

Finding value during disruption

Procurement's changing role in
delivering value to the organisation



Pursuing value in an era of uncertainty

Procurement has evolved beyond cost control to become a driver of strategic value and competitive advantage

At Infosys Portland, we believe procurement is uniquely positioned to shape the future of enterprise value creation. Our recent survey of nearly 200 global procurement leaders supports this and reveals procurement's evolution into a pillar of innovation, sustainability, and long-term growth.

As procurement teams mature, their focus on maximising value from external expenditure intensifies. They face increasing demands to deliver greater value, manage risk, and improve efficiency. Leveraging new technologies like AI, enhancing supplier relationships, and advancing ESG initiatives place procurement at the forefront of organisational transformation. Our research underscores the growing value and opportunities for procurement teams to become critical enablers of business success.

We are excited to share our report's findings, offering key insights into how procurement can unlock its full potential, drive greater impact, and help organisations navigate today's uncertain macro environment. As procurement continues to mature, we are confident it will play a pivotal role in shaping the future of enterprises globally. We look forward to hearing your thoughts on how procurement can deliver value now and to continue to do so in the years ahead.



Andrew Jarvis
CEO, Infosys Portland



We believe that procurement is uniquely positioned to shape the future of enterprise value creation.

Disruption and rapid change are now a norm

Procurement has been at the forefront of global change

Supply chain volatility, inflation, and cost-of-living pressures are now the norm, compounded by global economic uncertainty.

Geopolitical instability, climate challenges, and the lingering effects of the COVID pandemic have created unprecedented disruptions. Industries are also evolving with increased M&A activity, protectionist trade policies, reshoring, and regionalisation, all adding complexity to procurement's role. Technological advancements, like Generative and Agentic AI and enhanced data analytics, provide new tools for delivering value efficiently.

Concurrently, businesses face a rapidly changing regulatory landscape, particularly

around sustainability, while managing shifting consumer needs and workforce talent gaps. Procurement teams must integrate these technologies and develop specialised skills to harness their full potential.

Despite rising expectations, many businesses are not expanding their procurement teams. Instead, they are pushing for leaner operations, challenging procurement leaders to achieve more with the same or fewer resources, often amid talent shortages and underinvestment.

As procurement matures, it has the potential to drive value beyond cost savings through innovation, strategic supplier relationships, and improved risk management, positioning it as a critical enabler of competitive advantage.



Geopolitical shifts and economic pressures

Disruptions occurring from geopolitical instability, inflation, and cost-of-living pressure.



Supply chain volatility

Industries are reshoring and restructuring supply chains to manage risk.



Sustainability changes

Sustainability regulatory landscape is shifting while costs continue to fall.



Technological advancements

Generative and Agentic AI and enhanced data analytics provide new tools for value.

Shift from traditional cost savings emphasis

Evolution underway towards broader value delivery

Currently, fewer than one-third of organisations believe their procurement teams critically contribute to financial outcomes, but over half aim to achieve this in the coming years.

This shift moves procurement from a cost-saving function to a strategic, value-driven role. High-performing teams, on average, engage in nine value-focused activities, compared to just two for lower performers, underscoring the need for a multifaceted approach.

Leading teams automate low-value tasks, enabling focus on core procurement and value

creation. Macroeconomic uncertainty is a top concern, while underperforming teams also struggle with technology access and skills development.

Investment in digital tools and analytics is the primary strategy for increasing value, with team capability upgrades as a secondary focus. However, only 4% find their tech investments highly effective, raising concerns about future digital initiatives. While 85% of teams plan technology investments, fewer than 50% prioritise team development, creating potential gaps. One-third plan operating model transformations, but many struggle with alignment, stakeholder collaboration, and resource constraints.

