NAVIGATING 2026: PROCUREMENT TRENDS, CHALLENGES, AND STRATEGIC IMPERATIVES FOR VALUE, RESILIENCE, AND INNOVATION

Abstract

As procurement enters 2026, it faces a rapidly evolving landscape shaped by geopolitical shifts, regulatory fragmentation, technological advancements, and economic volatility. This report identifies ten key trends redefining procurement's role, from fostering long-term supplier partnerships and embedding AI into workflows to designing resilient supply ecosystems and integrating cybersecurity into supplier criteria. Procurement is no longer confined to cost savings; it is now a strategic function driving continuity, compliance, and informed decision-making. Leaders must expect procurement to deliver stronger financial stewardship, embed risk and resilience into design, govern AI adoption responsibly, and make transparent trade-offs that align with enterprise priorities. Success in 2026 will depend on procurement's ability to balance complexity with clarity, leveraging technology and human judgment to deliver measurable value and continuity in an unpredictable world.

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Procurement enters 2026 navigating a more complex and demanding operating environment. Teams are tasked with managing heightened volatility, increased supplier risks, rapid technological advancements, and stricter regulatory scrutiny—often with the same or fewer resources. Simultaneously, expectations of procurement are expanding beyond cost savings to include continuity, compliance, productivity, and informed decision-making.

These challenges are not isolated operational issues but reflect broader shifts in geopolitics, regulation, technology, labor markets, and economic conditions. Factors such as trade and regulatory fragmentation, uneven inflation, labor shortages, cyber threats, and rapid advances in AI are no longer abstract concerns. They now directly influence day-to-day procurement decisions across services, technology, labor-based categories, and supply markets.

Infosys has identified ten key trends shaping the evolution of procurement functions. Each trend outlines actionable steps for procurement teams, explains the driving forces behind the change, and forecasts what to expect in the coming years. The goal is practical: to help procurement leaders prioritize focus areas, build capabilities, and make informed decisions for 2026 and beyond.

Value and Continuity Amid Volatility

1 Critical supplier relationships evolve into long-term partnerships

Procurement teams are shifting their focus from transactional performance metrics to the quality and durability of supplier relationships. While delivery, cost, and service levels remain important, they are no longer sufficient indicators of a supplier's ability to support the organization through sustained volatility. Procurement must distinguish between transactional suppliers and those warranting strategic partnerships. This involves assessing enterprise impact and tailoring approaches to maximize value. While this focus isn't new, it has become increasingly essential and achievable.

2 Managing volatility and value becomes a lifecycle discipline

Procurement is adopting a broader approach to managing volatility and value across the supplier lifecycle, moving beyond reliance on contracts alone. While contractual mechanisms like indexation, volume bands, and repricing triggers remain important, they are now complemented by governance, operating cadence, and relationship management. This enables procurement to manage value dynamically rather than locking it in at the point of contract signature..

3 Rebuilding supply bases to secure new capacity and capabilities

Procurement's role is expanding from supplier selection to actively building and stabilizing supply bases. As manufacturing footprints, distribution routes, and service delivery models are reconfigured, newly established capacity and supplier sites often require time to mature. Procurement must actively manage ramp-up periods, qualifying processes, stabilizing quality systems, and rebuilding skills. Commercial arrangements are being redesigned to account for the time required to stabilize new suppliers and capacity, moving beyond standard contract terms. Procurement is now tasked with engineering and commercializing reliable supply ecosystems that can scale, adapt, and deliver.

4 Autonomous systems emerge as procurement value drivers

Autonomous systems—spanning robotics, drones, and AI-enabled devices—are becoming integral to operations, driving productivity, safety, reliability, and accuracy across manufacturing, logistics, facilities, and field services. Procurement's role is to govern these gains by selecting capable partners, designing contracts tied to measurable KPIs, and embedding cyber and physical risk controls. As AI transitions from digital systems to physical operations, governance and integration become critical to ensuring safe and effective adoption.

Risk, Resilience, and Trust by Design

5 Risk management shifts from reporting to proactive design

Risk and resilience management are evolving from reporting activities to operational disciplines. While dashboards and risk registers remain useful, organizations now expect procurement to design for disruption, practice responses, and execute contingencies with authority. Procurement enables resilience through data-driven decisions, codified decision rights, and contracts that support adaptive actions. This approach embeds regulatory, cyber, and service-continuity requirements into sourcing strategies and operating models, ensuring disruptions can be managed without renegotiation during crises.

6 Cybersecurity and digital trust become core supplier criteria

Cybersecurity and digital trust are no longer treated as technical or compliance checks—they are now central to supplier selection. Procurement teams must understand not only the supplier signing the contract but also the deeper digital dependencies within supply chains. This includes identifying where data, access, and operational control reside. Procurement is increasingly responsible for determining the extent of due diligence required to protect the enterprise.

