

Levelpath's Framework for Enterprise Agentic and AI Governance



TABLE OF CONTENTS

01

Why AI is Transforming
the World of Procurement

02

The purpose of Native-AI
Procurement Technology

03

Data Strategy
in the AI Era

04

Why AI and Data Governance
are Critical for Enterprises

05

The Role of Integrations
in AI Procurement

06

Turning Contracts into
Procurement Intelligence

07

Future Proofing Procurement
with Generative AI

08

Data Strategy
in the AI Era

09

Transforming Procurement
with Agentic Workflows

Why AI is Transforming the World of Procurement

Artificial intelligence (AI) is redefining the foundation of procurement by weaving intelligence across every layer of the enterprise technology stack. It brings together data harmonization, governance, and integrations to ensure that procurement decisions are built on complete, trusted, and connected information, and it has become necessary to implement AI governance to ensure that AI remains secure, compliant, and trustworthy. With AI-powered search, document processing, and generative intelligence, transform sourcing events, contract libraries, and supplier information from static archives to interactive business assets. Contract intake leads to scheduled renewals, and supplier profiles are enriched with risk signals across onboarding, contracts, and sourcing activities. When embedded with workflows and custom agents, AI enables procurement teams to automate repetitive tasks, streamline approvals, and create adaptable solutions tailored to their organization's needs.

At Levelpath, the purpose of AI is not just to modernize procurement but to elevate it into a more efficient and strategic function that delivers measurable business impacts. AI reduces friction by automating complexity, from supplier onboarding to contract analysis to sourcing projects, while empowering every stakeholder with contextual insights. Analysts gain speed in data discovery, managers benefit from streamlined execution, and Chief Procurement Officers gain the visibility and foresight to align procurement with overall business strategy. In a global environment defined by volatility and change, this built-in AI model ensures procurement remains adaptive, resilient, and positioned to drive enterprise success.

Procurement is under constant stress from economic shifts, regulatory changes, and evolving business models. These pressures demand greater agility and resiliency, which is why AI has become such a powerful enabler for sourcing. By surfacing the right data at the right time, and embedding compliance and governance directly into workflows, AI reduces inefficiency and ensures that decisions are both fast and compliant. Ultimately, AI allows procurement to automate repetitive tasks, avoid unnecessary complexity, and adapt rapidly to changing business conditions while letting your team focus on the most strategic decisions.

Global sourcing and supply chains are deeply affected by factors beyond the control of any single enterprise, such as:

- **Economic instability:** creates challenges through inflation and tariffs that impact costs across the supply chain.
- **Geopolitical risk:** has the potential to disrupt markets through sanctions and wars that restrict trade.
- **Environmental and climate pressures:** intensify through sustainability goals and energy policy shifts.
- **Regulatory and compliance complexity:** expands with data privacy laws, cybersecurity mandates, and digital trade requirements.
- **Technological disruption:** accelerates through supply chain digitalization requirements and supplier network vulnerabilities.

The foundation of this transformation is data. AI is only as strong as the data it draws upon. That begins with data gathering and enrichment, capturing and standardizing inputs such as contract dates, supplier names, payment terms, and category tags. Governance and compliance checks ensure the accuracy, security, and policy alignment of that data. Integrations connect internal enterprise systems with external sources so that information remains consistent and accessible.

From there, AI can index, analyze, and interpret procurement documents, contracts, supplier records, and transactions. Generative models summarize information, draft content, and propose next steps. Workflow automation ensures that approvals, negotiations, and transactions move forward efficiently and in compliance. Finally, role-specific AI agents provide tailored support to deliver relevant insights to analysts, managers, and executives so every level of procurement benefits from intelligence that is both contextual and actionable.

At Levelpath, AI turns external complexity into specific, actionable tasks. Broad tariff declarations can be distilled into a prioritized list of contracts and suppliers. Emerging business models can be translated into the identification of new, critical suppliers. This is how AI converts broad strategies into precise actions, helping procurement teams stay resilient, proactive, and less reactive. Strong AI governance ensures that these efficiencies do not come at the cost of compliance or enterprise control.

