



Press release

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London

New research from Maistro indicates that cost is a key barrier to growth for European businesses

[Maistro](#), the AI-powered procurement marketplace for services, has today released its *Procurement Predicament* research, which reveals that a quarter of businesses (25%) expect costs to hinder their short-term growth plans.

The independent research sought to identify the key issues that financial decision makers have faced in 2018, as well as any challenges they expect to see in 2019. The study also sought to capture opinions on the risks associated with the current, and expected, economic landscape, geopolitical factors, and market competition, with a particular emphasis on decision-making around procurement/suppliers.

The findings reveal that:

- Nearly a quarter (23%) of companies expect business growth to be the most challenging EBITDA target to achieve in the next financial year
- Overall, high costs are the number one reason why companies in Europe will struggle to achieve their operational objectives, with one in four citing this reason
- One in five companies see long implementation timelines as a barrier to organisations achieving their short-term operational objectives
- The same number plan to externally source services to test and deliver new business initiatives, rising to nearly one in three in the Nordics (30%)
- 15% of companies currently outsource their procurement – with nearly three times as many companies in France (28%) outsourcing their procurement function compared to the UK (11%).

Commenting on the findings, **Laurence Cook, Maistro CEO**, said:

“Our research provides real insight into the opportunities and threats that chief financial officers and key financial decision-makers in Europe are seeing first-hand. It also highlights their key concerns and short-term drivers for their businesses. Many businesses in Europe are currently looking to expand rapidly over the short-term, yet our research shows that the high costs often associated with growth could hinder that short term-strategy. Many businesses that are on an accelerated upward trajectory could be hindered by cost implications.

“CFO’s are increasingly looking for new methods to achieve their short-term business objectives. There is huge potential for procurement to make an immediate impact on EBITDA targets covering growth, gross profits and operational efficiencies. However, the outlook at a macro level is not consistent, with UK businesses currently lagging behind the rest of Europe when it comes to innovative approaches to optimise operating costs.”

Helen Alder, Head of Product Development, The Chartered Institute of Procurement & Supply (CIPS), added:

“This research from Maistro sheds light on a number of the key issues affecting CFOs in Europe as political and economic uncertainty continue to have a significant impact on their businesses. In short, the findings show that CFOs are increasingly aware of the short-term sense of urgency and looking for business partners who can help prioritise operations accordingly. We urge the procurement industry to take notice of the findings.”

The survey, conducted in August 2018 included responses from over 500 CFOs and financial decision makers in the UK, France, Switzerland, Germany and the Nordics.

Maistro’s *Procurement Predicament* report can be found [here](#).

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About Maistro

Maistro is an online B2B Marketplace and AI-powered delivery platform designed to accelerate the corporate buying process and optimise spend. Headquartered in the UK, Maistro is a public company listed on the London Stock Exchange’s AIM market (MAIS).

www.maistro.com

About CIPS

The Chartered Institute of Procurement & Supply (CIPS) is the world's largest procurement and supply professional organisation. It is the worldwide centre of excellence on procurement and supply management issues. CIPS has a global community of over 200,000 in 180 different countries, including senior business people, high-ranking civil servants and leading academics. The activities of procurement and supply chain professionals have a major impact on the profitability and efficiency of all types of organisation and CIPS offers corporate solutions packages to improve business profitability.

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