# Delivering the New Procurement Role: Efficient, Dynamic and ROI focused

## A future-proof approach leveraging AI & Automation

# Next 75 Minutes…..

| | |
|---|---|
| Reimagining Procurement: Is procurement future proof? | 10 Min |
| Agentic Approach: The new way of Future Proofing | 10 Min |
| AI Use Case Demo | 10 Min |
| Dissecting the CPO dilemma- Breakout Sessions | 20 Min |
| Group Activity- Takeaway Playback | 20 Min |


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# Reimagining Procurement

## Making it future proof



**JP Lauer**

**Vice-President, GEP**

# Escalating supply market disruptions coupled with transformative AI trends are creating tremendous pressure on today's procurement functions

## Supply Market Trends….

- **Localization: Supply chains shift towards local sourcing**
- **Regulation: Stricter European rules demand compliance**
- **Tariffs: Localized policies disrupt global trade flows**
- **Inflation: Rising costs strain procurement**

## >>> Procurement Challenges <<<

- Reliance on China, US suppliers
- Investment planning amidst economic uncertainties
- Persistent price inflation
- Large-scale re-shoring / dual-sourcing
- Dire Digital Skill Shortages
- Frequent regulatory shifts
- Integrate sustainability into procurement practices.
- Expand into untapped markets for growth

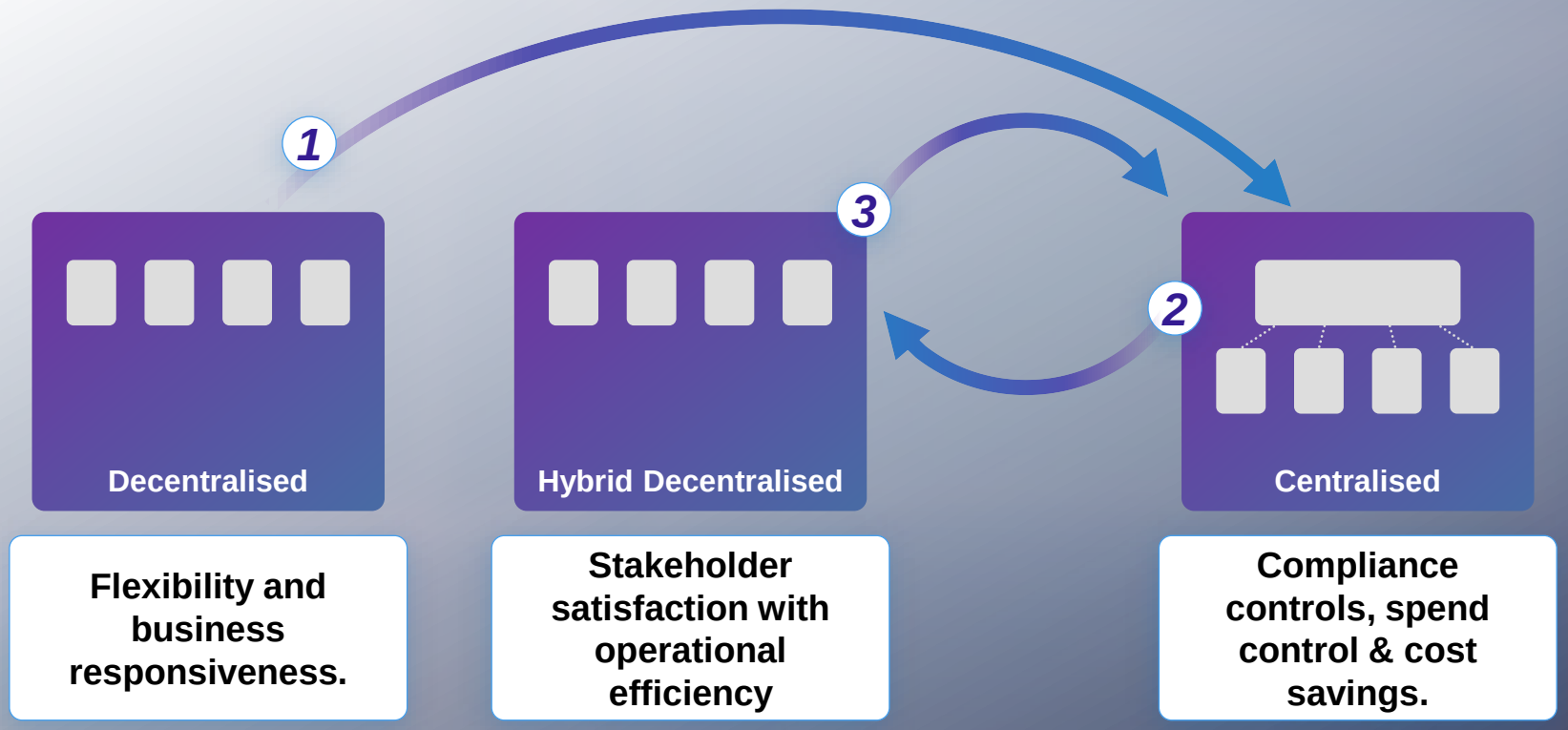
## Accelerating Technology Trends

- **Staggering computational power now available to all**
- **Now Exceeds human performance levels in Many areas**
- **Top Board-level priority for most F500's today**
- **Global AI market now valued at $136 BN.**
  **38% CAGR Forecasted (5 yrs)**


