IBM Intelligent Sentiment-Driven Vendor Forecasting for SAP Solutions

Gen AI to optimize vendor selection, performance and contract renewals using sentiment driven analysis

Highlights

Identify high performing contract manufacturing organizations, suppliers and vendors using sentiment driven analysis

Reduce risk with proactive vendor risk assessments

Enable purchasing teams with a chatbot for natural language interactions

Align vendor selection with sustainability and compliance objectives.

An IBM IBV report highlights that 59% of CPOs prioritize applying generative AI to predictive spending and sourcing analytics. However, demonstrating AI's potential to overcome challenges is key to gaining their buy-in. Industries like pharmaceuticals, healthcare, and manufacturing face critical supplier management challenges, including ensuring quality, compliance, and stability. Manual vendor evaluations often result in missed opportunities, underscoring the need for AI-driven solutions to streamline processes, mitigate risks, and secure reliable partnerships.

IBM Intelligent Sentiment-Driven Vendor Forecasting for SAP Solutions enhances vendor selection and management using Gen AI, SAP S4HANA, SAP BW/HANA, and SAP BTP systems. It analyzes feedback from departments like Purchasing and Quality Assurance to predict vendor success. A chatbot feature allows procurement teams to search for suppliers using criteria such as quality, stability, compliance, and ESG, providing insights on risks, performance, and forecasts. This solution enhances decision-making, empowers teams with real-time data, and strengthens supply chain resilience
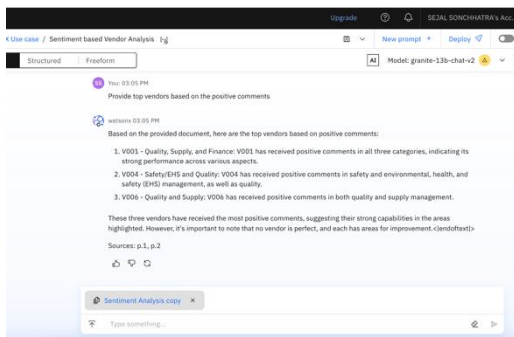
Figure 1. Vendor Sentiment Analysis with Prompt Engineering

Identify high performing contract manufacturing organizations, suppliers and vendors using sentiment driven analysis

By leveraging Gen AI-driven sentiment analysis, the solution analyzes positive and negative feedback from Purchasing, Quality Assurance, and other departments, enabling procurement teams to identify high-performing CMO's (Contract Manufacturing Organizations) and suppliers for contract renewals or new contracts and create performance measure and warning for non-performing vendors. This sentiment-driven approach helps pinpoint vendors likely to succeed, ensuring strategic partnerships with reliable suppliers. By combining this analysis with historical data, including previous project outcomes and compliance records, procurement teams can identify vendors likely to deliver consistent quality, meet regulatory requirements, and adhere to timelines.

Reduce risk with proactive vendor risk assessments

Gen AI helps evaluate vendors on critical criteria such as quality, regulatory compliance, and stability, ESG. By flagging potential risks using CMO (Contract Manufacturing Organizations) and quality scores, the solution empowers teams to proactively mitigate quality and compliance issues, thereby reducing risks and improving supply chain resilience. With timely risk assessments, the CPO team can send automated improvement notifications to low-performing vendors .

Enable purchasing teams with a chatbot for natural language interactions

The embedded chatbot feature powered by Gen AI offers procurement professionals an intuitive, natural language interface. It allows quick searches for potential suppliers, providing instant access to CMO (Contract Manufacturing Organizations) lists, linked site operations, product risks, performance metrics, and forecast data. This conversational feature improves efficiency and accessibility of key supplier information..

Align vendor selection with sustainability and compliance objectives.

Vendors are assessed not only on performance metrics but also on sustainability practices, diversity initiatives, and ethical standards. By querying suppliers based on these criteria, procurement teams can prioritize vendors who align with their sustainability and compliance objectives, ensuring responsible sourcing and reducing potential risks associated with non-compliant or unsustainable practices

Conclusion:

IBM Intelligent Sentiment-Driven Vendor Forecasting integrates with SAP BTP, Fiori, BW/HANA, and S/4HANA to empower procurement teams with sentiment analysis, performance forecasting, and real-time risk assessments. It identifies top vendors and simplifies vendor management with an AI-powered chatbot. Scalable for growing supplier networks, it streamlines insights and decision-making.

Why IBM

IBM Consulting's more than 21,000 data and AI professionals are ready to help accelerate clients' business transformations with enterprise-grade AI, including technology from SAP, IBM and other partners through a collaborative and open ecosystem approach. IBM Consulting works with a diverse AI partner ecosystem that embraces multiple models on multiple clouds from industry leaders. This helps clients choose the right models and the right architecture best for them. We accelerate business transformation for our clients through hybrid cloud and AI technologies. With deep industry expertise spanning strategy, experience design, technology, and operations, we have become the trusted partner to many of the world's most innovative and valuable companies, helping modernize and secured their most complex systems. Our 160,000 consultants embrace an open way of working and apply our proven co-creation methodology, IBM Garage, to scale ideas into outcomes.

For more information

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