7 Steps to Audit-Ready Indirect Procurement in Aerospace & Defence

The regulated buyer's field guide to control, compliance and mission readiness.

Unite

The Scale of the Challenge

In aerospace and defence, "quick and easy" procurement is procurement that fails an audit. The UK MOD paid £40.6 billion to organisations in 2024/25. Across Unite European defence customers, six recurring process failures account for an estimated £800,000 to £15 million in recoverable cost a year, before a single supplier negotiation takes place. This is the guide to recovering it the right way: defensible first, value second. Seven steps, each one built for a buyer who has to stand up to scrutiny.

£40.6B

UK Defence Spend

Paid to organisations in 2024/25

£15M

Recoverable Cost

Estimated per year across Unite customers

Built on the Unite–HTWK Leipzig 2025 study, Unite's defence-sector analysis across Unite public sector and prime customers, and the ELT Group (part of Leonardo S.p.A Group) case.

Source: UK defence Annual Report and Accounts 2024/25; Unite customer data analysis



Step 1: Read the Environment You're Actually Buying In

Defence procurement is entering a period of sustained growth, and sustained scrutiny. Demand is surging, and so is strain. Defence budgets rose 9%, and aircraft backlogs exceeded 14,000 units. That strain shows up directly in indirect categories.

£73.5B

UK Defence Spend

Rising from £60.2B by 2028/29, a £13.3B increase

€49B

France MCO Budget

Earmarked for military maintenance, including €3B in MCO-A aerospace support

€88B

EU Equipment Spend

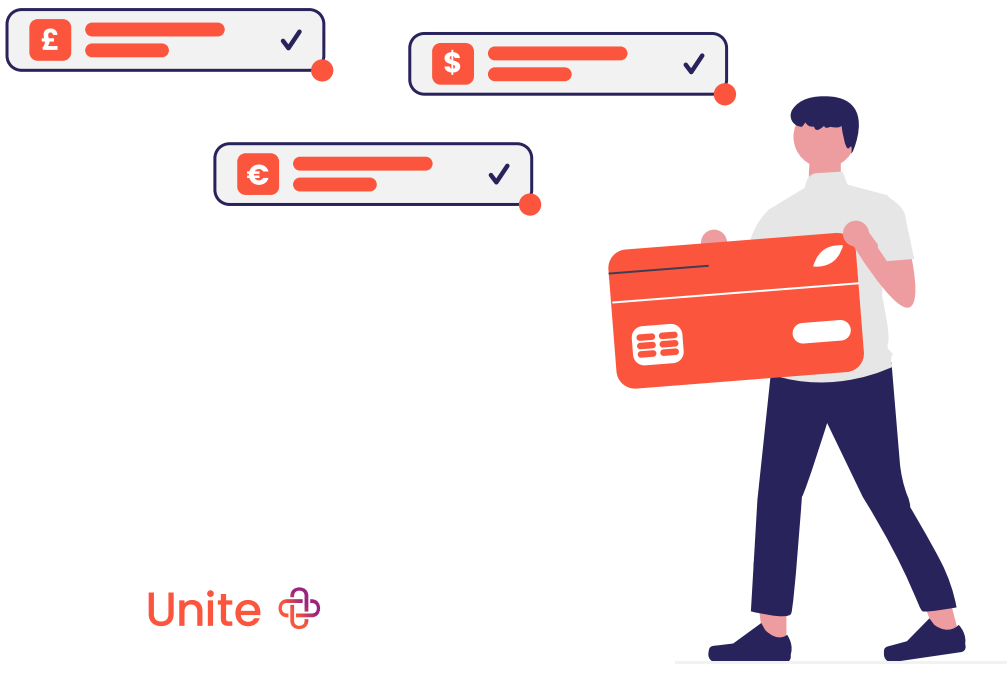
EU-wide defence equipment procurement in 2024

$922B

Global A&D Revenue

Global aerospace and defence revenue in 2024 (PwC)

Sources: UK Defence Command Paper 2024; French Ministry of Defence MCO Budget 2024; European Defence Agency; PwC Aerospace & Defence Market Outlook 2024



Indirect Spend & Compliance Climate

Demand is surging, and so is strain. Defence budgets rose 9%, and aircraft backlogs exceeded 14,000 units. That strain shows up directly in indirect categories.

1. **+66% YoY:** Electrical Engineering, Automation & Process Control indirect spend
2. **+125% YoY:** ICT spend across A&D primes, the fastest-growing indirect category in the sector
3. **+43% YoY:** Total indirect procurement spend growth across Europe
4. **45%:** Of defence spend is non-competitive
5. **33%:** Social-value mandate (one in every three pounds must reach SMEs)
6. **50-60%:** Indirect spend is clearly visible in most defence organisations. You cannot defend what you cannot see.

