

talent.

D R I V E

2023

Salary Review Guide

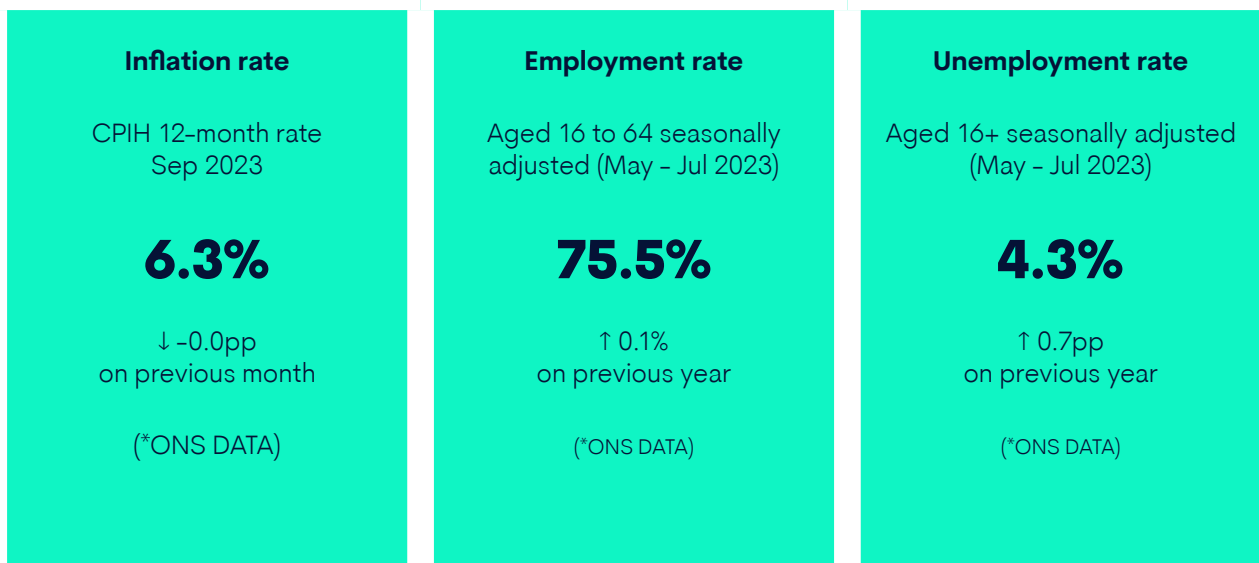
Talent Drive Salary Review Guide 23

Our Procurement guide for 2023 reveals some promising trends. It shows a 4.5% increase in procurement roles between 2022 to 2023, indicating a growing demand for professionals in this field. Additionally, according to the latest CIPS - The Chartered Institute of Procurement & Supply salary guide, there has been a remarkable 7.3% growth in procurement salaries across the UK.

The average salary for all UK procurement and supply chain professionals has been revealed as £53,359 for 2023. With current inflation in the UK at 8.7% this shows that Procurement is still behind overall inflation. There is so much growth opportunity in the Procurement sector but we must ensure that the economy invest in the profession by:

- Companies committing to funding CIPS qualifications (make this the norm!)
- Companies investing in procurement headcount both interim and permanent resource!!
- Procurement Leadership committing to Procurement Graduate Programmes
- Government allocating more funding to training and development in Procurement and building a closer partnership with CIPS

We need to change the narrative of Procurement being seen as an "overhead" to Procurement being an "added value" to organisations. So next time you are contemplating on the salary of a Procurement Professional you want to bring in just think at what the ROI would be for that individual!



What the Talent Drive salary guide is?

This is our first year releasing a salary guide on Procurement and Supply chain roles within our company.

This guide will show you:

- The changes we have found in the market between 22 to 23
- Salary averages in different roles
- Salary changes in certain industries
- Our insight to these changes

Who are Talent Drive?

Delivering Procurement and Supply Chain talent with impact.

Talent Drive was born of a vision to help both large and SME organisations find the most talented and driven Supply Chain and Procurement Professionals. 'Delivering with Impact' is the mantra we work by, epitomising our sole focus, sourcing the best talent quickly, and effectively.

Specialising solely in Supply Chain and Procurement recruitment, Talent Drive was founded by Martin Smith – a recruitment expert with over a decade of in-house and agency experience hiring Supply Chain and Procurement professionals across the UK and Europe.