4%

Rate their tech investments as highly effective

85%

Of teams plan technology investments

50%

Are investing in team capabilities, potentially creating gaps

Survey captured a multifaceted view of procurement value for today and tomorrow

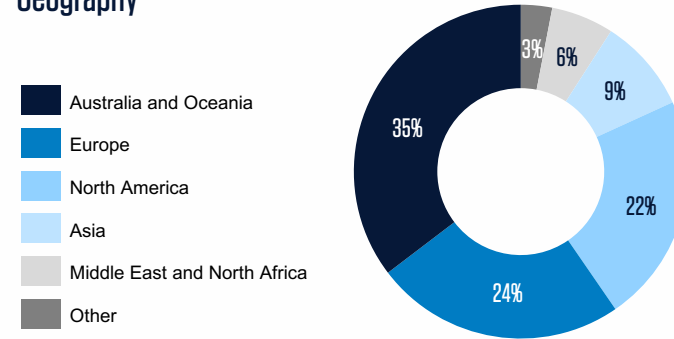
The Infosys Portland 2025 Procurement Value Survey captured responses from almost 200 global Procurement (e.g. CPOs or equivalent) and Procurement Adjacent (e.g. CEO, COO, CFO, CIO and business unit senior managers) professionals.

The survey responses spanned a range of industries and organisational sizes from mid-market to large enterprises, both for-profit and government & non-profit.

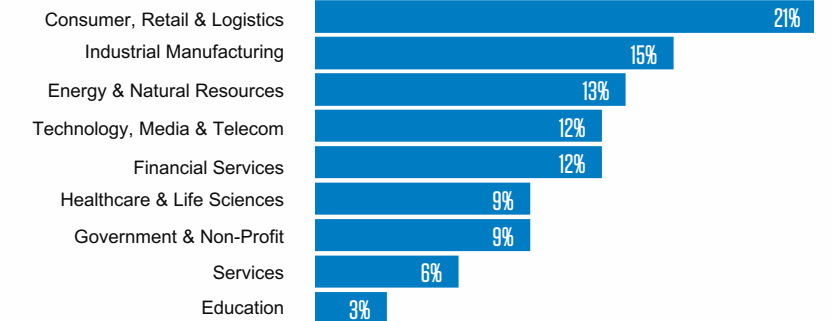
Results were compiled from survey responses, open-ended questions, and a series of in-depth in person and video interviews from a sub-set of respondents.

Key themes revolve around the role procurement plays in delivering value to the broader organisation, future challenges, priorities and key strategies to achieve increased future value delivery.

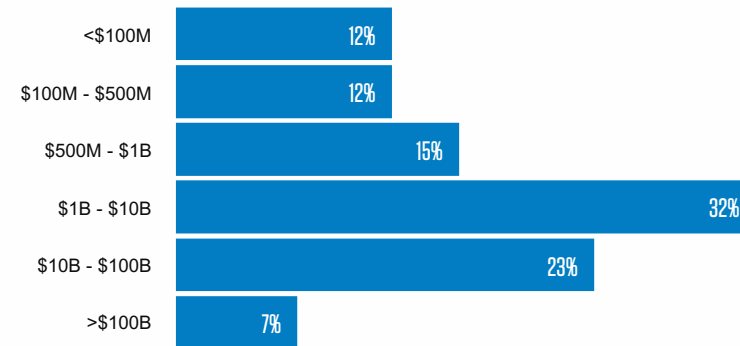
Geography



Industry



Revenue (USD)



Roles

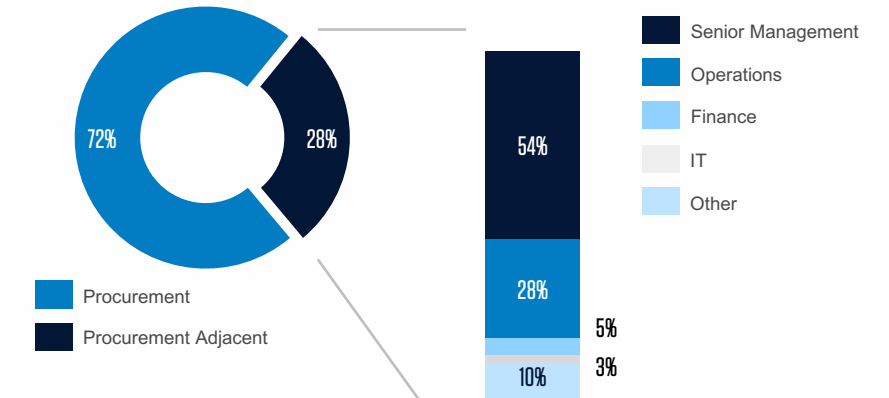


Figure 1. Key survey demographics

Top ten insights

High-performing teams create greater value by combining digital tools and new operating models to free up time for strategic activities, though many still face challenges with technology and talent gaps