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# Traditional Procurement Models are no longer Fit for Purpose

**Traditional models have responded to changes in business context and organisational maturity…**




**… and have failed to fully deliver for multiple reasons:**

- Misaligned Mission & Goals
- Process Oriented
- Focused on KPIs
- Siloed
- Pace of Change


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# Must-Have Ingredients of Future Procurement



**Customer-Centric**



**Intimacy**



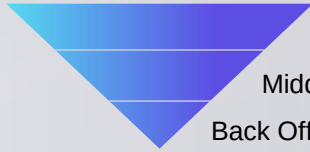
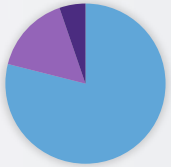
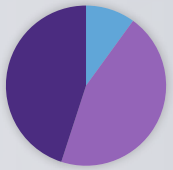
**Agility**

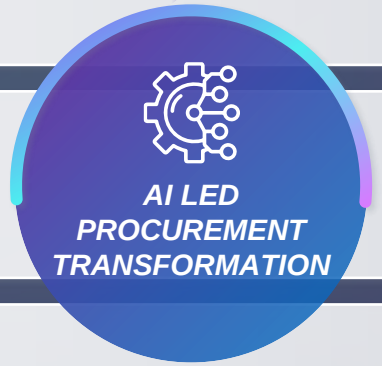


**Scalability**


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# Evolution of Procurement Operating Models

| | Traditional Procurement MODELS | Future AI-Driven Procurement MODELS |
|---|---|---|
| **Org Structure** |  Front Office<br>Middle Office<br>Back Office |  Front Office<br>Middle Office<br>Back Office |
| **Master Data** |  × Incomplete<br>× Inaccurate<br>× Uncontrolled |  ☑ Governed & Controlled<br>☑ Cleansed & Enriched<br>☑ Protected Like Gold |
| **Team Focus & Skillsets** |  Strategic<br>Tactical<br>Digital/ Data Mgt |  Strategic<br>Tactical<br>Digital/ Data Mgt |
| **Customer Support Role** |  **Support requests**<br> **Drive compliance** |  **Generate Actionable Insights**<br> **Enable Self-Service Operations** |
| **Value Delivery Metrics** | • Spend / FTE<br>• Supplier Cost Reduction (“savings”)<br>• Customer inquiries handled per agent | • % of Procurement Activities Driven by AI<br>• Procurement’s Net Margin Impact<br>• Advanced Compliance, ESG & Risk Reduction Metrics |





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# Agentic Approach
# Enabling future proof Procurement



**Antonio Verde**

**Senior Manager, GEP**

# **We believe AI and its vast potential is under-hyped,** and will transform the corporate landscape faster than all prior catalysts of industrial revolutions

## The Transformative Power of AI

### Evolving at Lightning Speed

- 100's of pre-trained LLM's available, new launches daily
- Processor speeds increasing exponentially

### Staggeringly Powerful capabilities

- NLP | Content Creation | Predictive Analytics | Personalization | Insight Discovery | Automation | Decision Support | Monitoring & Reporting

### Immensely scalable and flexible

- No major I/S investments required to scale
- Cloud-based solutions enable high agility

### Tremendous bottom-line business impact

- Team Productivity | P&L Cost Reduction | Process Efficiency | Compliance Improvement | Risk Reduction