About this guide

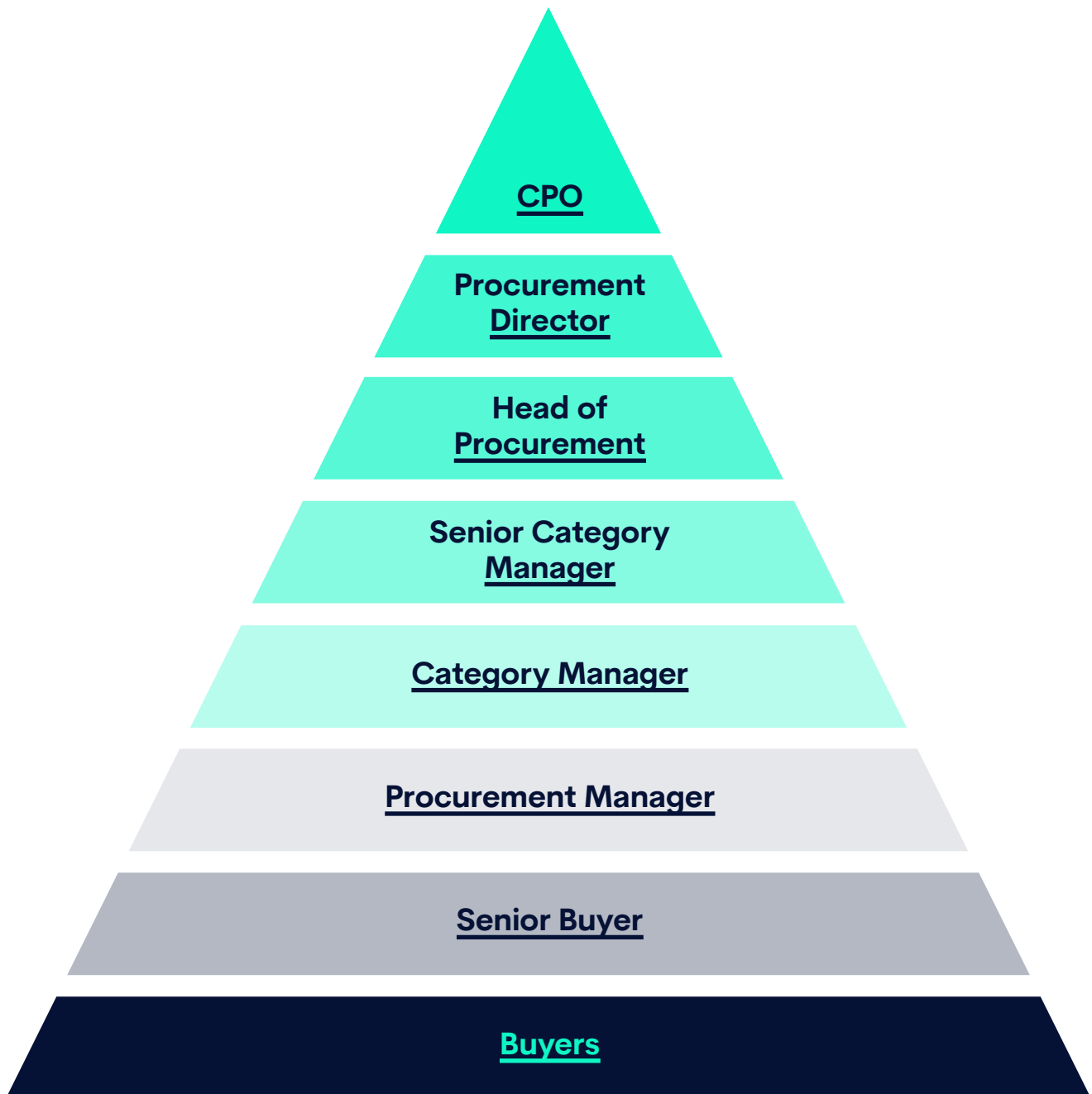
Procurement professionals play an essential role in driving cost savings, negotiating contracts with suppliers, managing risks, and ensuring ethical practices within supply chains. They contribute significantly to the success of businesses both large and small.

This guide is based on research of our data from 2022 to 2023 to show you the trends and changes we have seen in Procurement & Supply Chain roles. We have benchmarked salary from Buyer through to Chief Procurement Officer level and then broken that down into specific industry sectors and regions across the UK.

Sections this guide contains

Buyer	6
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Job roles and their sectors covered in this guide



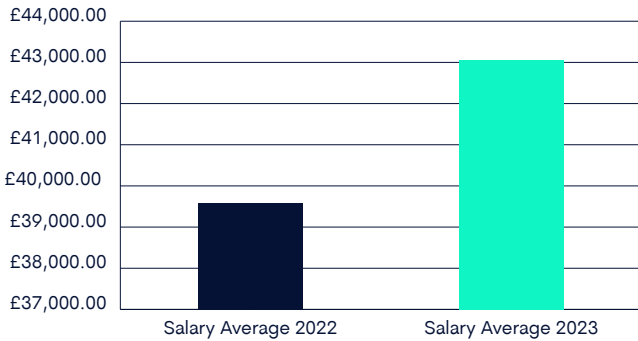
Sectors

Financial Services/Professional Services, Public Sector/Charities, FMCG and Retail, Consultancy, Manufacturing, Engineering, Construction, Utilities, Transport/Aviation and Property/Housing

Buyer

**+9%
increase**

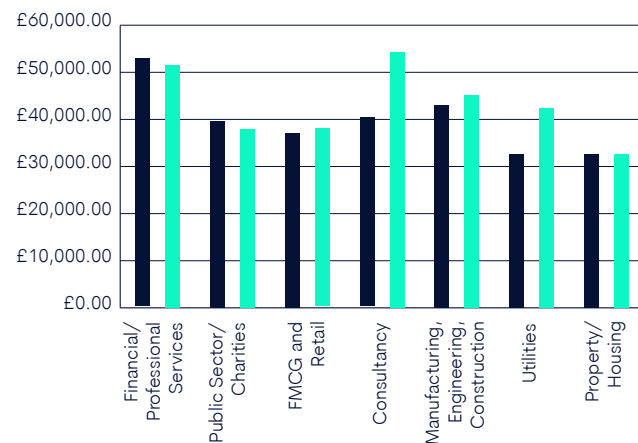
Salary Average



The buyer increase in salaries has increased higher than the overall 7.9% inflation rise we have seen in 2023 compared to 2022. This is the highest inflation of salary than any other permanent grading of role within the UK Procurement market and shows the high demand for entry level procurement talent for organisations.

