

Types of Tail Spend

Fragmented Spending

Items that are repeatedly purchased by various parts of the organisation that could be consolidated into procurements and fall into the organisation's core spend based on the aggregate value of the buys.

Maverick Spending

Spending that falls outside of the organisation's procurement guidelines.

Misclassified Spending

Items that are individually purchased and should be consolidated into existing supply contracts and competition systems.

Unaddressed Spending

Spend items that have not been addressed by procurement in a reasonable period of time (generally considered to be two to three years).

Low-Price, Low Frequency

Items at the far end of the tail of spending.

Low-Price, High Frequency

Items that have low individual value, but in the aggregate over time, are a significant amount of spend as spot buys of like items are repeated, both within units and across the organisation.

Unusual Spending

High-value items that are new procurements or are procured only once, or so rarely that the organisation's procurement staff has no expertise in the area.