The Purpose of AI-Native Procurement Technology

Generative AI is a transformative technology that has forever changed the way we work, both for the enterprise and consumer worlds. It provides technical advances for the reimaging of how people and organizations engage with much of the work that previously required custom coding, data science, complex workflows, and extreme focus to complete.

From a value-based perspective, every procurement process, including those across sourcing, contract renewal and management, supplier onboarding, supplier risk management, and end-user orchestration, can be AI-enabled to be faster, more efficient, and more intelligent. At Levelpath, these functionalities are pervasive, including AI Agents that support sourcing events from intake to award, orchestrate supplier onboarding, manage clause-level contract discovery and review, monitor contract renewals, and assess and prioritize supplier risks. AI in procurement is evolving as this business role is responsible for strategically supporting an increasingly dynamic and volatile global business environment. As supply chains and sourcing are affected by economic, geographic, environmental, technical, and other global trends, and data overwhelms every aspect of the business, AI is an essential capability. AI-native technology allows enterprises to navigate complexity, abstract compliance and governance issues, and maintain control while accelerating value creation.

Levelpath provides guidance and support for procurement and IT departments seeking to deploy mature AI-based capabilities in an enterprise setting. With capabilities ranging from the Hyperbridge reasoning engine to the Agent Studio, Levelpath uses AI to provide a delightful procurement experience.

Data Strategy in the AI Era

To support data effectively, AI must operate at enterprise scale, handling both the volume and diversity of data that global organizations generate. This strategy must ensure secure management of data at rest and in transit, regardless of whether the source is structured relational data, unstructured files, or semi-structured feeds. An AI-friendly data strategy enables robust data transformations that enrich metadata, validate records, and preserve accuracy, so that every downstream application is powered by trustworthy and centralized information. Levelpath addresses these requirements through a technical foundation designed for scale, resilience, and adaptability. Public cloud infrastructure ensures virtually unlimited scalability, strong security controls, and global accessibility across regions and business units, while supporting the storage and movement of both structured and unstructured data.

On top of this infrastructure, advanced Extract Load Transform (ELT) pipelines provide a layered approach to extracting data from multiple formats, loading it efficiently into cloud storage and compute environments, and transforming it to suit specific data, metadata, and document-based procurement use cases. These transformations filter, normalize, and enrich the data, ensuring that procurement teams have timely access to information in the right shape for analysis.

Beyond traditional structured sources, Levelpath also processes documents and unstructured inputs, aligning them with core data models to create a unified and reliable foundation for AI-driven insights. By bringing together scalable infrastructure, layered ELT practices, and intelligent processing of structured and unstructured data, Levelpath delivers a data strategy that enables procurement leaders to harness AI with confidence and precision.

Why AI and Data Governance Are Critical for Enterprises

AI requires more than scalable data pipelines and large storage capacity. For enterprises, the value of AI depends on whether the underlying data is managed, governed, and protected in a manner that meets the highest standards of security and compliance. This means data must be created and captured accurately, encrypted both at rest and in transit, isolated to prevent cross-tenant exposure, and accessible only on a least-access basis that ensures users and systems can interact only with the data necessary for their role. Equally important, data must be auditable, modifiable when business or regulatory needs require, and deleted when retention periods expire or when corporate policies mandate removal.

Levelpath delivers this enterprise-grade governance by aligning with established regulatory and compliance frameworks, including SOC 2 Type II for rigorous internal controls, GDPR to support data privacy rights, and industry best practices for confidentiality, availability, and integrity. The platform enforces Zero Data Retention, meaning data is never held beyond its defined business purpose, and extends a pervasive least-access model across infrastructure, applications, and workflows. Data isolation strategies ensure that supplier, contract, and spend records are securely segmented and shielded from unauthorized access, preventing any inadvertent overlap between enterprise tenants. Levelpath does not sell customer data to any third parties and Levelpath does not use customer data to train any AI models to support our commitment to enterprise-grade data and AI governance. For procurement leaders, this approach guarantees that sensitive supplier and spend data is not only usable and reliable for AI-driven insights, but also trustworthy, compliant, and fully aligned with corporate and regulatory standards. IT plays a strategic role in AI governance by ensuring security controls, managing integrations, and aligning AI deployments with enterprise-wide compliance and resilience requirements.

