Maverick Buying: When Procurement Processes Are Circumvented

Maverick buying refers to the purchase of goods and services outside established procurement policies, framework agreements or approved sources of supply. The term originates from English and describes buyers or business departments acting independently, 'off the beaten track'. In practice, maverick buying frequently leads to higher costs, lack of contract compliance and increased procurement risk. This article explains the causes, typical manifestations, key metrics and effective measures for controlling and reducing maverick buying.

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Key facts at a glance

01 Maverick buying is purchasing outside defined procurement processes, contracts or approved suppliers.

02 Typical causes are complex ordering routes, lack of transparency, time pressure and unclear responsibilities.

03 In practice, maverick purchases frequently account for 10 to 30 per cent of indirect purchasing volume, depending on process maturity.

04 Consequences include price mark-ups, unused framework contracts, compliance and quality risks, and distorted spend data.

05 The phenomenon becomes measurable through the maverick rate, the share of orders without a valid contract or approved source of supply.

06 Countermeasures include simplified ordering catalogues, clear approval thresholds, supplier master data maintenance and awareness-raising among business departments.

Definition: Maverick Buying

Maverick buying describes the deliberate or unintentional circumvention of prescribed procurement structures. Procured services are handled neither via agreed framework agreements nor via approved suppliers or defined ordering channels.

Distinguishing from emergency purchases

Not every off-contract purchase is maverick buying. A legitimate emergency purchase during a production standstill usually follows a defined exception procedure and is documented. Maverick buying, by contrast, occurs without approval, often out of convenience or ignorance. What matters is whether a rule exists and is deliberately or negligently bypassed. In practice, a clear definition of exception criteria helps to separate legitimate emergencies from genuine maverick buying and to avoid distorting the subsequent analysis.

Deliberate and unintentional forms

Deliberate maverick buying arises when business departments perceive existing processes as too slow or restrictive and engage suppliers directly. Unintentional maverick buying frequently results from a lack of knowledge about framework agreements or from catalogues that do not reflect actual demand. Poor supplier master data maintenance also leads buyers to select duplicates or unvetted providers. Both forms require different countermeasures: training and incentive systems in the first case, process and data quality in the second.

Causes and typical manifestations

The causes rarely lie with the business departments alone. In most cases, maverick buying is a symptom of weaknesses in the procurement system itself: cumbersome processes, incomplete catalogues and a lack of traceability.

Process and system causes

Lengthy approval chains, inconsistent invoice approval workflows and the absence of self-service ordering options for C-items tempt users to circumvent the process. When the regulated route involves significantly more effort than sending an email to a known supplier, process acceptance declines. Incomplete demand analysis results or a lack of standardisation also contribute. Anyone seeking to identify causes systematically is well advised to start with a process walkthrough along typical ordering transactions and to identify the friction points from the user's perspective.

Typical manifestations

Common examples are direct orders by telephone or email, purchasing via private channels, the use of non-approved suppliers, or orders above approval thresholds without the corresponding signature. Reallocating budgets to circumvent budgeting, as well as repeatedly repeated micro-purchases below threshold values, also count. In the indirect area, such as office supplies, services and maintenance, maverick buying typically occurs more frequently than in the direct materials area with defined series

approvals and initial sampling (EMPB).

Organisational factors

Failure to internalise procurement policies, unclear responsibilities and poor communication of framework agreements encourage deviant behaviour. When buyers do not actively communicate framework agreements, users simply do not know which terms are available. In decentrally organised companies with multiple sites, these effects are amplified, as local habits and personal supplier relationships exist. Clear governance with defined roles, thresholds and escalation paths is a prerequisite for compliance.

Impact on costs, compliance and data quality

Maverick buying has an impact in several places at once: on price levels, contract enforceability, the risk situation and the data basis for downstream decisions.

Financial impact

Off-contract purchasing typically causes price premiums in the low to mid double-digit percentage range compared with negotiated terms, depending on the commodity group and market situation. In addition, discounts, tiered terms such as dynamic discounting and agreed framework volumes remain unused. The economic order quantity (EOQ) cannot be adhered to because order quantities are fragmented. Administratively, additional effort arises from retrospective account assignments, clarifications and deviating incoming invoices.