01

Procurement's financial impact planned to increase

Near doubling of teams aiming for critical financial impact in next 1-2 years

02

Leading procurement teams have a value-add focus

Leaders shift to strategic impact; Followers focus more on operations

03

There's no silver bullet to increase value contribution

Teams providing critical financial impact performed 4x value activities on average compared to low impact teams

04

Leaders provide more value across more metrics

Leaders drive higher value across financial, service, speed, innovation and risk metrics

05

Leading teams have higher recognised performance

Top procurement team's performance is more likely to be recognised by non-procurement stakeholders

06

Uncertainty dominates concerns

Macro uncertainty is largest concern for next 1-2 years, especially for Leaders

07

Supply resilience is a top focus

Building supply resilience is top focus area for next 1-2 years

08

Technology is the top strategy to achieve goals

Planned technology investments are teams' top strategy, by far, for achieving more value

09

Extensive AI prospects, with future approach underway

More than half of teams are in exploration and planning stages for AI, while most of rest are executing multiple use cases

10

Successful future transformations not a given

Many teams planning op model transformations are missing multiple key components for success

01 Procurement's financial impact planned to increase

Near doubling of teams aiming for critical financial impact in next 1-2 years

Currently, only about one-third of procurement teams are seen as providing a critical financial contribution, but this is expected to rise to over 50% as companies recognise procurement's strategic potential.

The changing global environment—marked by supply chain disruptions, inflation, regulatory shifts, and increased competition—demands that procurement evolve beyond traditional cost-cutting roles to become key drivers of innovation, risk management, and sustainability.

As the macro-environment becomes more challenging and competition intensifies, organisations are looking to procurement to be “critical” to creating a key competitive advantage through sustained value delivery.