The Procurement Act 2023 and the National Procurement Policy Statement raise the audit bar on every above-threshold decision.

Sources: SIPRI Military Expenditure Database 2024; Airbus Commercial Aircraft Backlog Report 2024

Step 2: Locate the Six Places Value Leaks

1. Maverick Spend	0-20% of procurement savings lost annually to off-contract purchasing, and every off-contract order is one you can't evidence at audit.
2. Manual Processing	£80-£150 per order placed manually, against £4-£8 through a governed catalogue. Pure process cost, repeated thousands of times.
3. Supplier Fragmentation	A 12-18% price premium paid by organisations without a consolidated supply base.
4. Sourcing Cycle Time	3-8 weeks for manual indirect sourcing, against same-day catalogue purchasing. In a programme measured against availability, weeks are operational risk.
5. Spend Visibility	Only 50-60% of indirect spend clearly visible, leaving up to half of it undefendable.
6. SME Reporting	Increasingly mandated, rarely audit-ready without a governed platform, a direct exposure against the 33% social-value target.

Source: Unite analysis across 26 European defence customers; industry procurement benchmarking data

Step 3: Reframe the Return as Defensibility, Then Value

Core Pillars:

- **Defensibility First**

Every order generates an auto-generated purchasing protocol: a minimum of three competitive offers recorded per order, output as a downloadable, time-stamped PDF. Audit-ready evidence built into the buying flow, not a compliance overhead bolted on afterwards.

- **Then Value**

The HTWK 2025 study found the typical organisation spends 5,618 hours and €224,640 a year on indirect procurement.

Key Performance Highlights:

33% Time Saving

ELT Group's time and resource saving per order, the average Unite delivers across its defence customers.

Days, Not Weeks

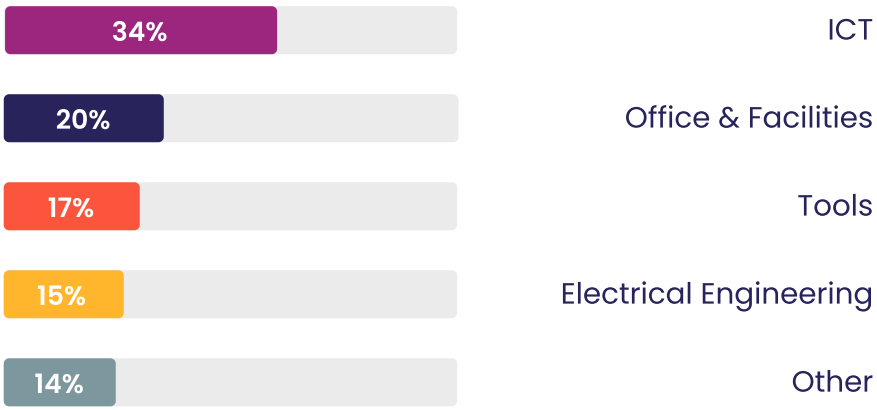
Standard orders fell from three weeks to a few days. Positive results inside six months.

Source: Unite customer implementation data and audit outcomes

Step 4: Treat Tail Spend as a Governance Surface, Not an Afterthought

Long-tail procurement, MRO, spares, tooling, PPE, calibration services, site consumables, sits outside core sourcing yet absorbs disproportionate effort from procurement, finance and operations. In a regulated environment, it's also where audit risk concentrates.

Indirect Spend Profile by Category



Two Mechanisms That Govern by Default

1. Basket Value Cap

A hard block when an order exceeds a configured amount, forcing the buyer to reduce the basket before submission.

2. Purchase Compliance Threshold

A mandatory justification step when a user buys via manufacturer reference outside framework above a configurable value, with the reason recorded on the auto-generated purchasing protocol

This is governance built into the order, not reporting applied after it. For a regulated buyer, that distinction is everything.

Source: Unite analysis across 26 European defence customers; industry procurement benchmarking data

Step 5: Make the Compliant Route the Fastest Route

A governed catalogue that sits outside the systems your buyers use every day will not be used. Policy does not change purchasing behaviour. Friction does. Remove the friction from the compliant route and maverick buying stops being a discipline problem. It stops because the workaround is slower. This is the step where governance becomes self-sustaining.

