# ABSTRACT

Company has been invested more than 2 trillion rupiah for information technology which growth of investment on 2017 are massively increase compared to previous year (2016). But on the other hand, average ratio of cost saving on 2017 are decreased compared to previous year (2016). By evaluating this phenomenon, it is necessary to conduct research related to cost saving on procurement of information technology in the company to increase performance and contribution of procurement function regarding cost saving to support sustainability of the company including to win competition on the current information technology era. Cost saving are vital component on evaluating performance of procurement function (Gurr, 2017) and defined as benefit or deviation between budget allocation and procurement value (contract value) that achieved from the procurement process (Lemmens, 2009; Blomberg, 2006).

Through this research and refer to theory of supply and demand power from Schuh et al. (2008), this research will analyze variable supply power and demand power based on procurement data on period January 2016 – October 2018 including literature study on external document such as scientific journal, previous research, and other external document; and internal document such as procurememt documents and other related document. The objective of this research will analyze influence of supply power and demand power to cost saving on procurement process for information technology in the company (PT X).

Data were collected from internal procurement data from company's ERP system which have all of procurement data and included all information from purchase request (PR) to purchase order (PO) issuance. Those data will be processed to align with the goal of this research and theoretical basis of supply and demand power, and cost saving. Data will be analyzed by using R tools with regression logistic method to analyze influence of supply power and demand power to cost saving on procurement process for information technology in the company.

Referring to predictive modelling which are built based on logistic regression on this research, the accuracy of the model to predicts procurement process that achieve or not achieve saving target are 82.98%. From the research that has been conducted and further data analysis, there are two variable which are supply power (low) and demand power (high) that have higher influence to predict cost saving potential on procurement process of information technology in the company.

***Keywords*** *: procurement, supply power, demand power, cost saving, information technology*