

ZIP

THE CIO'S GUIDE TO

PROCUREMENT ORCHESTRATION



In the earliest stages of most companies, procurement falls under the care of Finance and IT, assembled with the tools at hand.

Perhaps purchase requests are made ad-hoc through Slack; budgets and vendor data tracked through spreadsheets—manual processes are the order of the day. Pragmatic, yes, but indicative of an environment where procurement is seen as an adjunct task rather than a core function requiring strategic oversight.

As organizations expand, the inherent limitations of manual methods become glaringly obvious, and—*better sooner than later!*—the technical complexity of procurement requires a purpose-built solution.

This guide for Chief Information Officers looks at the journey from ad-hoc processes to the strategic implementation of procurement orchestration software. As the stewards of information technology strategy and champions of digital transformation, CIOs now have the opportunity to lead organizations towards a system that accelerates procurement processes across departments, within their preferred tools.

CIOs bear the responsibility of keeping business processes effective and efficient amidst growth. This means developing detailed IT roadmaps, managing relationships across organizations, and ensuring the security and scalability of systems to meet future demands.

Procurement orchestration offers a master solution, streamlining procurement processes in parallel, integrating disparate best-of-breed departmental tools into one cohesive platform, and providing the transparency and data integrity required for real-time strategic decisions.

As organizations mature, the role of IT evolves from being a tactical support team to a strategic driver of value.

This guide demonstrates why procurement orchestration is central in this transition, enabling CIOs to leverage new technologies and workflows to enhance efficiency, mitigate risks, and drive innovation—without adding complexity for the end user.

We aim to inspire IT leaders to see procurement orchestration not merely as a tool integration but as a strategic necessity. It's about the full potential of procurement orchestration transformation in shaping the future of how businesses do business.

Table of Contents

04	What is Procurement Orchestration?
05	Integration Orchestration Workflow
06	The CIO's Perspective
09	How Procurement Orchestration works for IT
12	IT orchestrion approval workflow
13	The next era of Procurement is here

What is Procurement Orchestration, and why does it matter?

IDC defines orchestration as the “spend management applications that provide intuitive, dynamic, transparent self-service procurement capabilities that automate and orchestrate external spend management applications by leveraging a centralized workflow and integration hub to increase transparency, cost control, reduce risk and operational efficiency.”

Put simply, it's about unifying siloed workflows and creating seamless bridges between applications, data, and users.

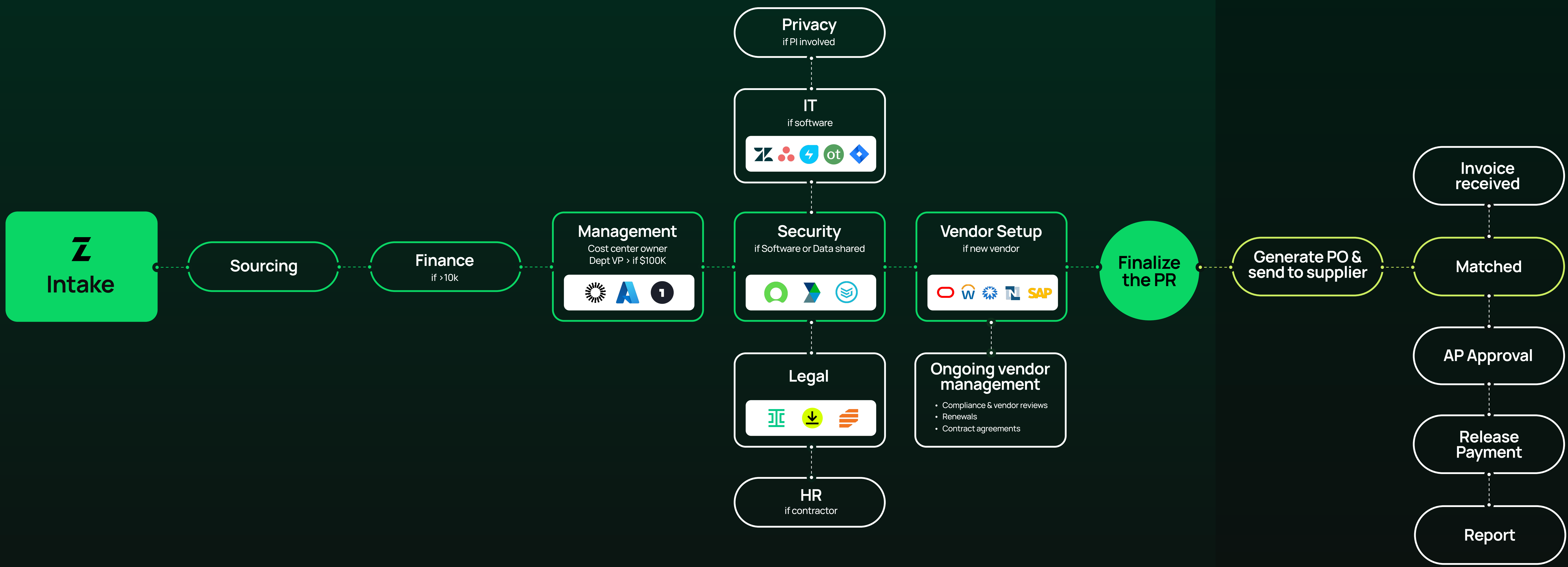
This strategic alignment ensures data integrity, fosters collaboration, and maintains transparency from the initial purchase request at intake all the way through to final payment and recordkeeping. It's an approach that aligns procurement with the overarching business strategy, streamlining operations and enhancing efficiencies at every stage.

