

What the UK Public Sector Should Be Considering for 2025



Public Sector procurement is becoming more dynamic than ever as teams are expected to react faster and more flexibly to sudden changes and unexpected developments. In this checklist, JAGGAER provides some ideas on how you can make your purchasing more crisis-proof, resilient, agile and efficient from 2025 onwards.



1. Get 'Reg Ready'

The Procurement Act 2023 will improve and streamline the way public sector procurement is done in the UK and benefit prospective suppliers of all sizes, particularly small businesses, start-ups and social enterprises. The launch of the new procurement regulations marks a new era for all buyers and sellers providing critical goods and services for the benefit of UK Citizens. Every organisation needs to make both its people, processes and systems ready for 24 February 2025 to maximise the benefits these new regulations offer.



2. Your people make the difference – lead them or lose them

The question, “Do we really need digital transformation?” has been answered. Today’s professionals want to work in a modern, high-tech environment, where they can focus on strategy, not routine. The competition for top talent will intensify in 2025 and if you want to recruit and retain it you must communicate your vision for the future of the function and prepare them accordingly.



3. Are you prepared for what is on the horizon for 2025 and beyond?

This decade has provided a range of generational challenges previously not witnessed in the profession. Wherever you sit in the world, tariffs and other protectionist measures will require continual monitoring of supply chain strategies, supplier assurance and market viability. Supplier intelligence comes to the fore as does supplier risk management and mitigation. It's time to carry out a thorough audit. Addressing many of the other checkpoints on this list will be key to navigating your way through an uncertain world!



4. Reevaluate and diversify your sourcing strategies where possible

In this VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world, sourcing strategies are much more short-lived than in the past. This calls for flexibility. Given the current supply chain uncertainty, it makes sense to diversify your supplier base to reduce risk (where this is possible – with many large projects it will not be); that may mean, for example, identifying more local suppliers. With the new regulations shifting the emphasis to value for money, there is an increased possibility for awarding contracts not only according to price, but also according to the supplier's responsiveness, reliability and resilience, together with their ability to demonstrate social and environmental responsibility, among other factors. This puts you in a better position to survive supply chain risks and actual disruptions while meeting socially mandated objectives.



5. Improve supplier collaboration

Enhance operational efficiency and mitigate risks by modernising your collaboration with suppliers of goods and services. Fully digitalised supply chain management will improve collaboration for cross-functional teams and reduce costs in real time. Open communication in a trust-based environment will enable you to respond to (often unforeseen) changes with greater agility while improving quality. Maintaining excellent supplier relationships also contributes to greater economic sustainability. In times of pressure and crisis, these relationships give agencies greater agility. But you must work on these relationships, always ensuring that they bring optimum mutual benefit.



6. Act on ESG – sustainability and cybersecurity

While the threat of trade barriers causing global uncertainty in 2025 exists, ESG remains a focus for public sector organisations due to societal expectations that they should be setting examples and standards for others to follow. The UK and EU have worked hard to establish laws that ensure the highest level of compliance.

Organisations must also act to ensure that cybersecurity and data protection best practices are embedded in their procurement processes as part of their overall corporate governance strategy. They must safeguard the integrity, authenticity, and confidentiality of every transaction. The past two years have seen an alarming rise in the number of cyberattacks with some very prominent victims, so it is vital to carry out a risk assessment and build resilience.



7. Increase transparency across the supply chain

Recent legislation and public pressure require organisations to have comprehensive information about their entire supply chain at all levels of participation. Supply chain managers and their political leaders do not want to be hauled before standards committees or the media without having the facts at their fingertips. Yet it is incredibly difficult to demonstrate what's going on in the extended supply chain without access to the relevant bills of materials. The reputational damage caused by a lack of such transparency could be enormous. Supplier risk management must be prepared, both organisationally and technically. Here too, you need centrally managed data from both internal and third-party data feeds.



8. How can digital transformation reduce costs? Measure ROI!

The future of government purchasing/commercial services is digital. This is inevitable because suppliers and markets are themselves increasingly digital. Identify what is your overall goal for your organisation in terms of digital capabilities before assessing your current maturity and progress towards this goal. This is an investment for your organisation so establish objective measures of ROI to demonstrate value to stakeholders, returning to them regularly to assess the derived benefits. With governments looking to reduce the cost burden of public services, commercial services will be expected to achieve and demonstrate greater value for taxpayers through both efficiencies and cost savings.



9. Build a roadmap to a fully integrated source-to-pay process

Do you want to become more efficient in 2025, automate recurring processes and take cooperation with your suppliers to a new level? Then you need a fully digitalised source-to-pay process to integrate with other budget-holding functions within your authority or agency. It won't happen overnight, but it is essential to think ahead so build your roadmap with key milestones starting in 2025. It is impossible to manage multiple suppliers, and to switch between them with agility, without digital processes and powerful workflows.

Very often, purchasing and supplier data and processes exist in different apps and locations. It is better to have a centralised platform with interfaces to all existing solutions. In this way, you achieve a 'single version of the truth' across all processes and with it, greater efficiency and transparency. Moreover, public authorities and agencies that pool data will also typically achieve savings and efficiencies.



10. Use advanced analytics and AI

Sure, there is a lot of hype around AI. But in public sector procurement, advanced analytics and artificial intelligence will play an increasing role in analysing the cost base from the bottom up to identify savings and efficiencies in the light of a fast-changing trading environment. Combined with supplier intelligence at a global level, it will prove vital to organisations seeking to maintain and enhance their effectiveness in a changing world.



Start your digital transformation now – with JAGGAER:

Would you like to advance your digital transformation, accelerate it, or realign it? Do you want to increase savings and efficiencies while managing supplier risk? JAGGAER's source-to-pay and supplier collaboration experts will support you and advise you on the next steps.



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