akirolabs

The GenAI Playbook for Procurement

Designing the Future of Procurement with Generative Intelligence

First Edition

Inside:

- Benchmark Insights from 96 Procurement Leaders
- The AAA Framework for Procurement
- Readiness Checklists & Capability Grids

CONTENTS

Executive Summary

akirolabs

Executive Summary

Over the last decade, procurement has gradually evolved from a process-focused back-office function to a value lever tied to enterprise strategy. But 2025 marks a more critical juncture — one where procurement leaders must simultaneously deliver cost efficiency, manage escalating risk, drive sustainability outcomes, and enable agility across the value chain. The scope has expanded. The expectations have multiplied. The resources have not.

Procurement is, in many respects, under strategic pressure.

According to The Hackett Group's 2025 CPO Agenda, procurement workloads are projected to grow by 10%, while operating budgets are forecasted to increase by just 1%. The implication is clear: traditional methods of productivity improvement are no longer sufficient. *New thinking is required — and new tools and methods.*

Amid this complexity, Generative AI (Gen-AI) is rapidly moving from proof-of-concept to enterprise strategy. It represents not just a technological opportunity, but a structural shift in how decisions are made, insights are generated, and value is delivered.

Yet, as our proprietary 2025 GenAI in Procurement Survey shows, **most organizations are not yet prepared to capitalize on this shift:**

- **89% of** organizations report GenAI initiatives in progress across the enterprise — yet only 4% have deployed Gen-AI at scale in procurement.
- **Only 17%** report full digitalization of procurement processes across source-to-contract (S2C), procure-to-pay (P2P), and project procurement.
- Adoption maturity follows a bell-curve distribution, with a large middle cohort identifying as early adopters or early majority — and **fewer than 20%** classifying as innovators.

This report is designed to close the gap between technological potential and operational reality. It integrates insights from three primary sources:

1. A targeted cross-sector survey of 96 senior procurement and digital leaders
2. First-hand insights from CAB sessions and stakeholder interviews
3. Leading benchmarks from trusted sources such as Hackett, KPMG, and McKinsey

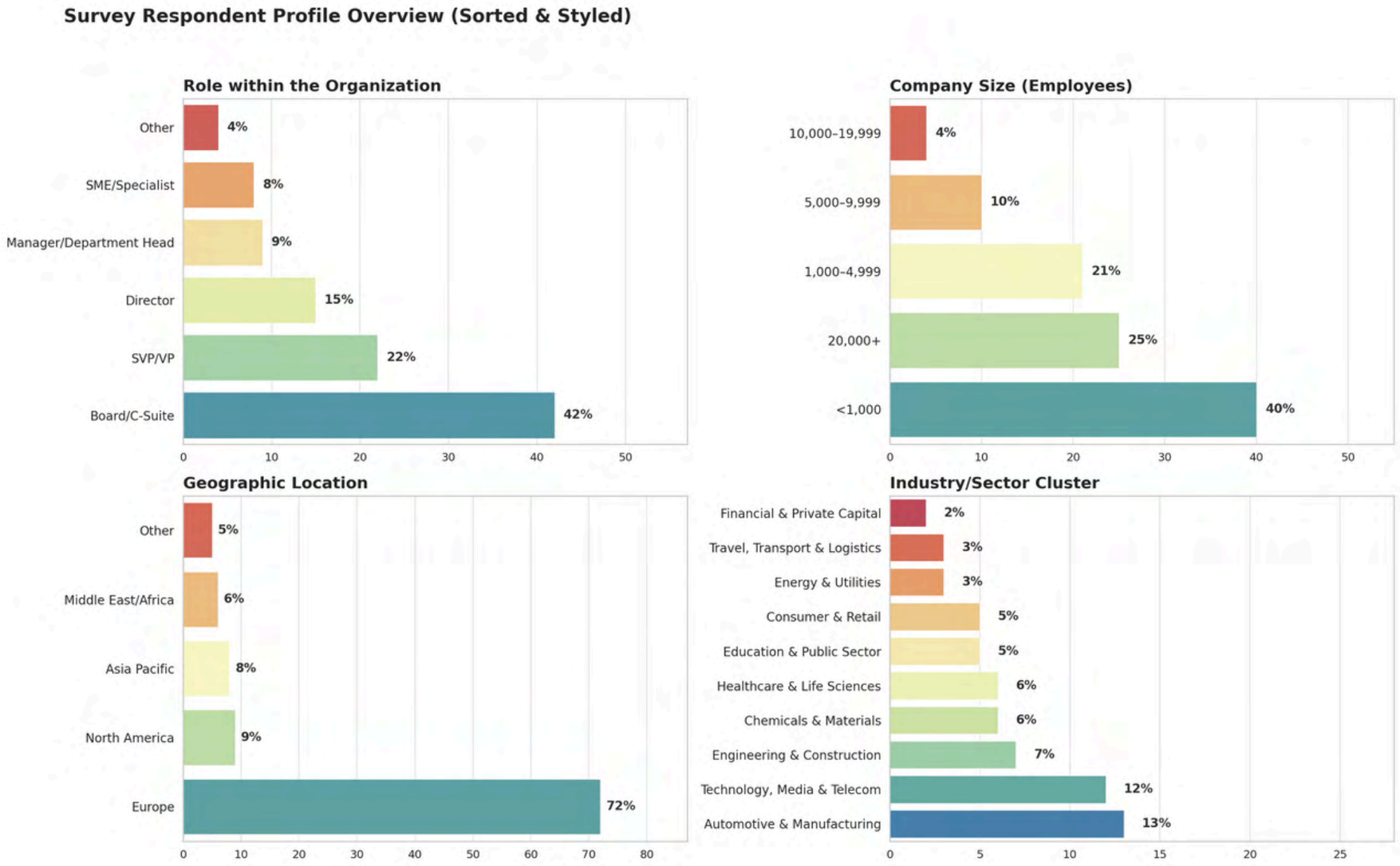
Through this triangulation, we offer a structured, evidence-based view of how GenAI is being applied to procurement today — and how it should be designed for tomorrow.

Executive Summary

Survey Respondent Profile

The insights presented in this report are grounded in a **proprietary survey** conducted with **96** senior executives across procurement, digital transformation, and strategy functions. Over **800 CXOs** and business leaders were contacted directly, with a high-quality response rate ensuring credibility. Respondents represented a seniority-weighted cohort — *63% of whom were board members, EVPs, or VPs (level 1 & 2).*

The sample was also deeply rooted in procurement expertise, with **68%** having domain-specific experience. Organizational diversity was broad, spanning small to blue-chip enterprises, across all major industries and geographic regions. While Europe accounted for the majority (**72%**) of responses, balanced representation was achieved from North America, APAC, and the Middle East & Africa (each contributing **~6–8%**). This well-distributed sample offers a robust lens into how generative AI is perceived and applied across varying procurement contexts.



akirolabs

Executive Summary

The Need for a New Model

Many organizations have invested heavily in procurement automation — yet few have seen transformative outcomes. Why? The fundamental challenge lies in **misalignment**: between tools and decision types, between AI capabilities and data maturity, between use case ambitions and governance realities.

This report introduces a new framing model: the **Automate – Assist – Augment (AAA) Framework** of Modern Procurement. It moves the conversation from generic AI adoption toward decision-aligned AI design — helping leaders answer not just "What can we automate?" but "What should we automate, assist, or augment — and why?"

The **AAA Framework** is built on the insight that not all procurement decisions are equal. Some are routine and rule-based. Others are contextual, requiring judgment, negotiation, or cross-functional alignment. GenAI's real value lies not only in reducing transactional burden, but in amplifying strategic decision quality.

Key Findings from the Field

The findings of this report are both sobering and optimistic. On one hand, the current deployment of GenAI in procurement is narrow and exploratory. On the other, there are clear signals of high-impact potential — especially in strategic domains.

1. Digital maturity is concentrated in operational tasks.

- **60%** of respondents report that P2P processes are largely automated or digitalized.
- Strategic processes such as supplier segmentation, negotiation planning, and risk modeling remain manual or spreadsheet-driven.
- **Only 17%** have achieved full digitalization of procurement workflows.

2. AI investment is strong, but focused on low-complexity use cases.

- The most widely adopted GenAI use cases are chatbot-based interfaces, spend summarization, and contract drafting.
- Use cases related to category strategy generation, scenario planning, and supplier collaboration rank high in potential but low in actual adoption.

3**. Perceived value is clear, but trust and talent remain obstacles.**

Executive Summary

- **75%** of organizations expect GenAI to improve productivity; **65**% expect improved decision-making.
- However, talent gaps (**31%**), explainability concerns (**30%**), and data quality issues (**73%** moderate-to-major concern) are seen as material barriers.
- Copilot tools are becoming more pervasive, but agentic orchestration remains nascent — just 11% report live use of autonomous agents despite 65% piloting them.

4. **Mature organizations adopt design-first principles.**

- Leaders with scaled GenAI deployments treat AI not as an overlay, but as a redesign tool.
- They embed AI into workflows, not just tools; they use procurement-specific taxonomies; they train for augmentation, not just automation.

What This Report Delivers

This report is not a list of AI tools or a generic vision for digital transformation. It is a practical strategy guide rooted in procurement realities. Across ten chapters, it delivers:

- A decision-first framework for aligning AI with procurement processes
- Benchmarking data on GenAI adoption maturity, use case value, and organizational readiness
- Five high-impact use cases detailed by complexity, deployment effort, and return potential
- A roadmap for embedding GenAI into procurement's operating model, tech stack, and capability ecosystem

Throughout, we aim to help CPOs, transformation leaders, and enterprise architects move beyond "automation thinking" toward orchestration thinking — where AI supports human-led decisions, not replaces them.

A Call to Reframe

The next phase of procurement transformation will not be defined by technology adoption alone. It will be shaped by how well organizations design for intelligence: embedding GenAI in ways that improve foresight, elevate judgment, and build trust with internal and external stakeholders. This report invites procurement leaders to reframe the GenAI conversation:

- From outputs to decisions
- From tools to systems
- From automation to augmentation

It's time to lead not with AI capabilities — but with business questions that matter.

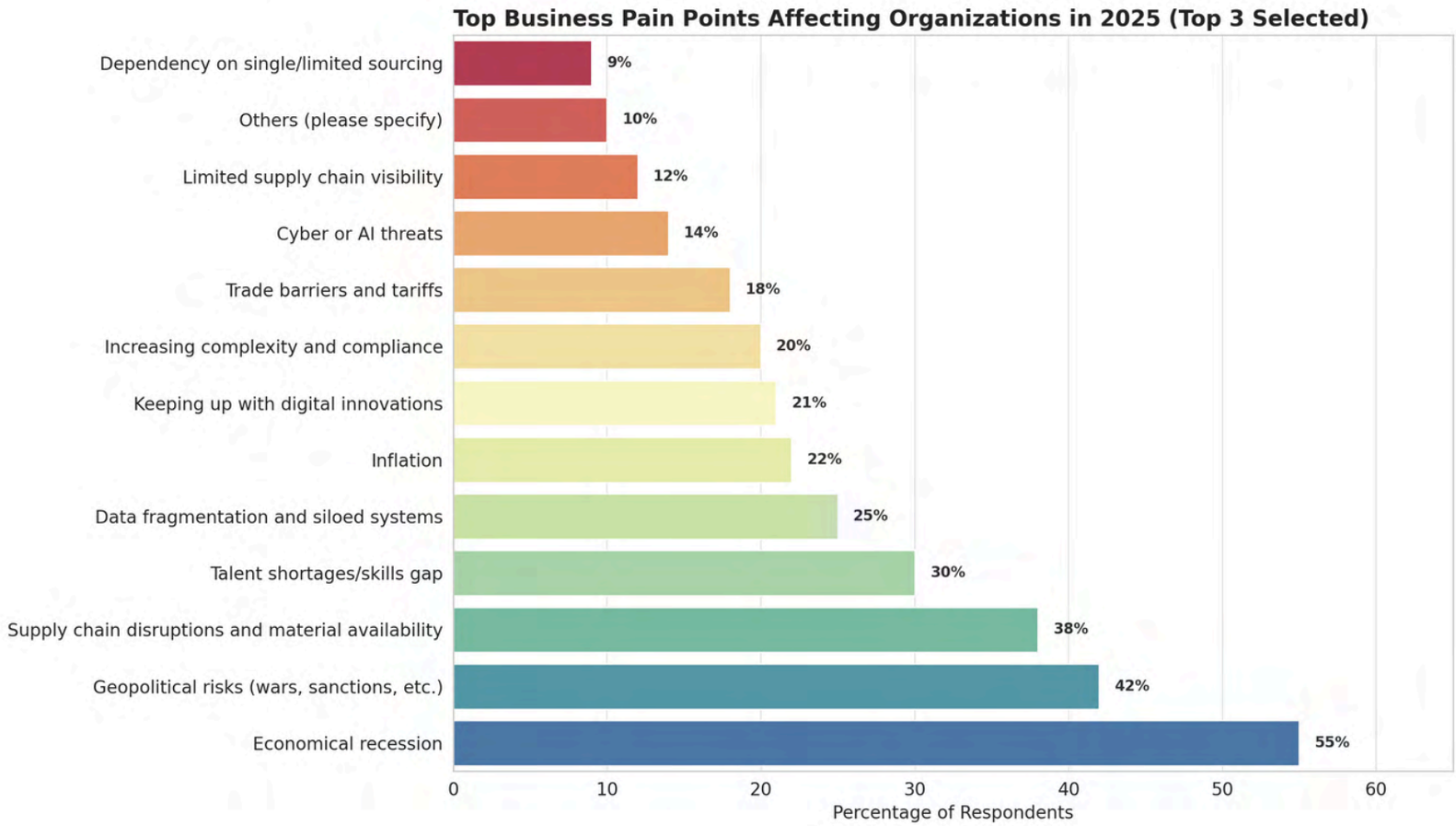
The Case for Change

Procurement's Expanding Mandate

Procurement in 2025 is no longer defined by its transactional legacy. Once viewed as a cost-containment engine, the function has been thrust into a broader enterprise mandate — tasked with managing a growing portfolio of responsibilities: cost efficiency, risk mitigation, supply assurance, ESG accountability, and resilience-building.
This role expansion is not theoretical. It is being felt acutely by procurement leaders.