From an information technology perspective, the **strategic marriage of applications** across an enterprise tech stack allows for robust visibility and control into every stage of the procurement process, from Intake to Pay.

According to a **Nexthink report**, businesses are wasting almost **\$537 million** annually on unused software, with **50%** of software licenses not being used. A separate poll found that of 200 IT leaders surveyed, only **5.5%** of them claimed “complete visibility” into how employees were actually using their tools.

Procurement Orchestration enhances leadership's ability to oversee procurement requests immediately at Intake. It provides IT a clear view of the various tools teams use for approvals, strategic sourcing, due diligence, and managing the different stages of the procurement process in parallel— all within their chosen technology platforms.

Essentially, procurement orchestration allows IT executive oversight into software and workflow integrations across the enterprise, streamlining the entire procurement journey for everyone involved.

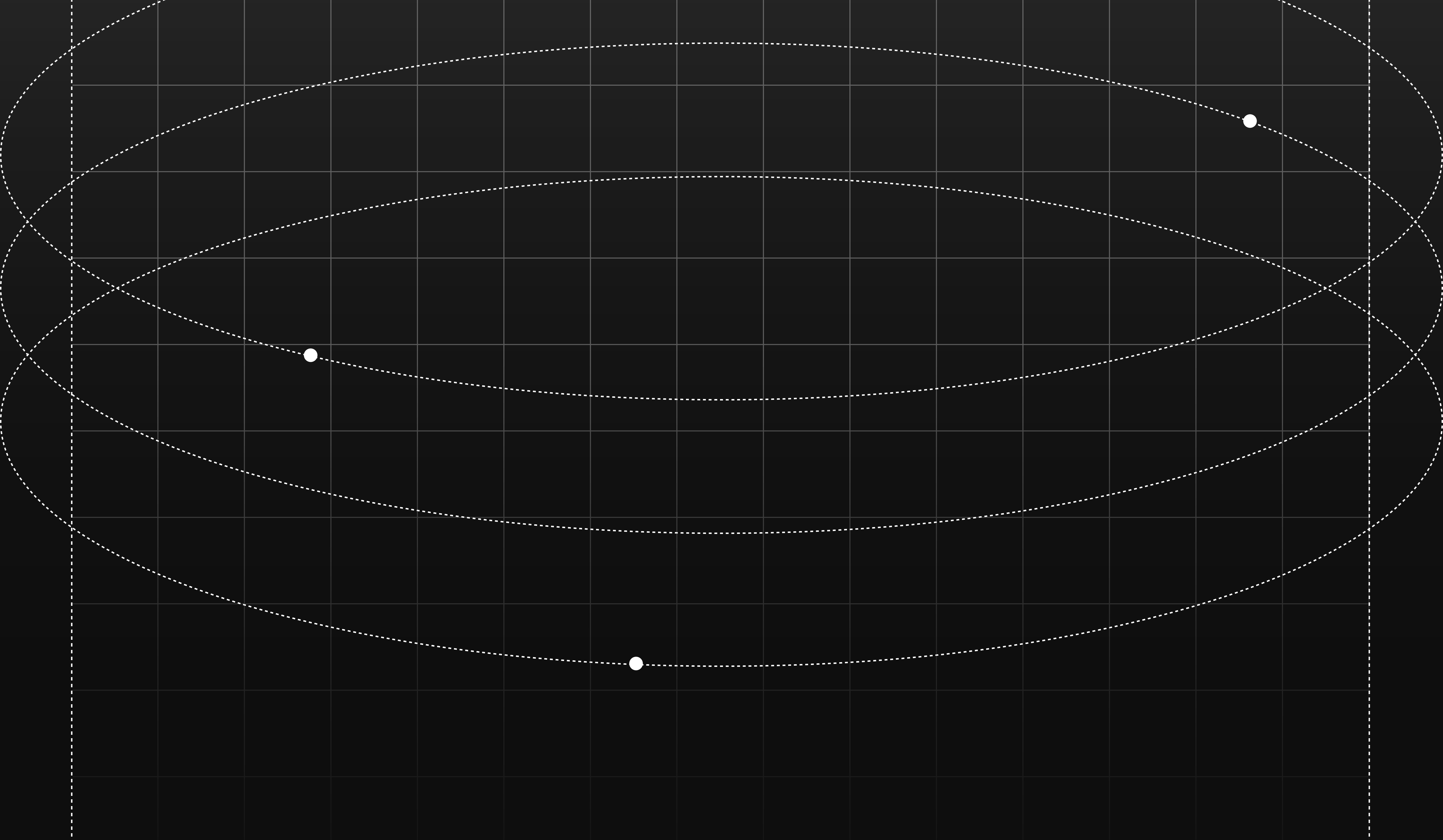


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A huge value I get from a formalized orchestration process is being able to have a common reference to a procurement request. Since all activities across workflows are fully contained in Zip, my teams can be very specific and speak a common language.

That’s the number one thing I use in my day-to-day process. The visualization also allows companies to see if their process has duplicative steps or is overly complicated. I’m a huge fan of this visualization of the orchestration.

Dan Montoya, Head of Information Technology, Airtable



The CIO's Perspective

IT teams don't get much downtime. Technical leadership faces complex challenges of aligning strategies with broader business objectives of growth, security, and high-speed innovation—and the on-call party never stops.

As organizations transition from their founding stages into mature entities, the role of IT in procurement can sometimes be seen as shifting from tactical enabler to support maintenance.

