

## INSIDE THIS ISSUE

How many procurement leaders have made tail spend a top-5 priority for 2026?

How many see it as important but have not formalised it?

What share of total spend does the tail represent?

How much could be saved where spend is unmanaged?



# Tail spend: too complex to manage, too big to ignore

Why the long tail of procurement stays structurally unmanaged, what it costs, and how a turnkey, success-fee model tips the balance. Findings from a survey of 88 procurement leaders.

WITH THE PARTICIPATION OF PROCUREMENT LEADERS FROM



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INTRODUCTION

# Most procurement functions agree tail spend matters. Few have organised themselves to manage it.

To understand why, we surveyed 88 procurement leaders from 75 organisations across 12 industries in June and July 2026, and complemented the survey with expert interviews.

The issue isn't awareness. Tail spend is hard to turn into a clear, owned and economically compelling priority. It sits across hundreds of small, heterogeneous and often local purchases. Teams are therefore drawn, quite rationally, to the largest spend areas, where volumes are concentrated, savings are easier to evidence and accountability is clearer. The long tail, by

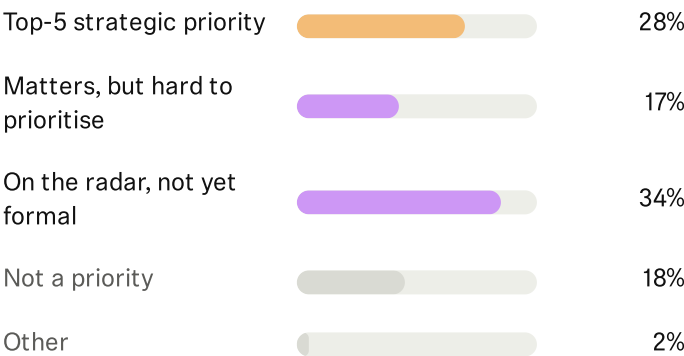
contrast, demands heavy coordination for benefits dispersed across the organisation.

Yet a fragmented, uncontrolled supplier base carries a significant hidden cost: administrative overhead, unleveraged purchasing opportunities, and compliance and reputational risk, even when each transaction appears immaterial.

The result is a persistent gap. The effort to manage tail spend is immediate and visible. The cost of leaving it unmanaged is diffuse and difficult to quantify.

This report sets out what we found, and how leading teams are closing that gap.

WHERE DOES TAIL SPEND MANAGEMENT RANK AMONG YOUR PROCUREMENT PRIORITIES FOR 2026?



28%

HAVE MADE TAIL SPEND A TOP-5 STRATEGIC PRIORITY FOR 2026

51%

SEE IT AS IMPORTANT BUT HAVE NOT FORMALISED IT, OFTEN FOR LACK OF DEDICATED RESOURCES OR TOOLS

ABOUT THE STUDY

88

procurement  
leaders surveyed

June-July 2026

fieldwork period

75 organisations

across 12 industries,  
respondent coverage

11-question survey

quantitative research,  
complemented by expert  
interviews

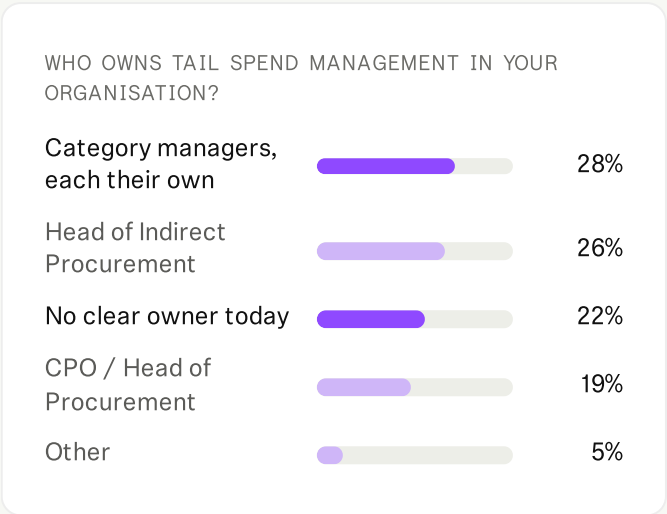
# Tail spend stays structurally unaddressed as it lacks three foundations of control

No clear governance, no clear visibility, fragmented channels. Each function handles its own small purchases; no one owns the aggregate problem.

## No clear governance

Ownership varies from company to company, with **no standard model**. Across **50%** of responses, tail-spend ownership is **fragmented across category managers or has no clear owner**.

Tail spend is **rarely treated as a shared Finance and Procurement priority** (co-owned in 20% of responses), limiting the visibility and executive mandate needed to address its cost and risk.



Tail spend is distributed across IT, non-IT, operations, industrial procurement and local teams. Each function handles its own small purchases, but no one owns the aggregate problem.

For procurement leaders and CFOs, the immediate objective is simply to keep purchasing running: place orders, pay suppliers, avoid burdening internal teams.

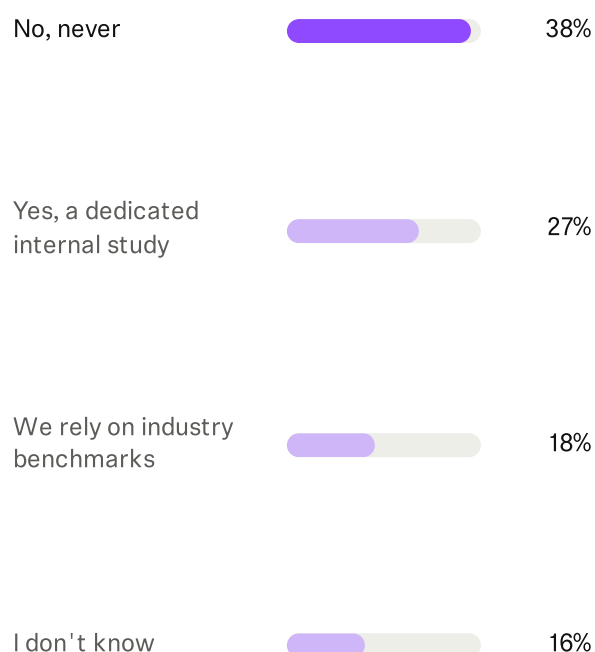
Yet even Finance has a direct stake: supplier onboarding, master-data checks and invoice processing often sit beyond Procurement.

Without a joint mandate, the cost of handling many small suppliers remains dispersed, and the case for action never becomes urgent enough.