According to The Hackett Group, procurement workloads are expected to increase by 10% in 2025, while budgets will rise by **only 1%.** This structural imbalance signals a critical challenge: procurement is being asked to deliver more — much more — with essentially the same resources.

2025 GenAI in Procurement Survey also reinforces this pressure. When asked to identify the top external challenges facing procurement today, leaders pointed to a convergence of economic, geopolitical, and operational risks:



akirolabs

The Case for Change

- **55% cited economic recession as a primary threat**
- **34% highlighted geopolitical instability**
- **29% noted supply chain disruption**
- **26% flagged talent shortages**

The complexity of these risks — in both scope and variability — puts procurement in a uniquely exposed position. It is no longer enough to manage sourcing events and drive down unit costs. Organizations now require procurement to provide enterprise foresight, not just supply assurance.

At the same time, internal stakeholders expect more from procurement: richer insights, faster response times, and proactive value creation. The function must now operate at the intersection of data, decisions, and stakeholder experience.

This dual expectation — external resilience, internal responsiveness — is redefining procurement's core value proposition. It is not just a sourcing and compliance function. It is becoming a strategic orchestrator of value.

External Pressure Meets Internal Complexity

While procurement's mandate has expanded, its operational foundation has not kept pace. Many organizations still rely on fragmented tools, outdated workflows, and semi-structured processes — especially in upstream areas such as supplier segmentation, risk modeling, and category strategy development.

Our survey reveals a telling pattern:

- **60%** of respondents report that most operational (P2P) processes are automated or digitalized
- But only **17%** of organizations have fully digitalized procurement across S2C, P2P, and project procurement
- Knowledge-intensive activities — including supplier innovation, negotiation design, and ESG integration — remain heavily manual

This gap between digital ambition and digital reality is amplified by a shifting macro context. Key structural pressures include:

- Inflation & cost volatility: causing procurement to rebalance between cost optimization and availability.
- Regulatory escalation: ESG frameworks such as CSRD, CBAM, and the German Supply Chain Act are creating new reporting obligations with financial implications.
- Deglobalization & friendshoring: forcing re-evaluation of supplier footprints and increasing reliance on alternate sourcing strategies.
- Digital overload: too many tools, fragmented stacks, limited integration — creating friction rather than clarity.

The Case for Change

In many organizations, procurement is running one step behind transformation expectations. It is digitally connected, but not digitally intelligent. Tools are in place, but insights are slow. Reporting is possible, but scenario planning is limited. This creates not just operational friction — but strategic risk.

Further comparison with other enterprise functions reveals an additional concern: procurement is trailing in digital maturity.

In the KPMG Q1 2025 AI Pulse Survey:

- Finance and HR are leading in scaled GenAI adoption
- Procurement, while showing a high rate of experimentation, lags in actual deployment — especially in agentic AI and embedded intelligence

The implication is clear. Without intervention, procurement risks becoming a digital laggard in a world where real-time, insight-rich decisions are becoming the enterprise standard.

Procurement has reached a point where the expectation–capability gap is unsustainable. The macro environment demands agility. The business demands insight. But procurement's current tooling — focused largely on workflow automation — cannot support the level of strategic responsiveness now required. GenAI offers a path forward — not simply to automate more, but to reimagine how procurement decisions are made, how intelligence is surfaced, and how the function creates value across cost, risk, resilience, and sustainability.

This is not just a technology story. It is a structural inflection point.

The next section introduces a model for how to respond — not with more pilots or tools, but with a coherent design framework that aligns AI capabilities to procurement's layered decision architecture.

Why GenAI is Different

Capability Shift, Not Just Tech Shift

Much of procurement's digital history has been shaped by the pursuit of workflow automation. From procure-to-pay (P2P) systems to contract lifecycle management (CLM), the focus has largely been on digitizing repeatable tasks to reduce cycle time, lower transaction costs, and enforce compliance.

Generative AI (GenAI) represents a fundamentally different class of capability. It is not an incremental upgrade to existing automation tools — it is a step-function shift in what software can do.

Unlike RPA or basic analytics, GenAI introduces four new affordances:

- Language understanding at scale: enabling natural interaction with systems
- Content generation: creating narratives, summaries, and simulations
- Contextual reasoning: adapting outputs based on user roles, objectives, and data inputs
- Decision augmentation: helping humans evaluate alternatives, not just execute steps

This shift repositions AI not just as a tool to automate tasks, but as a collaborative system capable of orchestrating decisions — especially those that are data-rich, semi-structured, and time-sensitive. Our proprietary 2025 GenAI in Procurement Survey confirms that most organizations are still in early stages of translating this potential into practice:

- Only **17%** of procurement functions have fully digitalized their processes across S2C, P2P, and project procurement.
- Just **4%** report scaled GenAI adoption in live operations.
- The majority (over **70%**) are in pilot or experimentation phases, with limited integration into decision workflows.

This finding is consistent with broader enterprise trends. According to KPMG's Q1 2025 AI Pulse Survey:

- **65%** of organizations are piloting GenAI agents (autonomous or semi-autonomous systems designed to perform tasks)
- However, **only 11%** have deployed these agents in a production environment

The disconnect between experimentation and execution is not due to lack of ambition — it reflects the fact that GenAI is not plug-and-play. To unlock its value, organizations must rethink how processes, data, and decisions interact — and redesign systems around decision-making, not task completion.

In procurement, where judgment, negotiation, and exception-handling are commonplace, this shift is especially relevant. GenAI can unlock more than operational speed — it can enable contextual responsiveness.

Why GenAI is Different

Procurement-Specific GenAI Potential

Procurement is uniquely positioned to benefit from GenAI — but only if leaders look beyond surface-level automation. The function's workflows are:

- Document-heavy: contracts, RFPs, supplier profiles, performance reports
- Exception-driven: supplier disputes, late deliveries, ad hoc category demands
- Multi-stakeholder: involving legal, finance, operations, compliance, and suppliers

These characteristics align well with GenAI's strengths. Unlike RPA, which thrives on standardization, or traditional ML, which requires structured data and narrow problem frames, GenAI thrives in ambiguity. It can:

- Summarize complex multi-page documents
- Generate category strategies based on historical and forecast data
- Simulate risk scenarios based on semi-structured supplier inputs
- Draft stakeholder-ready narratives (e.g., supplier QBRs, negotiation briefs)

In short, GenAI performs well in the gray zones — where structure meets judgment. By contrast, legacy automation tools like RPA have primarily focused on deterministic tasks:

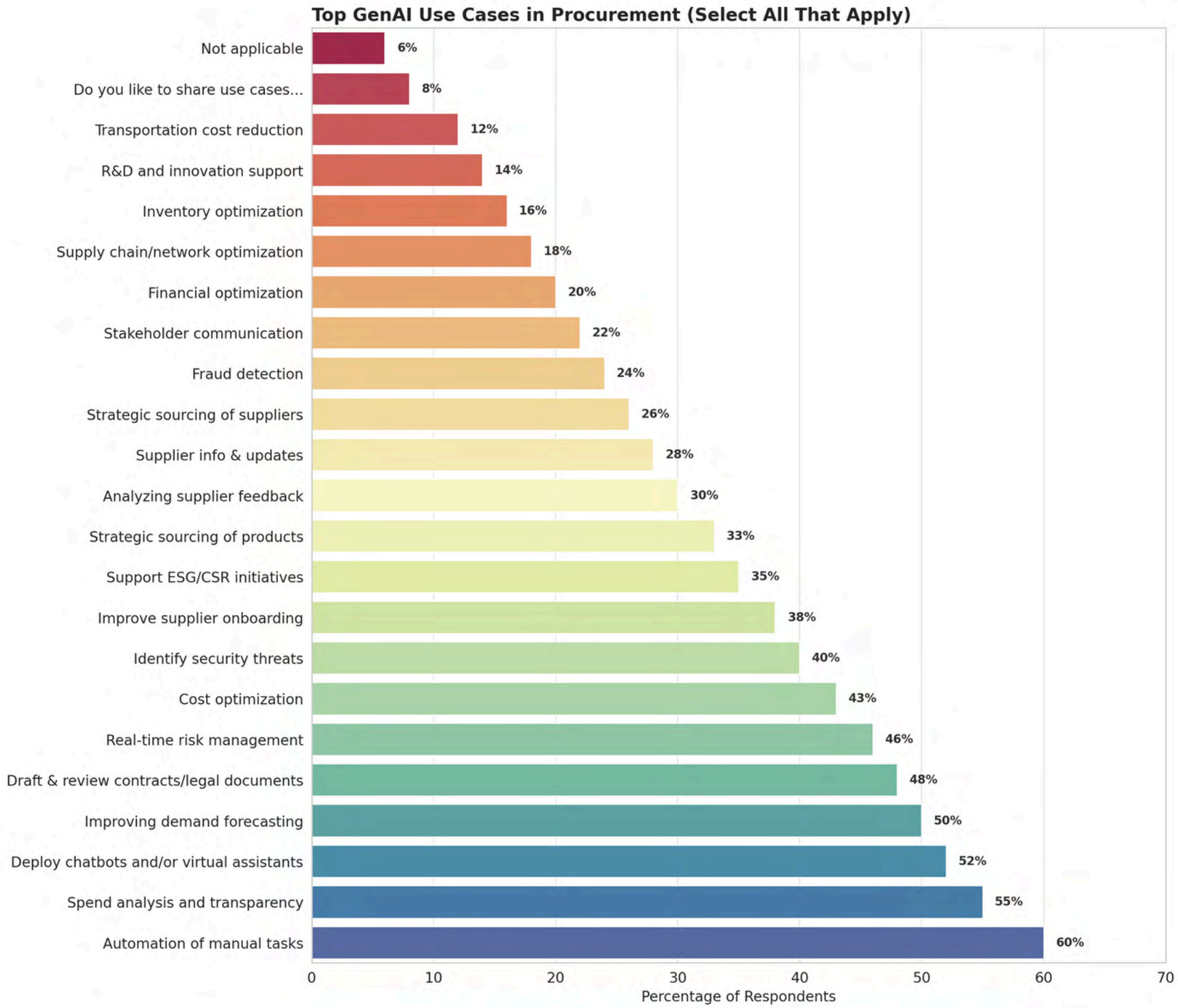
- Invoice matching
- Purchase requisition routing
- PO creation

These use cases remain important, but they deliver diminishing returns in a world where the real value lies in speed to insight, agility of decision-making, and the ability to manage uncertainty. Risk and opportunity must be evaluated together. Procurement leaders understand that GenAI carries risks — especially related to:

- Hallucinations (inaccurate outputs presented with confidence)
- IP and data exposure (especially in supplier negotiations)
- Bias in supplier scoring or vendor selection

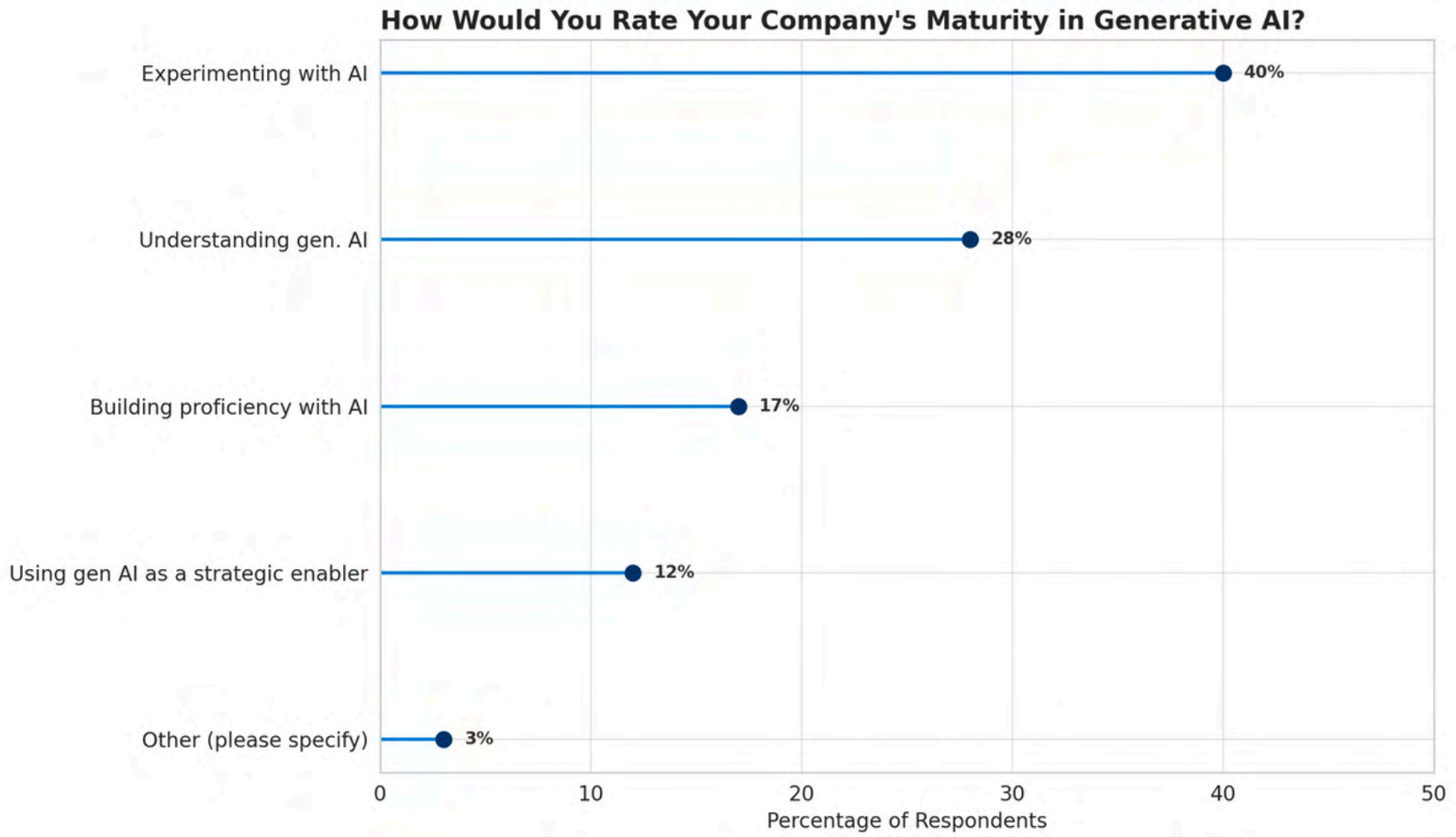
Survey results confirm that procurement leaders are already prioritizing GenAI for high-leverage activities — including automation of manual tasks (60%), spend analysis (55%), and intelligent assistants (52%). Notably, use cases are shifting from transactional efficiency to strategic enablement, such as demand forecasting, risk management, and contract generation. Survey results on next page:

Why GenAI is Different



akirolabs

Why GenAI is Different



However, the risks we talked about earlier are not unique to GenAI — they are manageable with proper design. More importantly, the opportunity cost of inaction is becoming material. Organizations that fail to integrate GenAI into procurement workflows may:

- Miss early-warning signs of supplier instability
- Rely on static category strategies in dynamic markets
- Continue wasting human talent on repetitive knowledge tasks

Conversely, those that embrace GenAI — not just as a tool, but as a co-designer of decisions — can transform procurement into an enterprise intelligence function. GenAI is not another automation wave. It is a capability platform that enables procurement to operate at a higher level of abstraction — focusing on decisions, not just processes.

