

Procurement Outsourcing Market - Global Industry Size, Share, Trends, Opportunity, and Forecast, Segmented, By Component (Solution, Services), By Deployment (On-Premises, Cloud), By Organization Size (Small & Medium-sized Enterprises (SMEs), Large Enterprises), By Vertical (Banking Financial Services and Insurance (BFSI), Healthcare, IT & Telecommunication), By Region & Competition, 2021-2031F

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Abstracts

The Global Procurement Outsourcing Market is projected to expand significantly, growing from USD 7.86 Billion in 2025 to USD 18.79 Billion by 2031, representing a CAGR of 15.63%. This growth is defined by the strategic delegation of procurement functions—including sourcing, supplier management, and procure-to-pay workflows—to external specialists to improve operational performance. A primary catalyst for this shift is the dual necessity of reducing operational costs and accessing niche expertise that is increasingly rare within internal workforces. This talent shortage compels companies to look externally; notably, the Chartered Institute of Procurement & Supply reported in 2024 that 58% of hiring managers struggled to find suitable procurement talent, driving the reliance on outsourcing partners to bridge these critical capability gaps.

Despite this growth trajectory, the market faces a substantial obstacle regarding data security risks and the potential loss of control over sensitive supplier information. The integration of external third-party systems with internal corporate infrastructure introduces vulnerabilities that many organizations are reluctant to accept. Consequently, complex concerns surrounding regulatory compliance and the strict management of

vendor risks remain significant barriers. These challenges often discourage the comprehensive adoption of outsourcing models, particularly within industries where data sensitivity and operational control are paramount.

Market Driver

The rapid integration of AI, automation, and digital procurement technologies is fundamentally transforming the Global Procurement Outsourcing Market, moving the industry beyond simple labor arbitrage toward technology-driven value creation. Organizations seeking to modernize their procurement functions are increasingly engaging outsourcing partners to access sophisticated digital platforms, predictive analytics, and autonomous sourcing tools that are often prohibitively expensive to develop internally. This technological infusion allows enterprises to streamline complex workflows and improve data visibility; for instance, the July 2025 'US Supply Chain Study' by Ivalua noted that 98% of organizations with fully deployed AI tools felt prepared for geopolitical risks, underscoring the vital role of advanced technology in securing operational resilience.

In parallel, the urgent need to mitigate global supply chain volatility and operational risks has become a dominant driver for external engagement. Faced with rapid geopolitical shifts and trade disruptions, companies are utilizing the specialized risk management frameworks of outsourcing providers to protect their supply lines. These providers deliver continuous monitoring and market intelligence, enabling businesses to proactively navigate uncertainties that could otherwise result in severe financial impact. This necessity is highlighted by Interos's 'Annual Predictions Report' from January 2025, which estimated that geopolitical instability could cause up to \$1 trillion in global economic damages. Furthermore, Amazon Business reported in January 2025 that 44% of procurement leaders cited rising costs as a major challenge, reinforcing the demand for cost-effective risk mitigation strategies offered by outsourcing.

Market Challenge

The operational risks associated with data security and the potential forfeiture of control over sensitive supplier information serve as major impediments to the expansion of the global procurement outsourcing market. As organizations connect their internal infrastructure with external service providers, they are compelled to share proprietary data and intellectual property, creating vulnerabilities if third-party systems do not maintain the same rigorous security protocols. Consequently, enterprises often regard the outsourcing of strategic procurement functions as a high-risk endeavor that could

compromise confidentiality and lead to severe regulatory repercussions.

This apprehension directly restricts market growth by limiting outsourcing engagements to non-critical, transactional tasks rather than high-value strategic processes. Decision-makers frequently choose to retain sensitive operations in-house to minimize breach risks, effectively capping the revenue potential for service providers. This caution is supported by data from the Chartered Institute of Procurement & Supply, which reported in 2025 that 29% of procurement managers observed an increase in cyberattacks within their supply chains over the preceding six months. Such statistics reinforce the reluctance of businesses to fully embrace outsourcing models, thereby stalling broader adoption across sensitive industries.

Market Trends

The intensifying focus on Environmental, Social, and Governance (ESG) compliance is aggressively driving market demand, as organizations face mounting regulatory pressure to decarbonize supply chains and ensure ethical sourcing. Enterprises are increasingly turning to procurement outsourcing to access specialized sustainability expertise and digital platforms capable of tracking Scope 3 emissions, which are often difficult to manage with internal resources alone. This trend shifts outsourcing beyond simple cost savings toward compliance assurance, requiring providers to deliver rigorous vendor audits and carbon footprint analysis. According to the January 2025 'State of Procurement Report' by Amazon Business, 66% of procurement leaders reported increased ESG-related targets, necessitating external support to bridge the gap between ambitious sustainability goals and operational execution.

Simultaneously, there is a profound transition from transactional processing to strategic partnership models, where service providers are viewed as allies in value creation rather than simple task executors. This evolution prioritizes long-term collaboration and innovation over short-term labor arbitrage, requiring outsourcing partners to demonstrate high-level soft skills and strategic insight alongside process efficiency. Consequently, providers are re-engineering their services to focus on category management, supplier innovation, and complex stakeholder negotiation. This structural change is highlighted by the Chartered Institute of Procurement & Supply's February 2025 'Salary Guide,' which ranked relationship management as the most sought-after competency, reflecting the industry's pivot toward collaborative, high-value operating models.

Key Market Players

Accenture plc

IBM Corporation

Infosys Limited

Genpact Limited

Wipro Limited

Tata Consultancy Services Limited

HCL Technologies Limited

GEP Worldwide

Capgemini SE

DXC Technology Company

Report Scope

In this report, the Global Procurement Outsourcing Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

Procurement Outsourcing Market, By Component

Solution

Services

Procurement Outsourcing Market, By Deployment

On-Premises

Cloud

Procurement Outsourcing Market, By Organization Size

Small & Medium-sized Enterprises (SMEs)

Large Enterprises

Procurement Outsourcing Market, By Vertical

Banking Financial Services and Insurance (BFSI)

Healthcare

IT & Telecommunication

Procurement Outsourcing Market, By Region

North America

United States

Canada

Mexico

Europe

France

United Kingdom

Italy

Germany

Spain

Asia Pacific

China

India

Japan

Australia

South Korea

South America

Brazil

Argentina

Colombia

Middle East & Africa

South Africa

Saudi Arabia

UAE

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the Global Procurement Outsourcing Market.

Available Customizations:

Global Procurement Outsourcing Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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