Salary Range **£32,000.00** **£52,000.00**

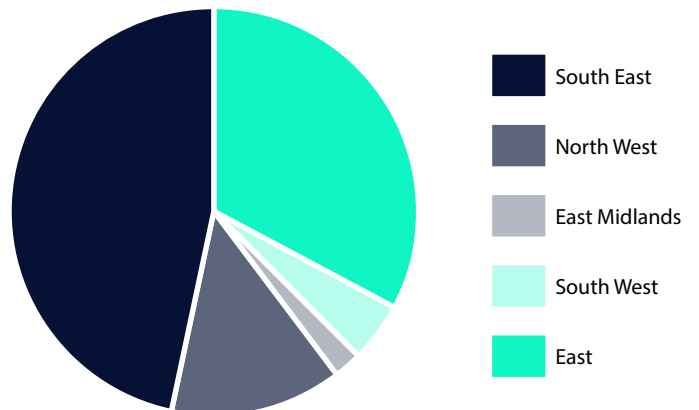
Sector Salaries



As you can see the highest inflation of buyer level salaries has come in the Financial Services and Consultancy industry sector. There has been a rise in Organisations wanting to engage with a consultancy rather than committing their own budget into a permanent headcount. This in turn has meant that consultancies have been able to invest more themselves in headcount particularly at the more junior end at consultant grade (which equates roughly to a buyer level salary)

Regions

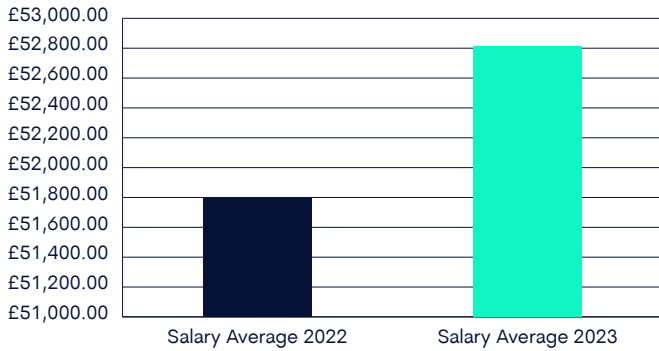
The most noticeable inflation of buyer level salary has been in the South-West. We believe this is down to a larger saturation of businesses with another turnover and volume of employees to justify more procurement headcount within the business so naturally there will be more competition for talent and thus the increase in salaries for organisations to be more competitive.



Senior Buyer

+2% increase

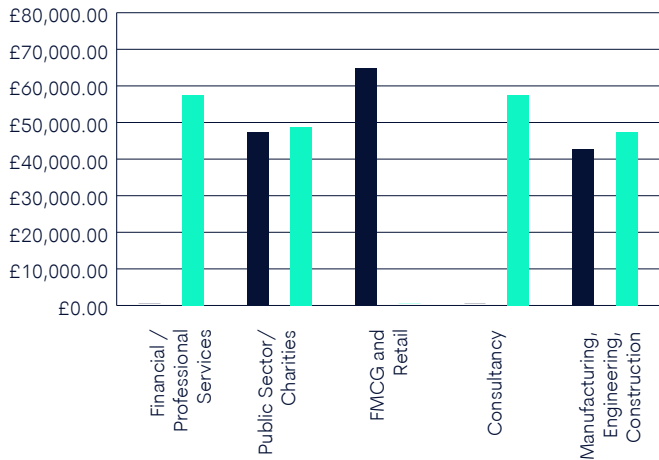
Salary Average



Not a noticeable rise in Senior Buyer level roles, only 2% which is less than standard national inflation. Some of the rationale here is that we have noticed that some of the Buyer level candidates actually jump up straight to Procurement Manager/ Category Manager salary graded roles. So actually, more organisations are choosing not to have a Senior Buyer level. Some sectors have phased out Senior Buyer graded roles as Buyers naturally want to get into owning a category or area of spend, therefore companies have had to rethink their structures and invest more in Procurement Manager grade roles.