While the enterprise as a whole experiments with agents and copilots, procurement must define its own path — one grounded in decision complexity, trust, and outcome alignment.

The next section introduces a framework that helps procurement leaders do exactly that: the Automate – Assist – Augment (AAA) model — a design-based approach that ensures GenAI is deployed where it matters most.

A Design Framework for AI in Procurement

akirolabs

A Design Framework for AI in Procurement

As organizations shift from experimenting with GenAI to embedding it into core operations, one truth has become clear: AI success in procurement will not come from technology alone. It will depend on how intelligently the technology is aligned with decision-making structures, data realities, and human workflows.

In most enterprises, procurement is simultaneously over-digitized and under-designed. Dozens of tools exist — for sourcing, supplier performance, contract lifecycle, analytics — but the intelligence often sits in silos. GenAI threatens to either amplify this fragmentation or correct it entirely, depending on how it's deployed.

The difference lies in whether organizations adopt a decision-first design approach — one that goes beyond process automation to intentionally architect how humans and AI systems interact across different levels of procurement work.

From Process Automation to Decision Design

The first step in deploying GenAI effectively is reframing procurement from a series of workflows to a network of decisions. That shift in perspective is essential.

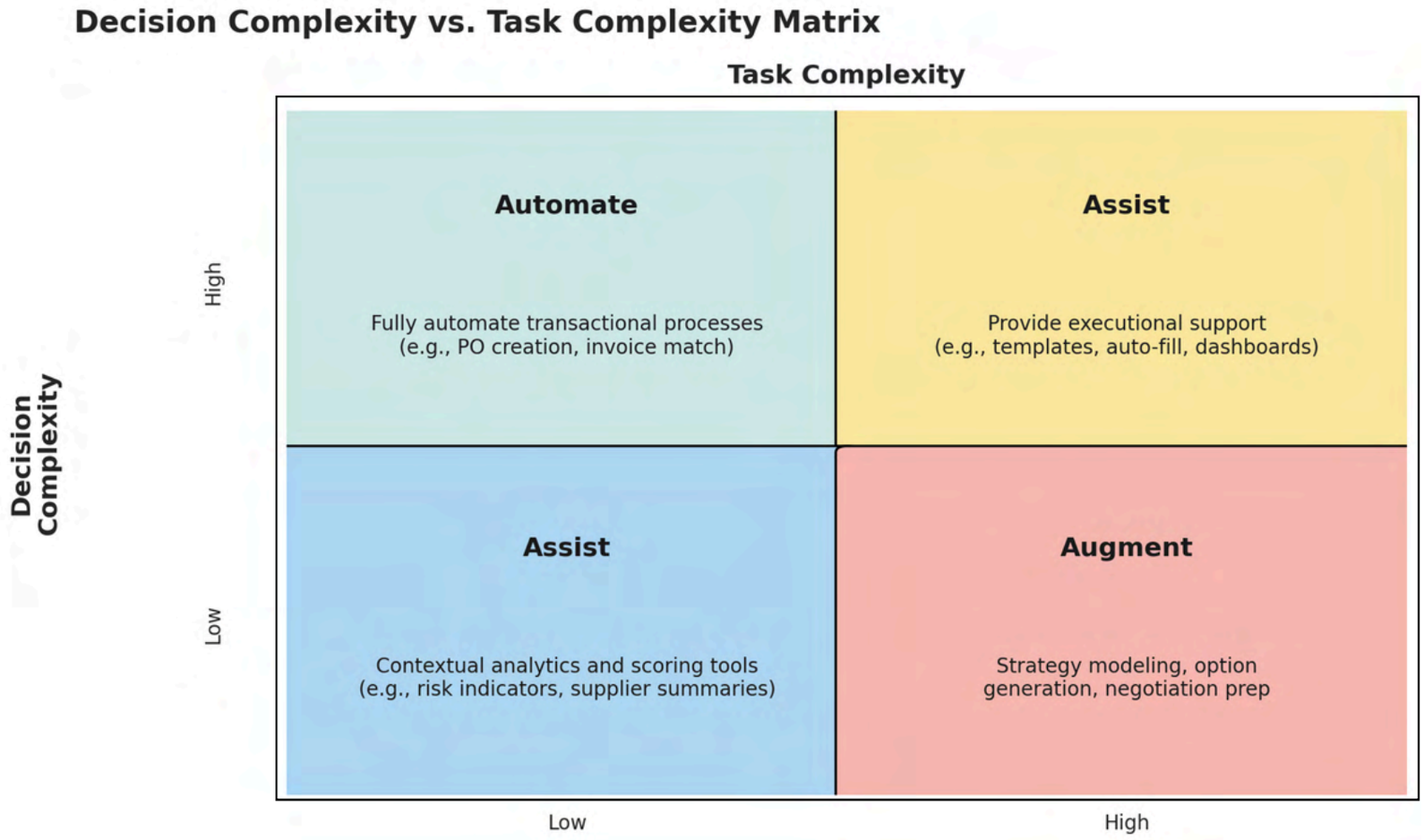
Procurement doesn't just execute tasks — it makes decisions constantly:

- What sourcing strategy should we pursue?
- How should we evaluate this supplier?
- Is this contract language risky?
- What's the best response to this late delivery?

Each of these decisions carries different levels of complexity, context, and consequence — and therefore requires a different kind of AI support.

Traditional automation approaches have treated these decisions as process fragments: isolate a repeatable task, digitize it, optimize it. This works for P2P, but fails upstream. GenAI requires a model that understands the spectrum of decision types, and allocates technology accordingly. We introduce here a Decision Complexity vs. Task Complexity matrix, adapted for procurement:

A Design Framework for AI in Procurement



This matrix does two important things:

1. It protects organizations from over-automation in areas where human judgment is essential.
2. It elevates GenAI from a task engine to a thinking partner — especially in strategic zones where the business needs speed, not scripts.

The AAA Model: Automate – Assist – Augment

To put this framework into action, we propose the AAA Model — a taxonomy for structuring GenAI use cases in procurement by their intended relationship with human users. This model was introduced in our original AI Adoption Guide and has since been validated across survey responses and client use cases. It ensures fit-for-purpose design, mitigates risk, and supports incremental scale.

A Design Framework for AI in Procurement

Automate

- **Definition**: Tasks are completed entirely by AI without user intervention
- **Value**: Speed, accuracy, cost efficiency
- **Best suited** for: Low-context, rule-bound, high-volume activities
- **Examples**: PO creation, invoice validation, catalog buying
- **Risk**: Over-reliance on rules, low adaptability to exceptions
- **Survey evidence**: 60%+ of respondents say P2P is highly digitalized — the most mature zone for AI automation today
- **Design implication**: Don't waste GenAI on what RPA or standard scripts can already do. Use this layer for capacity lift.

Assist

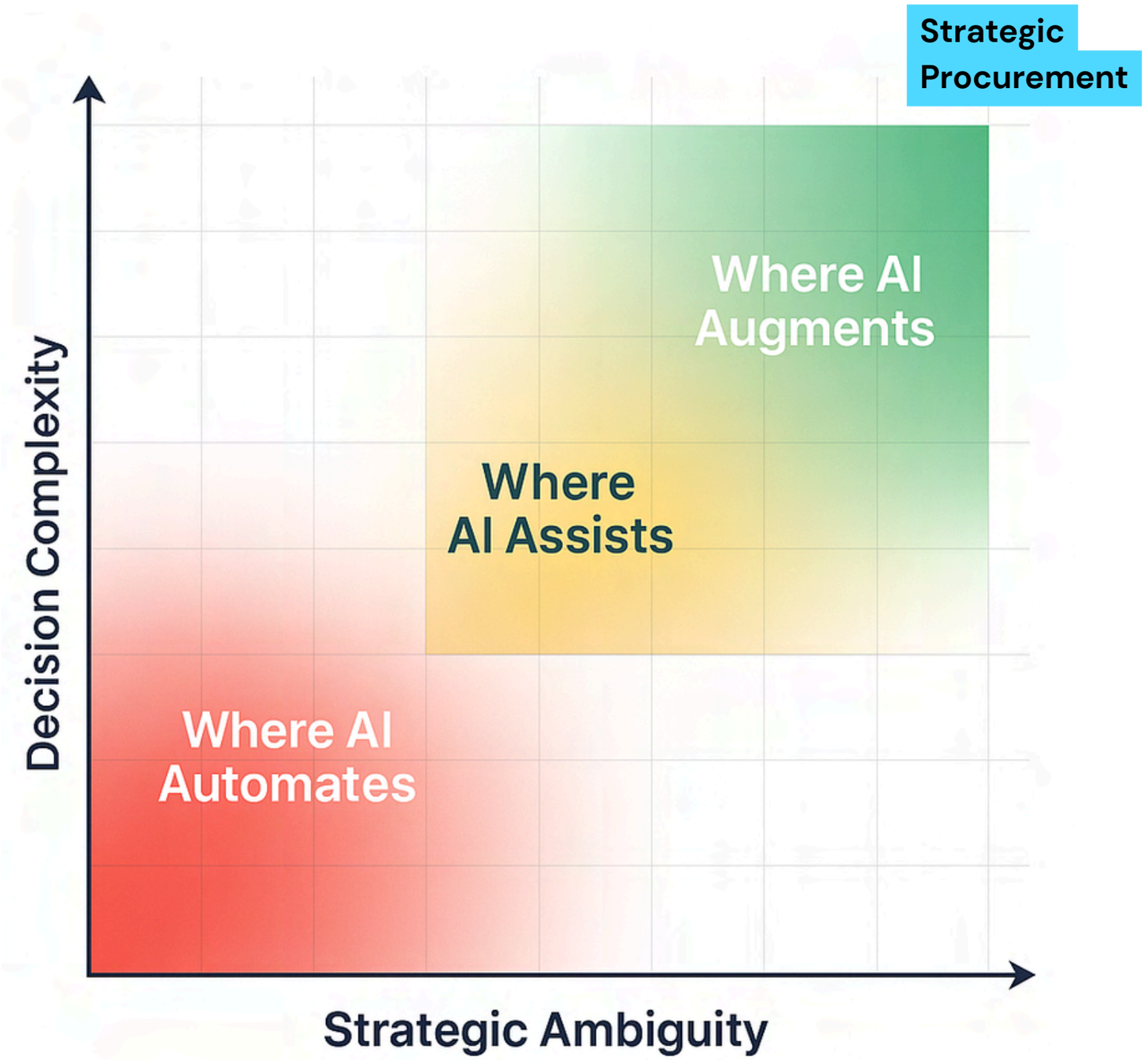
- **Definition**: AI provides context, summaries, insights, or recommendations that guide human action
- **Value**: Cognitive relief, decision support, speed to insight
- **Best suited** for: Mid-complexity tasks requiring pattern recognition or synthesis
- **Examples**: Spend analytics dashboards, Supplier risk scoring, Contract clause classification
- **Survey evidence**: Stakeholders cite “reporting acceleration” and “faster access to insights” as top GenAI benefits
- **Design implication**: GenAI excels at reducing cognitive load. Design copilots that surface context at the right moment — not just more data.

Augment

- **Definition**: AI works as a co-creator, offering alternative options, generating strategic narratives, or simulating outcomes
- **Value**: Decision quality, creativity, foresight
- **Best suited** for: High-stakes, high-context decisions where human expertise remains primary
- **Examples**: Category strategy generation, Negotiation briefing packs, Scenario modeling (e.g., supplier exits, inflation spikes)
- **Survey evidence**: These are consistently rated as high potential, but low deployment — a sign of underutilized value
- **Design implication**: Augmentation isn’t about replacing human intelligence — it’s about expanding its reach. These tools must be explainable, customizable, and embedded in strategic workflows.

A Design Framework for AI in Procurement

This framework highlights how GenAI should be matched to task complexity: automation thrives in low-ambiguity, low-decision zones; assistance adds value in the middle; and augmentation unlocks strategic impact where ambiguity and complexity intersect. For procurement to fully realize GenAI's promise, use cases must shift right and up — toward augmentation in high-context, high-stakes decision spaces.