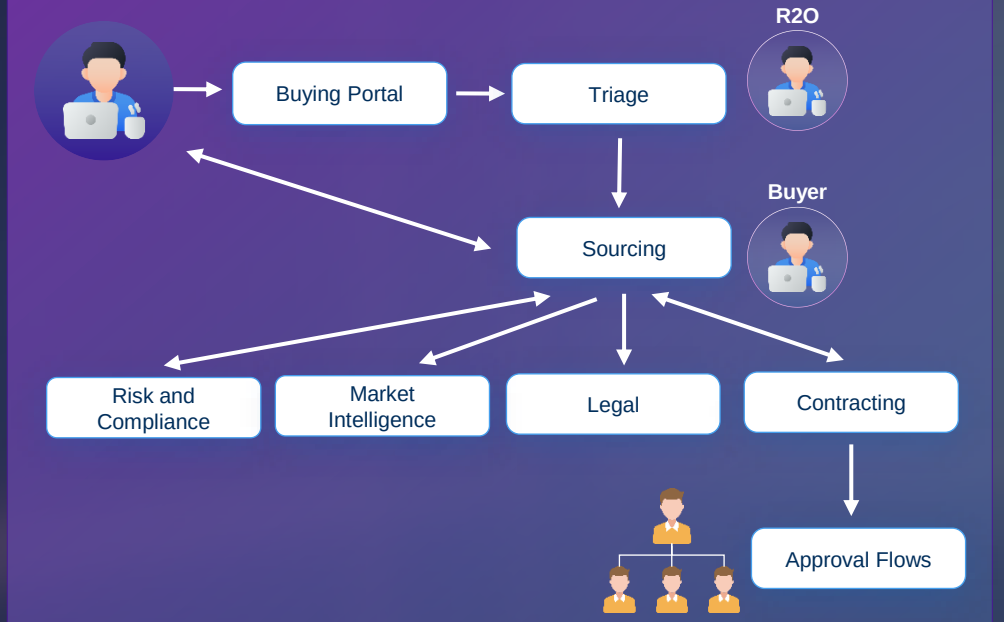
## Unlike Anything We've Seen Before

- No massive infrastructure requirements required
- No cost prohibitive scaling efforts required
- Nominal incremental data or network security concerns over existing SaaS/Cloud solutions
- Low adoption barriers – despite the potential long-term impact on jobs
- Few bottlenecks or constraints to innovating at scale


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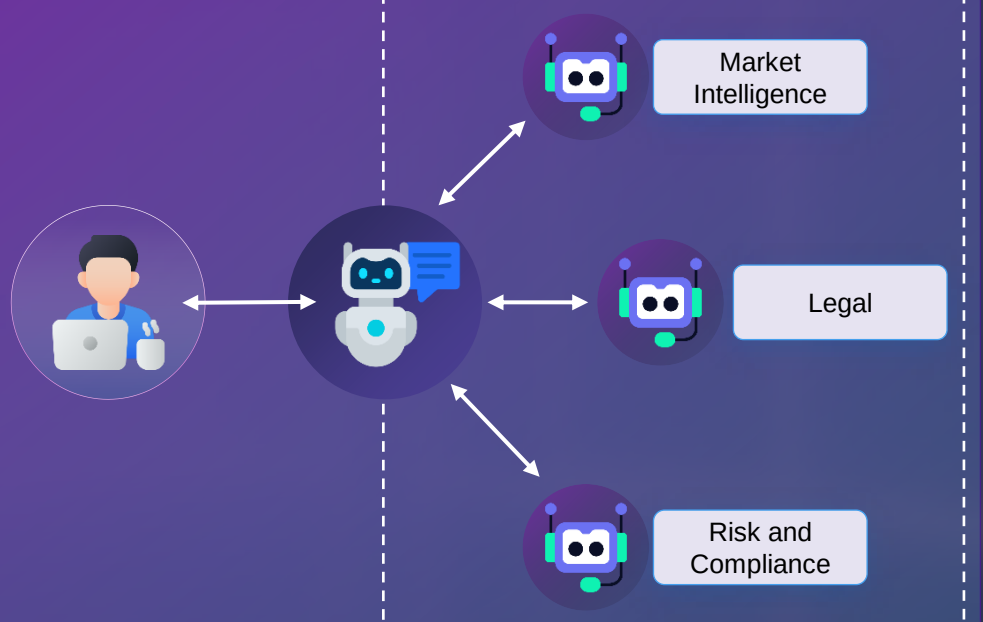
# From Process to a Problem Centric approach

## Process Centric




From **complex and inefficient**…

## Problem Centric




To a **faster, automated, and intelligent procurement process**


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# **AI Agents |** The most significant technological breakthrough centered around reasoning and actions. This manifests in solutions as either Personal AI Agents or Enterprise Agentic workflows.