Key Elements of AI Governance

AI governance is the framework of policies, controls, and safeguards that ensure AI systems operate securely, ethically, and in alignment with enterprise requirements. At Levelpath, AI governance is embedded across every stage of the procurement lifecycle. The core elements include:

- ❖ **Data Quality and Metadata Management:** Standardizing and enriching data to ensure accuracy and usability.
- ❖ **Regulatory and Compliance Alignment:** Supporting SOC 2 Type II, GDPR, and other enterprise frameworks.
- ❖ **Security and Access Controls:** Enforcing encryption, least-access policies, and tenant-level isolation.
- ❖ **Transparency and Auditability:** Ensuring AI outputs can be traced, reviewed, and modified when needed.
- ❖ **Human Oversight:** Maintaining human-in-the-loop design so procurement and IT leaders guide critical AI-driven actions.

By combining these principles, Levelpath delivers enterprise-grade AI governance that balances innovation with compliance and control.

The Role of Integrations in AI Procurement

Artificial intelligence is embedded throughout the Levelpath platform to support every stage of the procurement lifecycle, from intake and project identification to analyzing complex bids and contract folios. It also provides contextual recommendations for contract renewals, supplier enrichment, and ongoing supplier management. While these AI-native capabilities create significant value within Levelpath, their impact is maximized when supplier records and related metadata flow seamlessly into the broader enterprise ecosystem. To support procurement departments and their software ecosystems, Levelpath provides a robust integration framework that allows organizations to connect intelligence directly with the systems where users already work.

This integration framework is built on multiple technologies. Message-based webhooks enable real-time, event-driven communication between Levelpath and external systems, allowing workflows to be automated through middleware or integration-as-a-service platforms. Native connectors provide prebuilt integration paths for widely used enterprise applications, simplifying deployment and accelerating time-to-value: some examples include Levelpath's connectors for Coupa, Docusign, Ironclad, Oracle Fusion, and Slack.

For broader flexibility, Levelpath offers an open REST API that allows both reading and writing of procurement data. In addition, Levelpath supports integrations with APIs provided by other enterprise application providers, embedding AI insights directly into existing workflows without requiring users to leave their preferred platforms.

Through REST API integrations, Levelpath supports Create, Read, Update, and Delete (CRUD) operations with a focus on enabling external systems to share information with Levelpath or request data for downstream processes. For procurement teams, this means AI outputs are delivered within the context of day-to-day operations to reduce duplication of effort, increase adoption, and ensure that supplier, contract, and spend intelligence is consistently available across the enterprise.

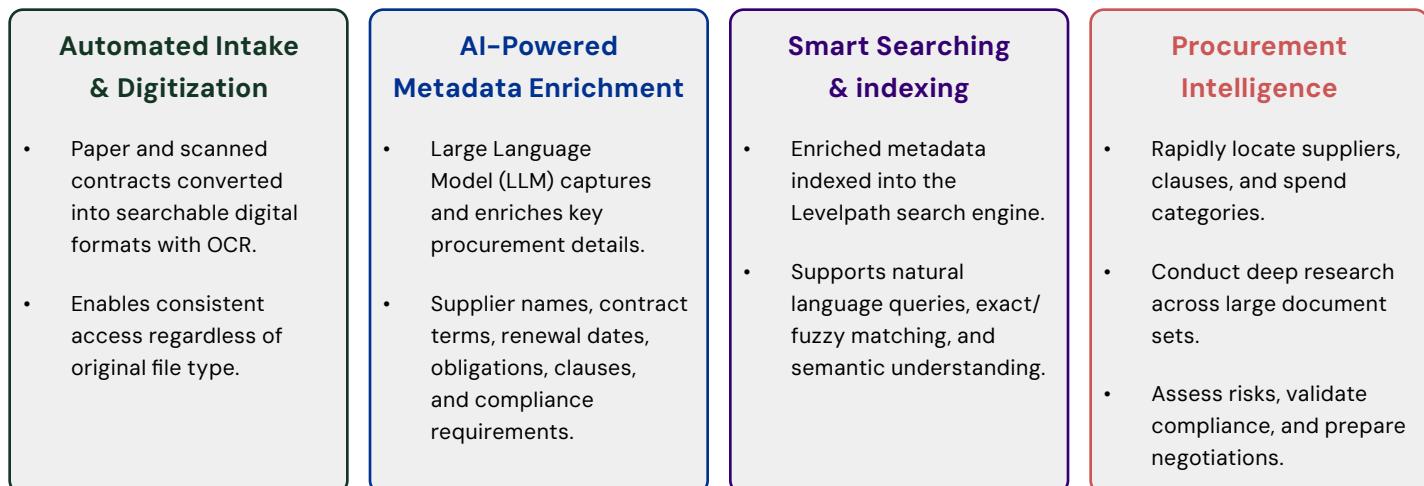
Turning Contracts into Procurement Intelligence