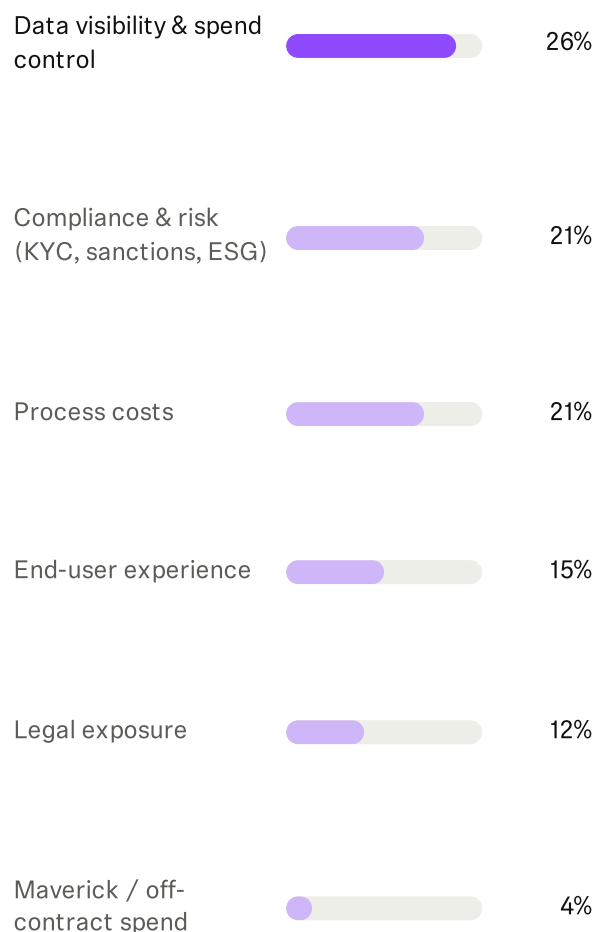
No clear visibility

**Only ~30% of procurement leaders have really measured tail spend.** 20% of the rest take it from benchmarks, and 50% have never quantified it.

HAS ANYONE EVER QUANTIFIED THE PROCESS COST OF TAIL SUPPLIERS?



WHAT IS YOUR #1 CHALLENGE TAIL SPEND CREATES?



Relevant data is scattered across business units, sites, local purchasing teams and a large supplier base. Teams often need to reconstruct visibility manually through supplier names and invoice amounts, followed by extensive reclassification work.

Few resources are allocated to this clean-up. As a result, organisations lack a reliable view of who is buying what, from which suppliers, and within which categories.

# Fragmented channels



“There are as many channels as types of purchase occasion, and that creates a real problem.”

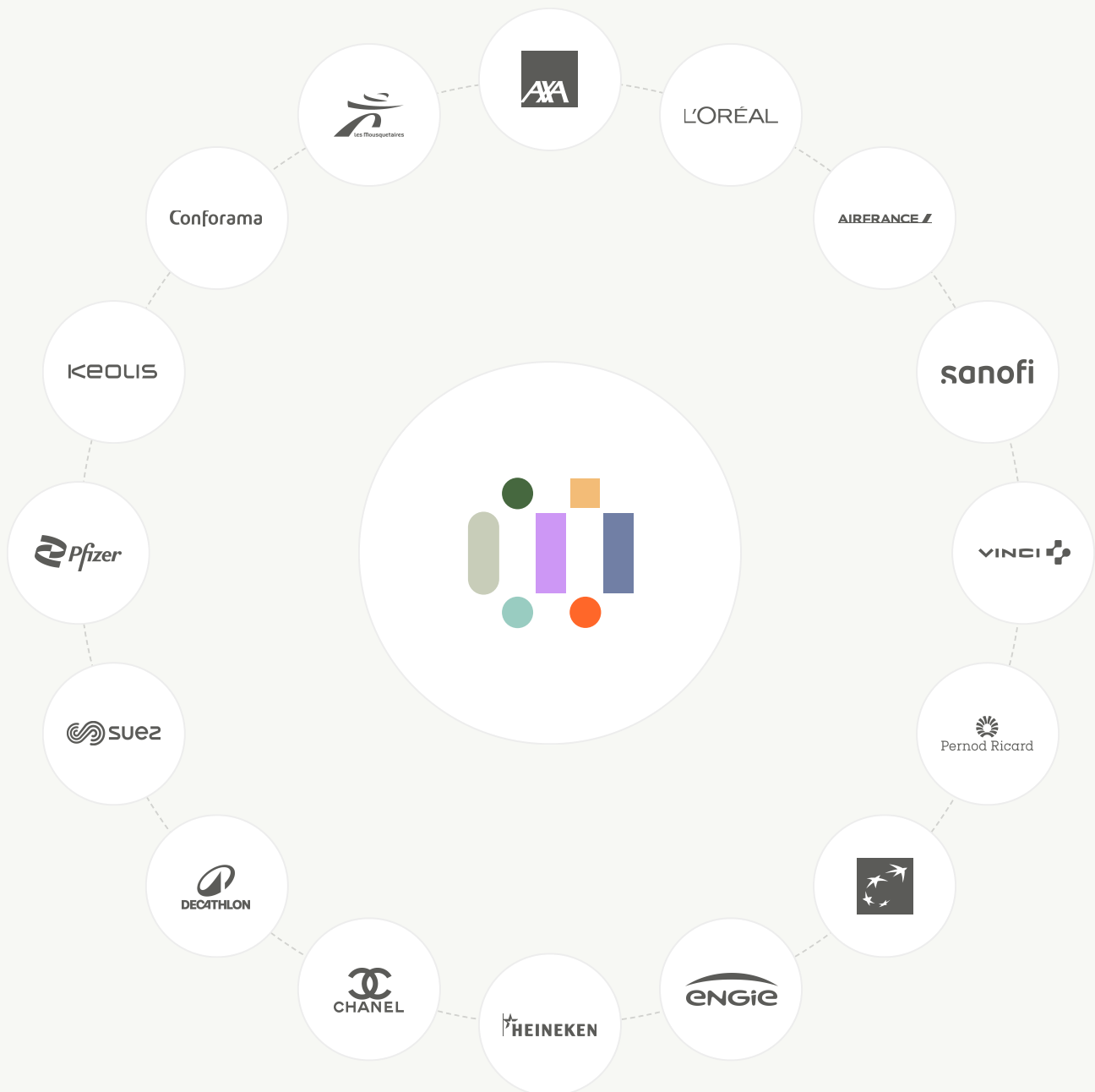


OLIVIER VILLARD, MEXENS CPO

Tail spend is not one homogeneous category. It can include maintenance, works, professional services, legal support, consulting and many other needs. No single purchasing channel can serve all these use cases: depending on the need, companies rely on catalogues, supplier panels, ad hoc consultations, external platforms or manual processes. This diversity makes standardisation inherently difficult.

THANK YOU

# To the procurement leaders who made this study possible



This study was built with the CPOs and procurement teams of these organisations. Their time, candour and field experience turned a survey into a shared picture of the long tail, and of how to manage it.