Compliance and quality risks

Unvetted suppliers carry risks relating to certifications, such as missing evidence like an FSC/PEFC certificate for wood products, or with regard to security and data protection requirements. Contracts without right-to-audit clauses or missing mandatory and optional criteria in the request for quotation weaken enforceability. In terms of quality, a missing series approval can lead to deviating components. From a regulatory perspective, violations of verification obligations may occur, for example concerning AEO-relevant supplier information in the customs context. These risks must be assessed and legally classified on a case-by-case basis.

Distorted data basis

Maverick volumes are missing from spend analyses and distort supplier portfolios, savings categories and negotiating positions. Buyers negotiate with incomplete volume figures, early-warning indicators deliver distorted signals, and supplier scorecards do not reflect actual behaviour. Budgeting also suffers, as actual expenditure cannot be planned. This loss of data is frequently underestimated because it takes effect gradually, and it makes strategic decisions on supplier structure and sourcing options more difficult.

Key KPIs and measurement

Without measurement, maverick buying remains invisible. Key metrics make the extent, cost impact and progress of measures transparent.

Key metrics

The most important metric is the maverick rate: the share of off-contract purchase orders in total volume, measured by count or value. Also relevant are the number of active suppliers outside the supplier master data, the share of orders without a PO ('off-ledger spend'), the lead time of regulated ordering routes, and the number of transactions regularised retrospectively. Comparing actual prices with contract prices quantifies the price mark-up. KPIs should be reported by commodity group and organisational unit in order to take targeted action.

Measurement methodology and data sources

The basis is purchase order data, invoice data from the invoice approval workflow and supplier master data. Reconciling incoming invoices with POs and contracts identifies off-contract cases. Attribution is difficult with group-wide framework agreements or cross-company relationships. In practice, a spot-check style, six-monthly review is often sufficient instead of a 100 per cent check. A consistent definition of the term 'contract-bound' is important so that figures remain comparable across sites and periods.

Risks and controls

Effective control combines process simplification with governance measures. Outright bans usually reinforce circumvention, as they do not eliminate the causes.

Process simplification as the most effective lever

The most effective approach is to make the regulated route the easiest route: user-friendly catalogues with approved sources of supply, simplified ordering processes for C-items, clear approval thresholds and fast handling of standard requests. In addition, defined procurement policies with mandatory and optional criteria, training and transparent communication of available contracts help. A legitimate emergency purchase should run through a streamlined exception process with retrospective documentation so that no incentives for permanent circumvention arise.

Governance and contractual instruments

Complementing this, internal controls are effective: spot checks, automated validation rules in the purchasing system, the four-eyes principle at threshold values and regular reconciliation of budgets and actual expenditure. Contractually, terms can also be safeguarded for direct orders, for example via price commitments or a non-solicitation clause to protect supplier contacts from poaching.
Right-to-audit provisions enable retrospective review. Legal and tax consequences of specific cases should always be assessed on an individual basis.

Risk analysis and priority commodity groups

Not every maverick rate is equally critical. A risk analysis should assess which commodity groups and transactions carry the greatest loss potential: high-value components, regulated goods, mission-critical services or areas with relevant certification obligations such as PPWR-relevant packaging. For these groups, strict control is worthwhile, whereas for low-value consumables the focus should be on process simplification. This differentiation increases acceptance, as business departments perceive that control is not an end in itself.

Current developments

Digitalisation and tightened compliance requirements are changing how maverick buying is handled. At the same time, expectations of traceability in supply chains are rising.

Automation and self-service procurement

Modern procurement systems enable self-service ordering from approved catalogues with automatic account assignment and approval. This significantly lowers the perceived barrier of the regulated route without giving up control. Automated validation rules detect deviations in real time, such as orders above threshold values or with non-approved suppliers. At the same time, system quality remains crucial: incomplete catalogues and poor supplier master data maintenance create new incentives for circumvention rather than eliminating them.

Strict compliance and documentation requirements

Regulatory requirements relating to the supply chain, sustainability and product documentation are increasing. Evidence such as FSC/PEFC certificates or requirements from the PPWR on packaging must be documentable, which makes off-contract sourcing problematic. In the customs context too, AEO status requires reliable processes along the procurement chain. Here, maverick buying not only weakens cost efficiency but can directly jeopardise the auditability of entire supply chains. Companies should therefore consistently anchor compliance criteria in their procurement policies.