Procurement Orchestration allows IT to reclaim a central role in strategic decision-making. No longer just a support function—by including technical oversight at every stage of the procurement process, the demonstrative impact of the work of IT becomes a demonstrative part of the overall health of a business.

Here are some fundamental opportunities IT leaders can expect.

Securing a strategic 'seat at the table'

At the early stages, IT department—in tandem with Finance—hold the reins of procurement, weaving together a patchwork of software tools to manage the purchasing flow. However, as a company matures and procurement breaks out into its own function, IT's influence can wane, sidelining the team from an area they once controlled.

An orchestrated procurement process, starting with 'Intake', changes the game entirely. It ensures IT involvement from the get-go, providing the transparency, oversight, and access needed to stay integral to strategic decisions. This is not just about maintaining relevance, but affirming IT's role as a strategic powerhouse within the organization.

Harnessing essential information for strategic decisions

Employees always want to use their preferred tools and that's great, but easier said than done. There are deep insights needed into the software and services being considered.

IT needs to understand the specifics: the problems a new tool aims to solve, who will manage it—will hiring be necessary?—along with the requisite integration needs.

With the average enterprise company using more than 1,000 different applications across departments, managing and making decisions around these tools becomes complex.

Procurement orchestration platforms like Zip provide early access into the information required to make the necessary technical determinations, ensuring IT can plan effectively and manage oversight.

Streamlining vendor management through early insight

The challenge of managing a sprawling tech stack is compounded by the prevalence of Shadow IT, where 30-40% of IT spending falls outside the purview of the IT department.