# Yet the financial and risk impact is considerable

Tail spend may consist of small individual purchases, but it can represent roughly 10 to 20% of total spend, depending on the threshold used. Its impact is both financial and risk-related.

## High operational costs

The operating cost is disproportionate: supplier onboarding, purchase order creation, approvals, invoice processing and payment accumulate at scale.

“A €1,000 or €10,000 request can require nearly as much work as a €50,000 or €100,000 sourcing project.”



PASCAL PELON, 15+ YEARS AXA CPO

YOUR BEST ESTIMATE OF THE FULLY LOADED PROCESS COST TO ONBOARD / MANAGE A TAIL SUPPLIER

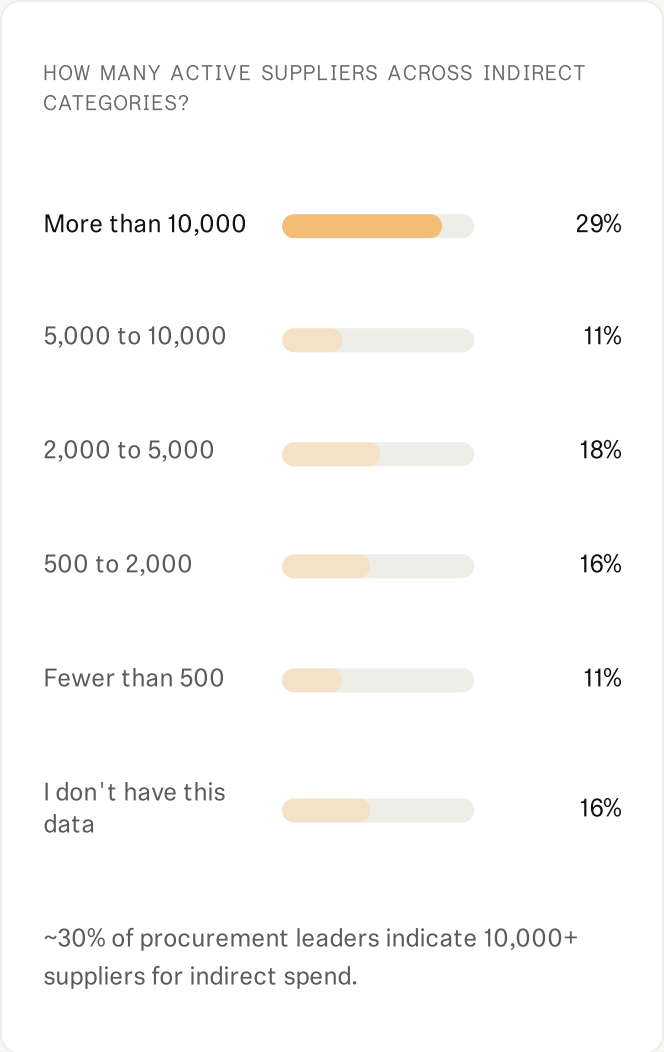
€600

MEDIAN ONBOARDING COST PER SUPPLIER  
n = 43, mean €1,017

€500

MEDIAN ANNUAL MANAGEMENT COST PER SUPPLIER  
n = 36, mean €722

Costs cleaned of placeholder entries and normalised across £, € and \$ inputs. Median used throughout, robust to outliers up to €10,000.



# A small line item per supplier, large in aggregate

ANNUAL PROCESS COST AT THE €500 MEDIAN, BEFORE ONBOARDING



## Missed opportunities on price optimisation

Beyond the cost of processing these small purchases, the opportunity cost of under-managing their value is also significant. Without reliable classification and consolidated spend visibility, organisations cannot effectively identify consolidation opportunities, benchmark suppliers, enforce preferred suppliers or systematically put demand into competition.

Savings potential is estimated at 10 to 20%, particularly where spend is unmanaged or handled without specialist procurement support.

## Exposure beyond cost

Uncontrolled tail spend also creates risks that go beyond financial inefficiency. When purchases take place outside approved channels, organisations lose assurance that suppliers, products and services comply with internal policies, regulatory requirements and ethical standards.

Individual transactions may be small, but their operational, compliance and reputational consequences can be significant.

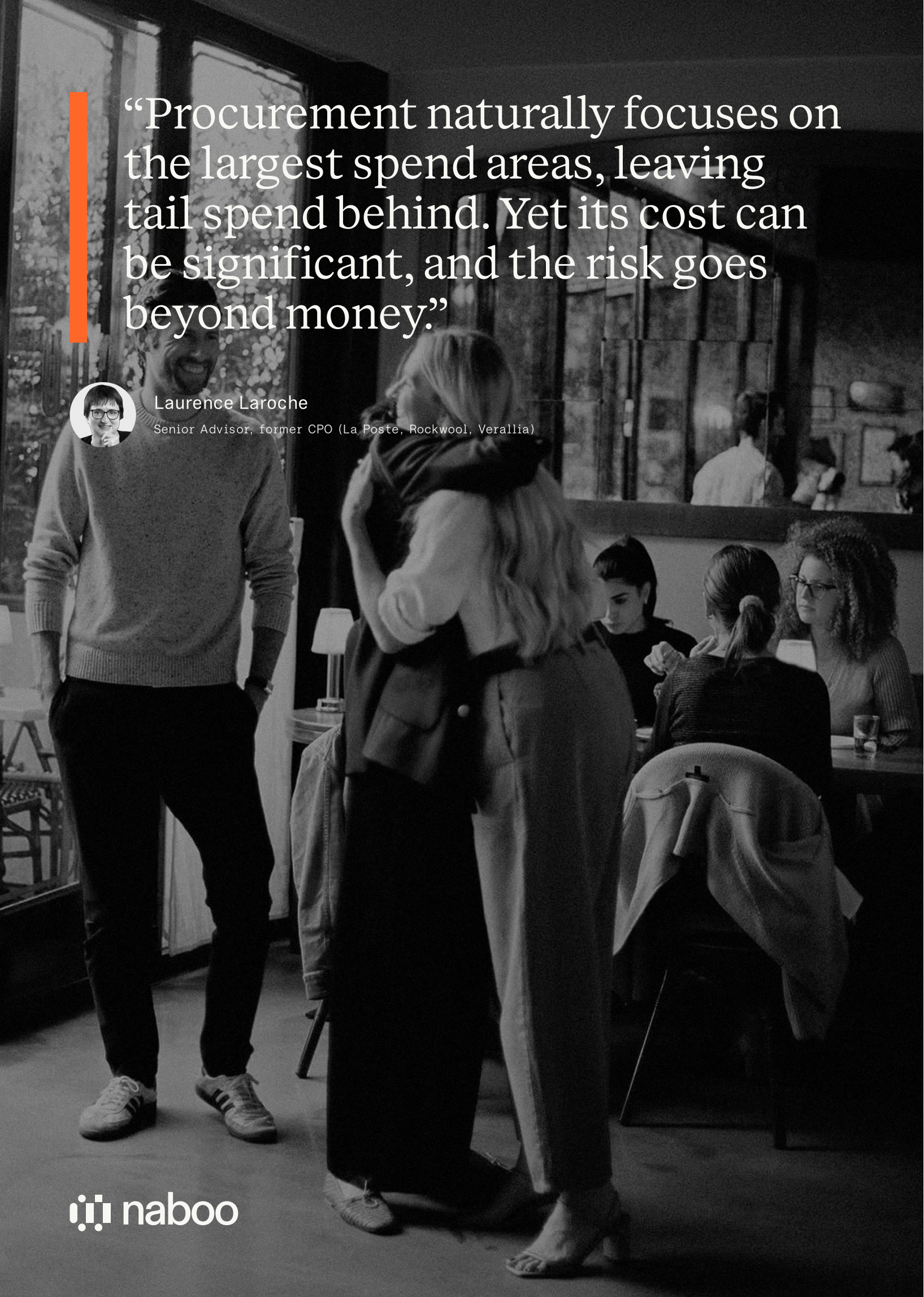
“Control is not only about money. It is also about ensuring that what is purchased is consistent with the company's policies.”