A Design Framework for AI in Procurement

Aligning with Procurement's Layered Architecture

To operationalize AAA, organizations must understand the decision architecture of procurement — how decisions differ at each layer of the function. This structure helps procurement leaders sequence Gen AI investments:

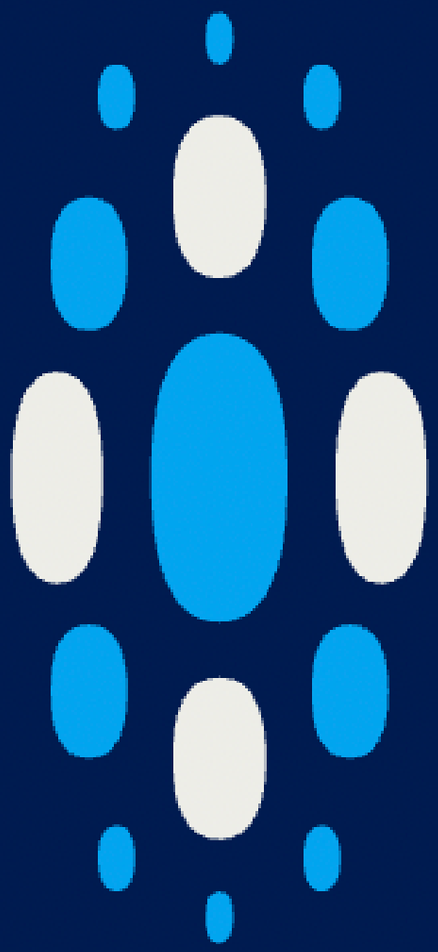
- Begin where maturity and value align (Automate → P2P)
- Then move into high-leverage, underutilized zones (Assist/Augment → S2C & Strategy)

Importantly, this also sets a change management path: each layer requires a different skillset, governance model, and risk posture. The AAA framework does more than categorize use cases. It creates a shared language for aligning IT, procurement, compliance, and the business.

In doing so, it enables a shift from opportunistic AI adoption to intentional, scalable deployment — one grounded in how procurement actually makes decisions. In the next section, we'll examine how procurement teams are engaging with GenAI today, based on current maturity stages, adoption rates, and barriers — with a comparative lens across functions and industries.

CATEGORY	DECISION TYPE	TYPICAL ACTIVITIES	AI ROLE	HUMAN ROLE	VALUE CREATED
AUTOMATE THE TRANSACTIONAL	Rule-based, low ambiguity	• PO creation • Invoice matching • GR/IR checks • Approval workflows	Full automation (RPA, ML)	Exception handling	• Efficiency • Speed • Cost reduction
ASSIST THE TACTICAL	Semi-structured, context-driven	• Sourcing events • Supplier shortlisting • Contract clause refinement • Risk scoring	Decision support (NLP, rules-based AI, contract intelligence)	Final decision, business judgment	• Cycle time reduction • Improved compliance • De-risked processes
AUGMENT THE STRATEGIC	Ambiguous, high-stakes, political	• Category strategy • Stakeholder alignment • Scenario modeling • Value lever selection	Cognitive augmentation (LLMs, simulations, scenario engines)	Lead strategy, make trade-offs, align functions	• Foresight • Higher Value Creation • Effectiveness and Efficiency

The Current State of AI Adoption in Procurement



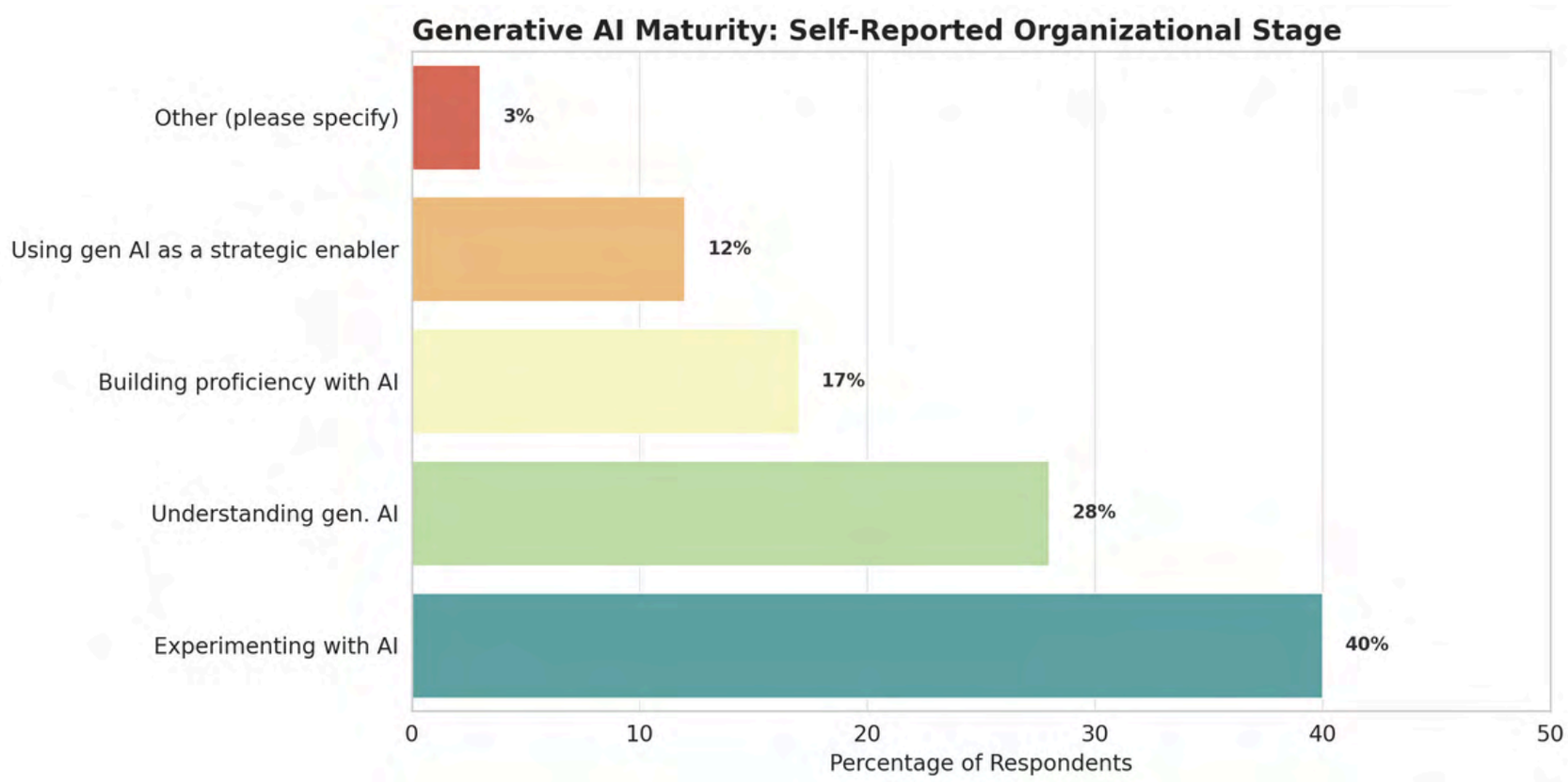
akirolabs

The Current State of AI Adoption in Procurement

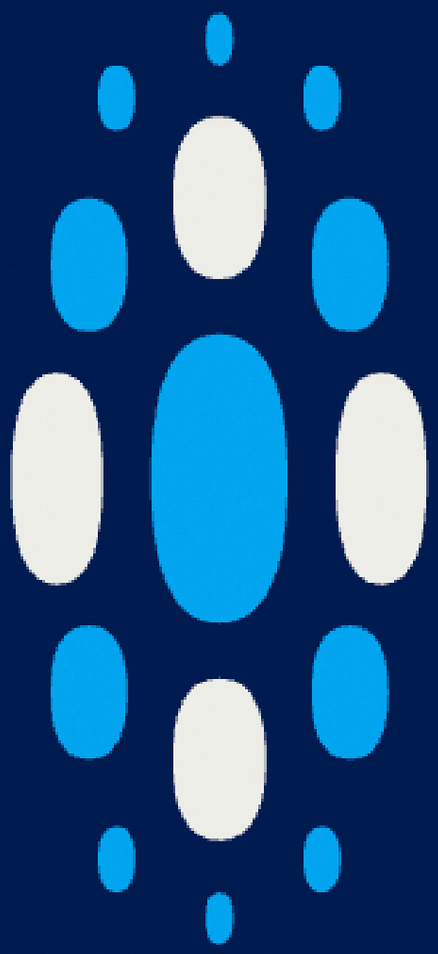
While enthusiasm for GenAI is high, especially among enterprise leaders seeking to modernize decision-making, the reality of AI in procurement remains complex: deployment is uneven, value is unproven, and in many cases, implementation is misaligned with strategic potential. This section takes stock of the current state — not just through technology maturity, but through organizational behavior, decision architecture, and capability gaps that reveal why GenAI has yet to deliver transformative impact at scale in procurement.

Maturity vs. Readiness: Most Organizations Are Still in Experimental Mode

According to the survey, 40% of organizations are still in the “experimenting” phase, and only 12% have reached the point where GenAI is seen as a strategic enabler. This maturity gap has critical implications for operating model design: when most teams are still exploring or understanding GenAI, there is often no clear governance structure, no budget line, and no accountability framework to support scaling. These results reinforce the need to move beyond pilots and toward platform-level thinking — with the right architectural and organizational scaffolding in place to support maturity progression.



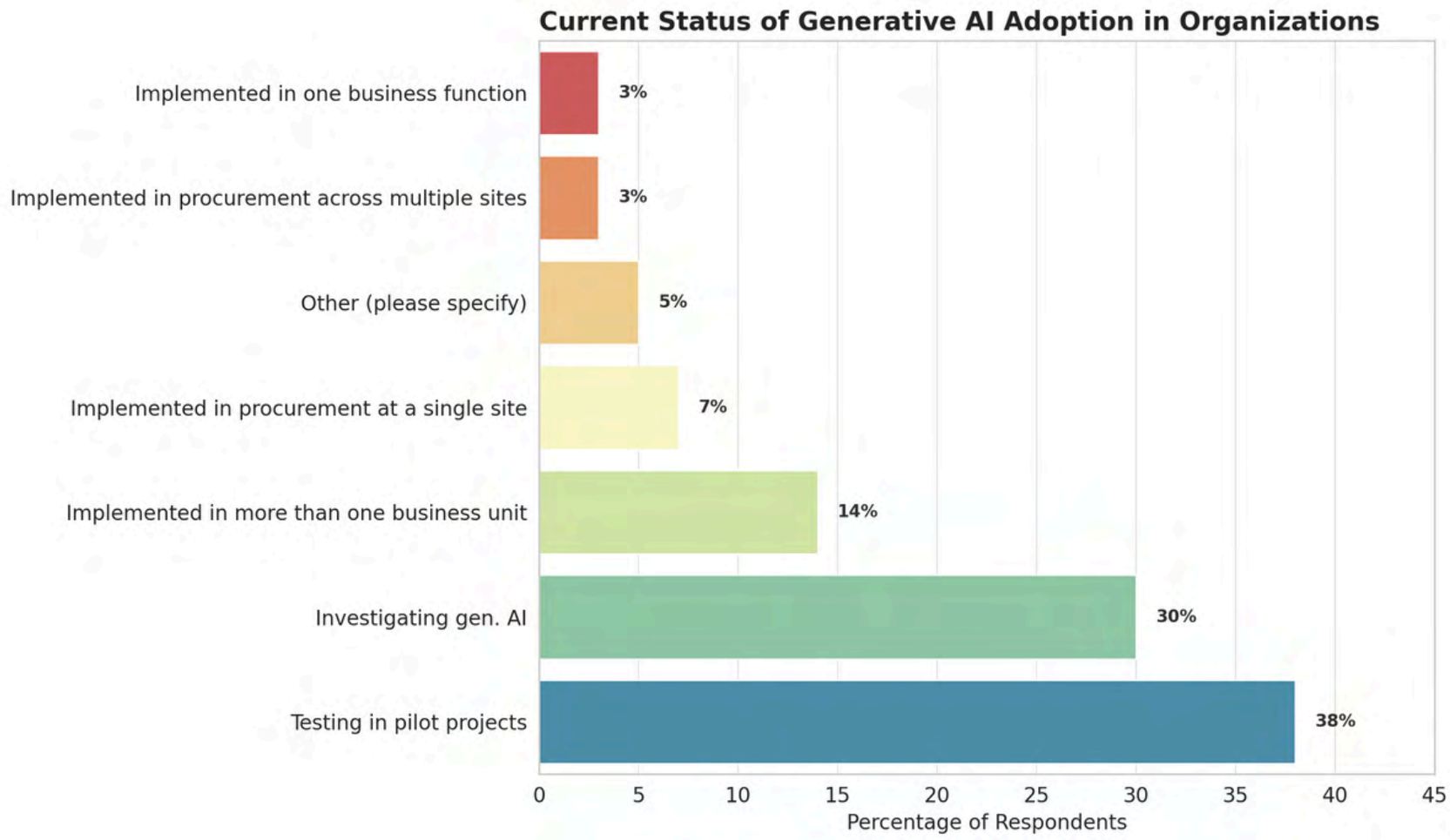
The Current State of AI Adoption in Procurement