Procurement orchestration offers a level of control and efficiency in this process, enabling IT to quickly identify and mitigate duplicative vendor solutions. By kicking off vendor management immediately at the point of Intake, resources aren't wasted, and investments remain strategically aligned across the needs of all stakeholders.

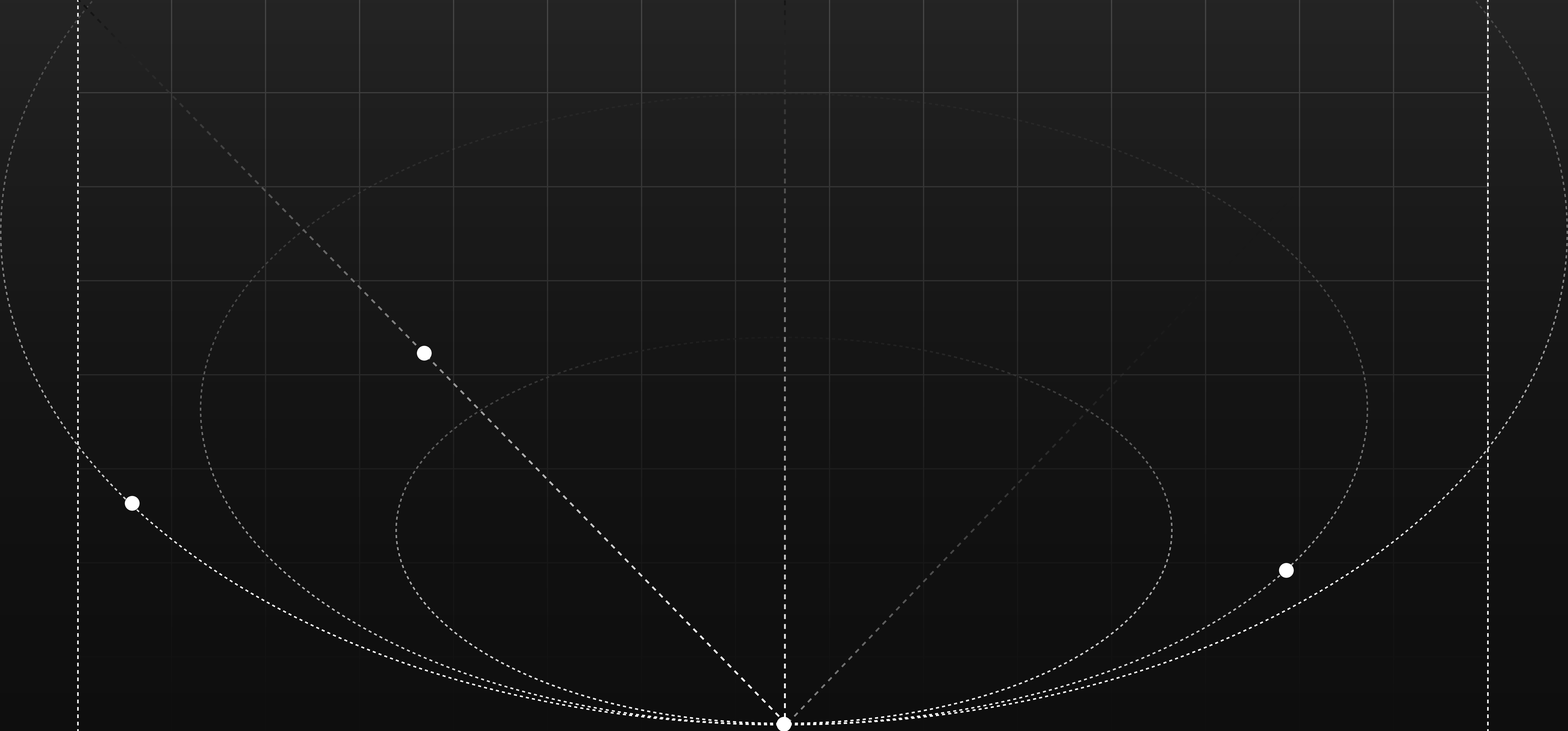
Automating downstream IT efforts

A common gap in traditional procurement is the disconnect between contract signing and the initiation of IT implementation efforts. Procurement Orchestration platforms like Zip can automatically trigger downstream IT efforts as part of the workflow. This ensures IT is never caught off guard by new requests, enabling proactive planning and resource allocation.