LAURENCE LAROCHE, SENIOR ADVISOR, FORMER CPO (LA POSTE, ROCKWOOL, VERALLIA)

Tail spend is not simply a cost to contain: it is a source of value to unlock.

- 01 Reduced processing costs
- 02 Increased purchasing leverage
- 03 Improved risk control



“Procurement naturally focuses on the largest spend areas, leaving tail spend behind. Yet its cost can be significant, and the risk goes beyond money.”



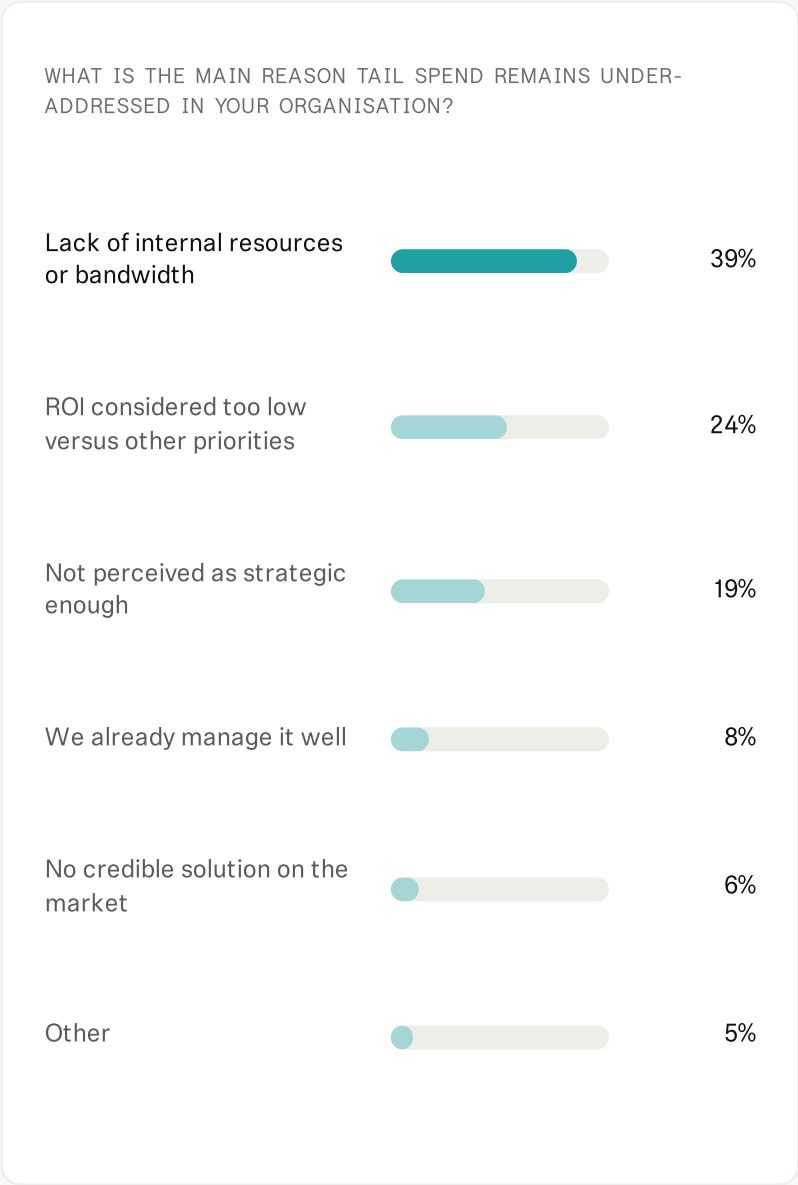
Laurence Laroche

Senior Advisor, former CPO (La Poste, Rockwool, Verallia)

# ● The current model will not close the gap

Internal capacity is the primary constraint. The answer is not another central tail-spend owner, but a managed channel that centralises control while preserving category-specific execution, with AI progressively automating low-value work and making this model scalable. Yet AI adoption is still limited.

~40% cite lack of internal capacity as the main reason tail spend remains under-addressed