akirolabs

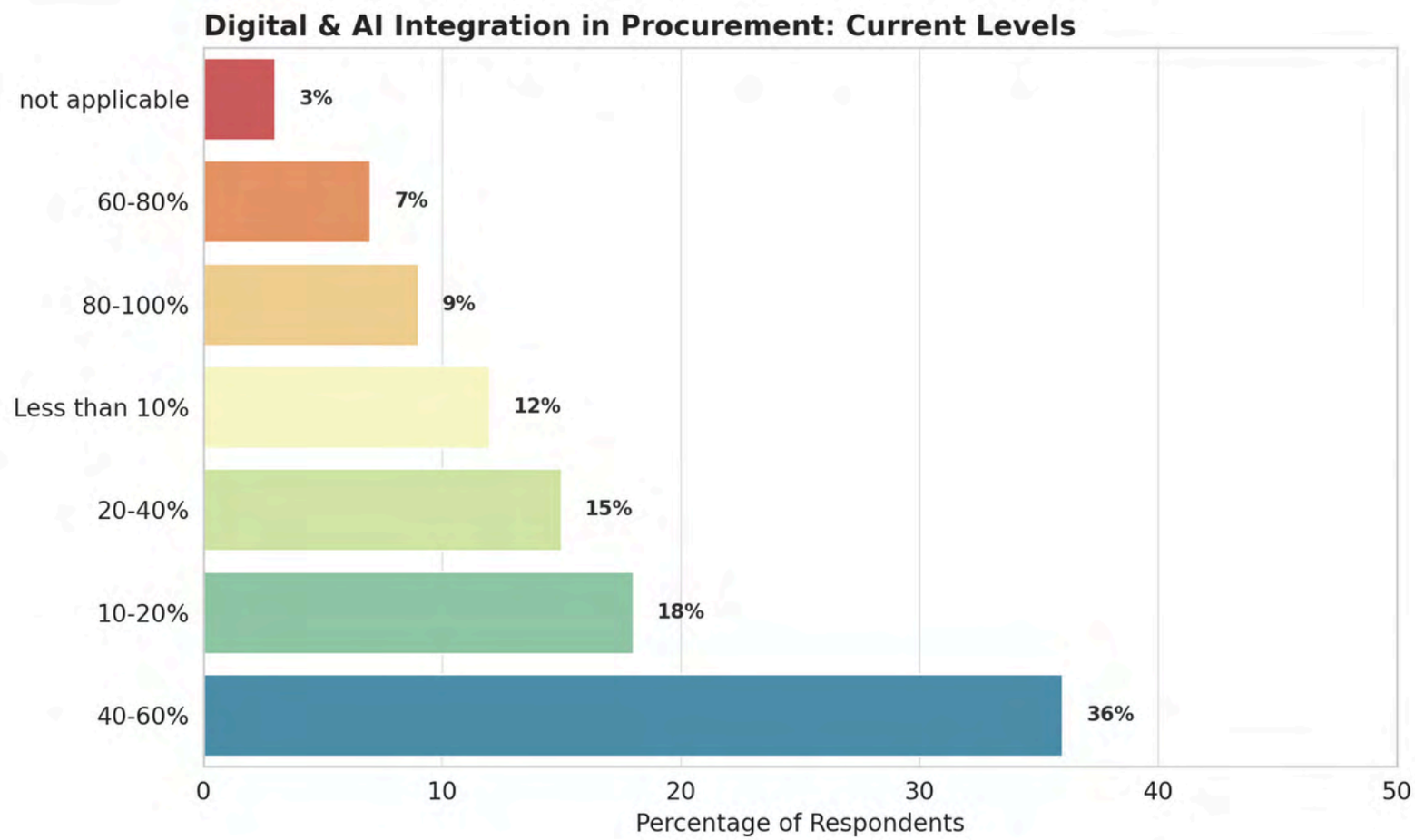
Adoption is Fragmented, Especially in Procurement

The survey also underscores the fragmented nature of deployment: 38% are testing pilots, but fewer than 10% have implemented GenAI in procurement, even at a single site. This confirms a key problem highlighted in your narrative — that most GenAI deployments remain functionally isolated or exploratory, without real integration into core workflows. Without procurement-led use case ownership, and without architectural connections to ERP or CLM systems, AI outputs remain disconnected from action — stalling value realization.



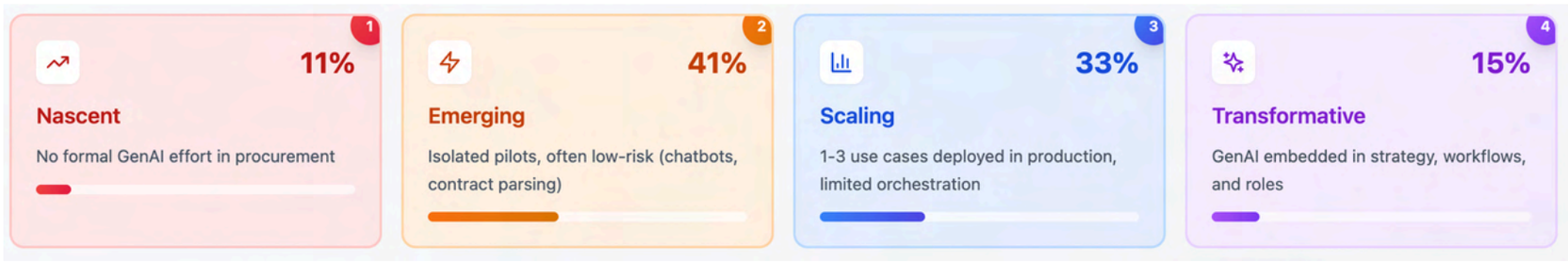
The survey also underscores the fragmented nature of deployment: 38% are testing pilots, but fewer than 10% have implemented GenAI in procurement, even at a single site. This confirms a key problem highlighted in your narrative — that most GenAI deployments remain functionally isolated or exploratory, without real integration into core workflows. Without procurement-led use case ownership, and without architectural connections to ERP or CLM systems, AI outputs remain disconnected from action — stalling value realization.

The Current State of AI Adoption in Procurement



Maturity Landscape: The Hype Curve Has Plateaued

Across the industry, we are witnessing a familiar adoption pattern: initial hype, followed by pilot activity, then stalling. In procurement, the stalling is particularly acute due to a combination of functional risk aversion, fragmented systems, and underinvestment in enabling infrastructure.



akirolabs

The Current State of AI Adoption in Procurement

These numbers reflect a bell curve of maturity — with most organizations in the middle 60%, testing or scaling narrowly, while only a few innovators treat GenAI as a structural redesign opportunity.

What's striking is not the slow pace, but the mismatch between strategic importance and functional readiness.

"We're being asked to deliver 10% more with 1% more budget. GenAI is the only lever that can bend that curve — but we're nowhere near ready to scale."
— CPO, Global FMCG

Functional Lag Behind Enterprise

While enterprise-level AI adoption is accelerating — with finance, legal, and sales often leading — procurement lags. According to KPMG's Q1 2025 AI Pulse Survey:

- 65% of enterprises are piloting GenAI agents
- Only 11% report these agents in live, scaled deployment
- Procurement is cited as a "cautious follower," often dependent on IT for experimentation

This is compounded by the fact that procurement's AI adoption has largely been tech-pushed, rather than design-pulled — meaning tools are introduced without aligning them to real decision pain points.

The Three Adoption Archetypes (More Nuanced View)

1**Innovators (15%)**

- **Characteristics**: Centralized AI governance, dedicated AI product owners, embedded in category and sourcing workflows
- **Behavior**: Design pilots with clear business hypotheses, fund cross-functional squads, balance ambition with architectural discipline
- **Mindset**: "AI is a capability, not a tool"

Early Majority (45%)

- **Characteristics**: Mid-sized deployments, limited architecture integration, reliance on off-the-shelf copilots
- **Behavior**: Strong interest but operational ambiguity, tool overload, siloed use case ownership
- **Mindset**: "We know it's important but don't know how to scale it meaningfully"

Skeptics (40%)

- **Characteristics**: Passive observers, experiment mostly outside of procurement (e.g., IT or finance)
- **Behavior**: Concerned with hallucination, compliance, vendor bias, security risks
- **Mindset**: "We'll adopt it once others prove it works safely"

The Current State of AI Adoption in Procurement

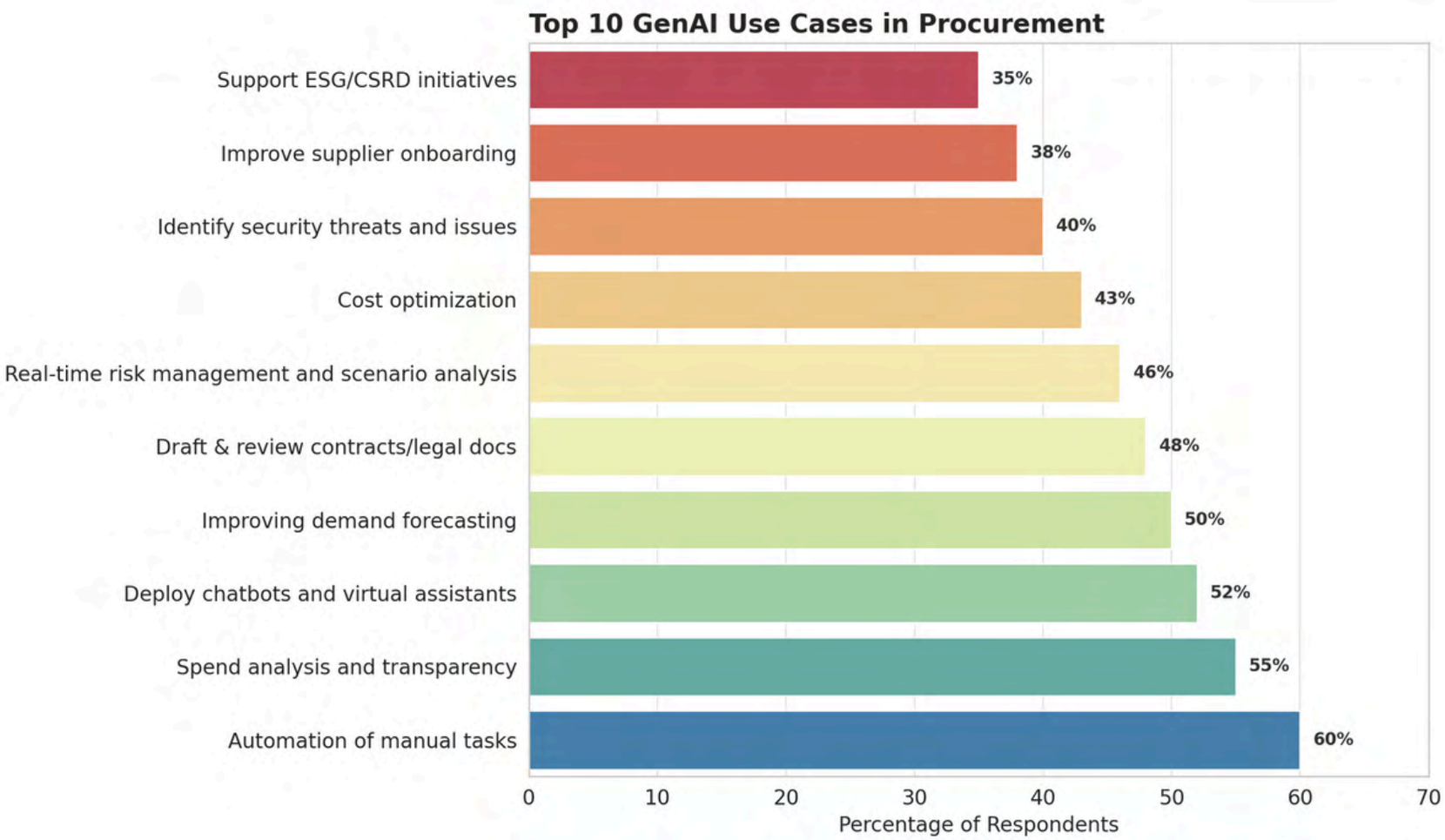
akirolabs

The Current State of AI Adoption in Procurement

his maturity stratification also reflects cultural and leadership differences — not just technical capability. In innovators, CPOs often co-own digital roadmaps. In skeptics, IT leads AI strategy with little procurement input.

Use Case Adoption vs. Strategic Value: A Misalignment Story

One of the most revealing insights from our survey is the disconnect between what organizations say is valuable — and what they're actually doing. Despite strategic ambition, most adoption still centers around low-complexity applications like automation, chatbots, and contract support — while transformative use cases such as risk modeling, ESG, and scenario planning remain underutilized.



The Current State of AI Adoption in Procurement

Why Misalignment Happens:

- Ease bias: Teams over-index on what's feasible in the short term (e.g., chatbots) rather than what moves the needle.
- Tool-first mindset: Vendors offer features that are easily demoable — but not tied to real procurement workflows.
- Trust barrier: High-value tasks involve judgment and context, and leaders hesitate to delegate these to opaque models.
- Talent constraints: Most teams lack internal AI-literate business architects to design high-complexity use cases.

This misalignment results in pilot fatigue — where many use cases are stuck in demo mode, with little enterprise integration or business pull.

Strategic Target Zones

The data suggests procurement leaders should focus on a set of "second wave" use cases that:

- Fall in the Assist or Augment category
- Are not overly complex to implement
- Align with visible business pain (e.g., risk, stakeholder engagement, ESG)

These include:

- Dynamic supplier risk scoring
- Tail spend classification by business context
- Real-time category opportunity briefs
- Stakeholder QBR generation via AI copilots

Each of these can act as a gateway use case — balancing visibility, value, and feasibility — and enabling broader AI orchestration.

GenAI adoption is real, but without intentional design, organizations are scaling noise, not value. Leaders must:

- Diagnose where they are on the maturity curve
- Prioritize use cases based on impact, not ease
- Bridge tech potential with human-centered design

In the next section, we explore what makes this shift possible — by unpacking the core enablers and barriers that shape AI success in procurement.

What Drives or Blocks GenAI Success

akirolabs

What Drives or Blocks GenAI Success

As procurement leaders advance from experimentation to enterprise-scale deployment of GenAI, a central question emerges: What separates organizations that unlock strategic value from those stuck in pilot mode?

Our research suggests the difference is not primarily about access to technology. Most organizations — regardless of size or industry — have access to similar GenAI models, copilots, or integrations. Instead, the determining factors are organizational, capability-driven, and increasingly, governance-related.

In this section, we examine the critical enablers and barriers to GenAI success, drawing from:'

- Quantitative insights from the 2025 GenAI in Procurement Survey by akirolabs
- Qualitative learnings from CAB meetings and leadership interviews
- Comparative benchmarks from Hackett, KPMG, and others

Enablers of Scaled GenAI Deployment

Among organizations reporting higher maturity and business impact from GenAI, four enablers consistently emerged. These are not "nice to have" — they are structural preconditions for moving from pilot to production.