Current and future state of procurements' value contribution

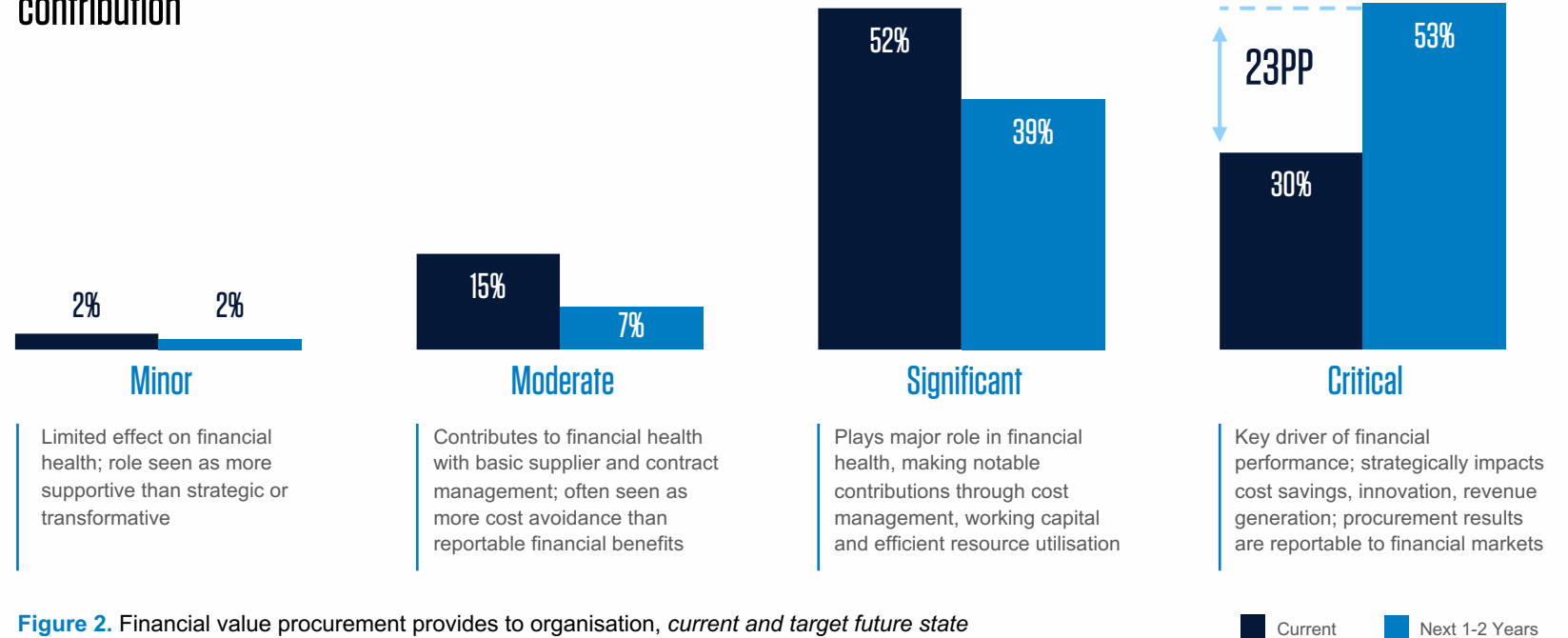


Figure 2. Financial value procurement provides to organisation, *current and target future state*



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In our case, procurement isn't
just fundamental to our strategy.
Procurement is our strategy.

CEO of mid-market logistics and warehousing company

Delivering more with less

More

More value

Higher levels of value delivered to the organisation to help underlying financial position

And more

More types of value

Broader value proposition; e.g. more tools in the toolbox

With less

More efficient

Leverage technology, data analytics and insights, high capability teams and new operating models to shift from operational focus to value focus

To increase impact, procurement teams need to deliver more value with the same or fewer resources.

Automation and digitisation can help by freeing up time from routine tasks, allowing teams to focus on strategic areas like innovation, supplier relationships, and risk management. Investing in technology, especially data analytics, is crucial for making smarter, faster decisions that align

with business goals. However, technology alone isn't enough. Teams also need strong talent strategies to develop the necessary skills. By combining technical, analytical, and strategic capabilities, procurement can deliver diverse value, from cost savings to sustainability. Without these changes, procurement may not reach its full potential.



“

Procurement leaders must master core skills, digitisation, and sustainability while meeting KPIs—savings, compliance, and shifting business goals. With no extra budget, adaptability through digitalisation, automation, or outsourcing is key to delivering more value with fewer resources.

Head of Procurement, International Security Organisation

02 Leading procurement teams have a value-add focus

Procurement Leaders' performance driven by 6-key strategic characteristics

Procurement has evolved from being the "corporate police" focused on compliance and pricing to a strategic function that impacts business success.

Initially, procurement teams were mainly involved in transactional operations like purchasing and payments. However, this approach is not conducive to innovation and growth.

Despite a disruptive macro-environment, leading procurement teams excel by speeding up operations, brokering supplier and stakeholder partnerships, and increasing organisational value. They achieve 'more and more with less' through an integrated approach across 6-key characteristics, rather than a single transformative action.