Salary Range	£42,000.00	£58,000.00
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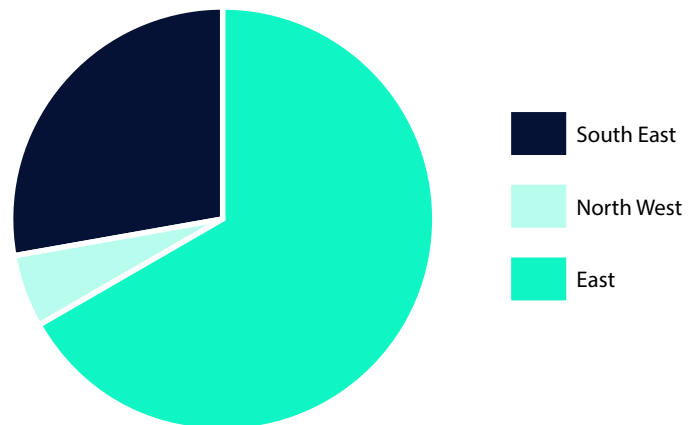
Sector Salaries



A surprising stat that despite supply chain inflation on goods, the FMCG and Retail market has seen the biggest increase in salary levels.

Regions

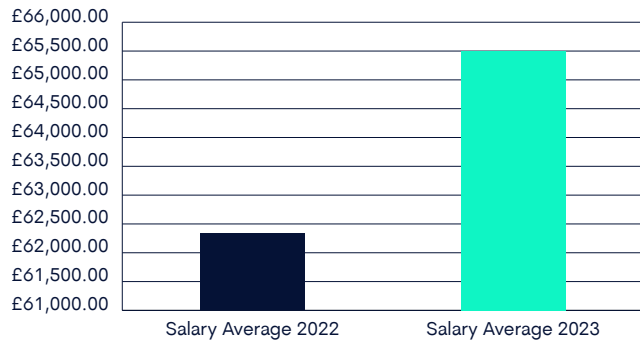
The South-East continues to dominate growth in inflation, this time for the Senior Buyer graded roles.



Procurement Manager

**+5%
increase**

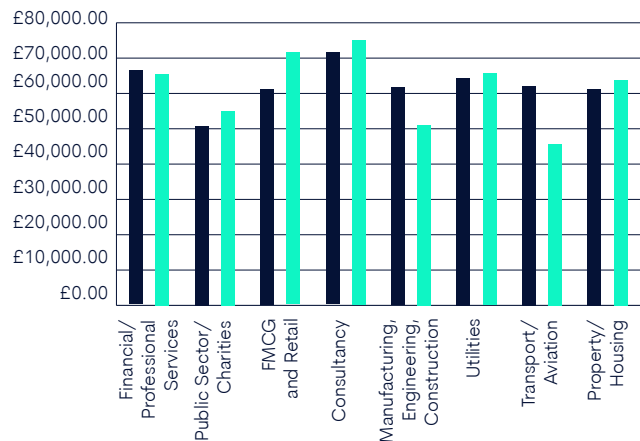
Salary Average



Procurement Managers is where we have seen over 30% of Talent Drive's jobs come in which highlights that demand still at "middle manager" level. A 5% increase represents a nominal uplift behind UK economy inflation.

Salary Range £50,000.00 £75,000.00

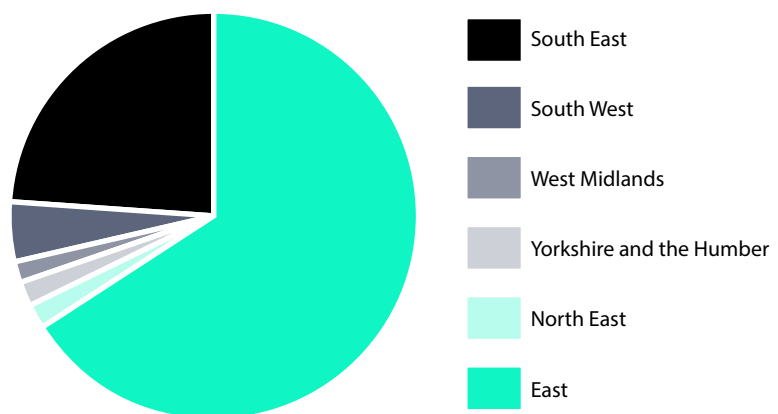
Sector Salaries



If we deep dive into the sectors we find for Procurement Managers, we have the widest range of salaries from £50k-£70k with Consultancy still coming out on top as the highest paid sector. Surprisingly, Retail and FMCG sector comes out 2nd for highest paid salaries. We believe this is down to hiring a number of quite niche and category specific roles such as logistics, distribution and capex which have been high in demand and have a lower population of procurement candidates with that knowledge which is why some of those roles have been paying a higher salary.

Regions

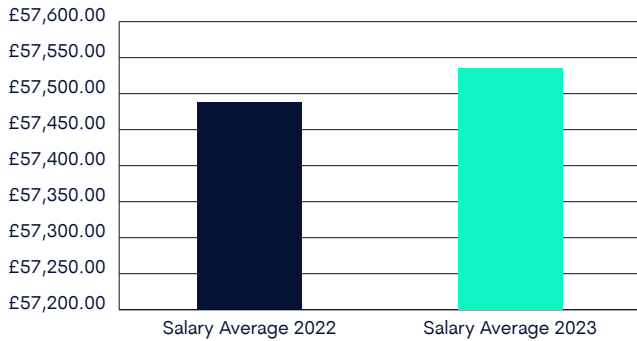
The east of the UK has been where our biggest demand of procurement manager level roles. Contrasting to last year where the South-East and South-West were are biggest regions of hiring for this level. This has partly been down to our growth with some large manufacturing brands in the East of the UK who have needed to build out Procurement Manager level capability. There has been a more static state of growth in regions such as the Midlands and North-East.



