Xchange

Procurement Trends 2024

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Procurement trends 2023-2024

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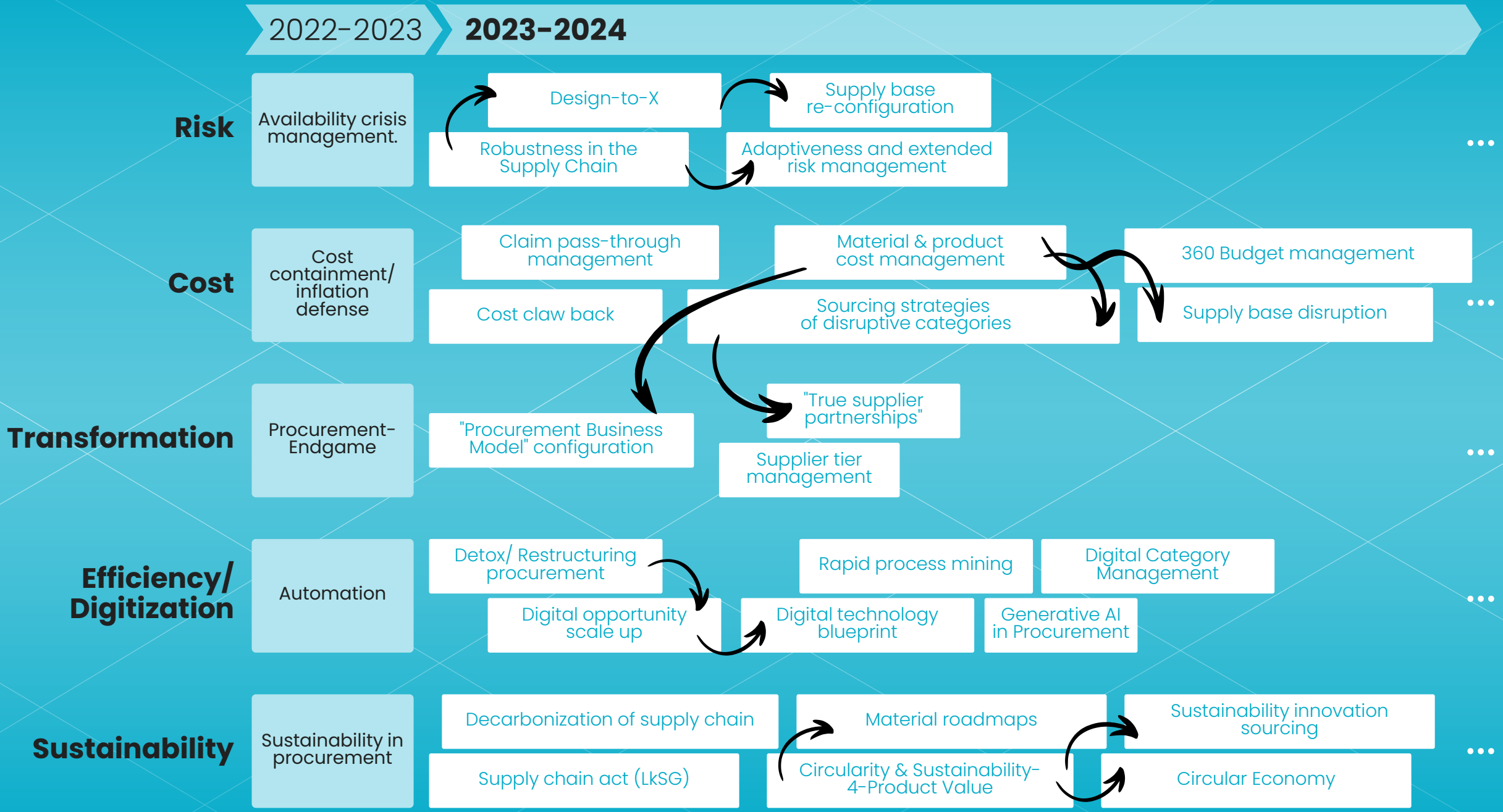
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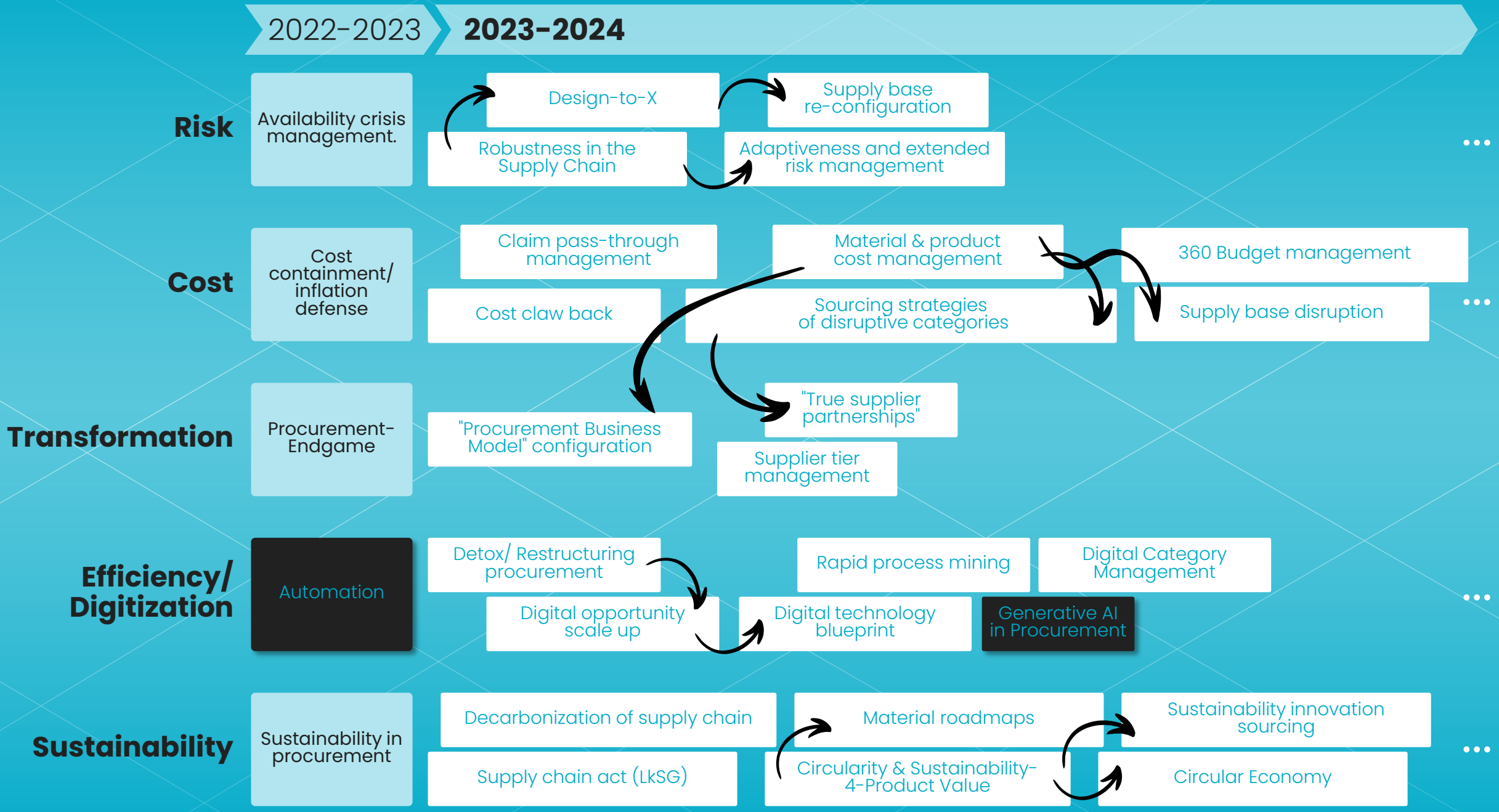
2023-2024
Risk
Availability crisis management.
Design-to-X
Supply base re-configuration
Robustness in the Supply Chain
Adaptiveness and extended risk management
Cost
Cost containment/ inflation defense
Claim pass-through management
Material & product cost management
360 Budget management
Cost claw back
Sourcing strategies of disruptive categories
Supply base disruption
Transformation
Procurement-Endgame
"Procurement Business Model" configuration