Generative AI often attracts the most attention, but it is only one aspect of the broader AI ecosystem that delivers value to enterprises. For procurement teams, true intelligence comes from combining natural language understanding with supplier data retrieval and advanced contract and document processing. Contracts, supplier files, and procurement records are among the most critical sources of information in an enterprise. These documents must be ingested, digitized, and enriched with metadata to maximize the value that AI systems provide as they support sourcing, contracting, and supplier management activities.

Levelpath addresses this challenge with an integrated approach to document and contract intelligence. Contract and document intake is automated through digitization, where paper and scanned files are transformed into searchable digital formats using optical character recognition (OCR). This search allows procurement teams to quickly parse contract language and analyze records regardless of the original document format. Once digitized, an advanced large language model (LLM) extracts, normalizes, and enriches metadata from both unstructured documents and structured data sources. This process captures essential procurement details such as supplier names, contract terms, renewal dates, obligations, clauses, and compliance requirements, and aligns them with enterprise procurement classifications.

The enriched metadata is then indexed into the Levelpath search engine, which interprets natural language queries and maps them to procurement data fields. By combining semantic understanding with both exact and fuzzy matching, users can locate relevant suppliers, contract provisions, and spend categories even when queries are incomplete or phrased in plain language. Beyond search, this intelligence also enables deep research capabilities across large volumes of documents. Procurement leaders and practitioners can rapidly navigate their document repositories to assess risks, validate compliance, or prepare for negotiations based on the most relevant information within each document.

From Digitization to Intelligence with Levelpath OCR



Through this combination of OCR-driven digitization, metadata extraction and enrichment, and intelligent search, Levelpath transforms static text into searchable, reliable, and analysis-ready contract data that can be accessed by Gen AI and relevant agents. This not only accelerates sourcing and contracting workflows but also ensures that supplier and contract data is consistently accurate, secure, and ready to power AI-native decision support. These capabilities also strengthen AI governance by ensuring that contract data is accurate, traceable, and aligned with enterprise compliance standards.

Future-Proofing Procurement with Generative AI

Levelpath was designed in the era of generative AI and it informs every part of the platform's development from intake and supplier onboarding, sourcing projects, contract digitization, negotiations, and renewals. At the center of this capability is Hyperbridge, a reasoning engine that applies AI-driven logic consistently across procurement activities, ensuring that intelligence flows seamlessly throughout the entire lifecycle.

AI within Levelpath is not dependent on a single model or provider. Recognizing the pace of innovation and the scale of investment in generative AI, Levelpath has built a flexible engine that integrates best-in-class LLMs for different tasks. Some models excel at reasoning and analysis, while others are stronger at generating professional narratives or extracting metadata. As new models emerge that demonstrate superior performance in areas such as writing, synthesis, or structured data interpretation, they can be adopted within the platform without disruption.

This approach ensures that Levelpath takes full advantage of current AI innovation to deliver tangible value, such as drafting contract clauses, summarizing supplier risk profiles, and generating spend analysis insights. By design, the platform is future-proofed in giving procurement teams confidence that AI-driven workflows will continually improve as leading providers release more advanced models.

Transforming Procurement with Agentic Workflows

Agentic workflows are reshaping enterprise AI by enabling generative intelligence to contextualize data, follow instructions, and autonomously take actions on behalf of users. These workflows can be triggered through a variety of signals, whether by a button click, a user prompt, the launch of a new project, or alerts tied to supplier performance and contract risk.