Category Manager

**+7%
increase**

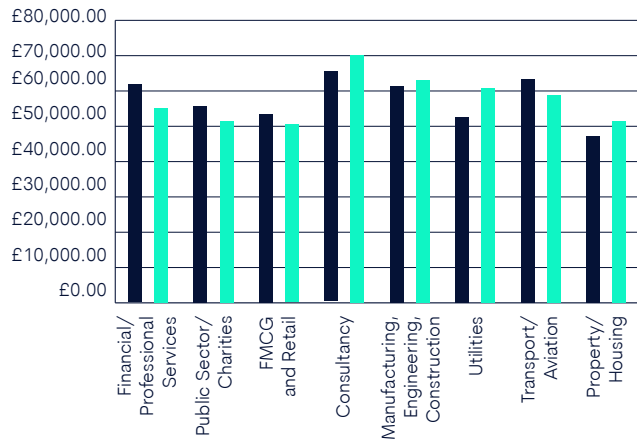
Salary Average



Category Manager salary inflation has hit a 7% increase which is a consistent increase in what we saw in the 2022 Category Manager salary increase which was also 7% increase.

Salary Range **£47,000.00** **£70,000.00**

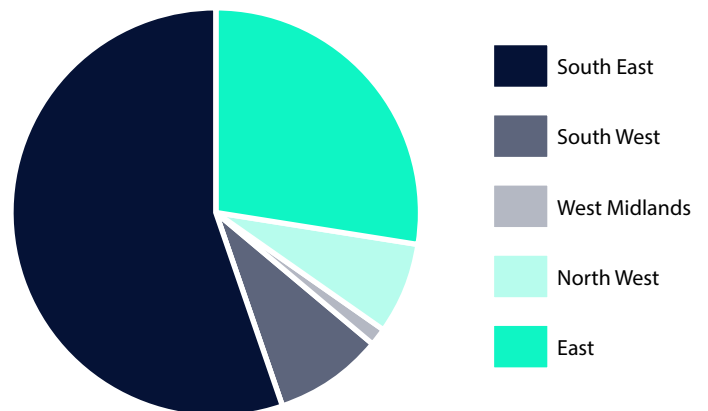
Sector Salaries



Again, like the Buyer level roles, consultancy has seen the largest sector increase in Category Manager level roles.

Regions

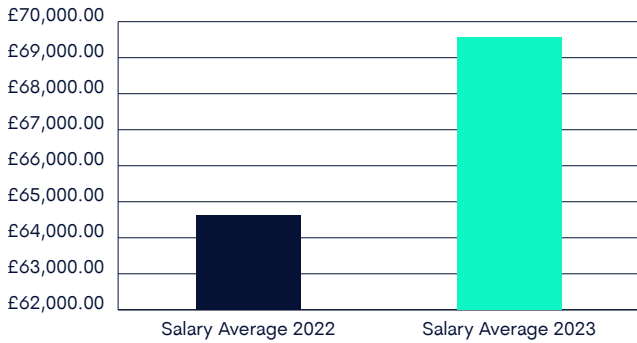
As we can see from the data over 50% of our Category Manager recruitment has sat in the South-East including London where over 25% of those placements have been. That shows a large demand in the city for Category Manager talent and less investment in other areas of the UK this year, surprisingly the South-West (which includes Gloucestershire, Bristol, Wiltshire, Somerset, Dorset, Devon and Cornwall) only represents 9% of our Category Manager hires which is down on over 20% for us as a business from 2022.



Senior Category Manager

+8% increase

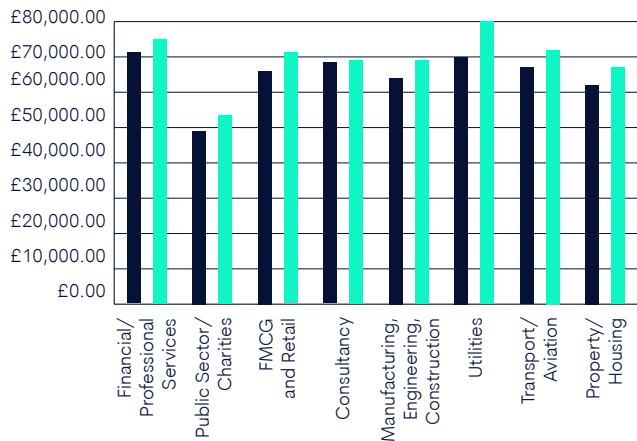
Salary Average



Senior Category Manager level roles have seen a larger 8% increase in salary. This has partly been down to a number of newly created job roles at this grade. Often in procurement the Procurement Manager grade then goes up to a Head of Procurement but more businesses are now adding Senior Category Managers or Heads of Category to manage specific large and complex spend within the organisation.