"True supplier partnerships"
Supplier tier management
Efficiency/ Digitization
Automation
Detox/ Restructuring procurement
Rapid process mining
Digital Category Management
Digital opportunity scale up
Digital technology blueprint
Generative AI in Procurement
Sustainability
Sustainability in procurement
Decarbonization of supply chain
Material roadmaps
Sustainability innovation sourcing
Supply chain act (LkSG)
Circularity & Sustainability-4-Product Value
Circular Economy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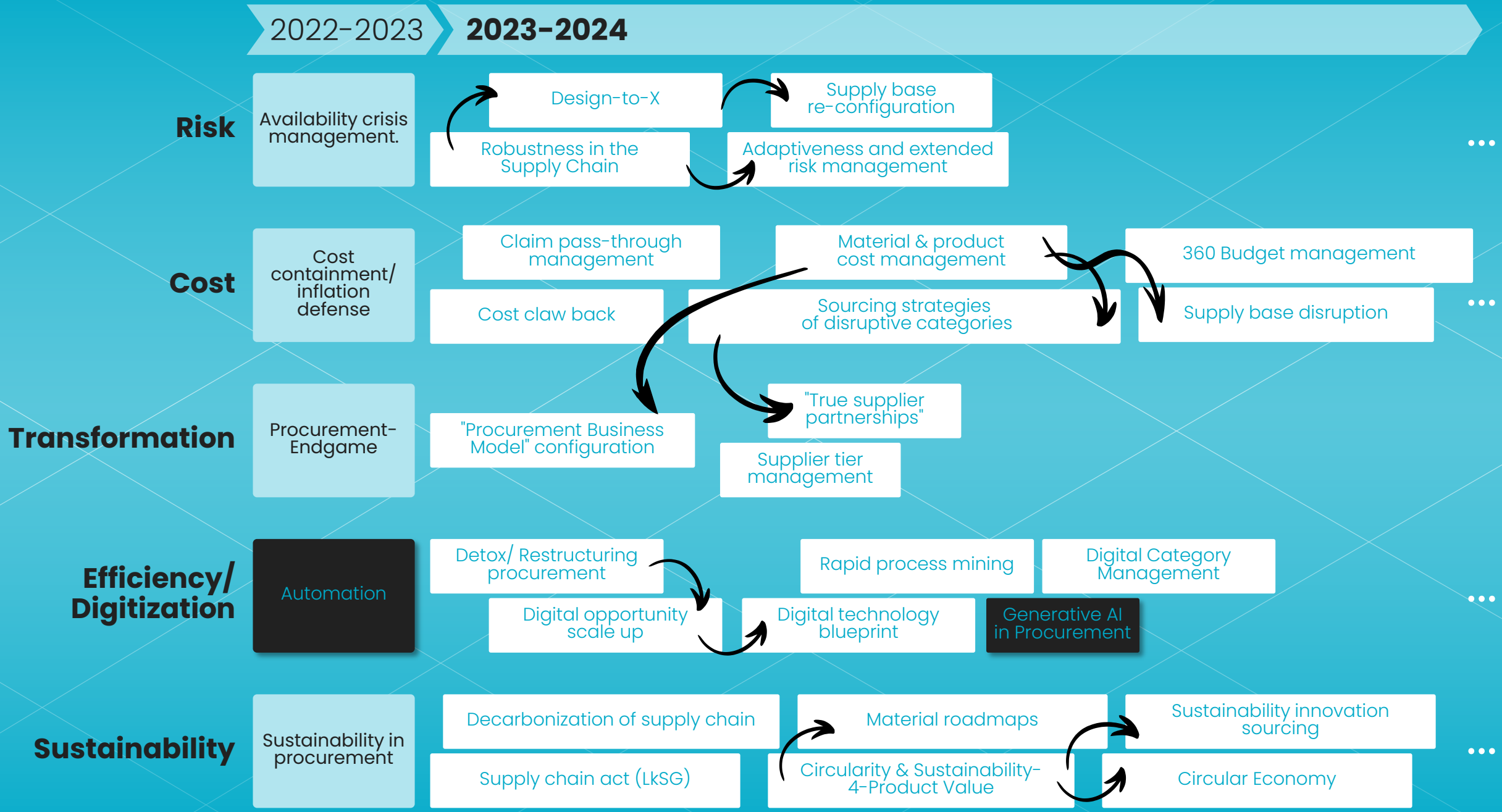
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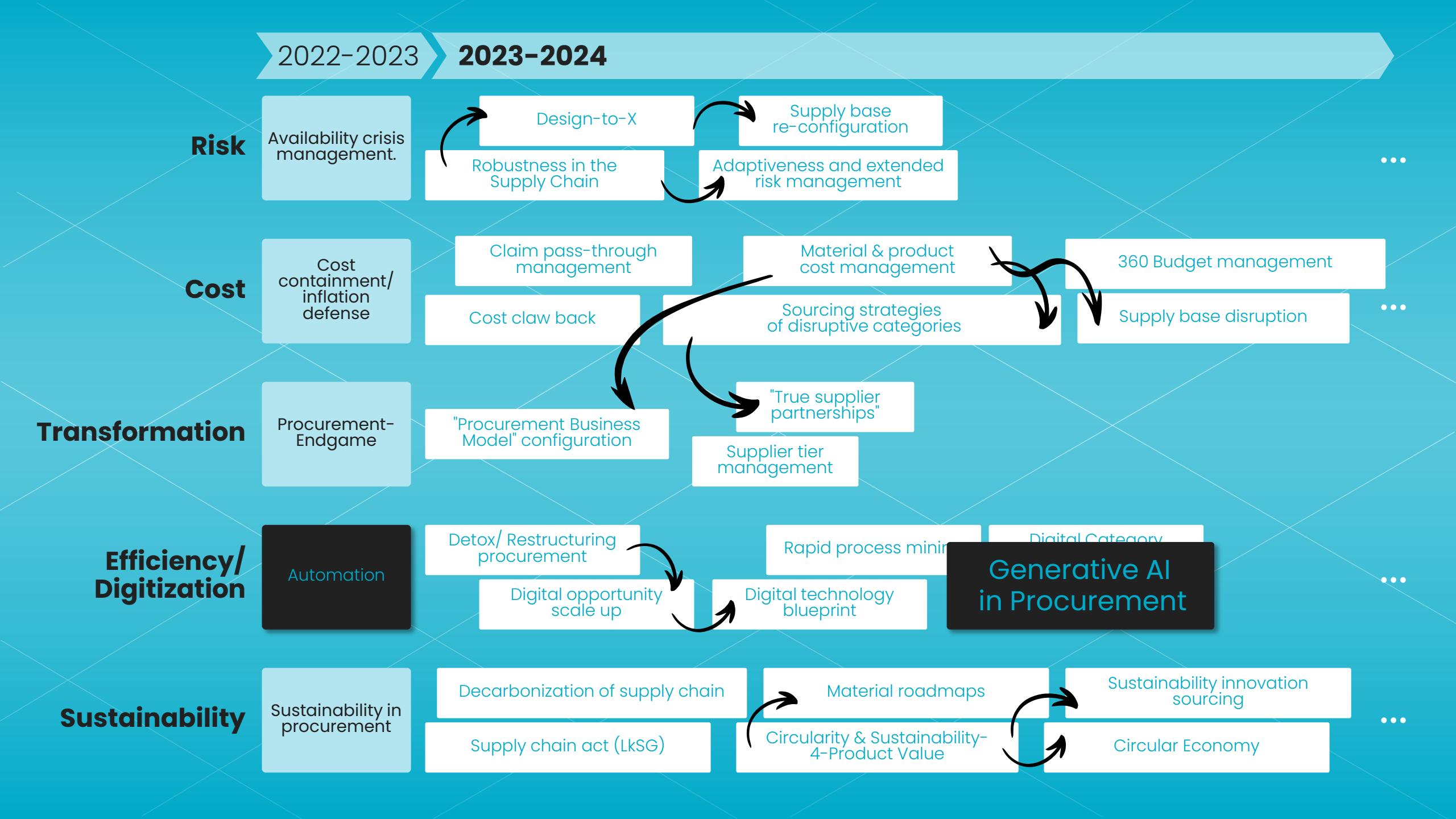
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Generative AI

