

7 Steps to Controlling Indirect Spend in Manufacturing

The procurement leader's field guide to getting back 5,618 hours a year.

The Hidden Cost **You're Already Paying**

Indirect procurement costs the typical European manufacturer 5,618 hours and €224,640 a year. Most of it remains invisible until an organization actively audits its operations. Below is the structural baseline of unmanaged indirect spend across typical European manufacturing environments:

Metric	Benchmark Value	Operational Impact
Hours Lost Annually	5,618 Hours	Equivalent to 702 working days or roughly 3 full-time employees spent on unmonitored tasks.
Annual Cost Baseline	€224,640	The invisible procurement administrative and operational bill paid annually.
Orders Per Year	3,250 Orders	Average volume of indirect orders managed across a highly fragmented pool of ~300 suppliers.
Maverick Buying Rate	13.5%	Standard baseline of off-contract purchasing, which compounds heavily at individual plant levels.



Step 1: See the Spend You're Not Managing

The modernisation and digitalisation gap between direct and indirect categories represents a significant operational vulnerability for manufacturers:

Direct Procurement (Mature):

Governed, negotiated, and completely integrated into core ERP environments. It tracks raw materials, components, and primary plant equipment with total visibility.

Indirect Procurement (Unmanaged Leak):

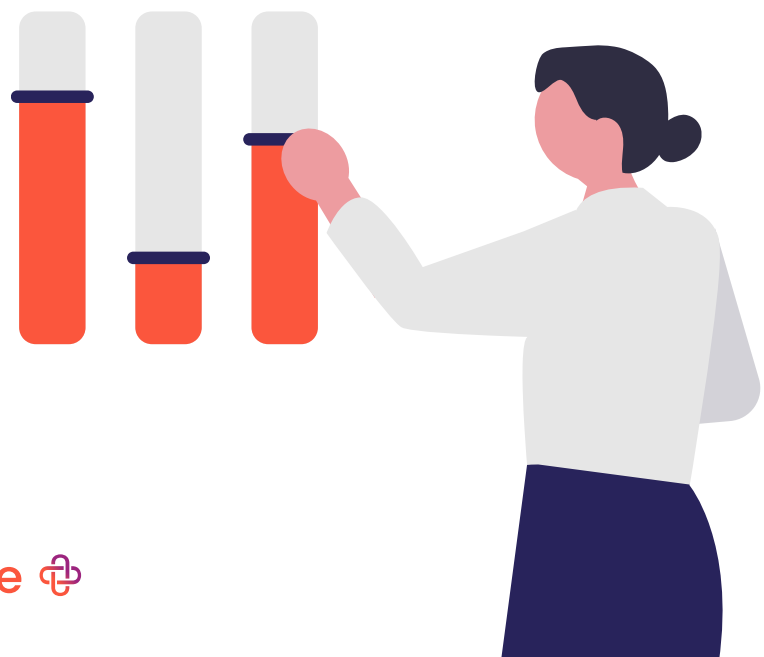
Encompasses MRO (Maintenance, Repair, and Operations), technical consumables, laboratory supplies, packaging, fleet, and corporate IT. This long tail frequently lives in offline spreadsheets and local plant side-deals

The Digitalization Gap:

The HTWK 2025 study reveals that only 15% of manufacturing organizations utilize fully digital, integrated indirect procurement workflows. Over 40% still rely entirely on Excel.

Sourcing Strain:

Manufacturers handle an average of 50 indirect sourcing cases per year, compared to a cross-sector average of just 30.



Step 2: Identify What the Fragmentation Is Actually Costing

Supplier sprawl introduces four severe friction points that compound across manufacturing operations:

- 1. Process Cost:** Every manual transaction incurs heavy administrative labor covering material selection, approval, ordering, goods receipt, invoice matching, and financial payment. The average manufacturer spends 32 minutes per order on the Procure-to-Pay (P2P) cycle alone.
- 2. Price Leakage:** Decentralized buying eliminates benchmarking. Identical indirect and MRO items are routinely purchased at vastly different prices across distinct production plants during the same week.
- 3. Supplier-Management Overhead:** Managing roughly 300 individual supplier accounts requires about 7 hours per supplier annually just to maintain baseline relationships (onboarding, contract management, and performance monitoring).
- 4. Compliance & ESG Exposure:** High maverick spend rates cause accounting discrepancy errors, cash-flow opacity, and an inability to provide verified line-item data when Corporate Sustainability Reporting Directive (CSRD) frameworks mandate strict audit-ready ESG tracking.



