

What Does A Procurement Analyst Do?



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Job Duties And Requirements

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Procurement analysts spend time developing various approaches to procuring and contracting external support from the marketplace in line with current industry standards. Part of this involves researching suppliers and gathering information from vendor databases, vetting potential candidates, and making a decision to award contracts. After the contract is awarded, it involves keeping a close eye on performance and monitoring it throughout the contract term. The position may also be called a Purchasing Analyst or Purchasing Agent.

The job description will vary slightly depending on the industry, but you can expect it to be something like this, per ZipRecruiter:

“Our company is seeking a Procurement Analyst to assist with vendor management. In this role, you will focus on finding the best suppliers to support our business needs. When we need to order materials from a vendor, you will issue a detailed purchase order outlining the price of the materials and the delivery timeline set in the contract. You will also conduct cost-benefit analyses to determine where we can improve, re-negotiating contracts with existing suppliers or negotiating contracts with new suppliers. This role is essential to the efficiency and success of our organization, so all applicants must have a bachelor’s degree (preferably in business or supply chain management) or equivalent logistics experience, preferably in a role that utilizes SAP ERP software.”

Any business that has to purchase products or services from another company could benefit from having purchasing agents on the payroll. Even small businesses often have someone in that role, whether they have that job title or not.

Procurement analysts job duties include:

- Managing material requirements planning (MRP) and data maintenance best practices for buyers
- Managing the work breakdown structure (WBS) and work authorization setup.
- Managing inventory replenishment processes at the SKU level and address changes and issues that may arise
- Manage suppliers’ key performance indicators (KPIs) to ensure targets are reached for cost, service, and quality levels across all operating centers.
- Keeping a close eye on the market to identify trends and remain proactive.
- Decision-making based on data analysis.
- Helping manage multiple projects
- Quoting purchase and manage shipping logistics for everything related to

operations

- Working with senior management on requests for proposals (RFP) and requests for quotations (RFQ) and providing detailed reports on vendor response
- Receiving, reviewing, and revising bid and RFP documents and purchase orders to maintain department policy and regulation compliance
- Reviewing and placing contracts and subcontracts

According to the United States Bureau of Labor Statistics, procurement analysts earn an average of \$33.80 an hour, for a total of \$70,301 in average salary. Between 2018 and 2028, the career is projected to grow 14%, faster than the national average job growth rate, and produce more than 118,000 job opportunities.

Procurement Analyst Skills

Procurement analysts must have command of word processing software and information management systems so that they can request, develop, approve, and track contracts and other related procurement documents.

Successful procurement analysts possess analytical skills, communication skills, and interpersonal skills. These skills are necessary to build and maintain supplier relationships, streamline the procurement process, and analyze the data to find cost savings opportunities to help the organization save money. It is crucial to be able to interpret a range of information to use it to create proposals. Analysts have to be able to communicate both clearly and concisely, with the spoken and written word.

Purchasing Analyst Education Requirements

While it's possible to get into the procurement field with just a high school diploma or GED, the majority of procurement analyst positions, especially a senior procurement analyst position will require a Bachelor's degree. There isn't a program in procurement, so most companies look for people who have a degree in business management, logistics, or supply chain management. A business administration degree is also an option. Many procurement analyst jobs offer a certain amount of on-the-job training, but at the senior level, you should have years of experience in the field.

The good thing is there's no set career path. You can start out with a business degree, a supply chain management degree, or even an accounting degree. If you have experience as a purchasing manager, or in project management, you may find yourself in a great position to apply for a procurement analyst job. Related jobs include administrative assistant, operations manager, buyer, data analyst, financial analyst, and project engineer.

Junior Level vs. Senior Level Procurement Analyst

At the Junior level, you're working the entry-level. These positions are ideal for people who have a year or less of experience in the field. Senior-level positions are for those who have at least 5 years of experience. Procurement analyst salaries vary depending on the job type, with senior-level employees earning more.

For instance, the average entry-level procurement analyst in New York, New York could expect to earn an average of \$63,154. That same position in Washington,

D.C, earns an average of \$83,083 per PayScale.

For the experienced, average late-career position in New York City, PayScale reports an average salary of \$79,251. In Washington D.C., PayScale reports an average salary of \$104,275.

Career Path for Procurement Analysts

If you start your career path as a procurement analyst, you can move into a position as a Senior Buyer, a Procurement Specialist, or Procurement Manager.

From a Senior Buyer, you could move to a Purchasing Manager or a Supply Chain Manager position. The procurement specialist can also lead to a Procurement Manager position.

Implementing purchase-to-pay process automation makes reporting easier, reduces error potential, and leaves room for procurement analysts to spend more time handling tasks such as negotiating cost savings with vendors.

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