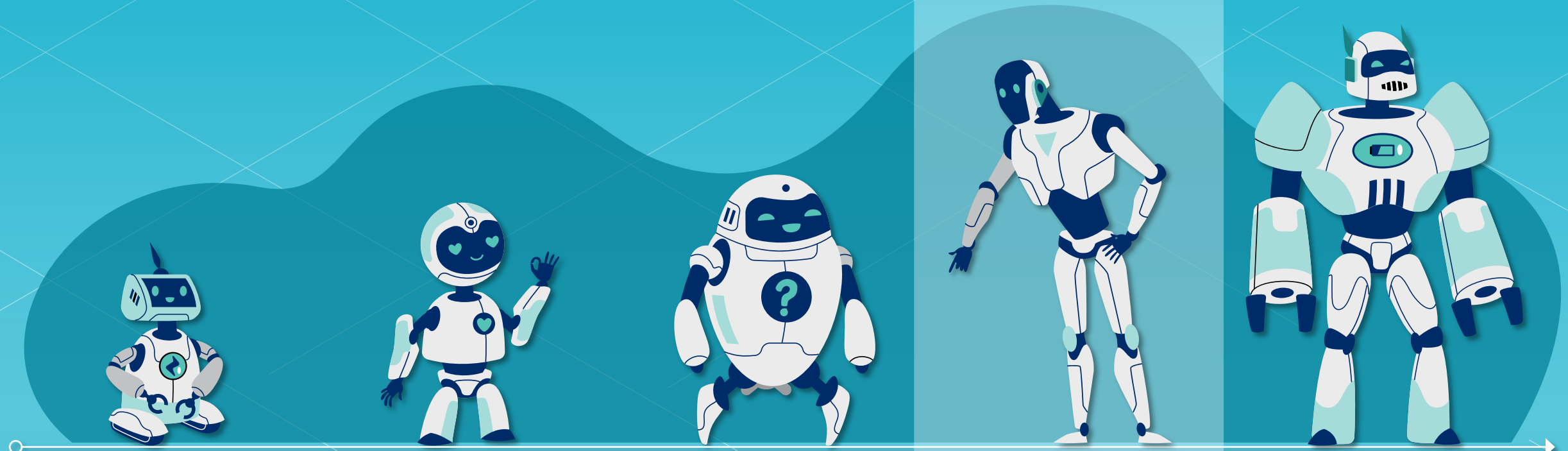
The awakening game changer in the Procurement-Endgame