Salary Range	£47,000.00	£80,000.00
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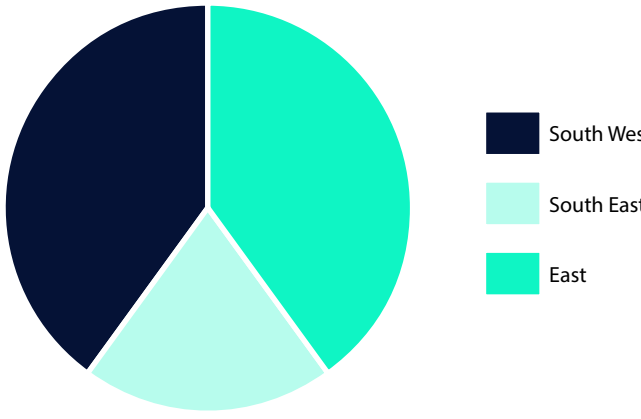
Sector Salaries



The salary range for Senior Category Manager has been the largest banding out of any salary levels. This is partly down to our Public Sector and Charity clients paying only marginally above a typical Procurement Manager or even Senior Buyer grade. This is compared to our Utilities and Financial Services clients who are willing to pay upwards of £80k basic salaries for this level of procurement professional. The scope of role at Senior Category Manager level really does vary from single contributors managing one specific area of spend to individuals managing multiple categories and people which is why the salary is so varied.

Regions

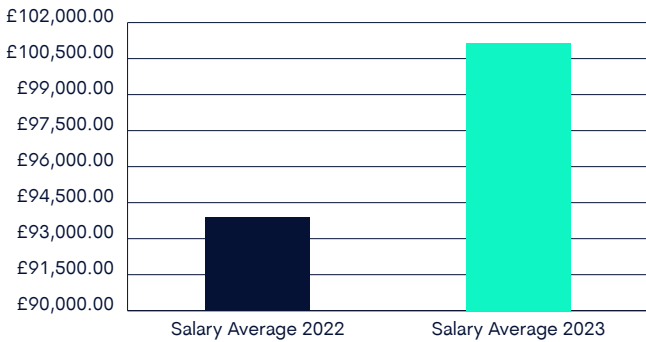
There has been a big drive of hiring Senior Category Managers across the South and Home Counties as you can see by the pie chart. Organisations in the Midlands and North regions have not typically gone external or indeed hired at all at Senior Category Manager grade for the clients we work with.



Head of Procurement

**+8%
increase**

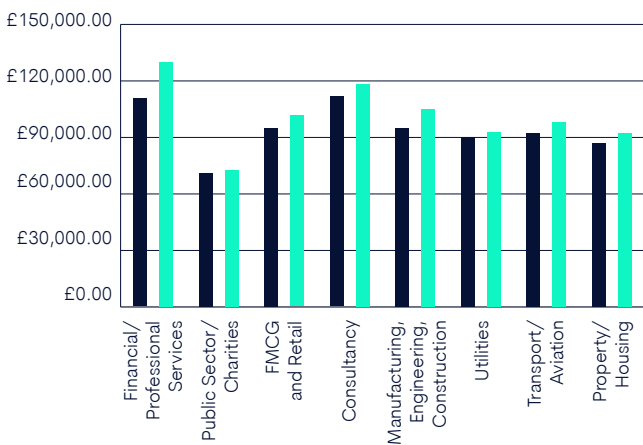
Salary Average



Head of Procurement level roles have been noticeably quieter for Talent Drive as a business in 2023 compared to 2022, we actually saw a 28% downturn in vacancies at this level we have worked. This is partly down to the uncertainty in the global economy has meant Head of Procurement level candidates have been more risk averse about making a change which has stifled growth in the market at this level. While we have seen an 8% increase in salary which is aligned to market inflation there has been less volume. Not only have candidates been more risk averse to move due to an unstable economy but also many of the Head of Procurement hires that our clients have made in 2023 have been internal. In fact, of the 29 Head of Procurement hires made across our 160 clients, only 9 have gone external, so that's just over 30%. Meaning the rest have been given to internal candidates or interim contractors.

Salary Range	£71,000.00	£118,000.00
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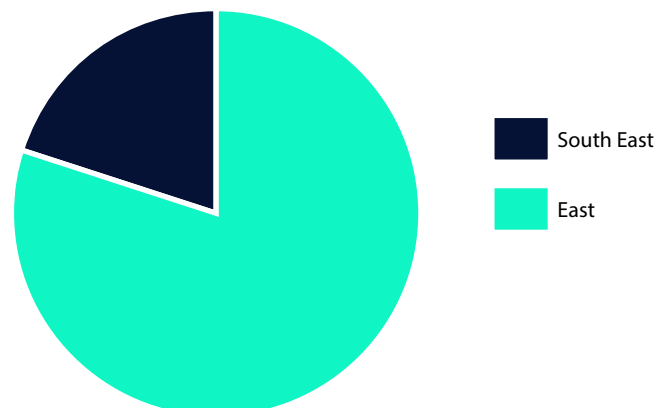
Sector Salaries



Financial Services for the second year has been paying the highest salary across our client base for Head of Procurement level candidates. All hires made have been above £110k basic salaries and 5 of those 9 hires we have made have come off the back of large transformations where they have needed to add a Head of Procurement level candidate to the business.