Executive Sponsorship & Strategic Alignment

Successful GenAI programs start at the top. In our survey, 92% of respondents from "transformative" organizations said their CPO and/or CIO directly sponsor GenAI initiatives. Conversely, in lower-maturity organizations, AI is often delegated to IT or innovation labs with minimal procurement involvement.

CAB insight: In high-performing companies, GenAI is tied to OKRs — not just innovation theater.

Sponsorship also plays a key role in managing risk perceptions, enabling responsible experimentation, and ensuring procurement has a seat at the digital transformation table.

What Drives or Blocks GenAI Success

Cross-functional AI Literacy

Leaders who scale GenAI treat AI fluency as an organizational capability, not a data science skill set.

Our survey found that organizations with effective deployments invested early in:

- Business-AI translators: procurement leaders trained to scope, pilot, and govern use cases
- Embedded product managers: coordinating AI across legal, finance, and supplier management
- Executive learning programs: demystifying GenAI risks and building confidence to approve strategic use cases

"When legal, finance, and sourcing all understand how the model works, resistance drops — and we move faster." — Global Procurement Head, Industrial Equipment

Data Quality and Stack Readiness

Even the best models can't deliver insight without the right data. A full 73% of survey respondents cited data readiness as a "moderate to major concern" — particularly in:

- Unstructured contract repositories
- Supplier master data fragmentation
- Poorly tagged spend taxonomies
- Low interoperability across S2C/P2P platforms

In contrast, higher-maturity organizations emphasize data orchestration over data perfection. They integrate third-party sources, normalize ontologies, and adopt modular procurement data models. Hackett benchmark: "Top-performing organizations invest 2.4x more in procurement data infrastructure than laggards."

Measurable Success Metrics

GenAI use cases often falter when they fail to connect with business outcomes.
Mature teams define clear, quantitative success metrics from the outset, such as:

- % reduction in manual analysis time (for category strategy)
- Time-to-first-draft (for contracts or supplier QBRs)
- Precision/recall in supplier risk alerts

What Drives or Blocks GenAI Success

- Stakeholder satisfaction scores (for AI copilots)

Without these metrics, GenAI can feel like “innovation for innovation’s sake.” With them, it becomes a measurable contributor to procurement KPIs.

Barriers to GenAI Success

While enablers open the door, a consistent set of barriers threatens to stall progress — even in high-intent organizations. These barriers are not only technical, but also cultural, organizational, and regulatory. Based on our survey and interviews, we rank the most cited and most impactful blockers.

Talent Scarcity: The Biggest Execution Gap

- 31% of respondents cite lack of GenAI-fluent talent as their top challenge.
- Procurement teams often lack internal capability to scope AI-ready problems or work effectively with developers.
- Most rely on external vendors — which leads to solution fragmentation and dependency.

CAB insight: “We don’t need more tools — we need people who know what to do with them.”

Organizations that succeed often fund internal AI capability building through AI academies, procurement-led AI CoEs, or embedded GenAI roles in category teams.

Model Explainability & Hallucinations

- 30% of respondents reported concerns with explainability and GenAI hallucinations.
- This is particularly acute in supplier scoring, risk management, or ESG reporting — where outputs must be auditable.
- Many teams hesitate to deploy GenAI in decision-influencing contexts unless outputs can be traced or validated.

Organizations are starting to adopt hybrid AI governance, where:

- Generative models provide options, but not final decisions
- Rule-based validations sit on top of open models
- Confidence thresholds determine whether human review is required

What Drives or Blocks GenAI Success

Governance, Risk, and Compliance Ambiguity

Legal and compliance teams often block or delay deployment due to unclear policy guidelines on:

- IP ownership of generated content (e.g., supplier contracts)
- Third-party data usage and model bias
- Localization and jurisdictional constraints (e.g., GDPR, DPP)

In our CAB sessions, participants cited the need for:

- Procurement-specific AI policies
- Approved GenAI tool lists
- Designated “safe zones” for experimentation (e.g., internal-only copilots)

Tool Proliferation and Integration Friction

- Many organizations are running multiple disconnected pilots across different teams or platforms.
- Lack of integration with ERP, CLM, or analytics stacks leads to AI outputs that don’t travel — they remain siloed.

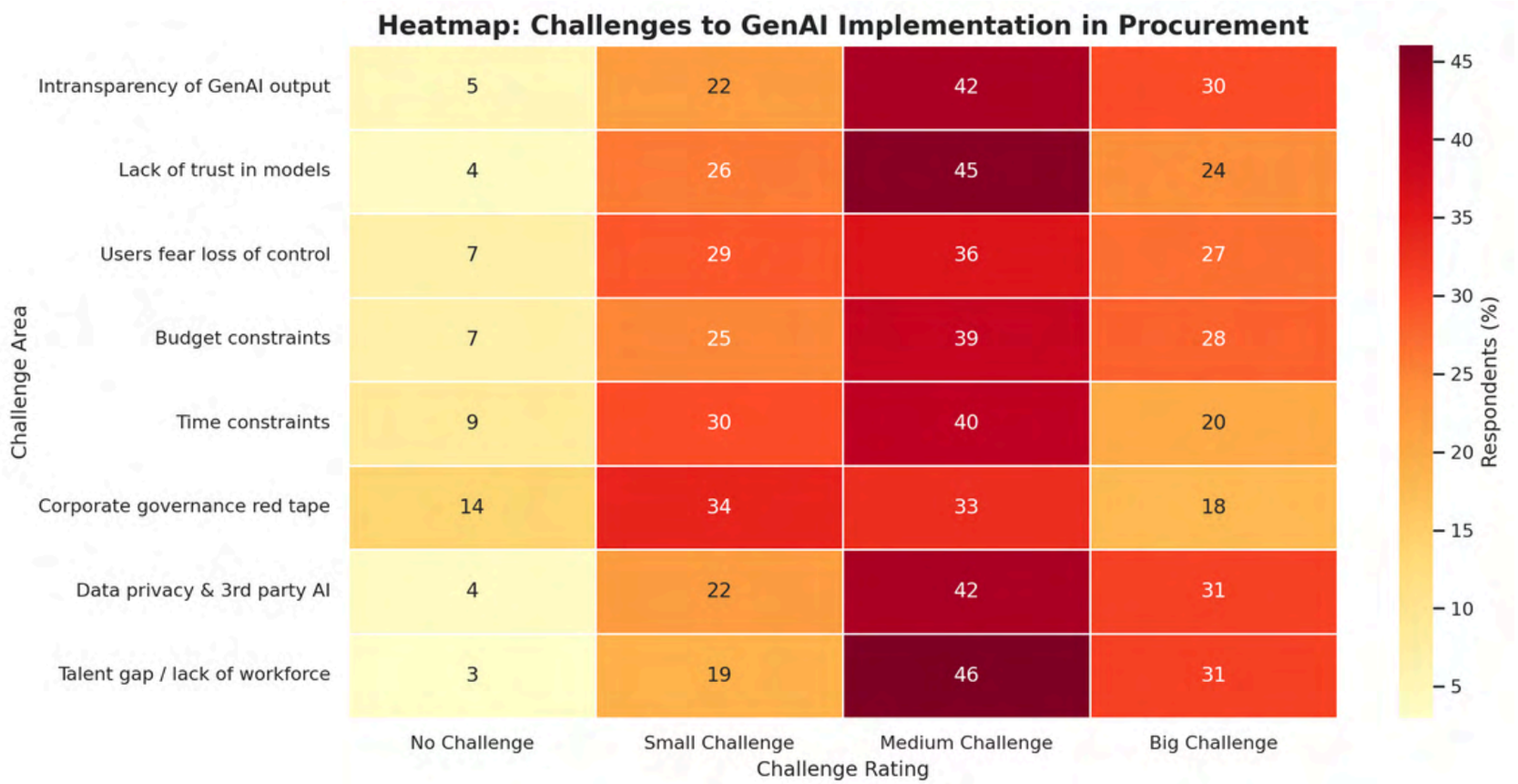
Survey insight: Fewer than 25% of organizations have GenAI use cases integrated directly into core procurement workflows.

This creates fatigue, skepticism, and limited ROI. Mature orgs move toward workflow-first design — embedding GenAI inside procurement platforms or through modular orchestration layers.

This pattern of blockers is clearly reflected in the data. The heatmap on the next page synthesizes both the frequency and severity of challenges cited by procurement leaders in the 2025 GenAI Survey. Three barriers stand out with both high prevalence and high impact: talent scarcity, model explainability, and data privacy/integration risks. Notably, 77% of respondents rated the talent gap as a medium or big challenge, while over 70% expressed similar concern about the opacity of GenAI outputs.

These are not fringe issues — they are systemic constraints that directly inhibit scaling. The visualization reinforces that advancing GenAI is not primarily a technology issue, but one of organizational capability, trust, and governance readiness.

What Drives or Blocks GenAI Success



GenAI success in procurement is no longer about exploring "what's possible" — it's about creating conditions that make what's possible scalable and safe. Organizations must:

- Invest as much in people and policy as they do in tools
- Design for explainability and interoperability
- Build GenAI into procurement's operating model, not its side projects

In the next section, we turn to one of the most overlooked dimensions of GenAI transformation: people — and what it takes to build trust, fluency, and creative empowerment across procurement teams.

High-Impact GenAI Use Cases

High-Impact GenAI Use Cases

While GenAI holds transformative potential across procurement, its true value will be realized only when it is applied to the right use cases, in the right context, with the right design. This section brings the AAA framework to life by diving deep into five high-impact GenAI use cases, each chosen based on:

- Consistently high perceived business value (from the survey)
- Low current adoption levels (indicating opportunity whitespace)
- Alignment with real-world decision-making pain points

These are not theoretical possibilities. Each represents a concrete application of GenAI that can address long-standing inefficiencies, unlock strategic foresight, and shift procurement from a compliance function to a value orchestrator.

Use Case Deep Dives

Each use case includes:

- Decision Type – What judgment or decision it supports
- AAA Fit – Whether GenAI Automates, Assists, or Augments
- Complexity – Level of decision and task complexity
- Tech Enabler – What capabilities or integrations are needed
- Barriers – Organizational, data, or risk factors blocking scale

1. **Category Strategy Generation**

What it solves:
Today, category strategies are often templated, backward-looking, and slow to update. They rely on fragmented data across spend, risk, contracts, and market intelligence — making real-time synthesis difficult.

How GenAI helps:
GenAI can act as a thinking partner, ingesting structured (spend data, supplier performance) and unstructured inputs (analyst reports, stakeholder interviews), then proposing tailored strategies, hypotheses, and options for action.

- Decision Type: High-complexity, strategic
- AAA Fit: Augment
- Complexity: High task + high decision complexity

High-Impact GenAI Use Cases

- Tech Enabler: Integration of spend cubes, category taxonomies, external market data (e.g., Beroe, Gartner)
- Barriers: Data fragmentation, lack of knowledge graph mapping, executive skepticism about AI-generated strategy

“

This could reduce a 4-6-week strategy refresh into a 2-3 day co-creation with AI.” — CAB participant, Global Automotive

2. **Contract Clause Summarization**

What it solves: Contract review remains manual, repetitive, and error-prone. Business stakeholders often lack visibility into risks buried in dense legalese.

How GenAI helps: GenAI models can be trained or prompted to identify, extract, and summarize key clauses — payment terms, liability, termination — in plain language. They can flag deviations from standard templates or prior agreements.

- Decision Type: Pattern recognition + low-moderate legal judgment
- AAA Fit: Assist
- Complexity: Medium task, low decision
- Tech Enabler: Document ingestion pipelines, clause libraries, compliance flags
- Barriers: Legal team concerns about accuracy, lack of clause tagging in legacy contracts, difficulty benchmarking language without legal context

Survey Insight: Over 55% of respondents reported piloting this use case — indicating maturity, but also potential for deeper integration (e.g., with CLM or ERP systems).

3. **Tail Spend Classification**

What it solves: Low-value, high-volume transactions are often poorly categorized — leading to maverick spend, missed consolidation, and reporting blind spots.

How GenAI helps: GenAI can analyze free-text descriptions, vendor data, and historical buying patterns to infer accurate spend categories. Over time, it can learn organizational taxonomy and apply business context, improving precision.

- Decision Type: Semi-structured inference, often at scale
- AAA Fit: Assist → Automate (as confidence increases)
- Complexity: High task, low decision complexity

High-Impact GenAI Use Cases

- Tech Enabler: Transactional data pipelines, taxonomy training, feedback loops for continuous learning
- Barriers: Dirty data (free text, duplicates), lack of consistent taxonomy, procurement resistance to reclassification

"Tail spends cleanup is a gateway use case — quick wins that build trust in AI's usefulness." — CPO, Pharma Major

4. **Supply Risk Simulation**

What it solves: Traditional risk management is reactive — often spreadsheet-based, backward-looking, and siloed across ESG, logistics, financials.

How GenAI helps: GenAI can simulate supplier scenarios (e.g., exit, default, conflict zone exposure) based on structured data (ratings, performance) and unstructured signals (news, ESG reports). It allows for proactive scenario planning and stress testing.

- Decision Type: Strategic foresight, cross-functional impact
- AAA Fit: Augment
- Complexity: High decision, moderate task complexity
- Tech Enabler: Real-time data feeds, supplier knowledge graphs, integration with risk engines (e.g., Resilinc, Dun & Bradstreet)
- Barriers: Explainability of model logic, integration with existing risk scoring systems, lack of procurement involvement in enterprise risk discussions

KPMG Insight: "Only 17% of organizations have predictive risk tools embedded in sourcing workflows — a clear opportunity zone for GenAI."

5. Stakeholder QBR / Communication Generation

What it solves: Quarterly business reviews are resource-intensive and inconsistent. Procurement must synthesize supplier performance, risk, spend, and project updates — often manually.