Procurement must pick its destiny

PAST

TODAY

TOMORROW



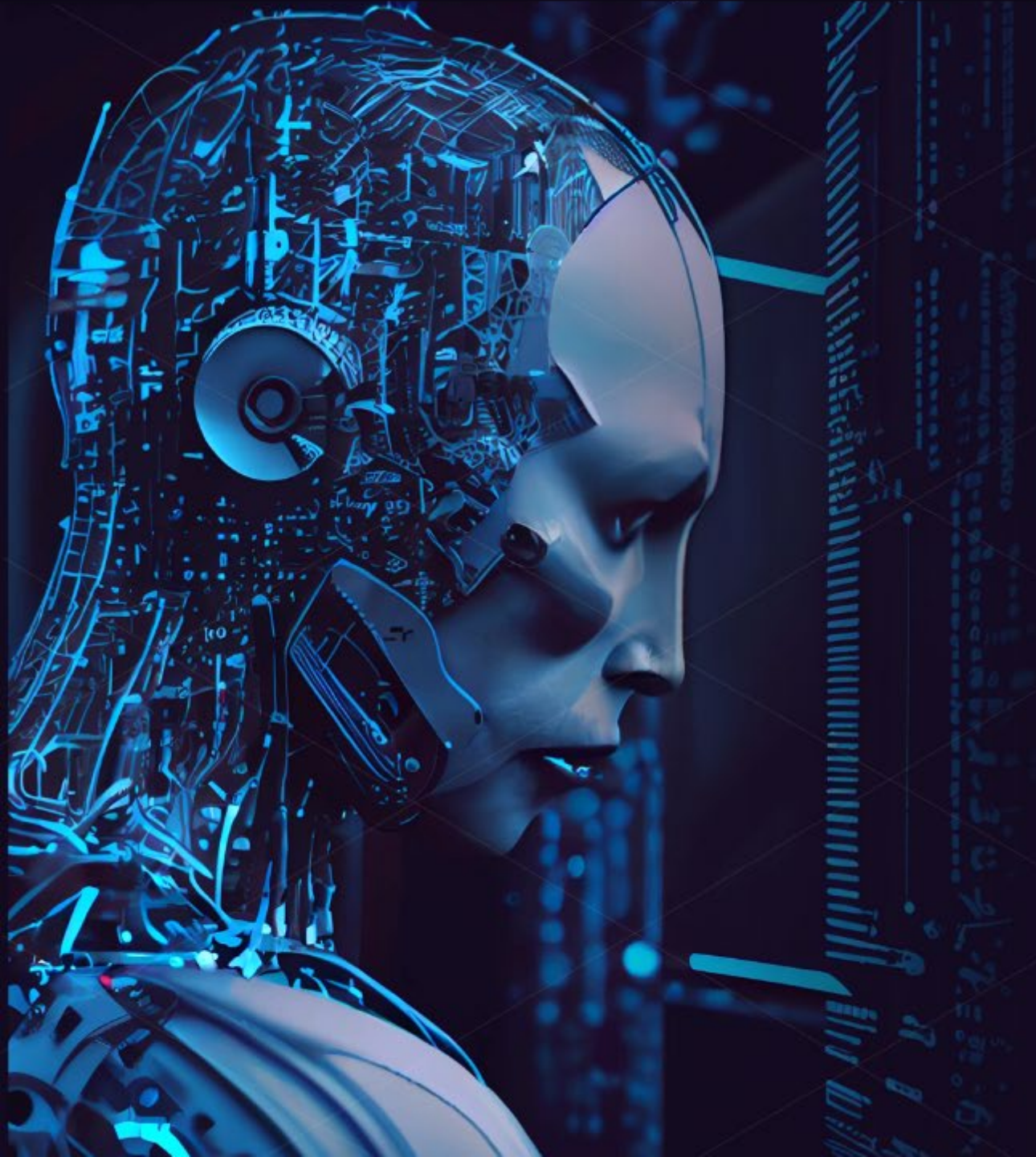
Rule-based Automation

Predictive Analytics

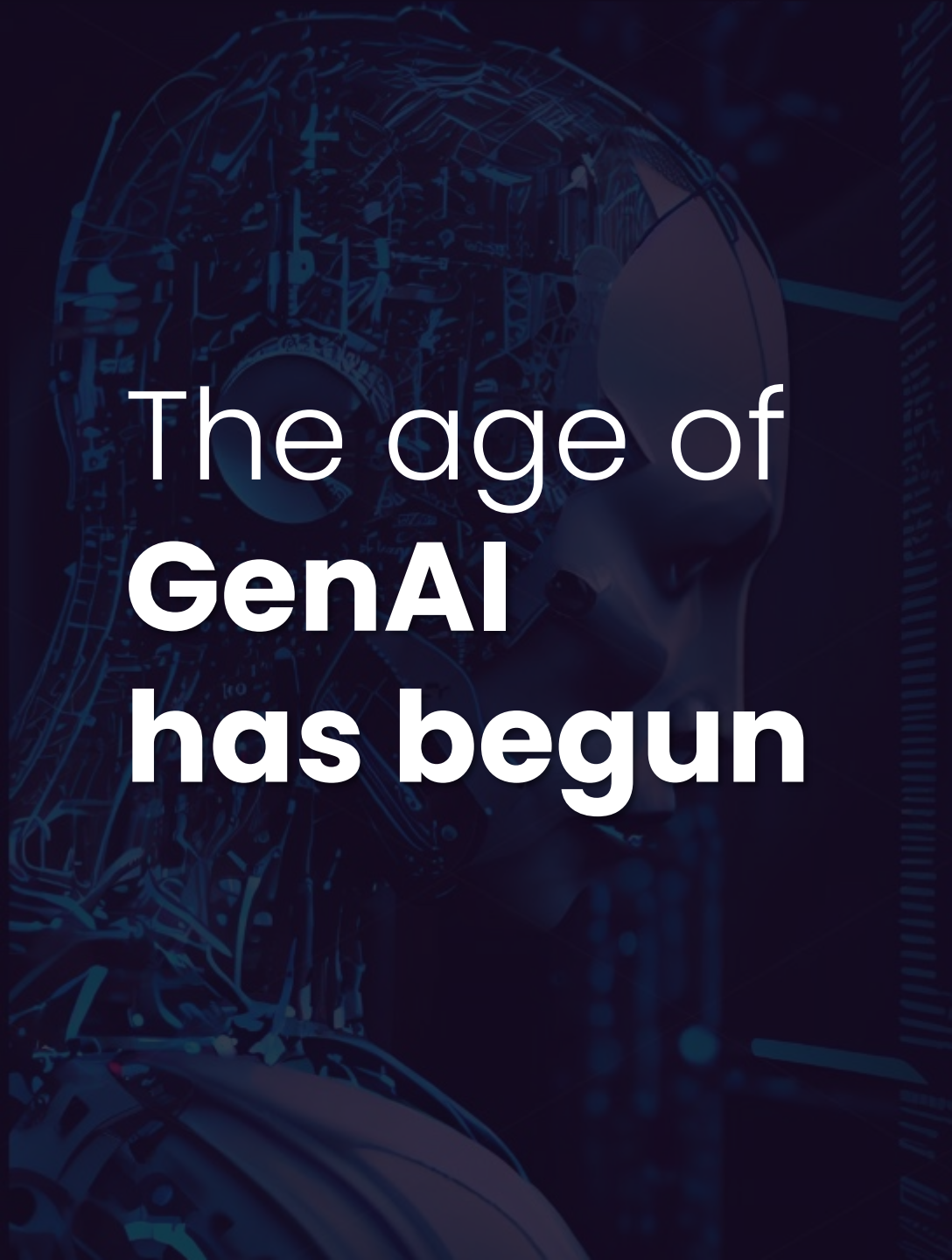
Cognitive Automation (RPA & AI)

Generative Artificial Intelligence (GenAI)

Artificial General Intelligence



The age of **GenAI has begun**



The age of **GenAI has begun**

”

The development of (Generative) AI is as fundamental as the creation of the microprocessor, the personal computer, the Internet, and the mobile phone.