For example, significant software implementations could trigger an 'Architecture Review Board Meeting' ([see page 12](#) for IT orchestration approval workflow), facilitating a larger discussion around cross-functional strategy or implementation.

The trend toward Procurement Orchestration is a watershed moment for IT leadership.

By ensuring early involvement in procurement decisions, providing access to critical decision-making information, streamlining vendor management, and integrating downstream efforts, Procurement Orchestration empowers IT leaders to take a proactive, strategic role in business strategy.



How Procurement Orchestration works for IT

Procurement orchestration addresses many of the central concerns of IT procurement at the enterprise scale. With efficiency boosts, authoritative oversight, and compliance controls for IT, new platforms built specifically orchestrating cross-functional processes address these challenges head on.

Tackling rogue spend and shadow IT

Challenge:

A perennial issue IT faces is rogue spend and shadow IT. A lack of oversight leads to duplicative vendors, unnecessary spend, and at times, significant security risks. Traditional procurement processes, without a centralized intake system, can lead employees to bypass official channels, resulting in financial and technical vulnerabilities.

Solution:

Procurement orchestration platforms open the process with a 'single front door' for procurement requests, all but eliminating the opportunity for rogue spend and shadow purchasing. All software requests are visible and manageable from the outset, allowing IT to identify and eliminate redundant vendors, streamline spend, and in the process, enhance financial oversight.

Harnessing essential information for strategic decisions

It's not uncommon for employees to push for new tools without clarity into the problems they're solving for, or the specific needs to be addressed by the tool. As any IT leader knows, this can lead to poor quality tech stacks with significant downstream effects.

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Regaining control of the IT roadmap

Challenge:

Without early visibility into planned purchases, IT departments struggle to effectively plan and execute strategic projects. The unpredictable nature of procurement requests can derail long-term IT strategies, causing frustration across teams.

Solution:

IT gains immediate insight into procurement requests as they enter the pipeline. This early visibility enables IT to proactively manage the review process, lay out their strategy, and even explore alternative solutions that may better align with the organization's broader goals. As a result, IT can maintain control over its roadmap and ensure alignment with business priorities.

Ensuring security and legal compliance

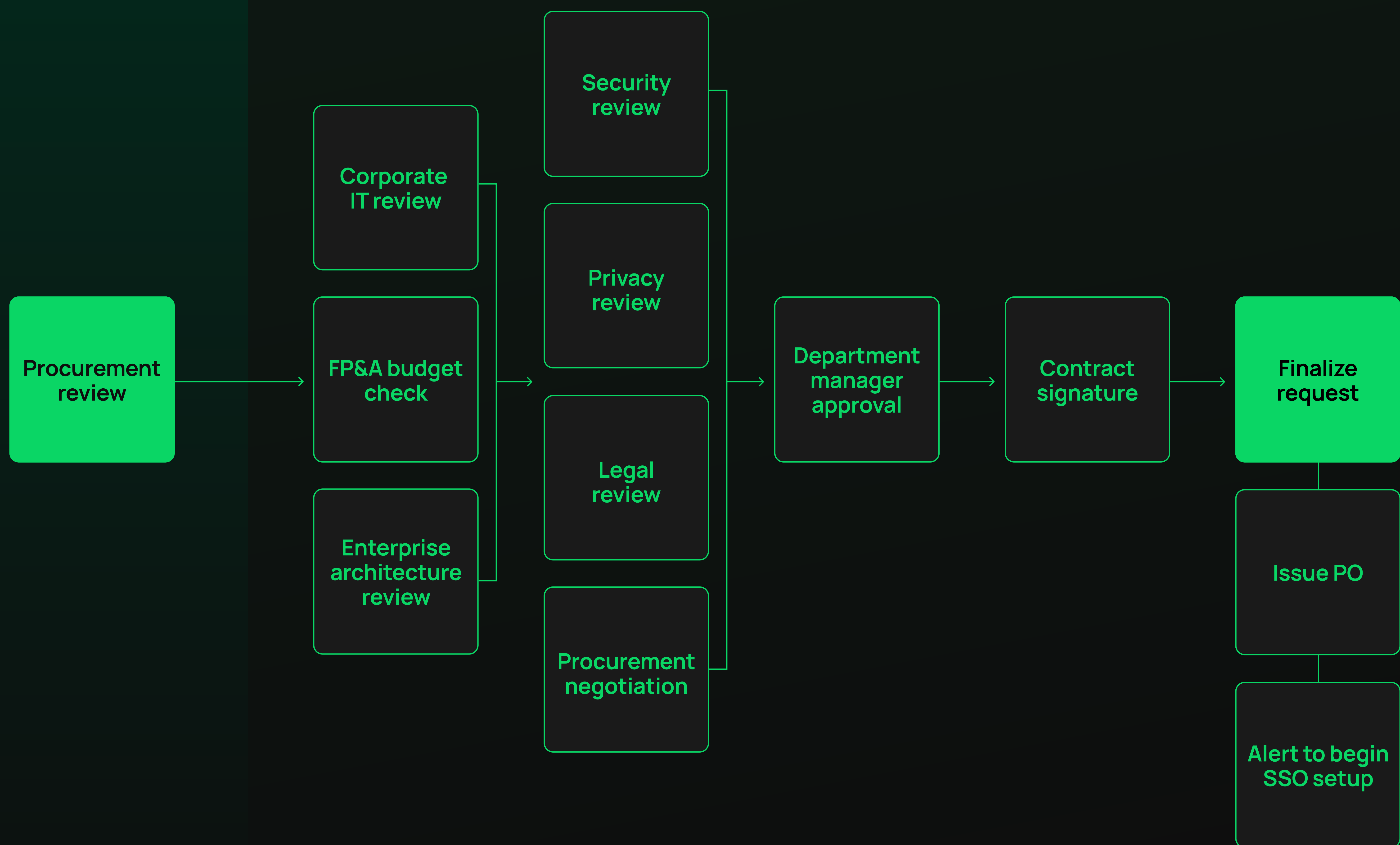
Challenge:

In an era when 80% of data breaches are caused by third party vendors, and regulations like GDPR and VIDA demand rigorous compliance, IT departments are under immense pressure to safeguard their organizations. Traditional procurement processes can struggle to keep pace with the due diligence required for cloud-based SaaS solutions, leading to costly oversight and resource-allocation to solve for security.

Solution:

Procurement orchestration platforms codify security and compliance checks directly into the purchasing workflow, ensuring no step is missed. From corporate IT reviews for new software to comprehensive legal and privacy reviews, procurement orchestration ensures that all necessary evaluations and approvals are executed in parallel. This accelerates the procurement process through centralization—making all activities visible in one platform, guaranteeing compliance and enhancing security.

IT orchestration approval workflow



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Zip enables our IT organisation to have visibility into our technology spend by orchestrating every aspect of the purchasing process, whether it's technical leadership reviewing new SaaS requests or reviews by security and privacy.

Mike Denari, Global Head of IT, Canva

The next era of procurement is here

As the enterprise continues digital transformation efforts, the role of IT leadership in procurement has reached a turning point. The traditional challenges of rogue spend, shadow IT, and elusive control over technology roadmaps have long plagued IT departments, demanding a solution that addresses these issues, while accelerating the organization its key stakeholders forward.

Procurement orchestration is the next step towards total strategic technological alignment in procurement.

Platforms like Zip herald the beginning of an era where IT is more than a function supporting procurement, but a strategic driver of value. In centralizing procurement requests through a 'single front door', by leveraging rich integrations ensuring data integrity and workflow requirements for all stakeholders, IT gains unprecedented visibility and control over the enterprise tech stack.

It also empowers IT with the early insight necessary to plan and execute strategic projects effectively, thereby regaining control of the roadmap. This newfound capability to anticipate and prepare for upcoming technological needs ensures IT can lead rather than react, shaping the future of the enterprise with confidence and precision.

For IT leaders, the message is clear: embracing procurement orchestration is a winning strategy. By harnessing the capabilities offered by these platforms, IT can steer their teams toward new levels of efficiency, impact, and innovation. This is not merely an improvement but a redefinition of procurement's role within an organization.

Let us embrace this new paradigm of procurement. By leveraging intelligent procurement orchestration, IT leaders have an opportunity to raise the bar for efficiency, transparency, and strategic alignment.

The next era of procurement here.