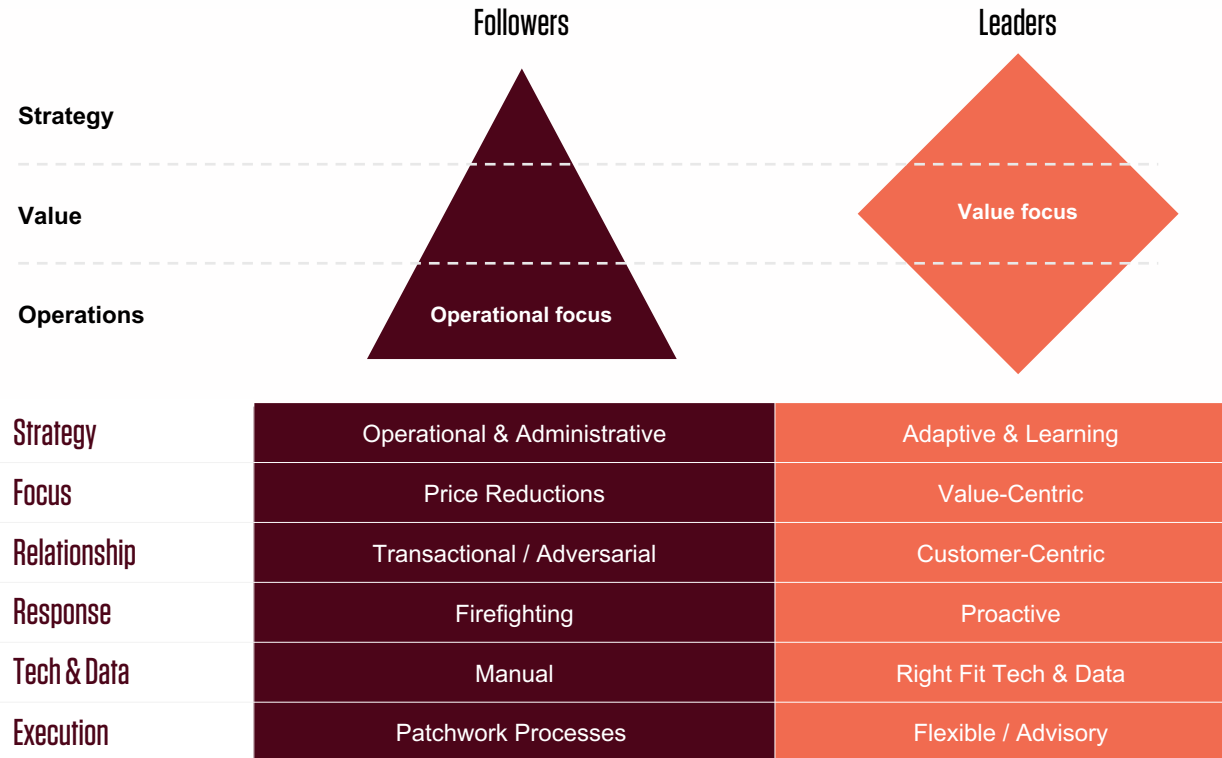


Figure 3. 6-key strategic characteristics of procurement teams, Leaders and Followers

6-key characteristics of Leaders

Consistent performance gap between Leaders and Followers

The performance gap between Leaders and Followers in procurement translates into increased value delivered to the organisation and perceived value by stakeholders.

This gap creates a competitive advantage for Leaders that is hard to close without sustained effort from Followers.

Leaders consistently perform better across six key strategic characteristics, but there is still room to grow. Two key areas for continued growth are shifting from price-centric to value-centric delivery and ensuring new technology investments and data usage are effective and fit the organisation's needs and culture.

