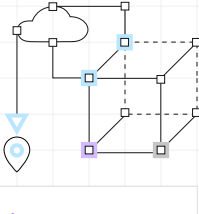


Data Story



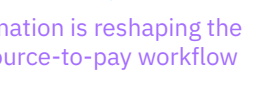
AI-powered productivity: Procurement

Turning uncertainty into a business advantage

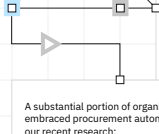
What are supply chain leaders worried about in 2025? A new survey by the IBM Institute for Business Value (IBM IBV) shows that geopolitical risks (61%) and global trade tensions (58%) are their top two challenges. Maybe it's no surprise that they are concerned about continuing shocks to their supply chains and procurement operations.

But what if supply chain leaders could not only prepare for these shocks—but do so with a level of accuracy and resilience?

With AI solutions running on cloud and embedded into large language model platforms and specialized small models, supply chain and procurement executives are better equipped than ever to replace ambiguity with clarity.



AI-fueled automation is reshaping the procurement source-to-pay workflow



AI is rapidly transforming various sectors, and procurement is no exception. The integration of AI-driven automation is reshaping the traditional source-to-pay workflow, promising significant enhancements in efficiency, agility, and risk mitigation.

This Data Story delves into the untapped potential of agentic AI in procurement operations, highlighting the current proof-of-concept discoveries and the promising future realizations of agentic autonomous operations.

A substantial portion of organizations have already embraced procurement automation. According to our recent research:

60%

utilize AI for predictive analytics

56%

for accounts payable

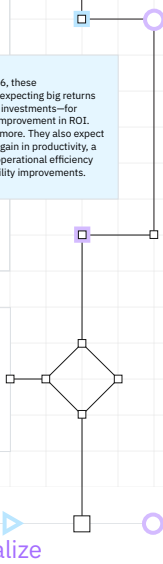
55%

for purchase order and request management

This trend indicates a growing recognition of AI's potential within procurement processes.

By the end of 2026, these organizations are expecting big returns on AI automation investments—for example, a 12% improvement in ROI. But there's much more. They also expect to achieve a 20% gain in productivity, a 14% increase in operational efficiency and 11% profitability improvements.

However, procurement leaders are not content with mere partial automation. **By 2027, they envision a future where 55% of them will achieve touchless predictive analytics, 45% will have autonomous accounts payable, and 37% will manage fully automated purchase orders and requests.** This ambition underscores a strong commitment toward fully autonomous processes, driven by the transformative capabilities of AI.

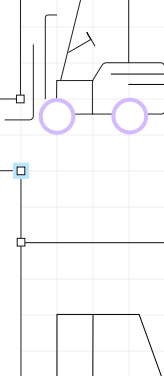


Agentic AI is poised to vitalize procurement transformation, redesigning efficiency and agility

Enter agentic AI—a **cutting-edge technology** that is set to accelerate this transformation. Agentic AI agents possess the unique ability to identify and vet suppliers based on a range of criteria including quality, price, location, capacity, and reputation. **Moreover, these agents are capable of anticipating potential disruptions such as weather events or geopolitical issues, proactively suggesting alternative sourcing options.** By combining market intelligence and supplier insights with organizational requirements and management KPIs, **agents can strategically draft and negotiate contracts** that drive meaningful business outcomes.

While AI agents handle the analysis, procurement professionals can focus on nurturing supplier relationships, fostering innovation in sourcing strategies, and **handling complex negotiations** that require nuanced judgement. This division of labor ensures that **both technological prowess and human expertise** are leveraged optimally.

Furthermore, AI agents play a pivotal role in optimizing the source-to-pay workflow. By continuously monitoring transactions and operations for compliance, **they ensure that all processes adhere to set standards.** Simultaneously, they analyze supplier performance, market trends, and news feeds to assess and mitigate potential risks. This continuous risk assessment is **crucial in today's dynamic business environment.**



Anticipated benefits may require strategic outsourcing partnerships

The impact of AI automation on procurement efficiency is expected to be substantial. According to CPOs, AI is projected to increase efficiency in source-to-pay processes by

41%

by 2027.

Additionally, they anticipate a 49% improvement in touchless invoice processing, a 36% enhancement in procurement compliance ratings, and a 43% boost in real-time spend visibility. These projections highlight the significant advantages that AI automation can bring to procurement functions.

To harness these benefits, procurement executives are increasingly looking to their ecosystems for support. The top areas they plan to outsource include:

88%

Predictive analytics

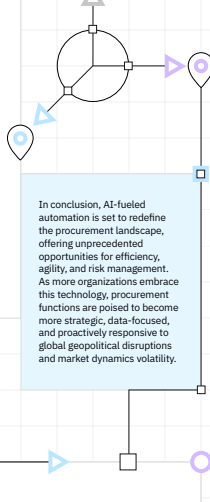
77%

Purchase order and request management

75%

Accounts payable

By leveraging external expertise, organizations can augment their in-house capabilities and accelerate their digital transformation journey.



In conclusion, AI-fueled automation is set to redefine the procurement landscape, offering unprecedented opportunities for efficiency, agility, and risk management. As more organizations embrace this technology, procurement functions are poised to become more strategic, data-focused, and proactively responsive to global geopolitical disruptions and market dynamics volatility.

Key recommendations for procurement officers

Organizations must act decisively and with speed. The world economic dynamics are rapidly changing, and many CPOs realize the potential volatility ahead. Based on IBM IBV research and analysis, here are key recommendations:

- Invest in agentic AI solutions**
CPOs should invest in agentic technologies for autonomous operations across predictive analytics, purchase order management, and accounts payable.
- Develop agentic AI partnerships**
To maximize AI benefits, CPOs should explore partnerships with agentic AI providers for specialized expertise and outsourced source to pay services.
- Upskill for strategic roles**
With AI agents handling workflow tasks, CPOs should skill their staff for complex strategies and negotiations in supplier relationships, contracts, and sourcing innovation.
- Foster a culture of continuous monitoring**
CPOs should encourage the use of AI for continuous compliance monitoring across transactions and operations, to reduce noncompliance risk and associated penalties.
- Assess ethical sourcing considerations**
With advanced AI, CPOs can engage agents to proactively analyze sourcing ethical conduct—not just for tier one suppliers but extended to n-tier suppliers.

Interested in more insights and discussion on this topic?

Check out:
[“Orchestrating agentic AI for intelligent business operations”](#)
[“Automation and robotics”](#)
[“Scaling supply chain resilience: Agentic AI for autonomous operations”](#)

Also, visit ibm.com/ibv and sign up for the IBM IBV newsletter.

You'll be notified of upcoming publications across a large variety of hot topics.