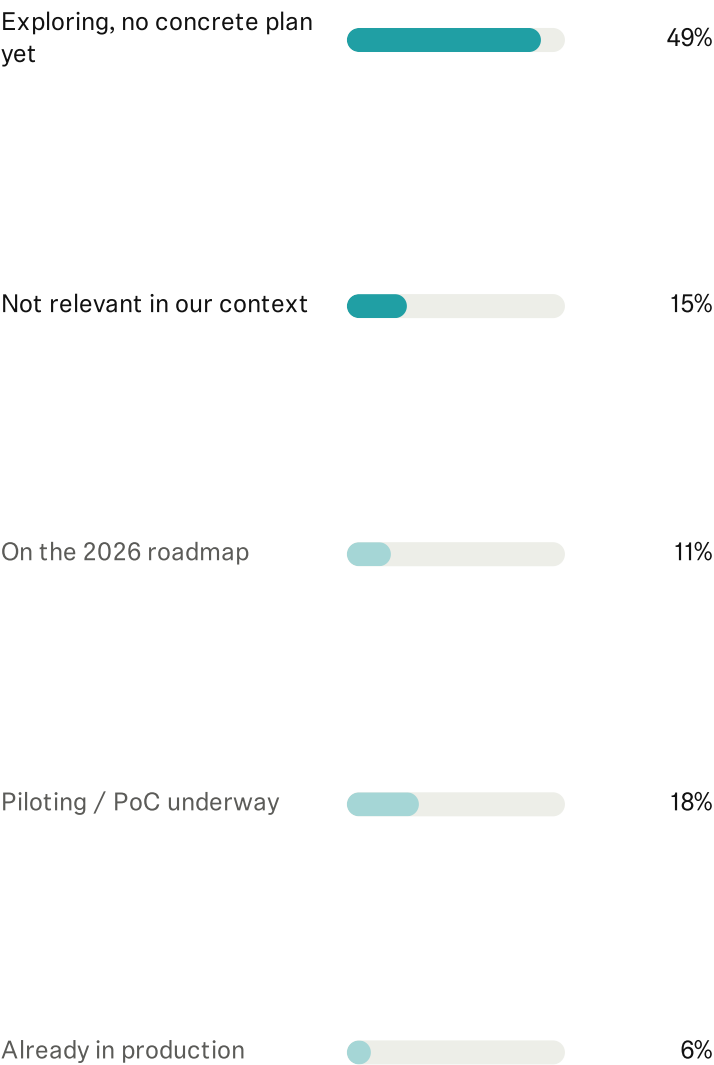


Procurement teams already need to prioritise strategic categories, supplier risk, major negotiations and business-critical projects. Tail spend competes for capacity against higher-value, more visible priorities.

But the constraint goes beyond capacity. Tail spend spans many supplier markets, each requiring different expertise and buying approaches. Building and maintaining dedicated internal expertise across every small, irregular category would be disproportionately costly, and simply adding more procurement resources would not scale.

# 60%+ of procurement leaders have no plan to leverage AI on tail spend

HOW ARE YOU USING, OR PLANNING TO USE, AI IN TAIL SPEND MANAGEMENT?



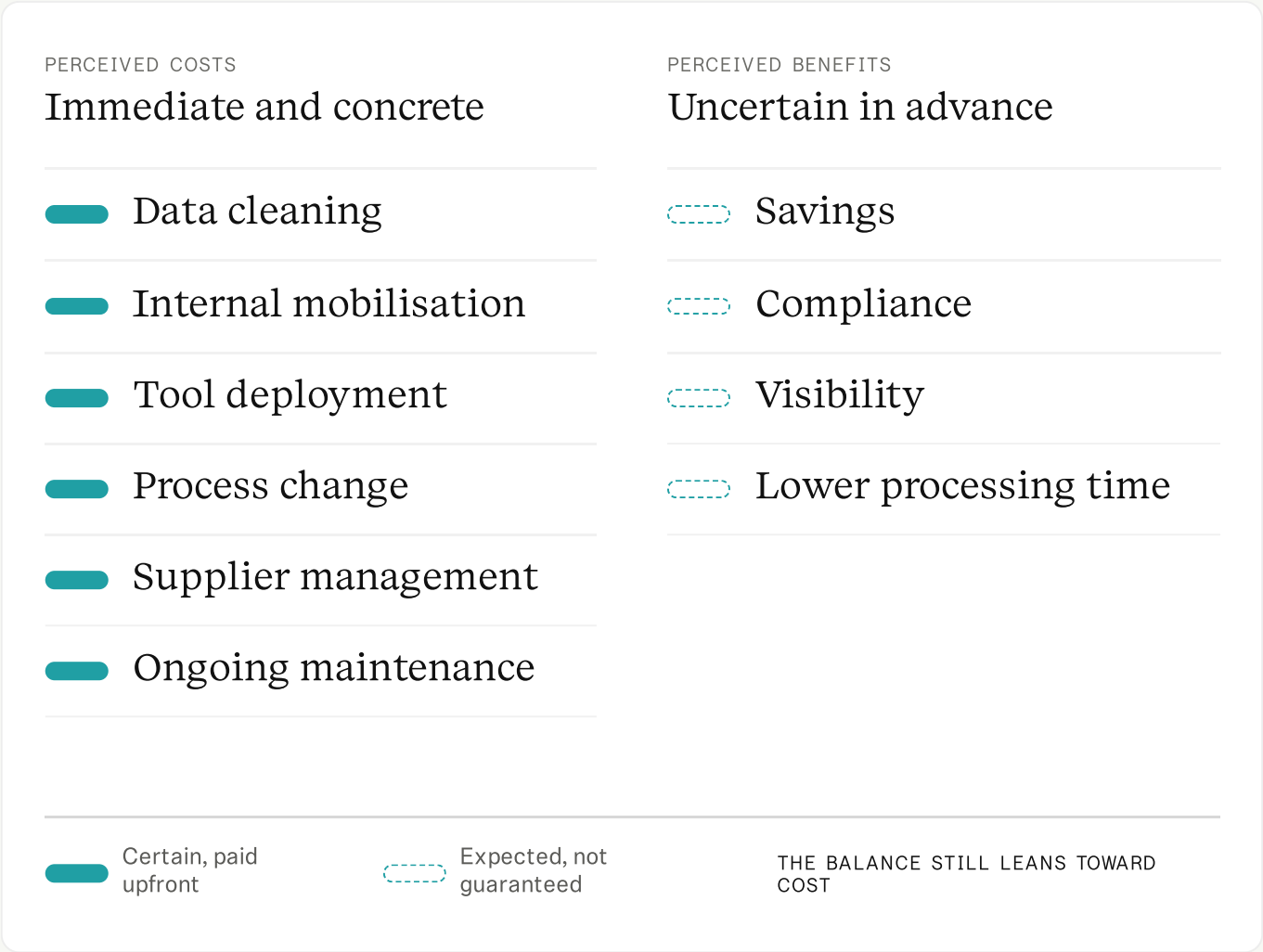
AI offers a credible way to address the capacity and expertise constraint. It can automate repetitive work and make specialist knowledge easier to access across a fragmented and diverse spend base.

Yet adoption in tail spend remains limited. Procurement leaders tend to start with high-priority, high-value processes, where data, ownership and expected returns are clearer. Tail spend is left behind precisely because its value is dispersed across many small purchases and supplier markets.

Current AI use remains focused on generic productivity tasks, such as drafting specifications, analysing bids, preparing negotiations and summarising meetings. To create impact in tail spend, AI must be embedded in a managed channel that combines technology with category-specific expertise, defined buying routes and operational delivery.

# The decision to implement AI is still shaped by a cost-benefit trade-off

For tail spend, this balance still leans toward cost: implementation efforts are immediate and concrete, while savings are uncertain in advance.



Certain, paid upfront

Expected, not guaranteed

THE BALANCE STILL LEANS TOWARD COST

“Productivity gains matter more to me today than economic gains. This is what AI brings in the equation.”



OLIVIER VILLARD, MEXENS CPO



“Tail spend is  
everywhere, therefore  
nobody's  
responsibility.”