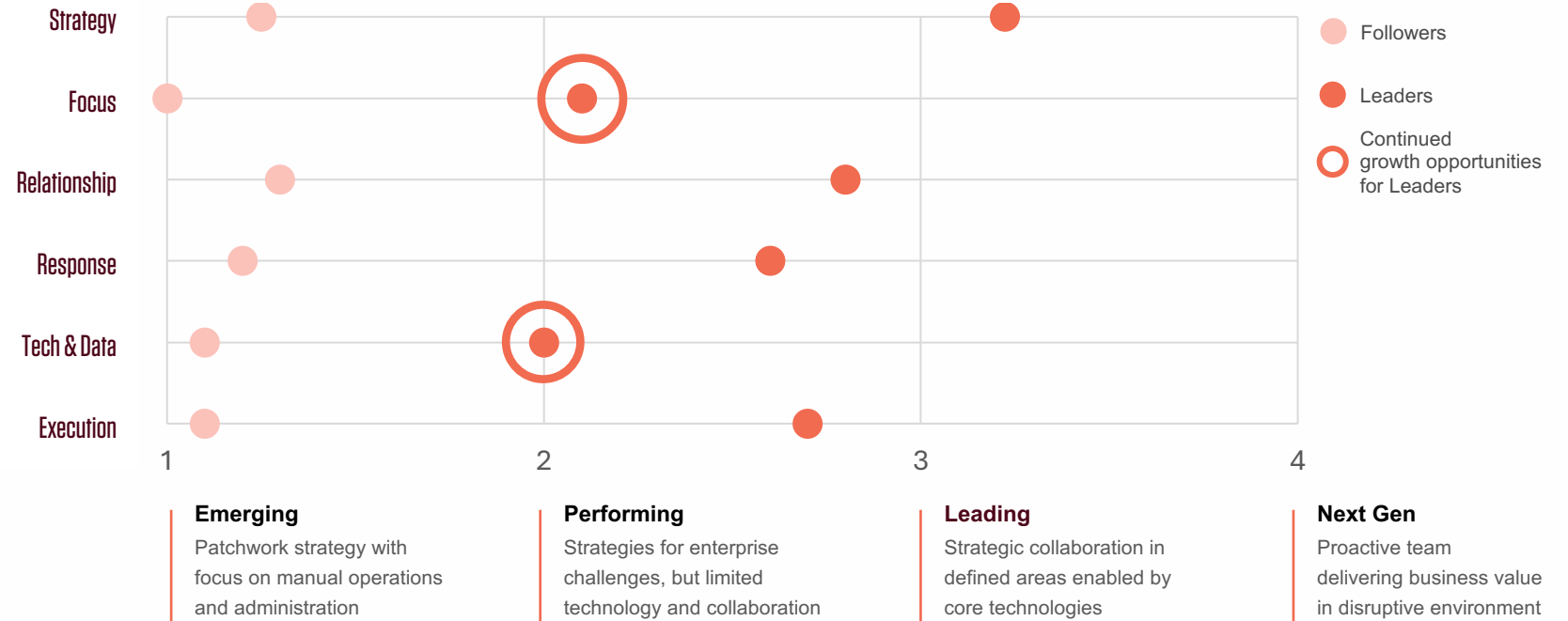


Figure 4. Average benchmark of Leaders and Followers against 6-key strategic characteristics

Distribution of procurement survey respondents

Procurement teams with a range of capabilities responded to the survey, from teams with emerging capabilities to mature teams fielding best-in-class technologies and skilled, seasoned procurement professionals.

This set of responses allowed an examination of value contribution from procurement teams with a range of capabilities to better understand the priorities, strategies, and challenges for both Leaders and Followers—where similarities exist and where teams diverge.

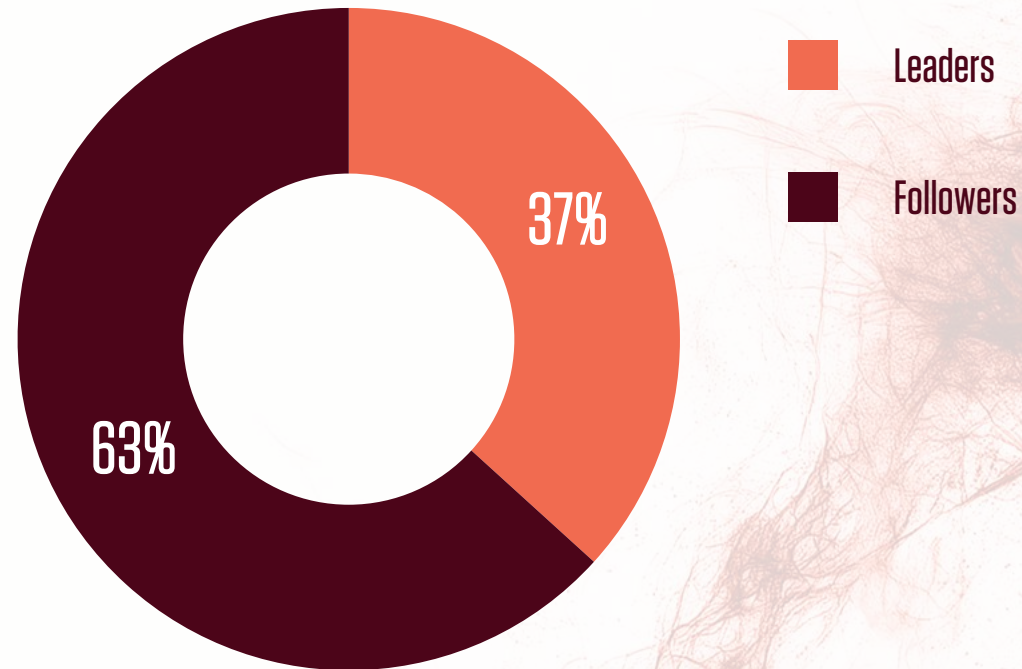


Figure 5. Distribution of Leaders and Followers responding to survey

Focus on value

Leaders free themselves to focus more on value and less on operations

Leaders in procurement use automation and process streamlining to focus on strategic, value-generating activities.

By automating routine tasks like purchasing and payments, they spend 39 percentage points less time on administrative duties than Followers. This allows Leaders to concentrate on core activities such as strategic sourcing and risk management, and they outpace Followers by 15 percentage points in innovation focus.

Despite their lead, Leaders see room for improvement in innovation and reducing compliance time. Technologies like robotic process automation (RPA) and generative and agentic AI offer opportunities to further streamline workflows, especially in compliance and reporting, freeing up more capacity for high-value tasks. Achieving this will require stronger relational, technological, and contractual linkages with suppliers.

