainability becomes a top priority, Veridion's sustainability tracking solutions are invaluable. Procurement professionals can collaborate with Veridion to assess supplier sustainability metrics, track progress toward ESG goals, and transparently communicate sustainability efforts through reports. Veridion's data-driven approach supports responsible and eco-conscious procurement practices.

Strategic Insights for Macro Organizational Business Objectives:

Veridion acts as a strategic partner, providing procurement professionals with actionable insights that elevate their value within the organization. By harnessing the power of data and Veridion’s expertise, procurement leaders can align their strategies with overarching business objectives, enhance stakeholder collaboration, and drive innovation in procurement processes and in the path to achieving many of the organizational goals such as ESG initiatives and beyond.

In summary, in 2025, data-driven decision-making, strategic alignment, stakeholder collaboration, and innovation are paramount for procurement professionals looking to elevate their roles and contribute to their organizations’ success. Veridion’s data solutions for procurement play a pivotal role in supporting these priorities, ensuring that procurement processes are effective, resilient, and aligned with business goals.

All The Data Points You Need to Make a Difference in Procurement

These are the most comprehensive data points that you need to take your organization forward. The good news is that we already have them beautifully covered at Veridion.

DATA POINTS	DESCRIPTION
Information	
Names (Legal + Trade)	The Legal Name of a company refers to its official name, which is used in legal documents such as the Privacy Policy. On the other hand, the Trade Name of a company is the name by which it is commonly known commercially.
Locations (HQ & Other Locations)	Returns the headquarters and all secondary physical locations and addresses for the company. Each address can be identified by its Country, Region, City, Postcode, and Geo-coordinates.
Company Descriptions	The short description provides a brief overview of the company’s activities, while the longer description delves into more detail about the company’s business operations.
Company Type	Companies can be categorized into three types based on their ownership structure. “Public” refers to companies that are listed on the stock exchange, “Non-profit” is reserved for organizations that do not operate for the purpose of making a profit, and “Private” applies to companies that are privately held.
Year Founded	The year when the company was founded.
Veridion Industry Category	Veridion’s proprietary Industry classification scheme uses a machine learning model to classify the business based on its business activities.

DATA POINTS	DESCRIPTION
Website	The web address (URL) of the company’s website.
Phone numbers	These will usually be front office phone numbers or department level phone numbers.
Corporate Email Address	General business emails for the company.
Business Activity Tags	A machine learning model identifies key attributes, related to the company’s activities. For example, a tech company may contain tags such as “startup”, “SaaS”, “Artificial Intelligence”. Or a Landscaper may contain risk tags such as “Tree Trimming”.
Company Size	
Employee Count	Number of people employed by the company.
Revenue Estimates	Company revenue, based on disclosed information on the web.
Digital Presence	
LinkedIn	The company’s LinkedIn URL
YouTube	The company’s YouTube URL
Facebook	The company’s Facebook URL
Tik-Tok	The company’s Tik-Tok URL
Industry Classifications	
NAICS (Primary & Secondary)	The primary and secondary six-digit NAICS codes & labels based on machine learning predications
SIC	The four-digit numerical Standard Industrial Classification (SIC) Codes & labels
ISIC	The four-digit numerical code ISIC codes & labels
NACE	The four-digit NACE codes & labels
Insurance Classifications	
IBC	Up to five Insurance Bureau of Canada (IBC) codes & labels based on machine learning predictions
NCCI	The four-digit NCCI code that insurers use to classify employees exposure to risk
Technology Insights	
Technographics	Types of technologies that are used by the company website and public assets such as: Content Management System, E-Commerce Platform and other web technologies.

DATA POINTS	DESCRIPTION
Product & Service Insights	
Product Name	The product name as provided by the company that is selling or producing the product for over 4 million manufacturers.
Product Description	The primary section of information detailing the product’s specifications that are being offered by a company.
UNSPSC Classification	The (two,six and eight-digit) UNSPSC numerical code and label for the product. Classified based on machine learning models
Sustainability Insights	
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UNSPSC Classification	The (two,six and eight-digit) UNSPSC numerical code and label for the product. Classified based on machine learning models
Sustainability Insights	
SICS Classification	The SASB Sustainability Industry Classification Scheme (SICS) Industry code & label for a company. Based on machine learning predicitions
ESG Commitments	ESG Commitments disclosed by the company such as Net Zero Pledges, Human Rights Commitments, Diversity Commitments etc. Classified into standard industry taxonomies.
ESG News	ESG News about the companies behaviours such as its impact on the environment, sustainability initiatives, governance. Classified into standard industry taxonomies.

Are you ready to make a difference in your organization?

Schedule a free data consultation with us and turn a new leaf with unparalleled procurement data, constantly refreshed and enhanced.

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