Procurement KPI cheat sheet

14 core KPIs: the question each answers, how to calculate it, its value on a fictional practice dataset, and the common mistake.

Procurement Analytics & AI Masterclass
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KPI	Question it answers	How to calculate	Sample value	Common mistake
Total spend	How much did we spend in scope and period?	Sum of invoice amounts	NGN 552,660,500	Presenting a total that has not been reconciled
Category spend share	Where does the money go?	Category spend / Total spend	Professional Services 44.09%	Reading share as savings potential
Top 10 supplier share	How concentrated is our spend?	Spend with the 10 largest suppliers / Total spend	87.99% (NGN 486,310,500)	Calling a large supplier a single point of failure from spend alone
Supplier HHI	Is dependency rising over time?	Sum of squared supplier shares in percent	1,231	Arguing over thresholds instead of watching the trend
Transaction tail	How many small invoices do we process?	Invoices under NGN 1,000,000: count and value / Total spend for the share	96 invoices, NGN 18,810,500, 3.40%	Reporting released staff time as a cash saving
Average and median invoice value	What does a typical purchase look like?	Total spend; middle invoice value / Invoice count	Mean NGN 3,684,403.33; median NGN 312,500	Using the mean to describe a typical purchase
PO compliance rate (spend)	How much money passes through a PO?	Spend with a PO reference / Total spend	82.03%	Describing it as proof of prior approval
PO compliance rate (count)	How often do people follow the PO process?	Invoices with a PO reference / Invoice count	70.00% (105 of 150)	Reporting either rate without naming which one
Contract coverage	How much addressable spend is under a contract?	Contracted spend / Addressable spend (all spend on the sample)	62.06%	Treating the contract flag as proof of valid scope
Off-contract (maverick) spend rate	How much spend went to suppliers without a contract?	Spend flagged not contracted (N flag, counted directly) / Total spend	37.94% (NGN 209,663,500)	Computing it as 1 minus contract coverage when flags can be blank; calling it loss
Control matrix	Which controls failed, and together or apart?	Spend in each PO by contract box / Total spend	PO+contract 53.41%; PO no contract 28.62%; contract no PO 8.65%; neither 9.31%	Subtracting contract coverage from PO compliance rate to measure the gap (hides the contract-no-PO box)
Control review population	How much spend is outside at least one control?	Spend with no PO, or no contract, or both / Total spend	84 invoices, NGN 257,488,500, 46.59%	Adding the PO and contract exception totals without removing the overlap
Payment terms (spend-weighted)	On what terms have we agreed to pay?	Sum of terms x amount / Total spend	28.99 days	Calling it observed time to pay
Short-terms spend share	How much do we pay within 7 days?	Spend on terms of 7 days or less / Total spend	25.96% (NGN 143,491,000)	Pushing small critical suppliers to longer terms

Read the highlighted row twice. PO compliance (82.03%) and contract coverage (62.06%) look healthy, yet 46.59% of spend sits outside at least one control. Adding the gaps double-counts; subtracting the rates hides boxes. Use the PO by contract matrix.

Not measurable from a spend file alone: validated savings, cost avoidance, price variance against contract, on-time payment, supplier OTIF, sourcing cycle time. Each needs another data source. Say so rather than estimate.

Sample values come from a fictional dataset of 150 invoices and 20 invented suppliers (NGN 552,660,500). Independent training material, not accredited or endorsed by CIPS or any professional body. The full 29-KPI dictionary is in the Starter Kit.