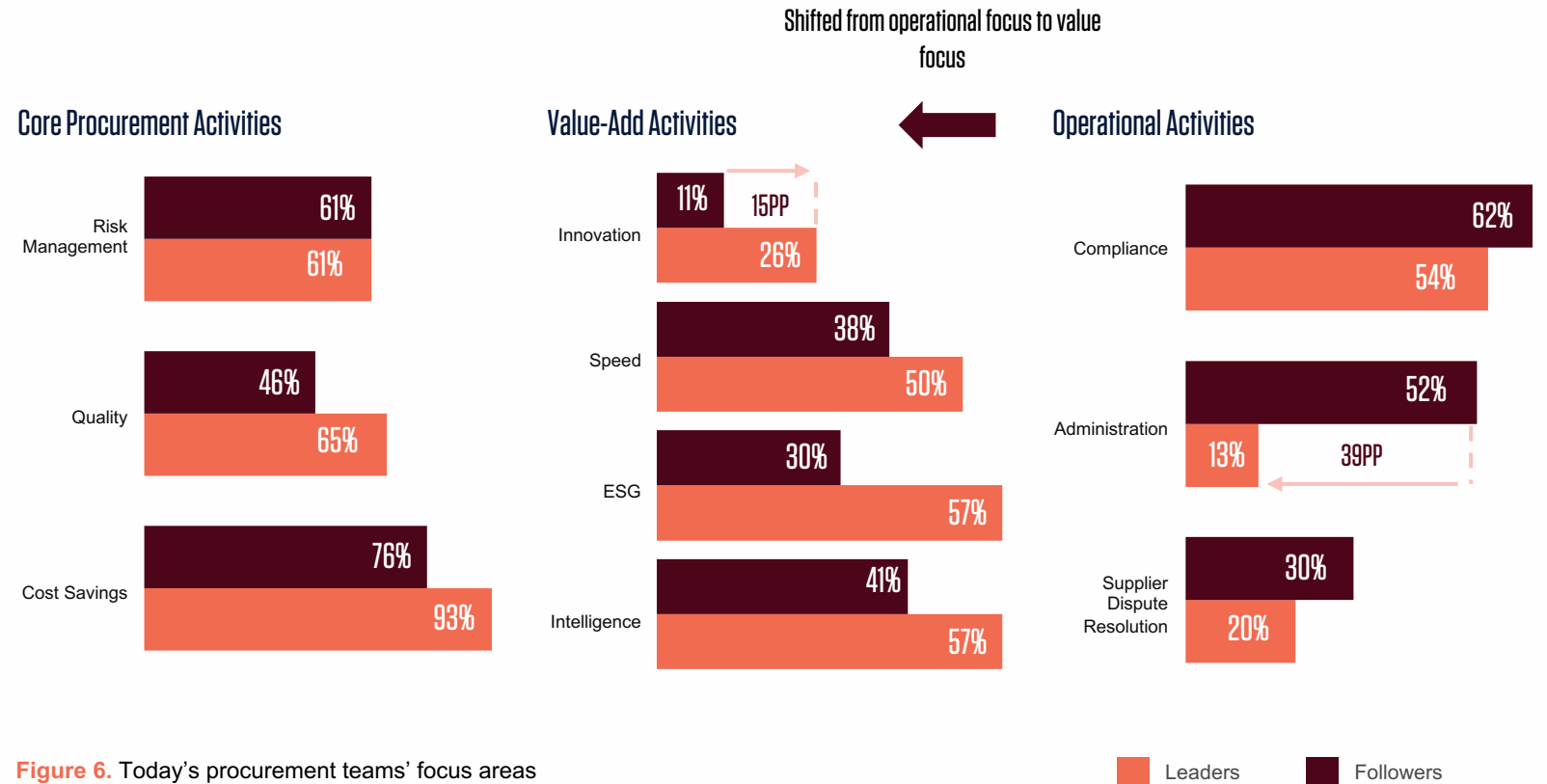


Figure 6. Today's procurement teams' focus areas

03 There's no silver bullet to increase value contribution

A more holistic focus on value management activities drives additional value

High-performing procurement teams engage in a broader range of value management activities, both upstream and downstream.

On average, high-performing teams handle seven upstream activities and two downstream activities, compared to teams with minor financial impact that engage in just two upstream activities. This highlights the importance of a holistic approach to value management.