Connect to the System Already in Use

Unite integrates with the ERP and procurement systems already in operation across defence organisations, including SAP Ariba, Coupa (and more) via punchout catalogue connection. The buyer stays inside the workflow they already know. The order is raised, approved and receipted inside the system they already trust. **No parallel process. No shadow procurement. No workaround.**

Measure the Friction You Are Removing

- Manual indirect orders £80–£150
- Governed catalogue order £4–£8

This gap is not an efficiency argument, it's an adoption argument. When the compliant route is measurably faster and cheaper for the buyer placing the order, compliance becomes the path of least resistance. **That is how you close the gap between policy and behaviour.**

What Audit-Ready Adoption Looks Like

Every order placed through a governed catalogue generates a purchasing protocol automatically. The audit trail builds from day one. No reconstruction, no retrospective justification, no gaps. For a regulated buyer, the difference between a catalogue order and a manual one is not just cost, it's the difference between evidence that exists and evidence that has to be assembled under pressure.

> "The organisations that achieve audit-ready indirect procurement are not the ones with the strictest policies. They are the ones that made compliance the easiest choice available."

Sources: UK Cabinet Office Procurement Policy Notes; SAP Ariba integration documentation; Unite customer cost analysis

Step 6: Make Supply Chain Compliance a Verifiable Position, Not a Claim

For aerospace and defence primes and Tier 1 contractors, supply chain compliance is no longer a due diligence exercise that happens at contract award. It is a continuous, evidenced obligation. The organisations that struggle at audit are not the ones that failed to comply. They are the ones that could not prove it.

#1

SME Supply Chain

79% of UK aerospace and defence indirect procurement orders go to SME suppliers. More than 70% of Unite's supplier network are SMEs.

#2

Supply Chain Sovereignty

100% EU-hosted, EU supply chain, EU data sovereignty. 94% of UK aerospace and defence indirect spend already flows to national suppliers.

#3

Sustainability Evidence

Line-item CO2 emissions data per order, GHG Protocol Scope 3 aligned, with an accuracy score on every figure.

"The prime contractor who can produce line-item evidence, SME participation, EU sovereignty, per order CO2 with an accuracy score, is not going beyond what is required. They are meeting a bar that a manual process would have failed."



Sources: UK Public Contracts Regulations 2023; Defence and Security Organisation (DSO) guidance; EU Defence Procurement Directive

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Step 7: Begin With a Governed Pilot and a Real Number

1. Run Your Own Number

The Unite Process Cost Calculator turns the benchmark into your figure. What indirect procurement costs your organisation, where it is leaking, and where it is recoverable.

2. Start With a Bounded Pilot:

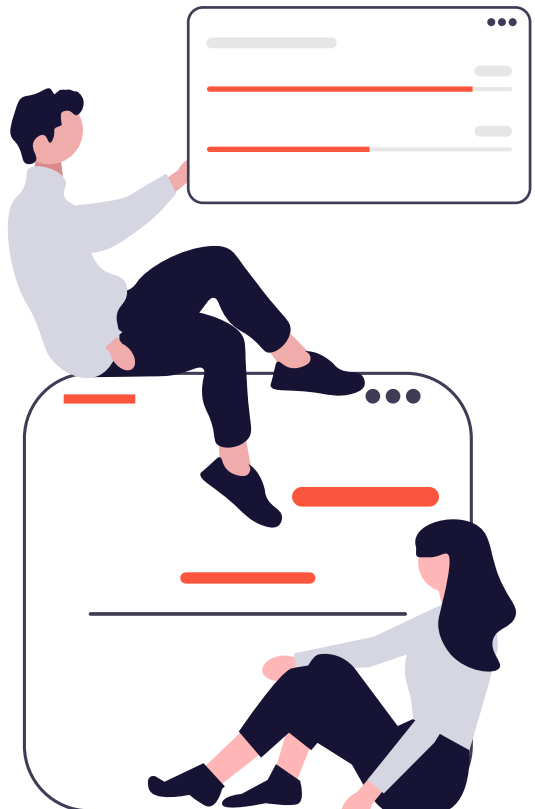
Onboard a defined set of tail-spend categories under controlled spending caps. Prove the governance model works inside your existing procurement infrastructure before scaling it.

3. Evidence as You Go

Every order generates its purchasing protocol automatically. The audit trail builds from day one. No reconstruction, no retrospective justification.

Unite is the trusted European control layer for indirect procurement in aerospace and defence.
Calculate your savings →

Sources: Unite internal spend analysis, PWC, EY, Mckinsey



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About Unite

Unite is a European procurement platform combining a single-creditor marketplace with governed catalogue intelligence and expert services. Unite charges a transparent service fee; it's free from conflicts of interest and treats all suppliers equally.

It makes procurement compliant, efficient and resilient – reducing operational load and maintaining cost control. Hosted on EU servers Unite offers a trusted alternative to non-European providers, strengthening local value creation and keeping procurement data where it belongs.

Founded in 2000 and headquartered in Leipzig, Germany, Unite operates in 12 European countries. Revenue in 2025 totalled €465.3 million. Unite has carried the Fair Tax Mark since 2022 and connects the economy for sustainable business.

Value added. **Value shared.**

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