It will change the way people work, learn, travel, get health care, and communicate with each other. Entire industries will reorient around it. **Businesses will distinguish themselves by how well they use it.**

- Bill Gates -

BENEFITS

Automation

Business Insights, Analytics, and Foresights

Sparring partner and AI colleague

IMPLICATIONS

Changed Strategic Focus

Revamped Relation Management

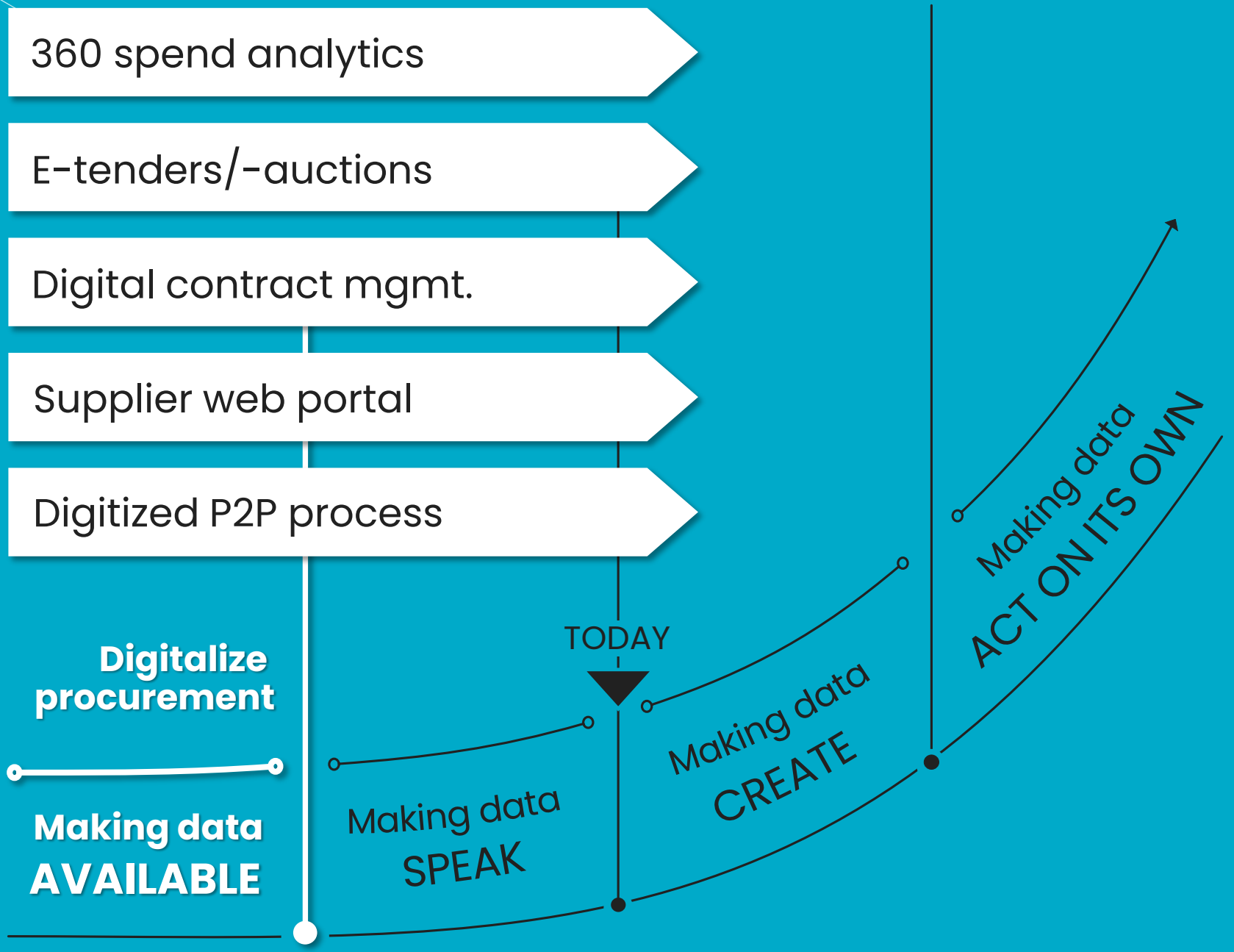
Employee Evolution

GenAI has the potential to boost procurement in

six dimensions

The exponential AI-driven change is

already in full swing



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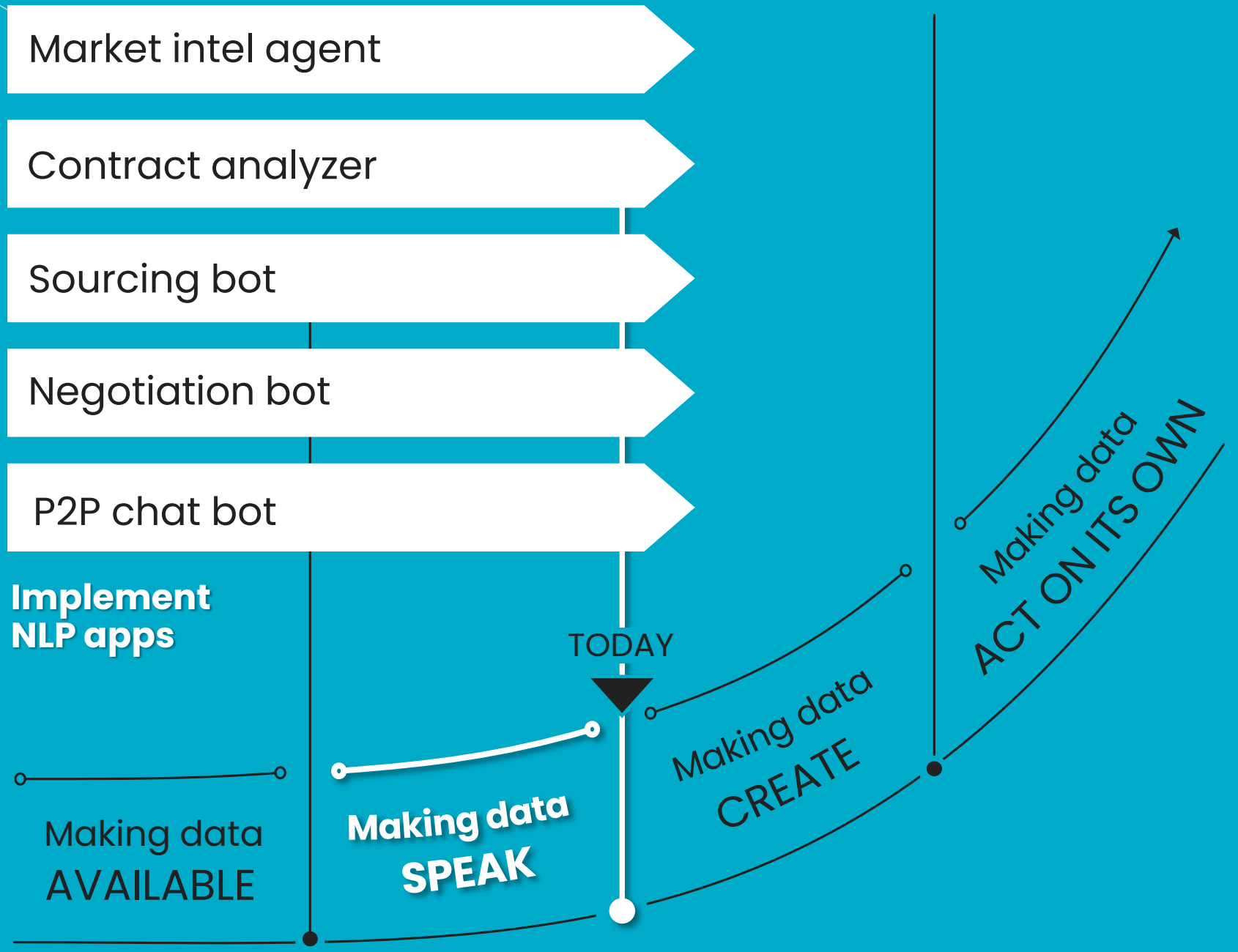

