AI and the Future of Procurement

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Can you tell us a bit about your background and your experience in procurement or supply chain management?

I've spent close to two decades in global procurement, leading categories like marketing, professional services, talent, and events. My journey has been about moving procurement from being seen as a cost gatekeeper to becoming a strategic partner—driving brand impact, innovation, and speed-to-market, alongside cost efficiency. I've worked with diverse stakeholders across the US, UK, and Asia, managing multimillion-dollar portfolios while embedding supplier governance and digital transformation.

What trends have you observed over the last few years in procurement's evolution?

Procurement has shifted from "savings-only" to value creation. Today, we're asked not just about cutting costs but about driving ROI, sustainability, resilience, and innovation. Another big trend is technology enablement—moving from spreadsheets to AI-powered analytics, predictive insights, and contract automation. Finally, stakeholder expectations have changed: they want faster, more transparent, and more strategic engagement from procurement.

In your view, what does "strategic procurement" mean in today's environment?

Strategic procurement is about connecting spend to strategy. It means understanding business priorities—whether that's brand growth, digital engagement, or risk reduction—and shaping the supplier ecosystem to deliver on those goals. It's less about chasing the lowest price and more about partnering with suppliers to co-create value, mitigate risks, and innovate together.

How do you see AI currently being used in procurement beyond simple automation?

Beyond automation, AI is enabling decision intelligence. For example, AI can assess supplier risk signals in real-time, predict marketing campaign performance through spend patterns, or suggest negotiation strategies based on historical outcomes. It's moving procurement from reactive to predictive, and even prescriptive.

Which areas of procurement do you believe are most ready for AI-driven transformation today? Why?
- Spend analytics: AI can instantly cleanse, categorize, and interpret data at scale.
- Supplier risk management: Real-time monitoring of financial, ESG, and geopolitical risks.
- Contract analytics: Identifying obligations, risks, and opportunities buried in legacy contracts.

These areas are ripe because they rely on large datasets where AI thrives—and they directly link to speed, compliance, and value delivery.

How do you differentiate between process automation and true strategic intelligence enabled by AI?
Automation is about doing the same tasks faster (e.g., invoice approvals). Strategic intelligence is about doing smarter tasks differently (e.g., predicting which supplier may default before it happens, or optimizing event spend mix for ROI). One saves time, the other creates insight and foresight.

What are some promising AI use cases you've seen or implemented in procurement such as supplier risk scoring, demand forecasting, or negotiation bots?
- Supplier risk scoring using external and internal data feeds.
- Spend forecasting for marketing campaigns to optimize budget allocation.
- Negotiation assistants suggesting counteroffers based on benchmarks.

- Contract clause analysis to reduce legal bottlenecks.

Each of these has helped drive both efficiency and confidence in decision-making.

What are the main barriers organizations face when trying to adopt AI in procurement?

The biggest barriers are:
- Data quality and fragmentation across systems.
- Legacy processes and systems that resist change.
- Cultural resistance—teams fearing AI will replace, not empower them.

How can procurement leaders overcome resistance from internal teams or legacy systems when implementing AI initiatives?

- Start small: pilot AI in one area, show quick wins, then scale.
- Communicate clearly: AI augments human judgment; it doesn't replace it.
- Upskill teams so they feel empowered to use AI, not threatened by it.

In your experience, what's more critical to success: technology, data, or culture? Why?

Culture. You can buy great tech and clean data, but if people don't believe in it or don't use it, it fails. Procurement transformation is 70% mind set and adoption, 30% tech and tools.

How can procurement teams build the right data foundation for AI to succeed?

- Invest in data governance (consistent taxonomy, classification).
- Integrate spend data across functions (marketing, finance, legal).
- Build dashboards and use-cases that stakeholders trust.

The key is not more data, but better, connected, and actionable data.

What strategic advantages does AI offer that traditional procurement systems cannot?

- Speed: faster decisions with confidence.
- Foresight: identifying risks and opportunities before they occur.

- Scalability: handling complexity (millions of transactions) humans can't.

This shifts procurement from transactional to truly strategic influence.

Have you seen or experienced measurable business value from using AI in procurement (e.g., cost savings, risk mitigation, supplier innovation)?

Yes—examples include shortening sourcing cycle times by 20–30%, improving supplier compliance monitoring, and reducing costs through smarter negotiations. In marketing, AI has helped optimize spend allocation across campaigns, boosting ROI.