Pascal Pelon

15+ years AXA CPO

# Tipping the balance: a turnkey, success-fee model

To change this equation, companies need a clear business case: limited internal effort, simple implementation and demonstrable gains.

A turnkey, success-fee model makes that business case possible. The partner brings the category expertise, delivery capacity and operating infrastructure required to manage the spend end to end, while remuneration is tied to the savings and value actually delivered. This shifts complexity away from internal teams and aligns incentives around measurable outcomes.

## THE PITCH THAT WORKS

“We take care of your tail spend end to end. You pay us when we create measurable value, with minimal effort required from your teams.”

## THE VALUE PROPOSITION RESTS ON TWO COMBINED LEVERS

1

### Reduce spend itself

Through better control, sourcing, supplier competition and compliance.

2

### Reduce operating costs

By simplifying supplier creation, purchase order processing, invoice handling and payment workflows.

The more automated the process, the more both levers reinforce each other. With a minimum target of 10% savings on the category, the business case can become substantial.

# Where to start? Target the top contributing categories first.

Starting with the largest and most addressable categories creates visibility quickly, demonstrates savings potential and builds the case for expanding coverage over time.

| CATEGORY                                                    | SHARE #1 | IMPACT | ADDRESSABILITY | RATIONALE                                                                                                                                                                                                       |
|-------------------------------------------------------------|----------|--------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Meetings & Events                                           | 23%      | HIGH   | HIGH           | Highly fragmented but structurally standardisable: recurring demand types, clear per-event unit economics and a proven managed delivery model make it the strongest starting point.                             |
| Professional services<br>speakers, trainers,<br>consultants | 23%      | HIGH   | LOW            | Large value pool but hard to catalogue: "diversity of demand, not complexity" per Pascal Pelon. No external platform maturity yet; requires panel-based sourcing, consumes disproportionate time per deal size. |
| MRO<br>maintenance, repair,<br>operations                   | 23%      | HIGH   | MEDIUM         | Sizeable and recurring, but often technical and site-specific. Needs vendor-level reclassification (label does not equal reliable category signal) before automation is viable.                                 |
| Marketing & Comms<br>agencies, print, goodies               | 18%      | MEDIUM | MEDIUM-HIGH    | More catalogue-able than professional services (defined deliverables, creative briefs), but long supplier tail and inconsistent categorisation.                                                                 |
| IT<br>software, devices, services                           | 12%      | LOWER  | HIGH           | Smaller share of tail spend #1 votes, but the most standardised category: goods-like specs, existing catalogues and marketplaces, easiest to automate first.                                                    |

WHAT WE DO AT NABOO

● Meetings & Events: the natural entry point for a turnkey, success-fee model

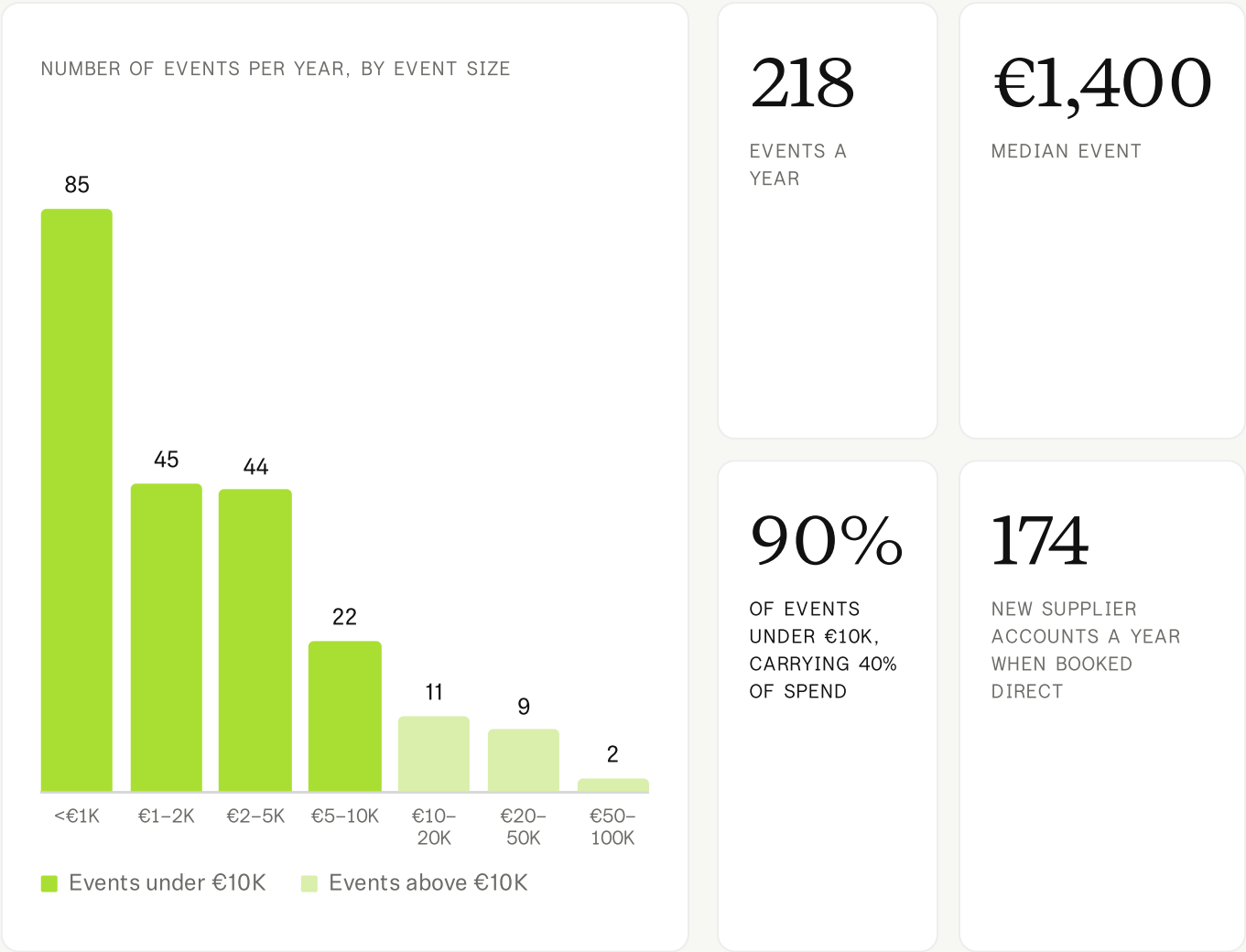
ILLUSTRATIVE BUSINESS CASE · STARTING WITH MEETINGS & EVENTS

What a managed M&E channel is worth on a €1M category

Modelled on Naboo client data, priced with survey benchmarks.