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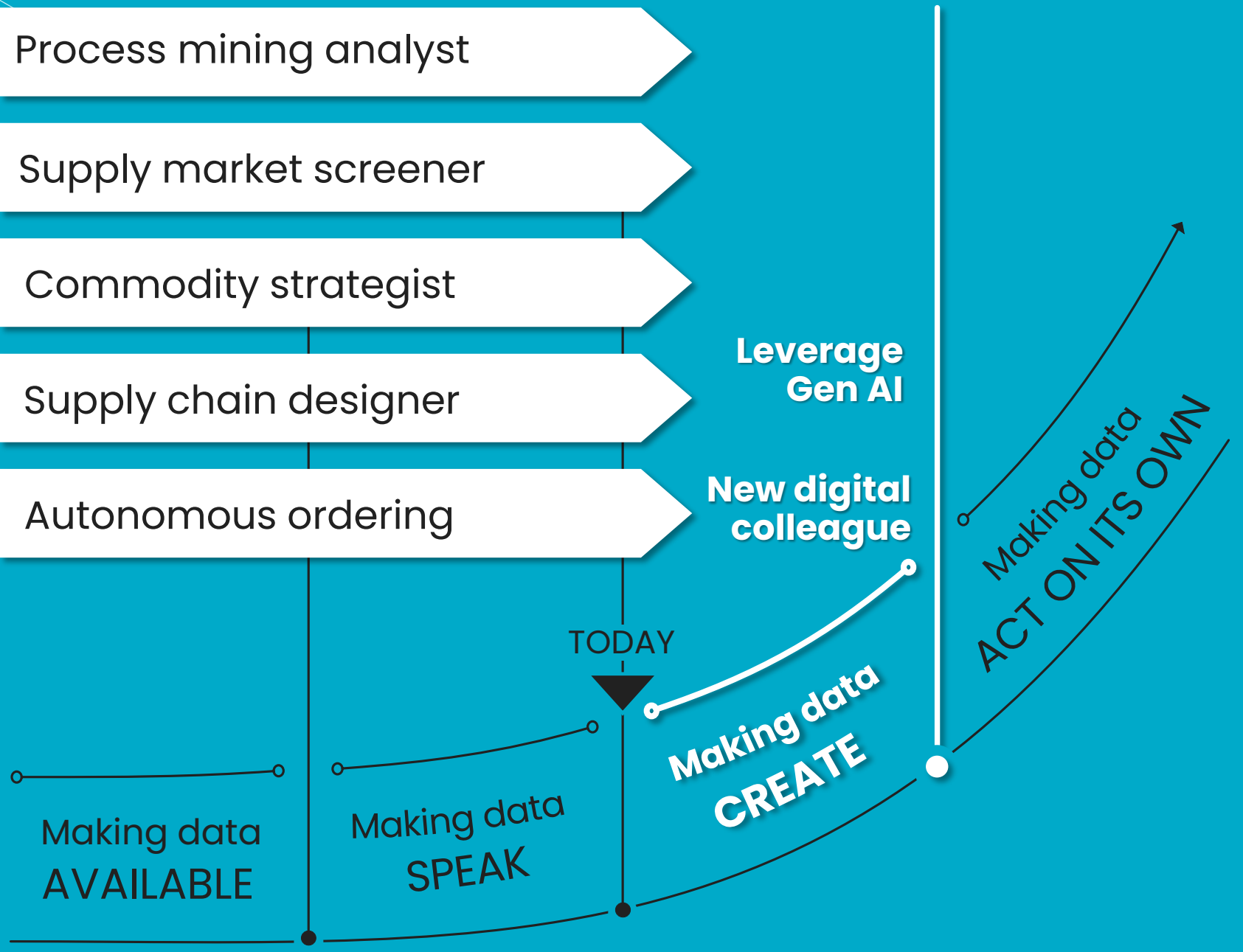