How does AI impact supplier relationship management and collaboration?

AI provides fact-based insights into supplier performance, risk, and opportunities. It strengthens SRM by giving procurement a seat at the table with evidence, not opinion—which improves collaboration and trust with suppliers.

Do you think AI can elevate procurement's role within the organization—from operational to boardroom level?

Absolutely. When procurement can show insights on brand impact, risk mitigation, sustainability, and innovation—powered by AI—it positions us as a strategic advisor, not just a cost controller.

Where do you see AI taking procurement in the next 3–5 years?

- Autonomous sourcing for low-value spend.
- Predictive supplier risk management as standard.
- AI-driven category strategies that continuously update.
- Procurement becoming a data-driven advisor to the business, not a back-office function.

What capabilities will procurement professionals need to thrive in an AI-enhanced function?

- Data literacy (reading and interpreting AI insights).
- Strategic storytelling (turning data into boardroom impact).
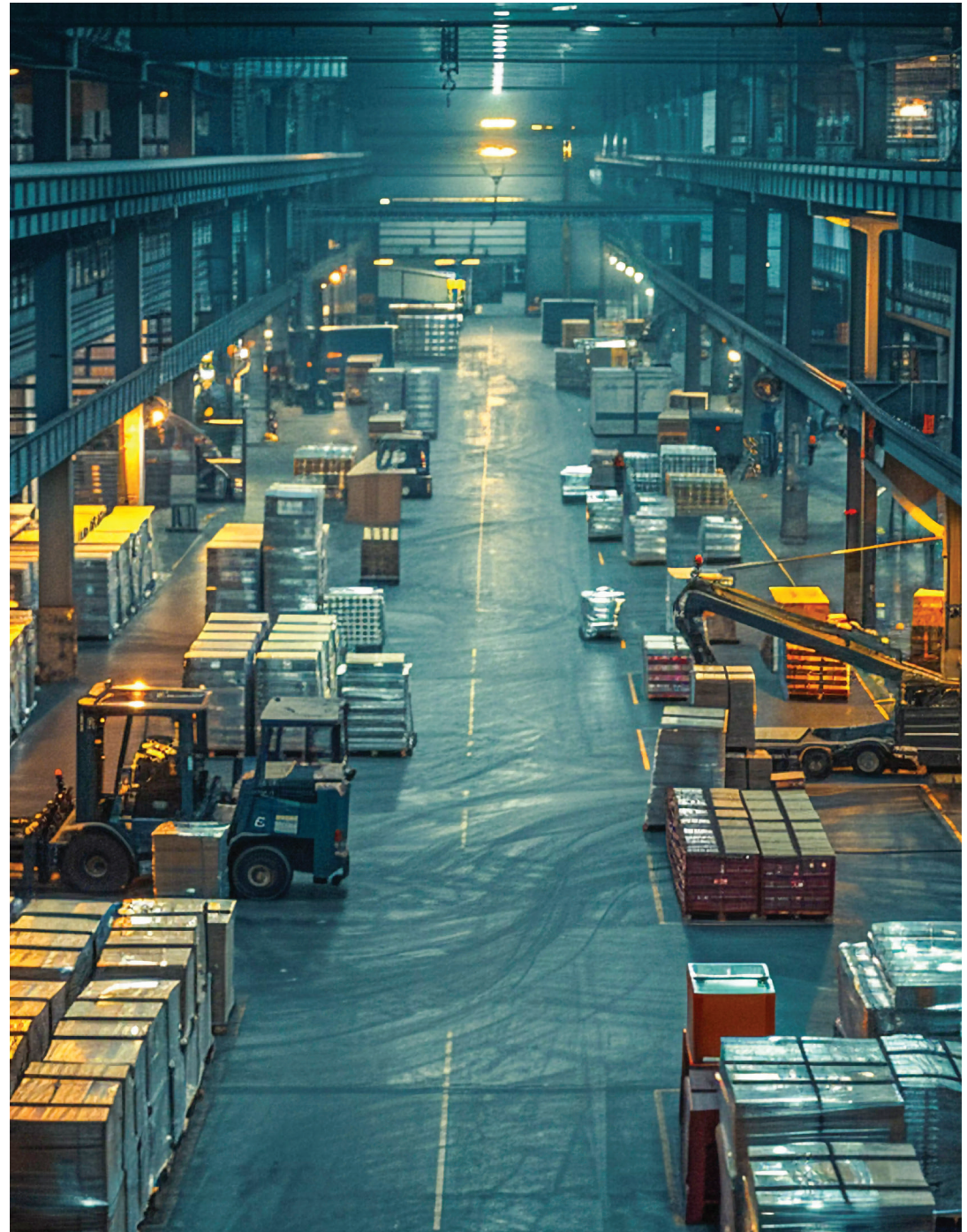
- Change management skills to drive adoption.
- A growth mindset to adapt as tech evolves.