How GenAI helps: GenAI can generate draft QBRs tailored to stakeholder interests, pulling from performance dashboards, past meeting notes, contract KPIs, and external ratings. Content can be customized for audience tone, level, and function.

- Decision Type: Communication curation, not judgment
- AAA Fit: Assist

High-Impact GenAI Use Cases

- Complexity: Medium task, low decision
- Tech Enabler: Integration with analytics dashboards, supplier scorecards, internal knowledge bases
- Barriers: Stakeholder trust in AI-authored narratives, access to contextual data, cultural resistance to AI-generated comms

Survey Insight: Only 9% are piloting this use case — yet 78% agree it would materially reduce effort and improve consistency.

Strategic Patterns Across Use Cases

Across these five use cases, we observe three strategic patterns:

Underused Augmentation Potential: The most strategic opportunities (category planning, risk simulation) remain least deployed — often due to data, trust, or explainability gaps.

Assistive Copilots as Trust Builders: Contract and QBR generation use cases offer “safe zone” deployments — high effort reduction, low risk, great entry points for scaled adoption.

Tailored Orchestration Required: These use cases don’t live in isolation. They require careful orchestration across tools (ERP, CLM, BI platforms), teams (legal, finance, ESG), and processes (quarterly planning, audits, sourcing).

These use cases are not “GenAI experiments.” They are foundational building blocks for the future of intelligent procurement. When deployed with the right design and governance, they accelerate:

- Decision speed
- Stakeholder trust
- Strategic foresight
- Procurement's value narrative within the business

High-Impact GenAI Use Cases

omprehensive overview of artificial intelligence applications across procurement activities, categorized by automation level and operational scope.

AI in Procurement
Activities and Applications Overview

PROCUREMENT ACTIVITY	AI ROLE	TYPE OF ACTIVITY	EXAMPLES OF AI IN ACTION
Requisition approvals & PO creation	Automate	Transactional	Workflow automation, RPA bots, business rule-based PO engines
Invoice matching, GR/IR reconciliation	Automate	Transactional	OCR + ML for 3-way match, automated exception handling, fraud detection
Supplier onboarding	Automate	Transactional	Auto data enrichment, duplicate detection, master data validation
Vendor master data cleanup	Automate	Transactional	AI-based deduplication, taxonomy tagging, classification engines
SLA compliance tracking	Automate	Transactional	ML-based alerting, KPI monitoring, auto-escalation logic
Contract clause extraction	Assist	Operational	NLP-based clause detection, term highlighting, smart templates
Contract risk scoring	Assist	Operational	Clause deviation detection, fallback suggestion engines
Supplier pre-qualification	Assist	Operational	Smart questionnaires, supplier scoring models, ESG flagging
Supplier shortlisting for sourcing events	Assist	Operational	Historical performance models, AI-curated vendor lists, similarity scoring
Demand forecasting	Assist	Operational	Predictive models using historical usage, seasonality, and business forecasts
Market trend analysis	Assist	Operational	External data scraping, sentiment analysis, trend clustering
Tail spend categorization	Assist	Operational	ML-based classification, supplier consolidation recommendations
Sourcing strategy development	Augment	Strategic	AI-generated strategy options, competitive landscape synthesis
Category strategy formulation	Augment	Strategic	Generative SWOT, macroeconomic overlays, value lever suggestions

High-Impact GenAI Use Cases

Scenario planning (e.g., make vs. buy)	Augment	Strategic	Simulation engines, what-if analysis, trade-off visualizations
Business case creation	Augment	Strategic	GPT-based draft creation, stakeholder-specific messaging
Stakeholder influence mapping	Augment	Strategic	Relationship mapping tools, org network analytics
Supplier innovation scouting	Augment	Strategic	Generative search across patents, startups, technology landscapes
Sustainability & ESG strategy integration	Augment	Strategic	AI-driven impact models, supplier ESG performance modeling
Budget planning alignment	Augment	Strategic	AI-supported forecasting tools, scenario alignment with finance models
Procurement policy compliance monitoring	Assist	Operational	Rule-based alerts, ML-driven policy deviation detection
Procure-to-pay (P2P) exception handling	Assist	Operational	AI routing to resolution paths, anomaly classification
Spend analytics & dashboarding	Assist	Operational	Smart filters, predictive trends, auto-generated insights
Internal stakeholder communication drafting	Augment	Strategic	GPT-based draft proposals, tailored messages by function
Cost savings opportunity identification	Assist	Operational	Pattern mining in spend data, benchmarking engines
Supplier performance evaluation	Assist	Operational	Scorecards with sentiment analysis, auto-compiled performance reviews
Cross-category consolidation analysis	Augment	Strategic	AI-driven opportunity clustering, bundling simulations
Innovation pipeline tracking	Augment	Strategic	Trend monitoring, AI-curated startup ecosystem insights
Benchmarking market prices	Assist	Operational	Web-scraping bots, dynamic price tracking engines

Design for Fit, Not Just Function

The message is simple: don't deploy AI based on what it can do — deploy it based on what the decision requires. By mapping use cases this way, organizations can ensure their AI strategy is aligned with complexity, not just capability — creating more trusted systems, empowered teams, and better business outcomes. The next section will explore how to make this real — through architecture, integration, and operational design that move GenAI from proof-of-concept to system of record.

Operating Model for GenAI in Procurement

Operating Model for GenAI in Procurement

Deploying GenAI in procurement isn't simply a matter of choosing the right use cases. To drive scale and sustained value, organizations must rethink the operating model — the combination of systems, structures, and roles that govern how GenAI is built, deployed, integrated, and maintained.

Too often, promising AI pilots stall because they are not embedded in procurement's real workflows. Conversely, some deployments rush into production without clear ownership or cross-functional coordination — leading to disjointed experiences, risk blind spots, and diminishing returns.

This section outlines two critical pillars of a GenAI-ready operating model:

- Technical Architecture: How GenAI is integrated into procurement platforms and data flows
- Organizational Design: How teams are structured to own, scale, and govern GenAI across the enterprise

Architectural Integration: From Point Pilots to Platform Orchestration

A major barrier to GenAI impact in procurement is tool isolation. Many use cases (e.g., contract summarization, supplier QBR generation) are piloted in standalone tools — disconnected from the ERP, CLM, or sourcing environment where work actually happens. This creates silos of intelligence with no real operational leverage.

Mature organizations instead take a workflow-first approach: they embed GenAI directly into the procurement tech stack, often through layered orchestration strategies.

Embedding GenAI into Core Systems

High impact use cases are increasingly being integrated within:

- ERP systems (e.g., SAP S/4HANA, Oracle Cloud)
- S2P platforms (e.g., Coupa, Ivalua, Ariba)
- SRM and CLM systems (e.g., Sirion, Jaggaer)

This integration enables AI outputs to appear in context, not as a separate app — for example:

- An AI-generated contract summary inside the CLM record
- Tail spend classification surfaced in Coupa's insights panel

Operating Model for GenAI in Procurement

- Suggested negotiation strategies embedded in sourcing events

Survey insight: Only 24% of respondents have any GenAI use case integrated into their core systems — suggesting massive untapped value via orchestration.

Retrieval-Augmented Generation (RAG) & Copilot Layering

As AI systems mature, many organizations are adopting RAG architectures — combining LLMs with proprietary procurement knowledge bases (e.g., contract clauses, supplier performance data, risk scores). This enables GenAI to generate outputs grounded in enterprise-specific data, improving accuracy, explainability, and trust.
These architectures support AI copilots that:

- Pull from structured and unstructured procurement sources
- Operate within the security perimeter
- Learn from feedback to improve over time

Example: A contract review copilot that references both a global clause library and recent dispute history before flagging deviations.

Open vs. Closed Model Strategy

Another architectural decision is whether to build on open-source models (e.g., Llama 3, Mistral) or closed proprietary models (e.g., OpenAI, Anthropic).

Key considerations:

- Open models offer better control, on-prem deployment, and fine-tuning — ideal for sensitive procurement workflows
- Closed models often outperform on general reasoning tasks and scale faster with vendor support
- Some leaders adopt a dual-layered model: use closed models for front-end interaction (e.g., copilots), and open models for back-end task-specific generation (e.g., clause rewriting)

CAB insight: “It’s not about which model wins — it’s about which model fits the task, the data, and the risk appetite.”

Operating Model for GenAI in Procurement

Organizational Structures: Who Owns GenAI, and How It's Managed

No matter how advanced the architecture, GenAI cannot scale without clear ownership, accountability, and collaboration across business, technology, and compliance stakeholders. From our research and CAB insights, three models are emerging:

AI Centers of Excellence (CoEs)
Many organizations are creating centralized GenAI CoEs, typically housed in digital, data, or technology functions. These teams:

- Provide infrastructure and model access
- Vet tools and ensure compliance
- Support experimentation across functions

In some mature firms, procurement has a dedicated GenAI product owner embedded within the CoE — ensuring relevance and accelerating value.

Pros:

- Risk controls, model governance, and vendor management are centralized
- Learnings from one function (e.g., legal) can inform another (e.g., procurement)

Cons:

- Risk of being too IT-led or abstracted from functional nuance

Embedded Procurement AI Teams
A more advanced model involves embedding GenAI capability directly within procurement. These teams often include:

- A product owner (usually from procurement)
- A data engineer or analyst
- One or more prompt designers or SME contributors

They work in agile sprints, iterating on real workflows (e.g., RFP creation, contract approval, QBR reporting), and validating performance with stakeholders in real time.

Pros:

- High contextual accuracy and adoption

Operating Model for GenAI in Procurement

- Close user feedback loop

Cons:

- Requires procurement to invest in digital talent — often a gap

Federated Governance with Central Policy

Most mature models combine both: a central AI CoE for guardrails, and federated ownership for speed and relevance. This hybrid model supports:

- Central model selection and risk policy
- Local ownership of use case design and adoption
- Shared platforms and reporting

CAB trend: The most successful firms frame GenAI governance like procurement governance — central principles, local execution.

Strategic Insight: Org Design ≠ Org Chart

A common mistake is to treat GenAI as something that lives in the org chart. In reality, scaling GenAI depends on:

- Shared language across stakeholders
- Joint product ownership models
- Designated budget and decision rights
- Embedded experimentation inside strategic processes

In the words of one CAB member: “You don’t need a separate GenAI function — you need GenAI fluent people embedded in the functions that matter.”

Strategic Takeaway: The future of GenAI in procurement will not be won by the flashiest tools, but by the most coherent operating models. Leaders must design for:

- Flow of intelligence, not just information
- Ownership structures that balance risk and relevance
- Integration pathways that meet users where they work

In the next section, we translate these principles into action — outlining how organizations can move from inspiration to implementation through a GenAI roadmap tailored to their maturity stage.

From Pilot to Production

From Pilot to Production

By this point, the case for GenAI in procurement is clear: the technology works, the potential use cases are known, and the value upside is significant. Yet most organizations are still stuck in pilot mode — testing narrow tools, hesitating on scale, and missing the structural changes needed to unlock full value.

This section provides a practical path forward. It outlines:

- How organizations can sequence deployment to avoid fatigue and deliver wins early
- How to assess readiness across capability, culture, and architecture
- What success metrics matter most — beyond just time or money saved

Taken together, these provide a scalable playbook to move GenAI from proof-of-concept to enterprise capability.

Deployment Sequencing: Build Momentum Before Scale

Across our survey and CAB discussions, one trend was striking: organizations are experimenting broadly, but integrating narrowly. While 61% report running GenAI pilots, only 14% have moved any use case into production. Even fewer have scaled those deployments across multiple regions, categories, or business units.

This mismatch stems from fragmented deployment strategies: too many one-off tools, too little orchestration, and a lack of confidence in readiness.

To counter this, we propose a staged roadmap based on three horizons — designed to align with both business appetite and operational capability.

Deployment Roadmap

Months 1–6: Structured Exploration

- Identify 2–3 “safe zone” use cases (e.g., contract summarization, tail spend classification)
- Stand up a cross-functional AI working group (procurement, IT, legal, finance)

From Pilot to Production

- Launch an internal education campaign — building basic GenAI literacy across roles
- Select a GenAI architecture approach (open, closed, hybrid)

Months 6–12: Pilot-to-Platform

- Transition 1–2 use cases into core systems (ERP, S2P, or P2S like Akirolabs)
- Set up governance guardrails — RAG design, output explainability, feedback loops
- Introduce success metrics beyond ROI (trust, time, stakeholder satisfaction)
- Fund procurement-dedicated GenAI roles or product ownership pods