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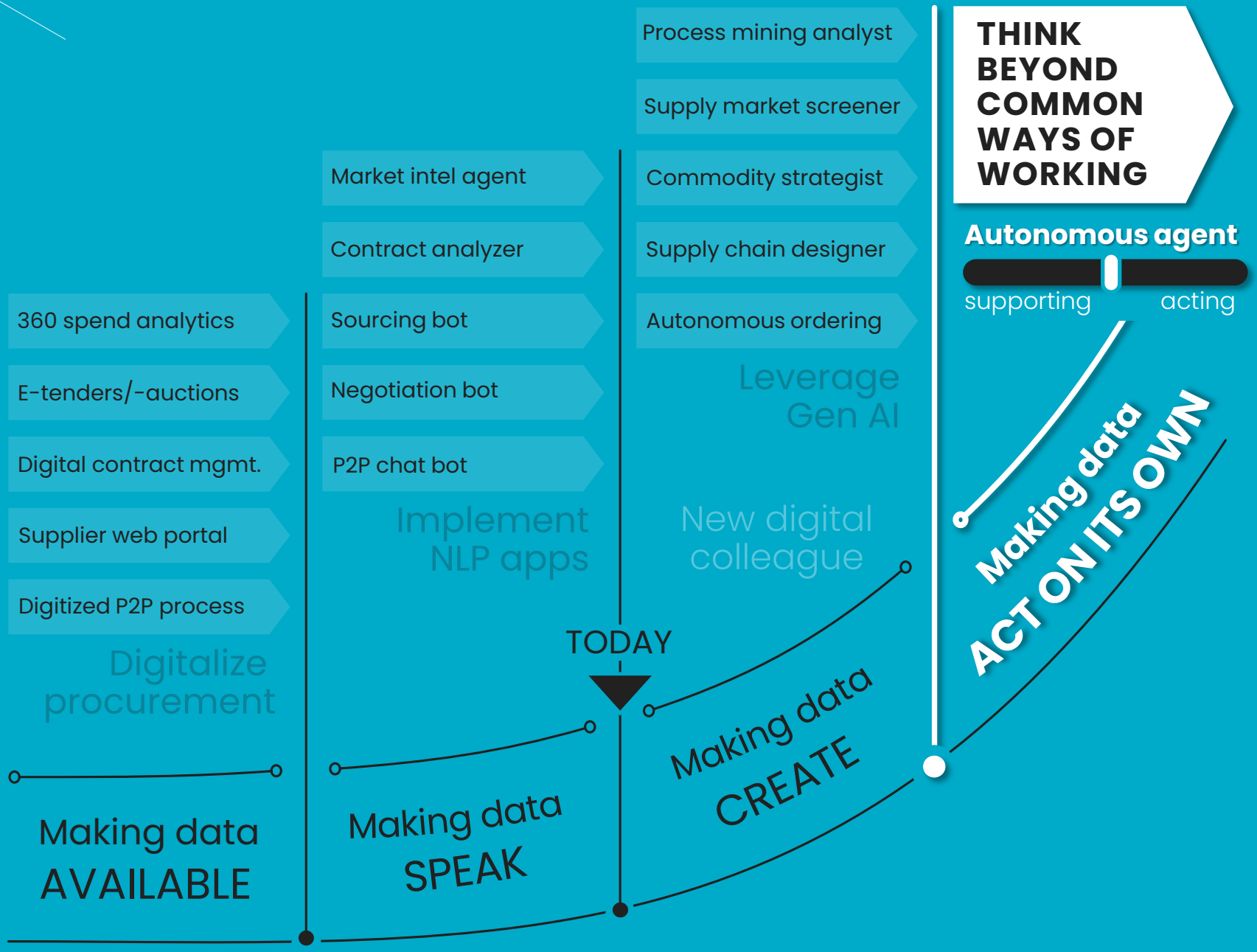


Procurement must pick its destiny

The Procurement-Endgame

The efficient machine
LEAN & MEAN

Technology takes over
the procurement function

The value generator
HANDSOME & SMART

Technology boosts
the procurement function

CPO

	Lead C1	Lead C2	Lead Cn	Lead support
HQ	CATEGORY 1 S/T O	CATEGORY 1 S/T O	CATEGORY N S/T O	SUPPORT
BU 1	CATEGORY 1 S/T O	CATEGORY 1 S/T O	CATEGORY n S/T O	
BU 2	CATEGORY 1 S/T O	CATEGORY 1 S/T O	CATEGORY n S/T O	
BU n	CATEGORY 1 S/T O	CATEGORY 1 S/T O	CATEGORY n S/T O	

SPEND and KPI ANALYSIS

SUSTAINABILITY

RISK and SRM

CONTRACT MANAGEMENT

PROCESS and METHODS

COST ENGINEERING

100% FTE

S/T: Strategic/Tactical

O: Operational

Human

50–75% FTE

CPO

	Supplier Teams	Lead C1	Lead Cn	Lead support
HQ	CATEGORY 1 S/T O	CATEGORY 1 S/T O	CATEGORY N S/T O	
BU 1	CATEGORY 1 S/T O	CATEGORY 1 S/T O	CATEGORY n S/T O	
BU 2	CATEGORY 1 S/T O	CATEGORY 1 S/T O	CATEGORY n S/T O	
BU n	CATEGORY 1 S/T O	CATEGORY 1 S/T O	CATEGORY n S/T O	

SUPPORT

- SPEND and KPI ANALYSIS
- SUSTAINABILITY
- RISK and SRM
- CONTRACT MANAGEMENT
- PROCESS and METHODS + Flex Team
- COST ENGINEERING

AI MANAGEMENT TEAM

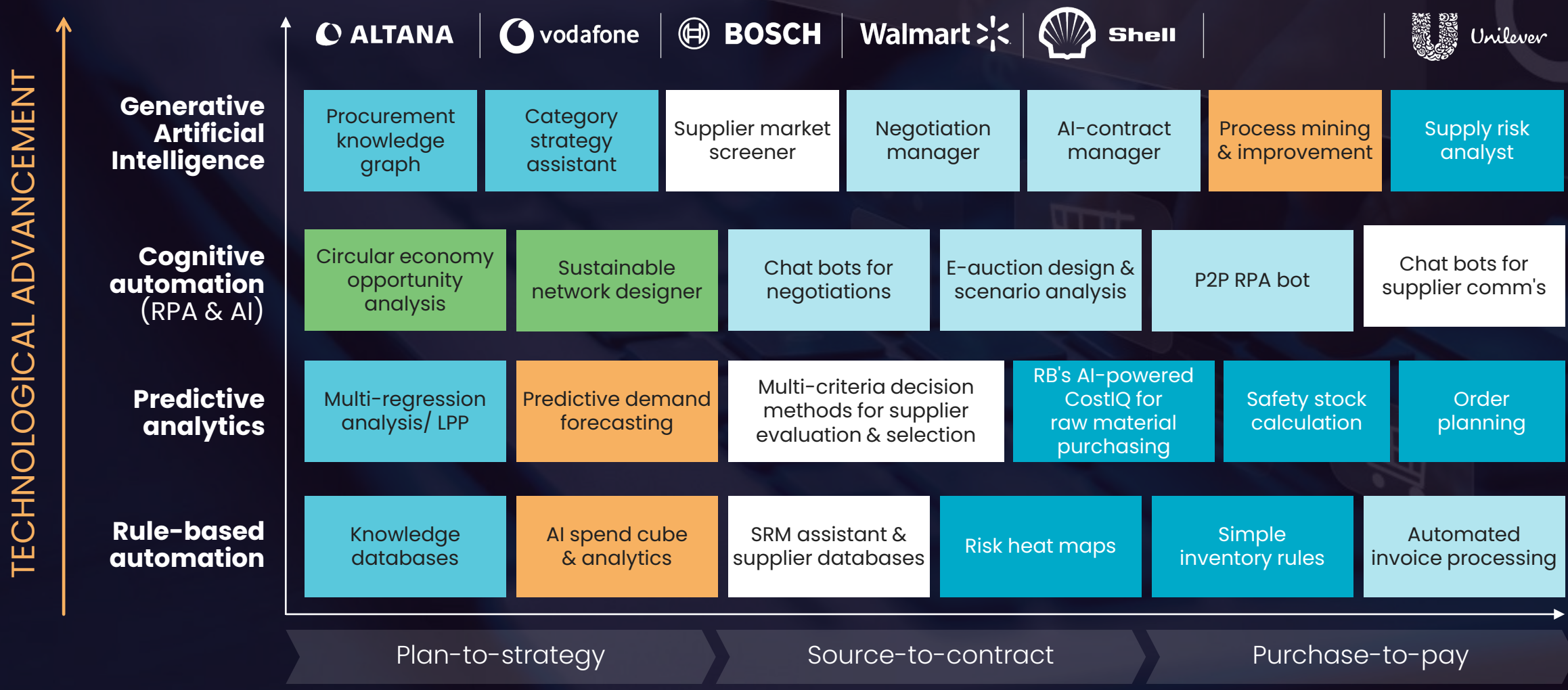
- AI STRATEGY MANAGER
- DATA SCIENTISTS
- PROMPT & AGENT ENGINEERS
- AI COMPLIANCE and ETHICS
- AI PERFORMANCE MONITORING