**AI Agents are at the core of future transformation**

## PERCEPTION

*Multi-model gathering of information (text, images, etc.)*

## REASON

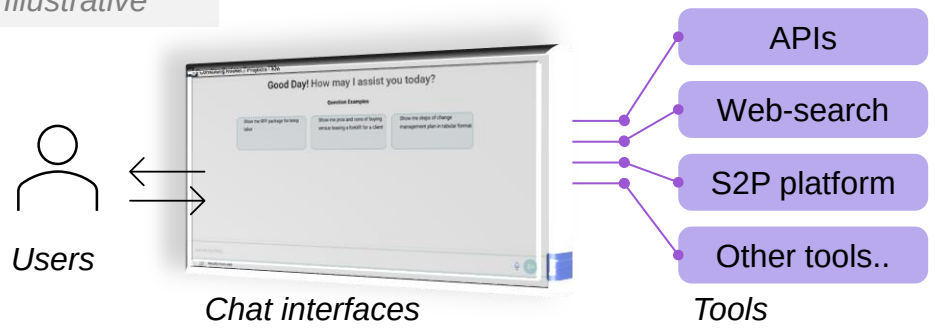
*Goal-orientated planning and context-driven decision making*

## EXECUTION

*Interacts with interfaces or tools and delegates to other AI agents*

## AI Agent Chatbots

*Illustrative*




Users engage with a chatbot interface to accomplish tasks through multiple text interactions, with developed on an AI platform.

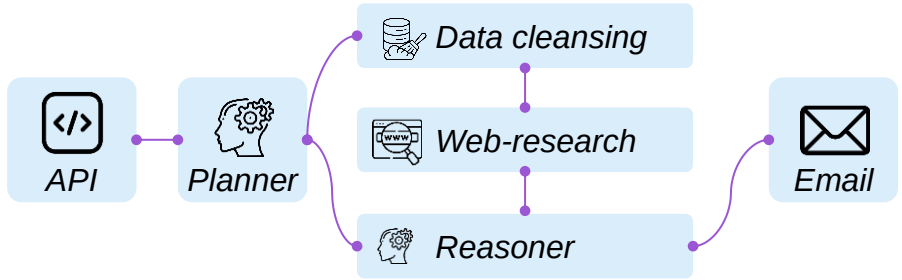
**Easier to implement, but value often limited to individuals.**

*Example use cases*

- *Contract Q&A*
- *RFx Summarizer*

## Agentic Workflows

*Illustrative*




AI agents take a series of steps in a workflow to achieve goals, often autonomously, in the background and with limited human intervention.

**More complex to implement, but deliver higher organizational value.**

*Example use cases*

- *Contract Value Leakage*
- *AI PR Quote validation*


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# **Gen AI use cases |** Opportunities span across source-to-pay. Industry leaders leverage both internal and external resources to diversify efforts and maximize value creation.

## Key procurement generative AI use cases in 2025

*Personal AI Agents* — *Enterprise Agentic workflows*

### QUICK WINS

- *Contract metadata extraction*
- *Invoice extraction*
- *PO extraction*
- *Deep research for web information*
- *Spend Classification*
- *Contract Q&A*
- *Contract Summarizer*
- *RFx Summarizer*

< 1 month[1]

For low-volumes, use cases can be consumed using out-of-box AI chatbots (e.g. ChatGPT)

**Low effort & Low value**

### MAJOR PROJECTS

- *RFx Bid analyzer*
- *Supplier resolution chatbot*
- *Supplier risk screening*
- *Voice of customer sentiment analyzer*
- *Request triaging & classification*
- *Supplier Recommendation*
- *Business customer support chatbot*
- *Research sustainability risk*

2-6 months[1]

Typically developed using AI Studio Platforms (e.g. MS Copilot Studio, GEP Quantum studio, etc.)

**Medium effort & Medium value**

### TRANSFORMATIVE

- *Contract Value Leakage*
- *Guided buying / Orchestration layer*
- *Negotiation Assistant*
- *Autonomous Sourcing RFQ*
- *Category strategy assistant*
- *Opportunity ideation assistant*
- *Clause review & amendment*
- *AI PR Quote validation*

4-12 months[1]

Typically developed using advanced agentic workflow framework.

**High effort & High value**

*1 – GEP typical development or implementation duration*


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# Procurement Contract Compliance Controller AI Agent

# From Chaos to Clarity

# Dissecting the CPO Dilemma



**Ruchi Pandey**

**Director, GEP**

# One Table Two Questions….

| | |
|---|---|
| **Org Structure** | ✓ *Strategic influence and stakeholder management*<br>✓ *Tech & AI driving lean back-office* |
| **Master Data** | ✓ *Cleansed , Enriched Data; governed across systems*<br>✓ *Treated as a "High-Value Asset", protected like gold* |
| **Team Focus & Skillsets** | ✓ *Enablement using Tech & AI*<br>✓ *New Reality requires New Skills* |
| **Customer Support Role** | ✓ *Smart insights driving decisions*<br>✓ *Self-service using AI* |
| **Value Delivery Metrics** | ✓ *Reframe "Value" in Business terms*<br>✓ *Measure "relevance" over "ease"* |



**Q1. What are you doing today?**

**Q2. How are you getting ready for tomorrow?**


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