Case Study Baseline: Biotronik, a Berlin-based medical-device manufacturer, previously managed over 200 active suppliers with a maverick-buying rate exceeding 28%. Orders required several manual hours to process and averaged 5 to 7 days for delivery.



Step 3: Put a Real Number on the Upside (The Returns)

Consolidating indirect spend onto a single governed e-marketplace channel unlocks immediate, measurable efficiencies that satisfy strict CFO scrutiny:



Total administrative time cut across the purchase-to-pay workflow when transitioning to a single marketplace ordering pipeline.



Elimination of routine, repetitive manual tendering as governed catalogues seamlessly handle recurring pricing



Actively managed supplier accounts collapse by consolidating transactional volume onto a single-creditor financial architecture



Achieved when the integrated marketplace spot market beats standard internal framework contract pricing.

Proven Implementation Results:

Biotronik

Process costs per order slashed by 72%. Maverick buying plummeted from over 28% down to under 5%. Total supplier count collapsed to a single Unite creditor model. Order processing time shrank from multiple hours to 20 minutes, while fulfillment shipping lag dropped from 5–7 days down to 1–2 days.



BIOTRONIK
excellence for life

SEW
EURODRIVE

SEW-EURODRIVE

Lifted the automated processing rate of one-off, ad-hoc purchasing requirements from 40% to 65%. Fully optimized transactional long-tail sourcing.

Step 4: Make AI Do the Heavy Lifting, Not the Deciding

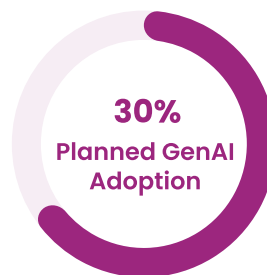
The fastest efficiency gain available to a manufacturing procurement team in 2026 isn't a new platform. It's using the tools already on your desk properly.

Generative AI shows the strongest planned-adoption momentum of any emerging technology in indirect procurement*. But standalone tools rarely deliver. Value comes from structure — the difference between a chatbot and a procurement analyst.

A simple, repeatable framework — define the role, state the objective, specify what data can and can't be shared, set the output format — turns a generic answer into a supplier scorecard, a total-cost-ofownership model, or a risk matrix you can use the same day

What AI handles well:

- Benchmarking suppliers at scale
- Drafting contract addendums
- Building Scope 3 tracking methods
- Modelling price trends on machinery components



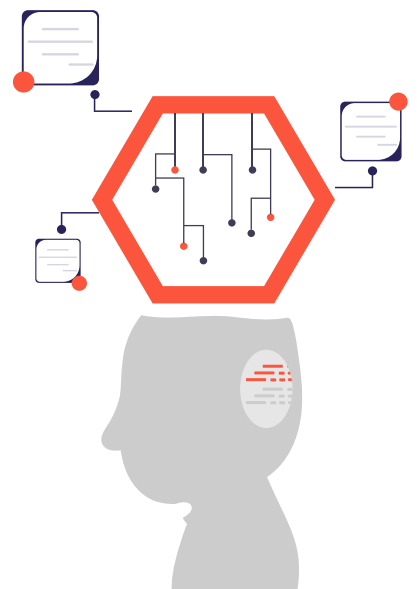
Marks the single strongest technology trajectory currently transforming indirect operations.



Close behind AI adoption to model pricing trends and identify category optimizations.



The buyer keeps the judgment. The machine takes the drudgery.



Step 5: Integrate Without the Rip-and-Replace

The single biggest reason manufacturing procurement teams defer a decision: fear of disruption. They've been burned by long implementations before. So the integration story has to come first — and it has to be technical.

- 1. Standards-Based Integration:** Unite connects through cXML and OCI punchout — the buyer stays inside SAP Ariba, Coupa, or whatever ERP and e-procurement estate already runs the plant. No new system to learn. No workflow to rebuild.
- 2. Iframe Embedding:** The entire Unite platform can sit inside your existing system under your own brand and visual identity. Unite invisible, in the best possible way. Bertrandt confirmed: *"seamlessly integrated in our ERP system, ensuring smooth operations within a unified environment."*
- 3. Single Creditor Financial Model:** Instead of managing hundreds of supplier accounts — each with its own invoice format, payment terms, currency and tax treatment — you manage one. One creditor. One invoice stream. One reconciliation. For multi-country European manufacturers, this removes the multicurrency, multi-entity invoice mess entirely.