01 · CATEGORY PROFILE

€1M of M&E is ~220 small events, not a handful of large ones



02 · ONE MEDIAN EVENT, TWO CHANNELS

On a €1,400 event, creating the supplier costs more than the price discount saves

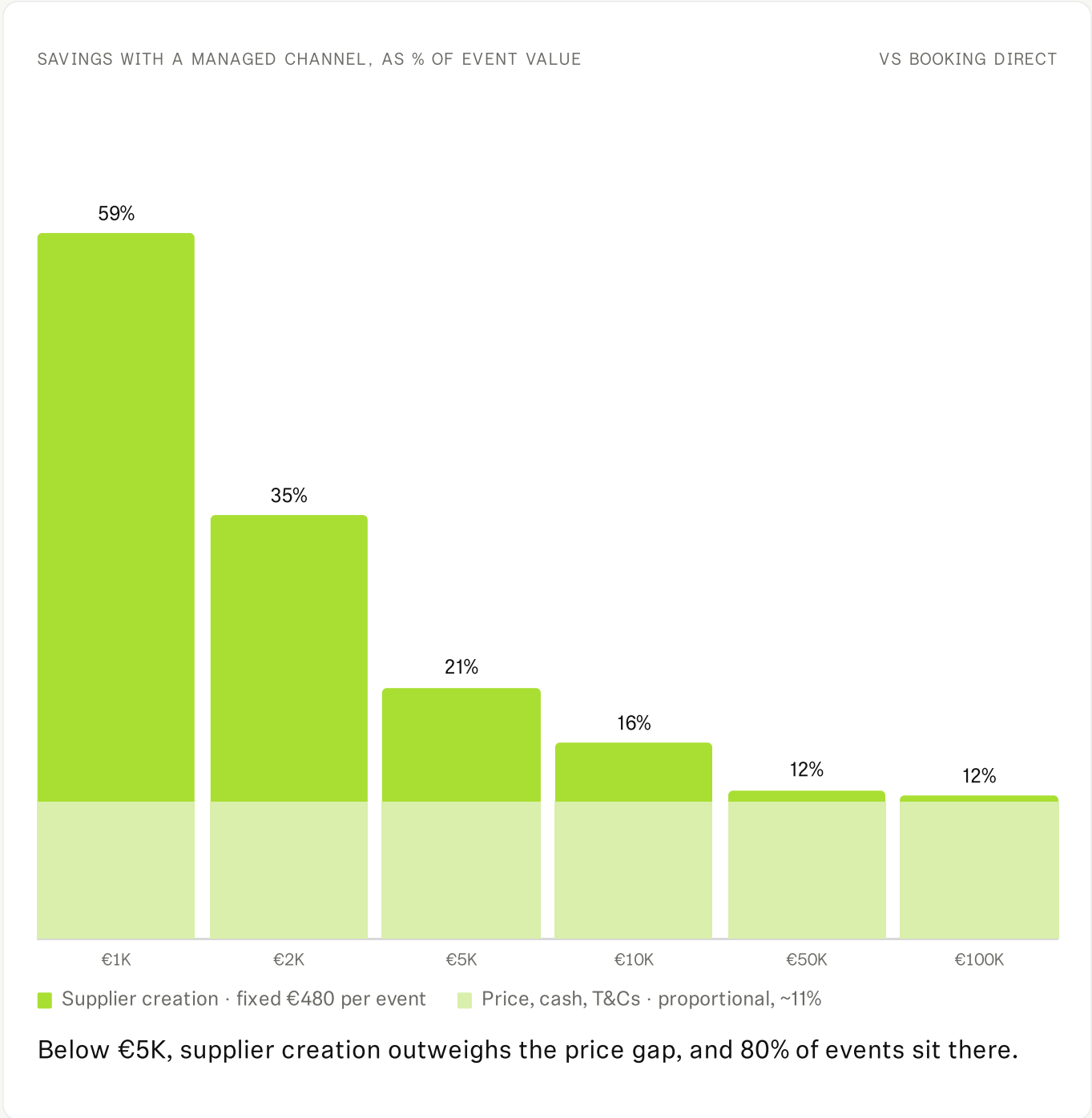
| LEVER                                                       | BOOKED DIRECT                                                                       | MANAGED CHANNEL                                              | GAIN / EVENT         |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------|
| PROCESSING COSTS                                            |                                                                                     |                                                              | €494 · 77%           |
| ● Supplier account creation<br>Onboarding, KYC, master data | 0.8 new account per event × €600                                                    | Single vendor of record, no account opened                   | €480                 |
| ● Working capital<br>Cash                                   | Deposit at booking, balance on event day                                            | Supplier paid upfront by channel, client pays ~59 days later | €14                  |
| ● Payments & invoicing<br>Finance                           | One PO, invoice and payment run per supplier                                        | One PO, one consolidated invoice, one payment                | Not monetised        |
| PURCHASING LEVERS                                           |                                                                                     |                                                              | €146 · 23%           |
| ● Sourcing & bidding<br>Price                               | Vendor chosen upstream, catalogue price paid (when a catalogue is already in place) | Demand put into competition, ≥10% negotiated                 | €140                 |
| ● Terms & conditions<br>Cancellation, deposits              | Venue T&Cs, 1% of spend lost in penalties                                           | Framework T&Cs on every booking, 0.6%                        | €6                   |
| €1,400 event    €1,900                                      |                                                                                     |                                                              | €1,260    €640 · 46% |

The tail is a process problem before it is a price problem. Supplier creation is a fixed cost: €480 is 34% of a median event, but under 1% of a €100K convention.

Supplier ratio observed: 1,446 distinct suppliers for 1,798 events (0.8 per event). Supplier creation cost: survey median (n = 43). Price: 10% floor, measured as gap between first and validated quote. Working capital: 59 days measured on Naboo payment records, 6% cost of capital. Cancellation penalties: 1% of spend direct vs 0.6% under framework terms, Naboo portfolio, Apr 2025 to Sep 2026. Modelled, aggregated and anonymised.