How do you think AI will change the nature of procurement jobs and skill sets?

It will free us from repetitive tasks and shift our roles to relationship building, strategic thinking, and innovation. The "procurement operator" will evolve into a procurement strategist and advisor.

What's the most overrated and underrated use of AI in procurement today?

- Overrated: Chabot's answering FAQs—they don't solve strategic challenges.
- Underrated: supplier risk analytics—this can save millions by avoiding disruption.

If you had to give one piece of advice to a procurement officer starting their AI journey, what would it be?

Start with the problem, not the technology. Identify a pain point (e.g., poor supplier visibility), pilot AI there, and scale once you show results. AI succeeds when it's tied to a real business outcome.
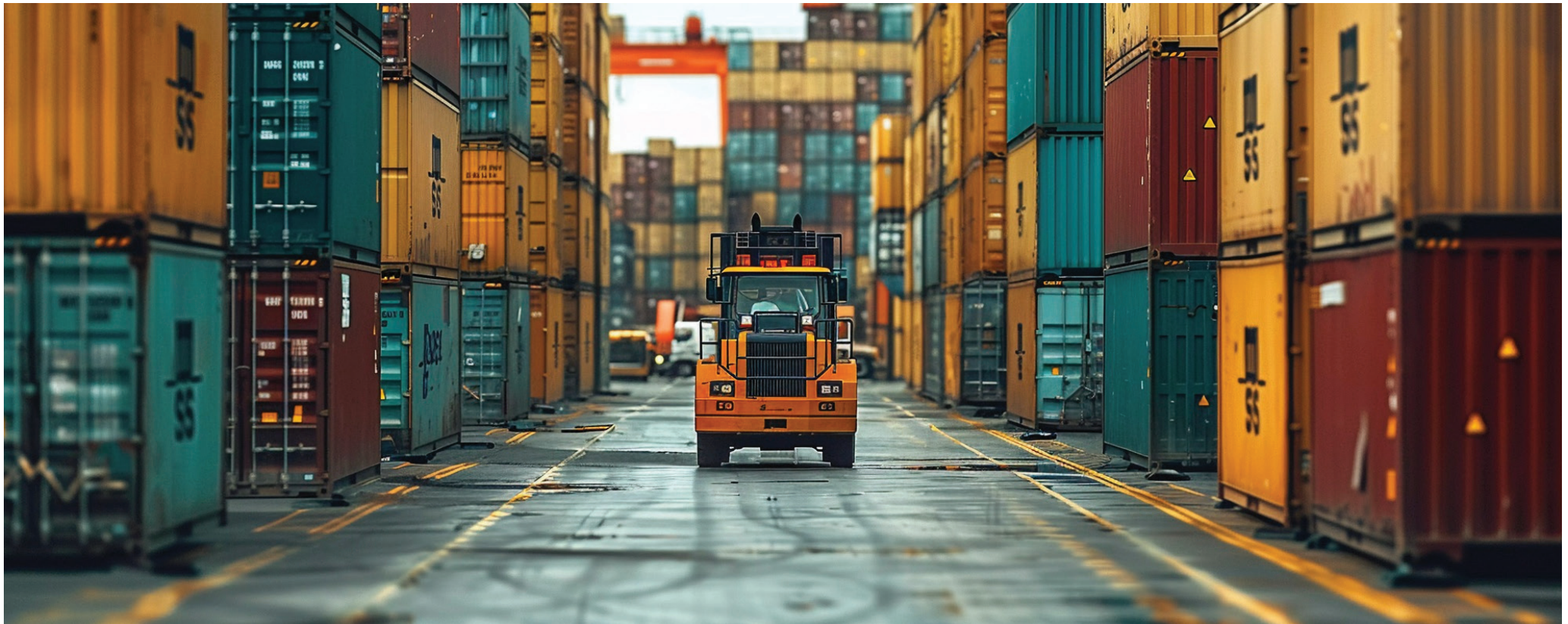
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