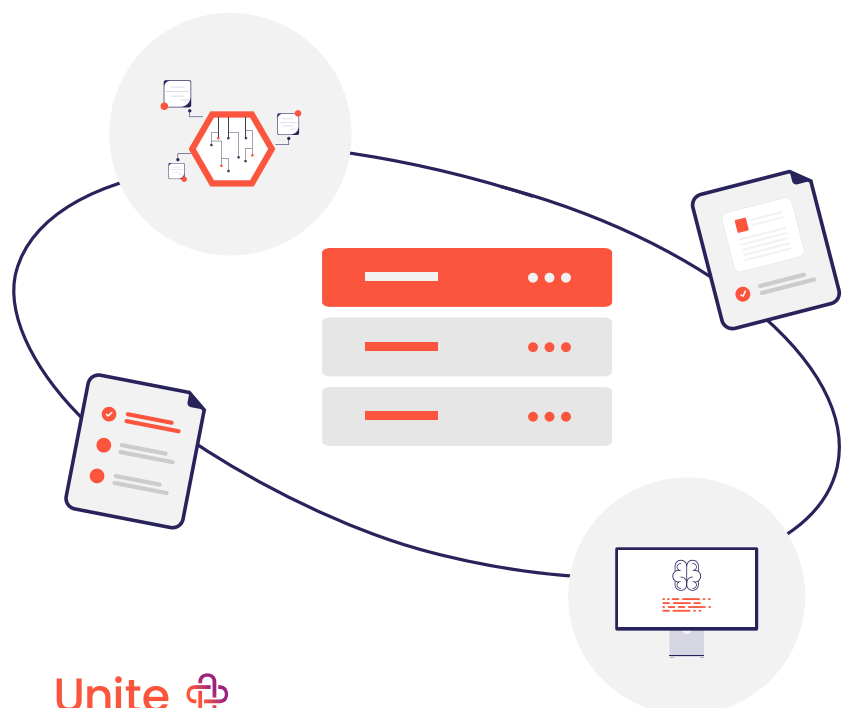
Consolidation reframed: you're not cutting suppliers and losing flexibility. You're cutting the actively-managed-supplier overhead. Controlled diversity, not dependence.



Step 6: Build Sustainability Evidence In, at Line-Item Level

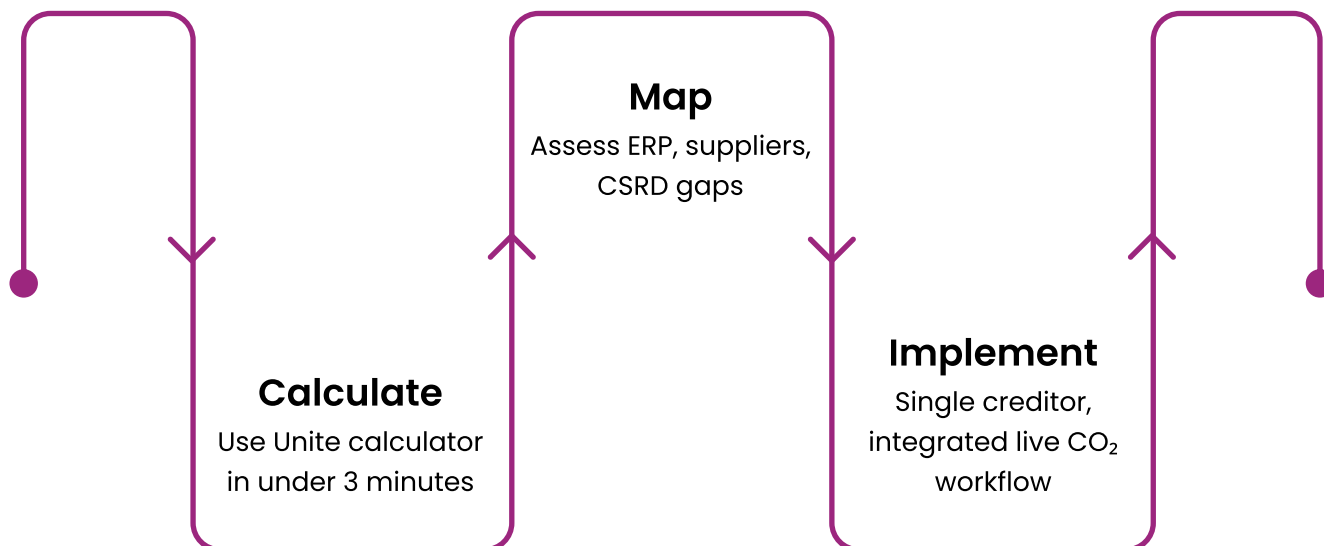
The Corporate Sustainability Reporting Directive (CSRD) converts ESG compliance from a marketing claim into a strict, verifiable accounting audit. This platform integrates transactional data directly to manage the burden seamlessly:

- 1. Line-Item Carbon Accounting:** Captures specific CO2 emission footprints per individual purchase order line, fully aligned with the GHG Protocol Scope 3 standard.
- 2. Data Verification Confidence:** Every carbon calculation carries an attached accuracy score and confidence rating, creating an audit trail that survives professional scrutiny.
- 3. The Synergy of Digital Maturity:** The JARO 2025 study* of 101 procurement leaders indicates that ESG strategy is 78% leadership-driven, and 65% of digitally integrated companies also maintain formal, mature ESG architectures.
- 4. Managing Workload Increases:** The HTWK study* establishes that manual ESG documentation adds approximately 20% to standard procurement workloads. Integrated digital pathways absorb this administrative overhead completely.
- 5. Credibility Verification:** Validated by concurrent holding of EcoVadis Gold status (top 5% of global firms assessed) and the Fair Tax Mark.



Step 7: Begin With Your Own Number

Every step so far points to one first move, and it's the smallest one. Don't start with a platform migration. Don't start with a supplier review. Don't start with a board paper. Start with a number for your own business.



The Unite Process Cost Calculator turns the HTWK benchmark into your figure — what indirect procurement is actually costing your operation, in time and in money — in under three minutes. That number is the business case. Without it, there's no project. With it, the conversation changes.

Calculate Your Savings

The Process Cost Calculator. Highest intent, lowest commitment. Your number in under three minutes.

Talk to a Specialist

Map your ERP estate, supplier base, and CSRD exposure against what Unite already does for Bertrandt, SEW-EURODRIVE and Arkema.

Implement & Measure

One creditor. One workflow. Live CO₂ data. No rip-and-replace. Pre-enabled inside SAP Ariba Spot Buy.

Unite: The European Control Layer for Indirect Spend

€465M

Revenue in 2025

Trusted by European manufacturers at scale

12

European Countries

Operating across the continent's major manufacturing markets

28M

Articles Available

Across 35,000 categories — one catalogue, one creditor.

Trusted by Leading Manufacturers

- **Bertrandt** — seamless ERP integration, unified environment
- **Biotronik** — 72% process cost reduction, maverick buying from 28% to under 5%
- **SEW-EURODRIVE** — automation rate lifted from 40% to 65%
- **Arkema** — indirect spend brought under governed control

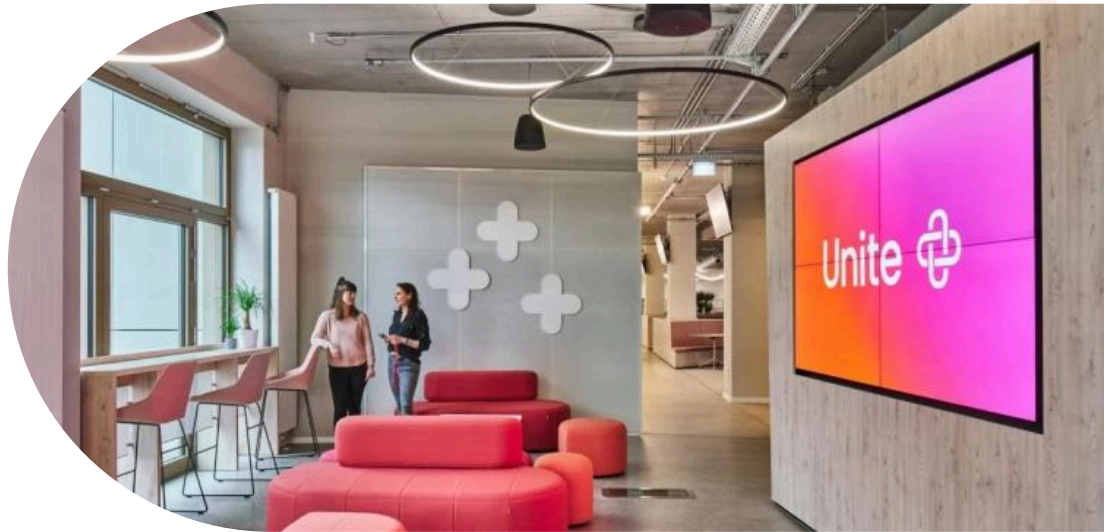
*Sources

Every figure in this guide is drawn from one of these sources:

- HTWK Leipzig × Unite, Navigating Indirect Procurement (2025, n=181)
- JARO sustainability study (2025, n=101)
- Unite transactional benchmarking data
- Customer evidence: Biotronik, Bertrandt, SEW-EURODRIVE, Arkema
- Unite: AI Guide for Manufacturing

You're losing 5,618 hours a year right now. The first step to getting them back takes three minutes.

[Calculate your savings →](#)



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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