Technology, AI, and Digital Trust at Scale

7	AI becomes embedded in procurement workflows

Procurement moves past experimentation and embeds AI into live, repeatable workflows. Multiagent AI is increasingly involved in coordinating tasks, exchanging context and operating within defined guardrails. This saves time and also improves decision breadth, depth and quality. Procurement teams collaborate with AI to create richer context, run what-ifs at the point of work, and coordinate multi-step tasks under guardrails. Emphasis is no longer on isolated use cases but on producing better decisions reliably, with defined triggers, escalation paths, agent boundaries and clear accountability for outcomes built into workflow design. Two inflections are noteworthy. First, while autonomous negotiation is available now for "bounded scenarios" (eg transactional buying), capability develops rapidly moving some scenarios toward human on the loop supervision as controls mature. Second, AI-native, policy-driven marketplaces are emerging. These combine pre-vetted suppliers, embedded controls and agent-assisted execution into guided buying environment. Increasingly, these systems coordinate across tools rather than operating within a single platform.

8	Technology integration and orchestration take precedence

Procurement teams are less constrained by access to capable technology and more challenged by how well those tools work together. Most organizations have multiple systems across sourcing, contracts, risk, analytics and P2P. While each system performs well in isolation, it creates fragmentation across end-to-end workflows. This is achieved by: embedding policy-as-code, harmonizing supplier/contract/spend masters, using an orchestration layer to coordinate tasks across systems, and ensuring AI-augmented decisions flow with the right context and evidence. This increasingly requires a formal orchestration layer. This layer coordinates tasks across platforms, manages context between systems and ensures policy and compliance rules travel with the workflow.

Operating Models, Skills, and Ways of Working

9	Procurement outsourcing becomes modular and AI-enabled

Procurement outsourcing is evolving to focus on modular delivery models. Routine, rules-based activities are increasingly automated, while partners are engaged for specialized expertise and outcome ownership. Procurement teams are taking a more active role in defining which capabilities are outsourced, which remain internal, and how AI is embedded across providers without fragmenting accountability.

10	New skill sets drive procurement performance

Procurement performance is increasingly determined by the skills and judgment applied to complex decisions. While AI and automation enhance workflows, they do not replace human capability. Professionals must frame problems effectively, interpret AI-generated recommendations, and know when to override automation with human judgment. Classic skills like negotiation and category expertise remain vital but are now complemented by data literacy, AI fluency, and structured decision-making.

What Leaders Should Expect from Procurement in 2026

Procurement's role is shifting from transactional execution to shaping decisions that protect value and continuity. Leaders should expect procurement to demonstrate clearer judgment, stronger governance, and greater commercial discipline. Key expectations include:

Stronger financial stewardship: Protecting margins and cash flow by managing volatility through contracts and supplier strategies, rather than static cost-saving targets.

Designed continuity: Building continuity into supplier portfolios, contracts, and delivery models to proactively reduce disruption risks.

Embedded risk and compliance: Incorporating regulatory, cyber, and policy considerations into sourcing strategies and operating models.

Governed use of technology and AI: Ensuring AI adoption is auditable, governed, and aligned with enterprise risk tolerance.

Clear operating model choices: Deliberately allocating work across internal teams, partners, and AI to optimize efficiency and accountability.

Transparency on trade-offs: Clearly articulating when and why continuity, resilience, or compliance is prioritized over short-term cost savings.

Conclusion

Taken together, the ten trends for 2026 point to a procurement role that is becoming broader, more complex and more central to enterprise procurement. Teams need to focus on designing for value and continuity upfront, embedding trust and resilience into decisions, orchestrating technology so AI augments judgement in the flow of work, and lifting core capabilities and roles so people can handle complex trade-offs at speed. As the line between digital and physical blurs, procurement will be increasingly judged by its ability to balance opportunity and exposure. Teams that embed resilience into design, govern AI and agentic systems responsibly with clear boundaries between automation and human authority, and make operating models modular and easy to move will pull ahead. Success will be defined less by individual tools or standalone AI deployments. Organisations need to effectively integrate technology, governance and human judgement into cohesive decision systems. Success depends on the quality of judgement applied to complex decisions and the evidence that those decisions deliver value to the organisation.

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Ryan has over 20 years of supply chain and procurement experience developed in industry and by working for clients in industry sectors that include FMCG, heavy industrial, financial services, retail, telecoms and government. Since joining the firm in 2007, Ryan has worked on a comprehensive range of engagements that have included the development of operations improvement strategies, the delivery of capability uplift programs and that have provided a proven track record of profit improvements for his clients. Prior to joining Infosys Portland, Ryan worked in the automotive industry where he held supply chain and procurement roles in Australia, Singapore and the USA.

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