Data-driven steering

Analytics functions today enable continuous monitoring instead of one-off spot checks. Early-warning indicators flag rising maverick rates in particular organisational units or commodity groups at an early stage. Linked with supplier scorecards and spend analyses, this creates a closed control loop: measurement, root-cause clarification, process adjustment, renewed measurement. Clean master data remains a prerequisite. Successful organisations combine this data basis with clear governance and an understanding that circumvention behaviour usually points to genuine process deficiencies.

Typical metrics

Metric	Typical value

Maverick rate	typically < 5 % *Share of off-contract purchasing volume as a proportion of total volume; frequently 10–30 % in environments with immature processes*
Off-contract price mark-up	commonly 5–20 % *Difference between contract and actual prices, strongly dependent on commodity group*
Share of orders without PO	typically < 2 % *Extent of directly commissioned transactions without an official purchase order*
Active suppliers outside master data	target value 0 *Number of invoicing suppliers without approval in the supplier master data*
Lead time for standard purchase orders	typically 1–3 days *For C-items; long lead times are a key driver of circumvention*

Practical example

A medium-sized mechanical engineering company with around 800 employees found in a spend analysis that around a quarter of its indirect purchasing volume was procured outside framework agreements. Business departments ordered materials and services directly from known contacts, frequently by email, without a purchase order and without contract prices. Subsequent incoming invoices had to be laboriously re-accounted, and price mark-ups only became visible at invoice approval.

- Analysis of maverick cases by commodity group, cause and price mark-up
- Establishment of a C-item catalogue with approved suppliers and simplified approval up to a defined threshold value
- Training for business departments on demand analysis and communication of available framework agreements
- Six-monthly spot checks with a right-to-audit clause and evaluation of the maverick rate

Conclusion

Maverick buying is not purely a discipline problem; it is almost always an indicator of process and data quality. Companies that measure the phenomenon, systematically clarify its causes and make the regulated route more attractive significantly reduce costs and risks. Clear governance, up-to-date supplier master data, manageable approval processes and a differentiated view by risk class are key. Bans alone merely shift the problem into private channels. Those who understand circumvention behaviour as an early-warning indicator can derive targeted improvements for procurement and business departments.

Frequently asked questions

? What is maverick buying in simple terms?

Maverick buying means that employees procure goods or services outside the prescribed procurement processes, for example without a framework agreement, without an approved supplier or without an official purchase order. In practice, this usually happens due to time pressure or because the regulated route seems too cumbersome. The consequences are higher prices, compliance risks and incomplete procurement data.

? What share of maverick buying do companies have?

There are no robust cross-industry figures, as the volume depends on process maturity and industry. In practice, shares of 10 to 30 per cent are frequently cited for indirect procurement, sometimes with higher peaks in decentrally organised companies. Measuring your own maverick rate from purchase order and invoice data is therefore essential.

? Why is maverick buying problematic?

It typically causes price mark-ups compared with negotiated terms, leaves discounts and framework volumes unused, and weakens the negotiating position through distorted spend data. In addition, compliance and quality risks arise when suppliers are not vetted or certificates and approvals are missing. Internal controls and budgeting also become unreliable as a result.

? How can maverick buying be reduced?

The most effective measures are simplified ordering routes with approved catalogues, clear approval thresholds and streamlined emergency processes. In addition, training, transparent communication of available framework agreements, clean supplier master data and regular spot checks are effective. Bans alone do not eliminate the causes and often merely shift the behaviour to other channels.

? What are typical examples of maverick buying?

Common examples are direct orders by email or telephone, engaging non-approved suppliers, orders above approval thresholds without authorisation, and micro-purchases below threshold values to circumvent the ordering process. Reallocating budgets to avoid approvals also counts as maverick buying. The focus is usually on the indirect area such as office supplies, services and maintenance.

? Is maverick buying always intentional?

No. Besides deliberate circumvention, there is unintentional maverick buying when employees are unaware of framework agreements, catalogues do not cover the demand, or master data is inconsistent. This distinction matters because deliberate behaviour points to incentive and communication problems, while unintentional behaviour points more to process and data deficiencies. Countermeasures should be tailored accordingly.

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