At Levelpath, agentic activity is designed specifically for the high-stakes world of enterprise procurement, where large-scale supplier decisions and spend commitments demand both speed and accuracy. While automation is powerful, Levelpath emphasizes a human-in-the-loop model to ensure procurement professionals maintain control over critical choices. This balance combines the efficiency of AI with the judgment and expertise of sourcing leaders.

Levelpath typically describes these agentic capabilities as task agents focused on completing a specific data call or task, and are distinguished by three core principles:

Human-in-the-Loop Design:

Every workflow prioritizes user validation at key decision points, ensuring professionals guide and approve actions before they impact sourcing events, supplier relationships, or contracts. As enterprise procurement departments build confidence in scaling AI internally, Levelpath provides these teams with the opportunity to further automate and accelerate supplier, contract, and sourcing activity.

Procurement-Specific Context:

Agentic workflows are tailored to the realities of procurement, such as evaluating suppliers, structuring sourcing events, or reviewing contracts so that actions and insights are directly relevant to strategic vendor management. AI is most productive when it can access the data, roles, workflows, and other relevant metadata and activities associated with a task, and Levelpath provides deep context for enterprise-grade procurement.

Outcome-Focused Execution:

The goal of every agentic interaction is measurable impact, such as delivering actionable recommendations, structured analyses, and guided next steps in procurement-native formats that accelerate decision-making. Levelpath's goals are to support well-defined procurement goals, including cycle time acceleration, tracking purchases from preferred or official suppliers, and increased contract compliance resulting from greater user adoption and interactions in the procurement process.

By combining automation with human oversight, Levelpath ensures that agentic workflows not only reduce the time and steps required in procurement but also safeguard the quality and strategic outcomes of high-value supplier engagements with agentic AI governance.

Custom AI Agents

Levelpath supports complex agents through the Levelpath Agent Studio, a platform for designing, deploying, and refining AI agents that drive procurement outcomes. Agents can operate as standalone workflows leading to specific actions, or they can be embedded within other agents as custom instructions to create sophisticated, multi-step agentic AI across the procurement lifecycle.

The Agent Studio enables node-based agentic orchestration to build dynamic, interconnected procurement workflows. Across this array of agentic capabilities, Levelpath supports a wide array of procurement-specific applications, including dedicated agents for supplier onboarding, RFP analysis, compliance tracking, and spend categorization. These agents combine automation, intelligence, and adaptability to reduce manual effort while ensuring procurement decisions remain accurate, compliant, and strategically aligned.

AI is the Strategic Foundation for Modern Procurement

The procurement landscape is undergoing a fundamental transformation, and organizations that embrace AI-native solutions today position themselves as leaders in tomorrow's competitive marketplace. At Levelpath, we have demonstrated that artificial intelligence is not simply an efficiency tool but rather the strategic enabler that transforms procurement from a cost center into a value-driving business function.

Our approach integrates enterprise-grade data foundations with advanced AI capabilities, creating an ecosystem where every procurement decision is informed, compliant, and strategically aligned. Through the Hyperbridge reasoning engine, Agent Studio, and comprehensive document intelligence, we have built a platform that does more than automate tasks. It elevates human judgment and amplifies professional expertise.

The future belongs to procurement organizations that can navigate global complexity with intelligence and agility. Economic volatility, geopolitical risks, and regulatory changes will continue to challenge traditional approaches. AI provides the adaptive capability to turn these external pressures into competitive advantages by converting broad market signals into specific, actionable procurement strategies.

Enterprises evaluating their procurement technology strategy face a critical decision. The question is not whether to adopt AI, but how quickly they can implement solutions that deliver immediate value while building the foundation for continuous innovation. Enterprises that adopt AI-native solutions with strong AI governance will lead the next era of procurement transformation. At Levelpath, we have designed our platform to allow AI to enhance human expertise, ensure compliance without friction, and make procurement not just more efficient, but genuinely more strategic and, yes, more delightful.

Make governance more delightful with Levelpath.

Request a demo.

