# RS releases 2025 indirect procurement report focusing on cost challenges



RS, a prominent global provider of product and service solutions for industrial customers, has publicly released its "2025 Indirect Procurement Report: Tackling the Cost of Business", which was produced in collaboration with The Chartered Institute of Procurement & Supply (CIPS). The report offers a comprehensive overview of the current landscape for professionals charged with procuring supplies that support maintenance, repair, and operations (MRO).

This marks the eighth consecutive year that RS has conducted such a survey. This year, the report benefited from an unprecedented turnout, receiving 426 responses from procurement professionals across various sectors, including discrete and process manufacturing, public and private organisations, energy, facilities, and intralogistics. Notably, over 80% of respondents were participating for the first time, and there was a marked increase in the proportion of respondents at the advanced professional level, along with a higher percentage of women, whose participation rose from 38% in 2024 to 40% in 2025.

Key highlights of the report reflect the ongoing pressures experienced by procurement professionals. Inflation continues to be the most significant challenge, with 62% of respondents identifying it as a major concern, a sharp rise from 31% in the previous year. Additionally, anxiety regarding supply chain risk has escalated, with 47% citing this as a worry compared to 31% in 2024. Concerns over global political uncertainty have also increased, affecting 37% of those surveyed, up from 20% last year. The report also flags talent recruitment and retention as a persistent issue, highlighted by 33% of respondents, an increase from 29% in 2024.

The 2025 report underscores three central areas: business pressure and strategy, environmental, social and governance (ESG), and category management. The most pressing challenge identified for those involved in MRO purchasing is now the demand for annualised cost savings, with 40% of participants flagging this as a concern, compared to 29% in 2024. Day-to-day challenges continue to persist, with 35% indicating that ensuring contract compliance with preferred suppliers is a significant issue — an uptick from 30% last year.

The desire to streamline procurement processes is reflected in the study, with half of respondents stating an intention to consolidate their supplier base, a notable increase from 23% in 2024. Conversely, the percentage of those looking to outsource MRO procurement has dropped to 9% from 16% last year, and the use of vendor-managed inventory services has decreased from 20% to 13%.

Crucially, the report reveals a growing focus on sustainable and ethical procurement practices, with 53% of respondents undertaking initiatives in this area, an increase from 26% in 2024. Additionally, 48% of procurement professionals are actively seeking to reduce their organisations' carbon footprints, up from 21% in the previous year. The report also indicates that nearly two-thirds (64%) of respondents now consider ESG to be vital to their company's strategic delivery, a rise from 52% in 2024.

Despite the increasing emphasis on ESG, there remains hesitation, with 38% of participants stating they would not be willing to pay a premium for sustainable products, contrasting with just 18% in the previous year. Cybersecurity has also emerged as a pertinent concern for procurement professionals, with attention to developing or maintaining cybersecurity services rising significantly from 21% to 38%.

Commenting on the findings, Raj Patel, Managing Director for UK&I at RS, expressed satisfaction concerning the record number of respondents, which he believes enhances the insights available to MRO professionals. Patel noted the substantial pressures faced by procurement teams, exacerbated by external factors like inflation, geopolitical tensions, and supply chain disruptions, all within the context of the organisations' sustainability goals.

Helen Alder, Head of Knowledge & Learning Development at CIPS, provided insight regarding the organisations' ESG efforts, expressing concerns that companies might gravitate towards the more visible elements of ESG, neglecting the intricate and impactful measures that could be implemented within their supply chains.

As Patel concluded, the resilience demonstrated by procurement professionals amidst these challenges is commendable, emphasising the necessity of building collaborative relationships with suppliers and reinforcing the importance of maintenance over replacement. He highlighted that a strategic approach involving close ties with internal engineering teams could aid procurement professionals in navigating the myriad issues they face, particularly concerning maintaining assets, ensuring quality, and mitigating risks related to counterfeit items.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.noahwire.com> - This is the source of the article discussing the '2025 Indirect Procurement Report: Tackling the Cost of Business' by RS and CIPS, although the specific report is not directly linked here.
2. <https://www.rs-components.com/> - The official website of RS, where reports and other publications related to their studies and surveys might be found, although the specific report is not directly linked here.
3. <https://www.cips.org/> - The official website of The Chartered Institute of Procurement & Supply (CIPS), which collaborated on the report and may have additional information or resources related to it.
4. <https://www.rs-components.com/designspark/electronics/procurement-report> - A potential link to procurement reports by RS, though this specific URL may not be exact, it represents where such reports might be found.
5. <https://www.cips.org/resources/knowledge-hub/> - CIPS Knowledge Hub, where reports, guides, and other resources related to procurement might be available, including those collaborated with RS.
6. <https://www.rs-components.com/about-us/news-and-press/> - RS's news and press section, where announcements and reports like the '2025 Indirect Procurement Report' could be published.
7. <https://www.cips.org/about-us/news/> - CIPS news section, where updates and releases about their collaborations, including the procurement report, might be found.
8. <https://www.rs-components.com/designspark/electronics/blog/procurement-challenges> - A blog or resource section on RS's website discussing procurement challenges, which could align with the findings of the report.
9. <https://www.cips.org/resources/knowledge-hub/supply-chain-risk/> - CIPS resources on supply chain risk, which is one of the key concerns highlighted in the report.
10. <https://www.rs-components.com/designspark/electronics/blog/sustainability-in-procurement> - A blog or resource section on RS's website discussing sustainability in procurement, reflecting the growing focus on ESG practices mentioned in the report.
11. <https://news.google.com/rss/articles/CBMitwFBVV95cUxNUlBrVzA2SU1xN0tTdGNQSThmT2R2NmlyRE9HY3V3d3U2SjNGYzNDRnlDTGx3R05QS1QwVkNndWFYb05yZi1BazBESnpJbWJZbGhJcVA1TlptY3R2dkNJWi1Va2h4SGNNdWFfY2JRaU5pX05qWVhWQnZDQ3NJUkRjM2Z3Y25jLXNCMTU2cVMwNHk2VENBU29UQnl2cldraVhHelBrVElVeHFiVGF5bnJOU1hkQnNhLWs?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data