Months 12–24: Scale & Orchestrate

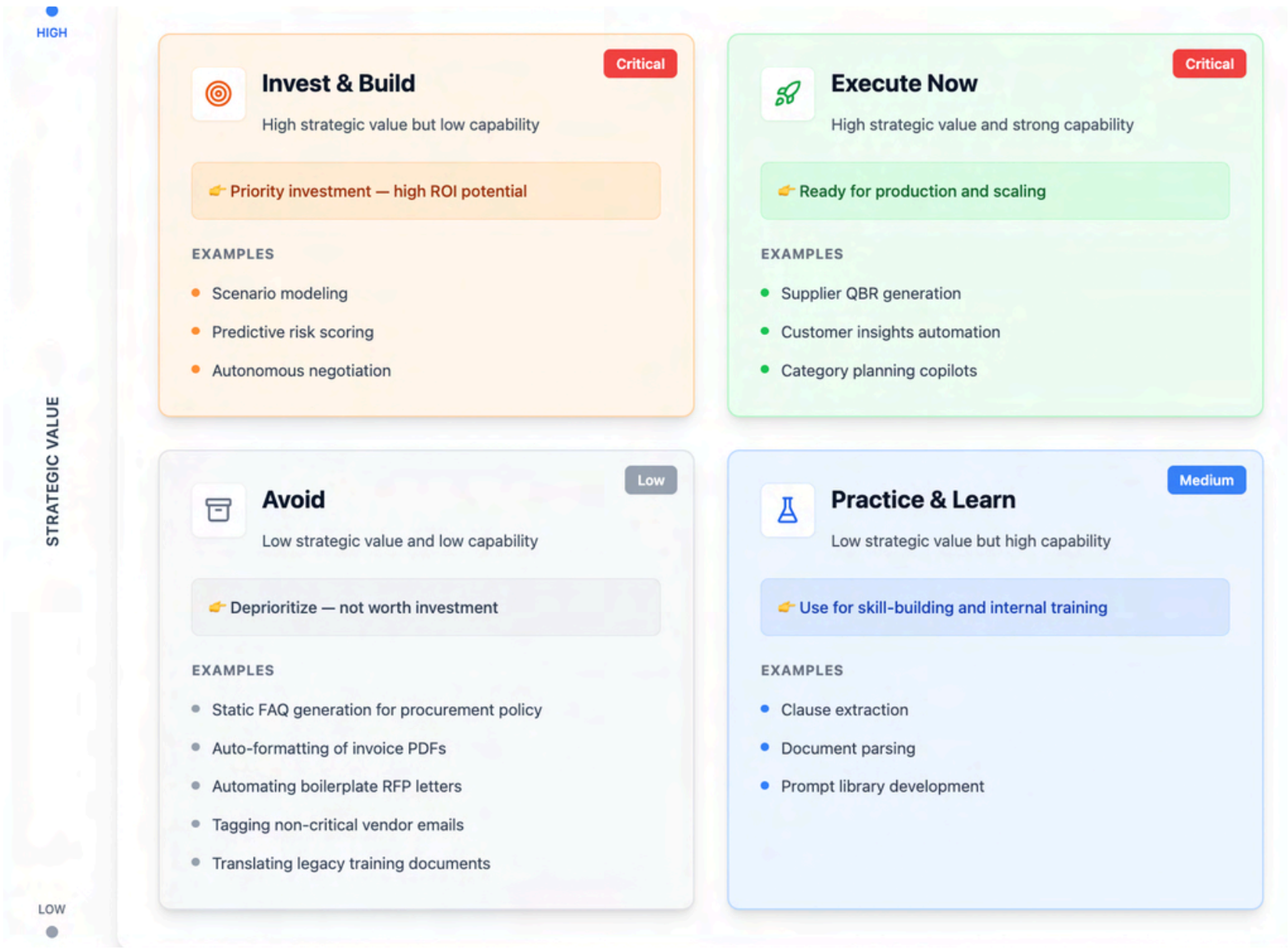
- Expand use case library across the AAA framework
- Embed GenAI in high-value workflows (e.g., category planning, supplier QBRs)
- Mature your model lifecycle: feedback → fine-tuning → retraining
- Align incentives: link GenAI impact to procurement OKRs

This phased approach avoids overreach, builds confidence, and creates momentum pathways — making GenAI not just a project, but a capability.

Capability × Readiness Grid

To support this roadmap, we recommend plotting initiatives against a 2x2 readiness matrix: This ensures that resources are allocated to what matters, not just what's technically easy.

From Pilot to Production



Readiness Assessment: Are You Structured to Scale?

Before scaling any GenAI initiative, teams must assess whether they are organizationally and operationally ready. Too often, readiness is assumed — leading to rework, risk exposure, or failure to drive adoption.

We propose a readiness diagnostic checklist, built around three domains:

From Pilot to Production

Build vs. Buy vs. Partner Strategy

Another common inflection point is deciding how to scale: build internally, buy off-the-shelf copilots, or partner with a vendor. Guiding principles:

- Build when IP sensitivity, integration depth, or use case uniqueness is high (e.g., custom sourcing workflows)
- Buy when needs are generic and time-to-value is urgent (e.g., clause summarization, spend classification)
- Partner when internal talent is limited but control and relevance matter — ideal for strategic use cases in category management (e.g., with akirolabs)

CAB Insight: "We buy fast, then build slow — and partner for anything strategic."

Success Metrics: What Does 'Good' Look Like in GenAI?

Traditional automation programs are measured by cost reduction or headcount impact. But GenAI is different: its value lies not just in efficiency, but in judgment augmentation, speed of decision, and stakeholder enablement. Based on survey responses and interviews, high-maturity organizations are evolving toward multi-dimensional success frameworks

Outcome Domain	Example Metric
Efficiency	Time-to-first-draft for category plans or supplier reports
Foresight	% of sourcing events informed by AI-generated insights
Accuracy / Trust	% of GenAI outputs accepted without revision
Adoption	# of users actively engaging with GenAI inside S2P / ERP systems
Stakeholder Value	Satisfaction score with GenAI-enabled QBRs or planning sessions
Governance Confidence	# of use cases passing legal/compliance reviews on first submission

Strategic GenAI Performance Evaluation

From Pilot to Production

In high-impact organizations, these metrics are embedded into quarterly procurement reviews, not isolated in innovation dashboards

Strategic Takeaway

Moving from pilot to production is not about scaling the most impressive prototype. It's about sequencing the right capabilities, building organizational muscle, and measuring what matters.

To do that, leaders must:

- Anchor GenAI to workflows, not just tech demos
- Design for integration and iteration
- Treat deployment as a capability-building journey — not a procurement "project"

In the next and final section, we zoom out to the big picture: how GenAI will redefine procurement's identity — and what a bold, human-led future can look like.

The Future of Procurement: Bold, Augmented, Human-Led

The Future of Procurement: Bold, Augmented, Human-Led

The journey through GenAI in procurement doesn't end with pilots, platforms, or performance dashboards. It culminates in something more ambitious: a reinvention of what procurement is, what it does, and who it empowers.

The future of procurement is not simply digital. It is augmented — defined by new forms of intelligence, new patterns of collaboration, and new models of value creation. It is human-led, but no longer human-limited. And it will belong not to the fastest adopters of technology — but to those who design most intelligently and scale most responsibly.

Future-State Capability Map

Transforming Procurement Through AI Innovation

› Visualizing the shift from "Traditional Procurement" to "AI-Augmented Procurement"

Dimension	Traditional Procurement Current State	→	AI-Augmented Procurement Future State
Core Role	Sourcing, contracting, savings	→	Value orchestration, signal translation
Decision Mode	Historical, manual, reactive	→	Predictive, AI-augmented, scenario-based
Engagement Model	Transactional, siloed	→	Collaborative, cross-functional
Metrics of Success	Cost savings, compliance	→	Foresight quality, decision velocity, trust
Tech Role	Supportive, ERP-linked	→	Embedded, proactive, autonomous

The Future of Procurement: Bold, Augmented, Human-Led

From Sourcing to Orchestration

For much of its modern history, procurement has been defined by its functional domains: sourcing, contracting, compliance, and cost control. These remain essential — but they are no longer sufficient.
In the age of GenAI, procurement must evolve into a value orchestration function — one that:

- Connects strategy to execution
- Translates signals into foresight
- Aligns diverse stakeholders through shared insight

This means moving beyond transactional excellence to strategic stewardship — not just buying better, but shaping how the organization spends, partners, and innovates. GenAI acts as a catalyst in this shift. It frees capacity, reveals patterns, and generates strategic options that were previously invisible or inaccessible. But only if procurement chooses to lead — not just use — the technology.

> **"We used to be asked for savings. Now we're being asked for answers."**
>
> **Chief Procurement Officer**
> CAB Member

Procurement as an Insight-Driven, AI-Integrated Function

The procurement function of the future will no longer be judged solely by cost savings. It will be judged by:

- The quality of its foresight
-
- The agility of its actions
- The trust it earns from stakeholders

The Future of Procurement: Bold, Augmented, Human-Led

GenAI enables this by transforming how procurement works:

- Category managers will co-design strategies with AI that scan markets, model risks, and recommend levers in minutes — not weeks.
- Contract leads will assess legal exposure in real time, guided by copilots that explain deviations and flag obligations.
- Supplier managers will simulate scenario responses — geopolitical shifts, ESG performance drops, financial distress — before risk becomes reality.

But the key is integration: GenAI must be embedded not just into tools, but into the way procurement thinks, decides, and communicates.

Human-AI Teaming as a Competitive Differentiator

The real advantage will not come from AI itself, but from how procurement teams work with AI. That means developing new skills — not just prompt engineering or model tuning, but:

- Judgment in ambiguity
- Interpretation of AI signals
- Accountability for machine-augmented decisions

In the highest-performing teams we studied, GenAI is not a novelty — it's a teammate. One that:

- Handles the 60% of work that is repetitive, reactive, or data-heavy
- Enhances the 30% that is judgment-driven or collaborative
- Illuminates the 10% that is truly strategic and differentiating

McKinsey calls this the “superagency” model: where humans don’t just operate processes — they design and orchestrate intelligent systems.

GenAI doesn’t replace procurement professionals. It elevates them — if they are empowered to lead it, not just adopt it

The Future of Procurement: Bold, Augmented, Human-Led

Closing Reflection: Design Intelligently, Scale Responsibly

If there is one message that emerges across this report, it is this: GenAI is not a procurement solution. It is a design challenge. It requires:

- Clarity of purpose: What do we want to solve, not just automate?
- Integrity of systems: Can we trust how AI works, not just what it outputs?
- Maturity of leadership: Are we scaling what works, or what's loud?

The organizations that succeed will not rush toward GenAI with novelty. They will proceed with intentionality — designing workflows, metrics, and culture for a new era of decision-making. This is procurement's moment to step forward — not as a buyer of AI tools, but as a co-architect of an intelligent enterprise.

Final Call to Action

To CPOs, procurement strategists, and digital leaders:

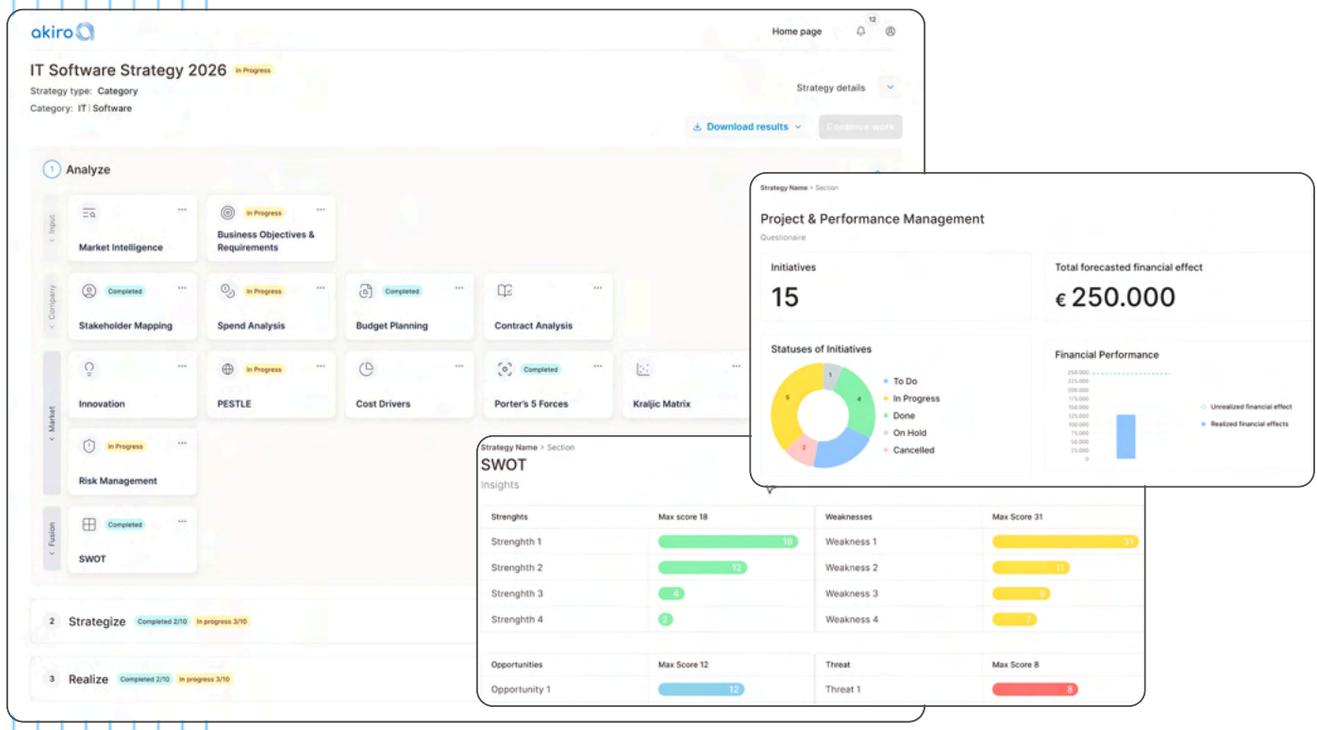
- Don't wait for perfect data. Start with meaningful decisions.
- Don't get stuck in proof-of-concept. Build toward proof-of-impact.
- Don't chase the tools. Build the trust, the teams, and the talent.

Bold, augmented, and human-led.
That is the future of procurement.
Let's design it — together.

About akirolabs

akirolabs is a leading ProcureTech company delivering innovative solutions for strategic procurement. Trusted by leading enterprises across industries, the akirolabs Category Strategy Platform empowers procurement teams to transform category management — unlocking up to 5x greater business value and up to 50% higher efficiency. Powered by proprietary AI and a groundbreaking methodology, akirolabs enables teams to develop smarter, faster, and more business-aligned strategies — all within a single, collaborative, AI-augmented workspace. Headquartered in Berlin, akirolabs was founded in 2021 by a team of procurement veterans and experts, and is backed by top-tier investors and innovation grants. To learn more, follow akirolabs on LinkedIn.

Contact Us



50% Faster Time to Strategy

4-5x Higher Value

akirolabs

Recognized by the industry

Gartner HYPE CYCLE 2023

Gartner COOL VENDOR 2022

FUTURE 5 Spend Matters

ProcureTech 100 2024 KEARNEY

50 TO WATCH 2024 SpendMatters

akirolabs