S/T: Strategic/Tactical

O: Operational

Human

AI model (e.g. LLM)


TECHNOLOGICAL ADVANCEMENT
ALTANA
vodafone
BOSCH
Walmart
Shell
Unilever
Generative Artificial Intelligence
Procurement knowledge graph
Category strategy assistant
Supplier market screener
Negotiation manager
AI-contract manager
Process mining & improvement
Supply risk analyst
Cognitive automation (RPA & AI)
Circular economy opportunity analysis
Sustainable network designer
Chat bots for negotiations
E-auction design & scenario analysis
P2P RPA bot
Chat bots for supplier comm's
Predictive analytics
Multi-regression analysis/ LPP
Predictive demand forecasting
Multi-criteria decision methods for supplier evaluation & selection
RB's AI-powered CostIQ for raw material purchasing
Safety stock calculation
Order planning
Rule-based automation
Knowledge databases
AI spend cube & analytics
SRM assistant & supplier databases
Risk heat maps
Simple inventory rules
Automated invoice processing
Plan-to-strategy
Source-to-contract
Purchase-to-pay
Risk management
Knowledge management
SRM
Sustainability management
Contract management
Controlling & reporting

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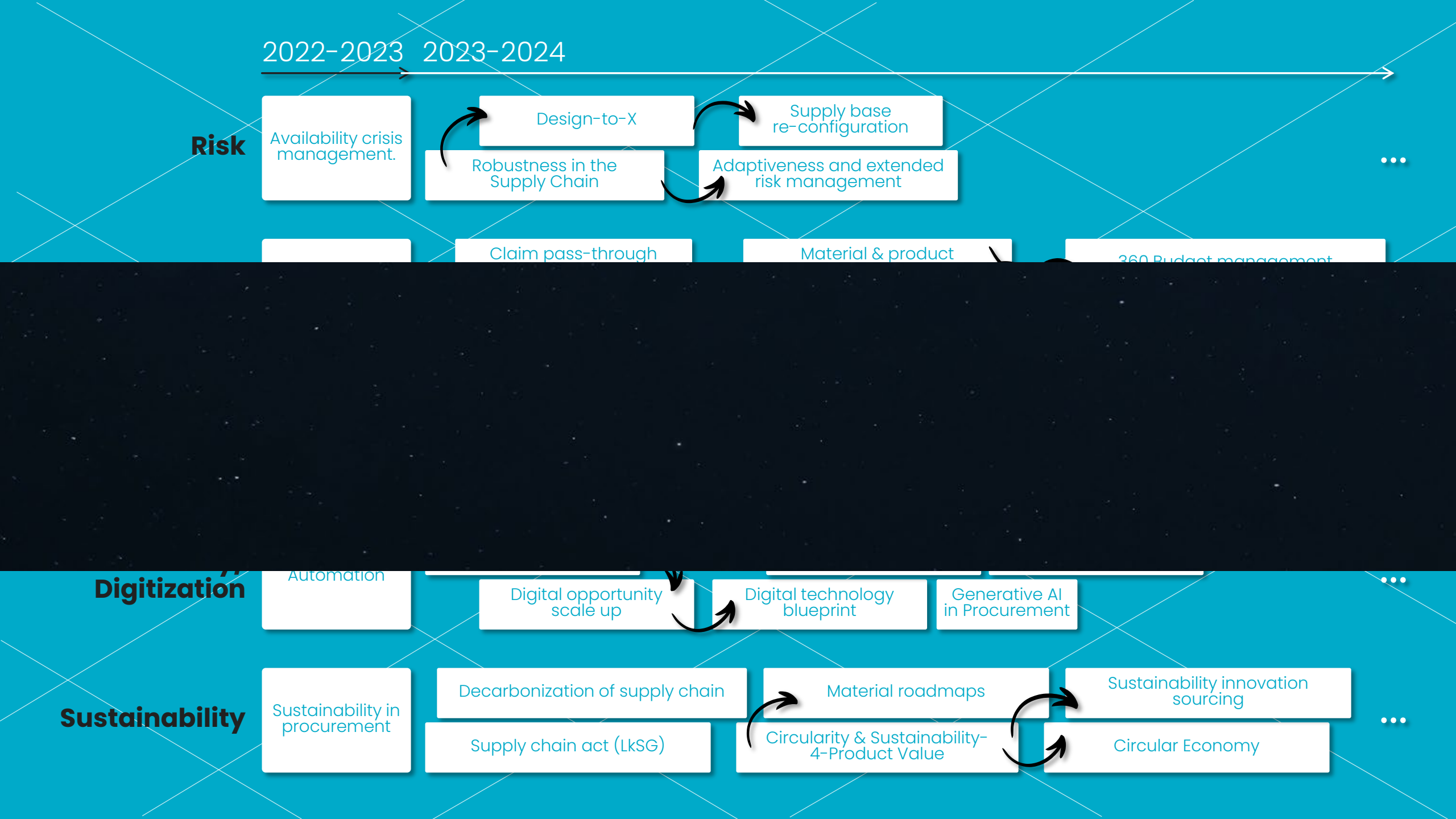
What can we do?

1. **Reshape** the procurement operating model
2. **Create** your AI strategy and environment
3. **Rebuild** your workforce
4. **Intensify and expand** supplier relationship management
5. **Connect** to business partner functions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