03 · ANNUAL VALUE

The smaller the purchase, the bigger the savings



WEIGHTED ACROSS 218 EVENTS

Gross annual value per €1M of M&E spend,  
full centralisation

~€220K 22% OF SPEND

PROCESSING COSTS €114K · 52% | PURCHASING  
LEVERS €104K · 48%

04 · BEYOND COST

The 22% is the visible cost. The rest is exposure nobody measures

| DIMENSION                        | BOOKED DIRECT · NEW VENDOR OR CARD                                                            | MANAGED CHANNEL                                                               |
|----------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| ● Booker time                    | Days of calls and quote comparison, by staff for whom it is not the job                       | Shortlist in <2h, 3+ quotes in <48h                                           |
| ● Policy compliance              | Off-process, budget rules nobody applies                                                      | Rules and approvals built into the booking flow                               |
| ● Supplier vetting               | Same due-diligence obligations on a €900 dinner as on a €900K contract, carried by the booker | 1 vendor to audit, not 174: financial health, labour law, ESG, GDPR, security |
| ● Legal liability & duty of care | Company or cardholder is the counterparty, no record of where teams are                       | Channel is the contracting party, 100% of events located                      |
| ● Payments                       | One process per supplier, or fragmented across cards                                          | One statement, one payment, on company terms                                  |
| ● Data visibility                | Discovered via invoices and expense claims, months later                                      | Visible from day one, every euro attributed                                   |

Savings by size = €480 supplier creation (0.8 × €600; 0.8 new account per event, ratio observed on 2 comparable Naboo accounts: 1,446 distinct suppliers for 1,798 events) + 10% price + 0.97% working capital + 0.4% cancellation, as a share of event value. Weighted by spend across the modelled profile (218 events, 174 new supplier accounts a year). Processing costs: supplier accounts €104K, working capital €10K. Purchasing levers: price €100K, T&Cs €4K. Sensitivity: €270K to 320K with price at 15 to 20% (expert range 10 to 30%).

SOURCES AND METHOD

# How this study was built

88

PROCUREMENT LEADERS  
SURVEYED

3

SENIOR CPOS INTERVIEWED

1

ILLUSTRATIVE BUSINESS CASE  
ON NABOO CLIENT DATA

SOURCES AND METHOD

All survey figures come from the Naboo tail spend survey of procurement leaders (n = 88 unless stated otherwise; n = 84 on purchasing channels, n = 82 on category ranking, n = 43 and n = 36 on process-cost estimates). Percentages are shares of respondents; multi-select questions sum to more than 100%. Process costs are reported as medians after cleaning placeholder entries and normalising currency inputs. The 10 to 20% share of total spend and the 10 to 20% savings potential are the study's own estimates and depend on the threshold used to define tail spend. The business case is modelled on aggregated, anonymised Naboo client data. Quotes are from interviews conducted for the study.

## Experts interviewed



Laurence Laroche  
Senior Advisor, former  
CPO (La Poste,  
Rockwool, Verallia)



Pascal Pelon  
15+ years AXA CPO



Olivier Villard  
Mexens CPO



WHO IS NABOO

# The managed channel for corporate Meetings & Events.

Naboo is an AI-powered B2B platform for corporate event procurement. Companies use it as a single managed channel to source, book and pay for their meetings, offsites and events, with the expertise of event specialists, policy rules built into the booking flow, one vendor of record and full spend visibility.

Founded in Paris in 2022, Naboo is backed by a \$70M Series B led by Lightspeed and is part of the French Tech 120 2026 cohort.

2022

FOUNDED IN PARIS

\$70M

SERIES B LED BY LIGHTSPEED

250+

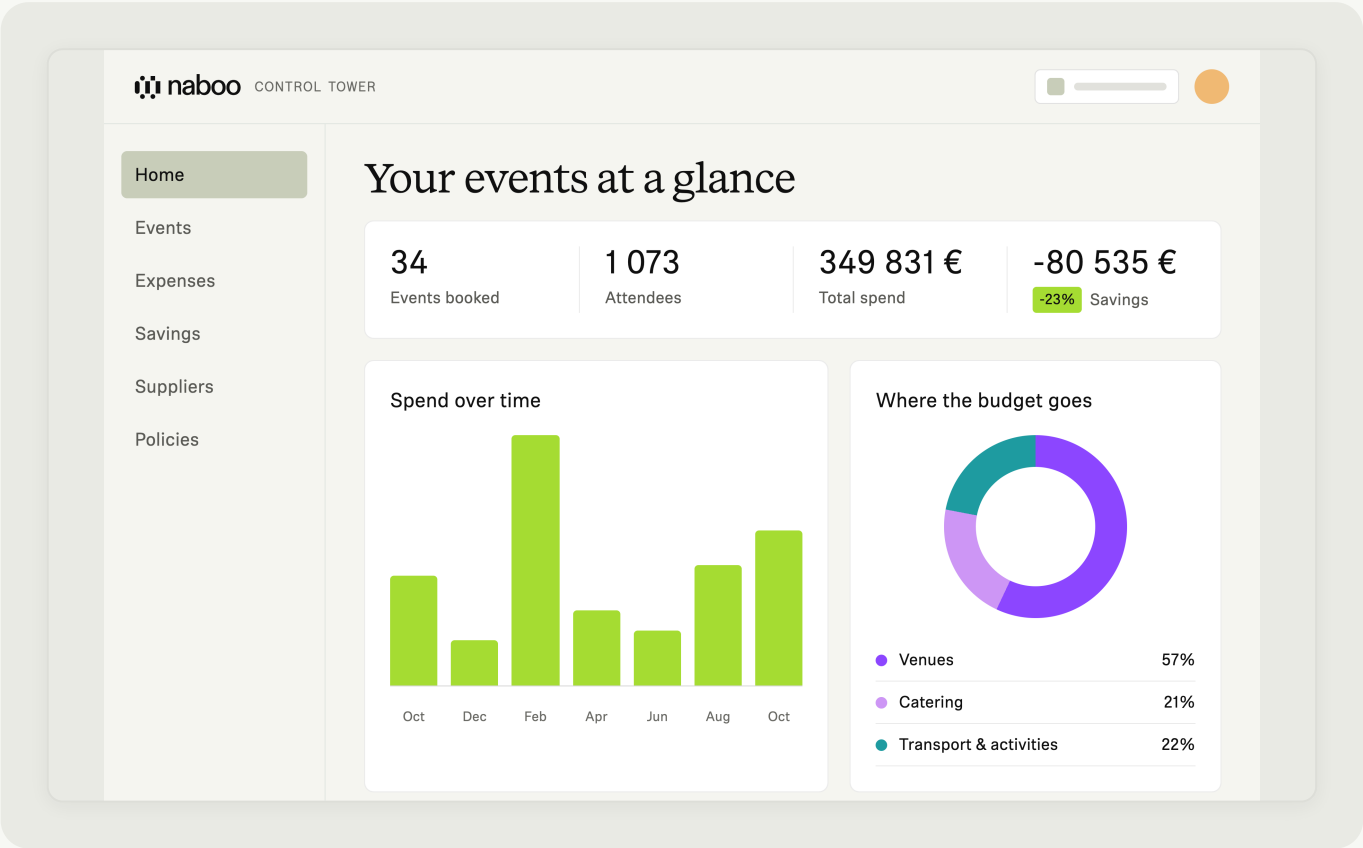
EMPLOYEES

10+

OFFICES

THE PRODUCT · CONTROL TOWER

DASHBOARD VIEW





Tail spend is everywhere. Making it somebody's responsibility is where the savings start.



SCAN TO GET IN TOUCH

Let's talk about your savings.

NABOO.APP