Regions

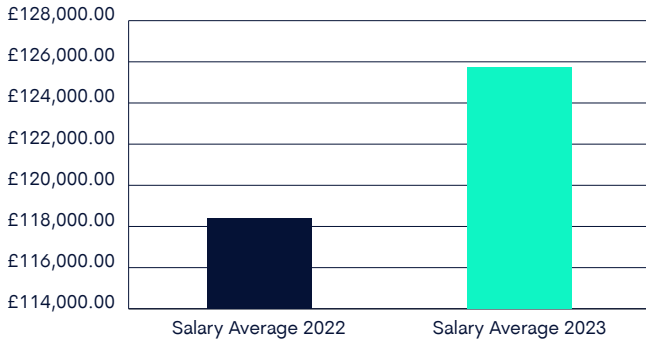
All Head of Procurement level hires that Talent Drive have made have been in the South-East or East of the UK. This is mainly in the London market which would align to where a lot of our Financial Services clients sit.



Procurement Director

**+6%
increase**

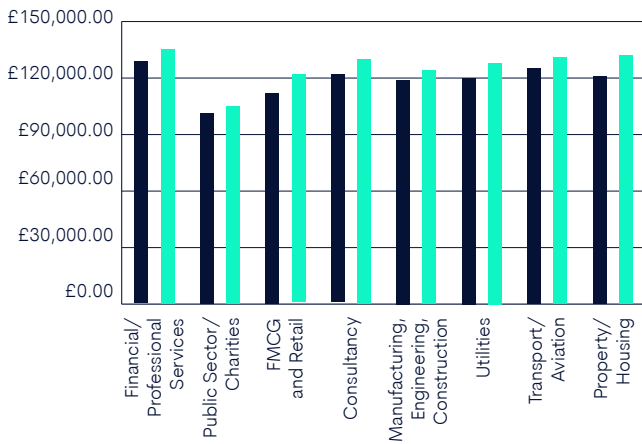
Salary Average



This was the hardest salary grade to pull data for a number of reasons. Firstly, for the same reasons that there has been a slowdown in Head of Procurement hires we can also apply this to Procurement Director level roles. Economic uncertainty has meant more Procurement Directors staying in their current post and therefore slowing down the movement and demand in the market. All of our Procurement Director hires apart from 1 have come from adding a brand-new Procurement Director in a greenfield or brownfield environment. The 6% increase again doesn't feel that significant but actually 2 of our 6 hires in 2023 at this level took a pay cut to go to our clients due to growth and opportunity which distorts this 6% salary increase figure. The other 4 candidates actually took north of 10% increase which would be typical of a normal more buoyant senior procurement market.

Salary Range **£135,000.00**

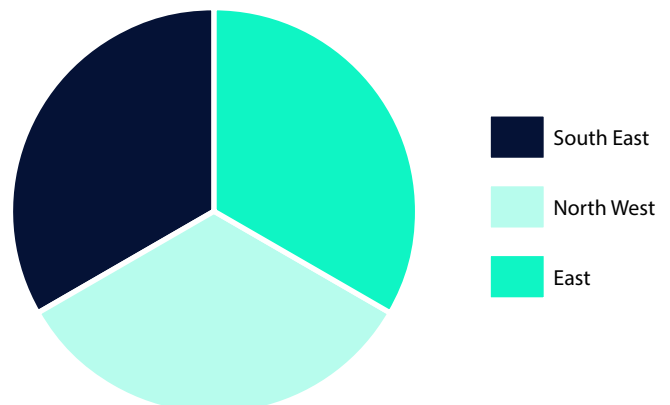
Sector Salaries



Financial Services and Consultancy have again seen the largest increase in salary at Procurement Director level. Interestingly, consultancy has where we have recruited the most Procurement Directors in 2023. These have mainly been new hire roles as the consultancies we have partnered with have wanted to invest in this level to take them into a new market or to bolster out their leadership team. Property and Housing and Financial Services were are other industry sectors to recruit in with Manufacturing salary levels remaining fairly consistent to 2022.

Regions

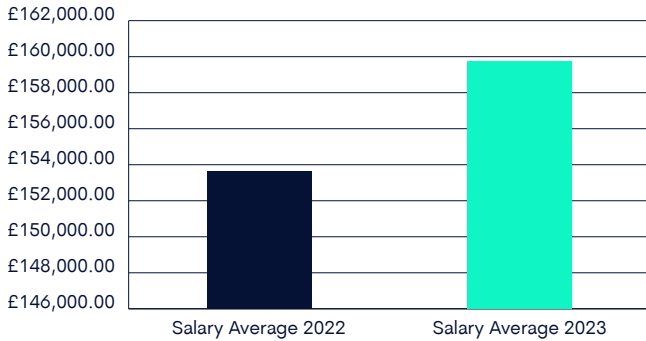
We have a pretty even North-South divide on hiring at Procurement Director level. The salary levels for our hires in the North-West vs South-East has been very similar so actually location hasn't impacted salary its been more the industry sector.



CPO

**+4%
increase**

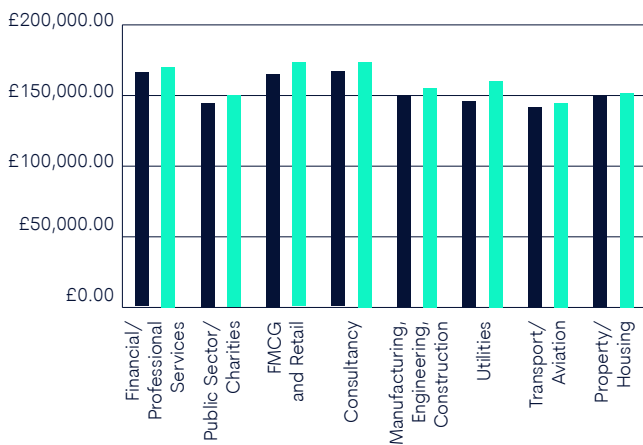
Salary Average



Using data collected from a number of our CPO network we have collected data that shows only a 4% increase in salaries for this salary level in 2023. The largest movement in the market at CPO level has been within the manufacturing and technology businesses which we believe a lot of this is down to them investing more in their supply chains and automation which has led to needing to bring more experience headcount into the business to help support this investment. The CPO employment market in Retail and FMCG and Hospitality has been noticeable quieter, but we believe that is again down to supply chain volatility and cost of inflation on goods meaning the focus has been less away on exec hiring and more on cost avoidance and supplier risk management with pre-existing headcounts or typically hiring at a lower grade to deliver this to these sectors. There is optimism for movement here in 2024 as projections would suggest inflation will level out and a combination of digital transformations and local sourcing meaning investing in a CPO will be more beneficial.

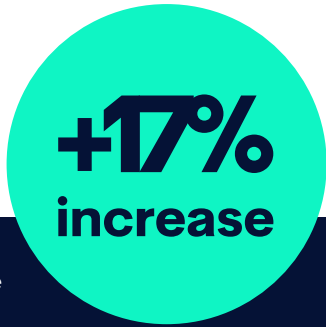
Salary Range	£142,000.00	£174,000.00
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Sector Salaries

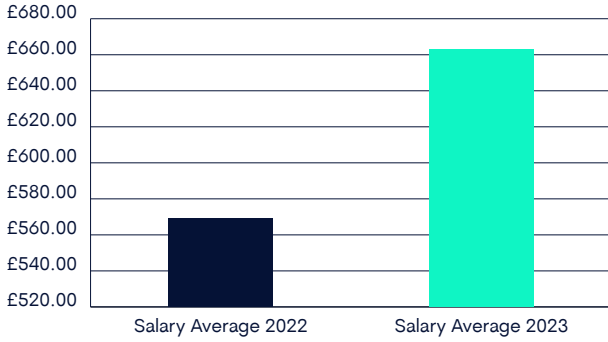


Most noticeable when we look at salary averages for CPO's across industries is that most industry sectors haven't seen large increases in pay, the largest difference being in Utilities. We anticipate a higher percentage uplift in 2024 with more companies expected to invest in CPO's, particularly within PE backed companies who have never had a CPO level role before. Financial Services and Retail come out on top as a highest payers within our client base. Interestingly both these sectors have seen a number of their CPOs, also take ownership of the Property team which has meant a widening of scope of their roles and responsibilities and thus the pay increase. Again, we are only basing this on our current clients we work with and we are purely looking at basic salary only.

Interim Day Rates



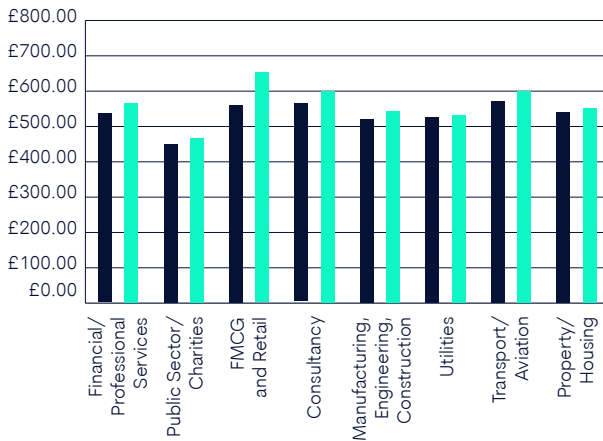
Salary Average



The highest increase in salary has been within our interim vacancies we have recruited. A 17% increase represents a huge rise which is partly down to demand where organisations have not wanted to invest in permanent headcount and would rather hire an interim for a short to medium term to deliver a project. We believe another reason for the noticeable uplift is candidates that have accepted being inside IR35 are looking for a 15%-25% uplift to offset them absorbing some of their costs such as NI and pension. There has also been a number of our consultancies winning large transformation projects and needing to utilise interim resource to deliver that specific project on a strict timeframe meaning more flexibility and willingness to increase day rate budgets to accommodate this.

Salary Range	£47,000.00	£70,000.00
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Sector Salaries



Our largest growth areas for interim resource has been in Consultancy and Manufacturing but interestingly across all our clients the FMCG and Retail sector has paid on average a higher day rate than all other sectors. We believe this may be due to cost pressures of hiring a permanent headcount and instead hiring an interim resource to deliver a project particularly to support on supply chain pressures that organisations are facing.

Thank you for reading our guide!

We hope that you enjoyed our insights and the trends we have found in the market.

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