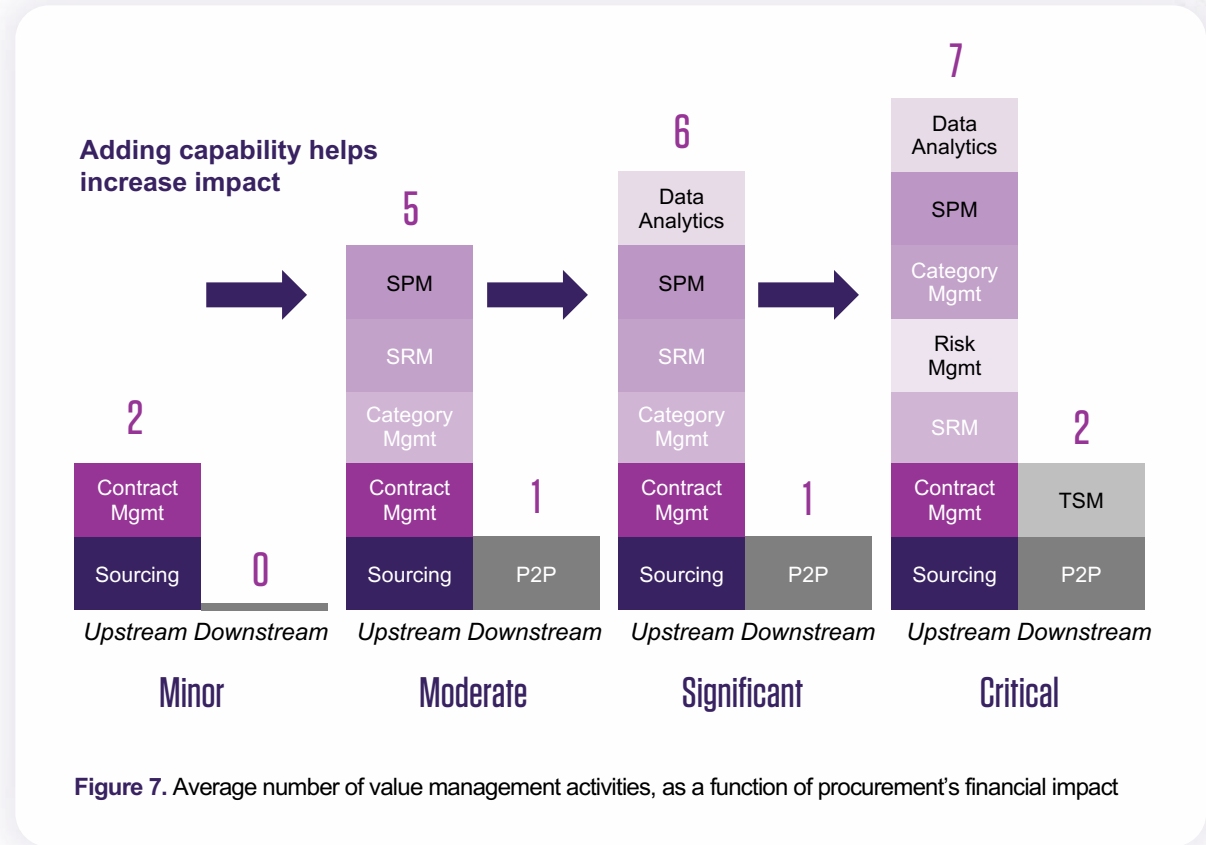
What sets high-performing teams apart is their strategic layering of multiple core activities, demonstrating 'more and more with less.' By building a core portfolio of value management activities, these teams consistently increase their financial contribution and drive greater impact.

For Followers with limited resources, a tailored vendor-by-vendor approach is needed. Instead

of a one-size-fits-all strategy, applying different approaches like SRM for strategic vendors can add value, though it increases complexity in managing multiple specialised teams.

As procurement teams aim to increase their financial contribution, their focus is shifting. For teams delivering minor value, category management is an early building block. However, for high-performing teams, Supplier Relationship Management (SRM) and risk management have taken centre stage, delivering more value through strategic supplier partnerships and proactive risk management.

Emerging technologies like generative and agentic AI offer opportunities to accelerate value delivery. With an AI-first approach, procurement teams can analyse supplier data, predict risks, and optimise performance, allowing for faster, more strategic contributions, making procurement more dynamic and responsive.



Private health and insurance services

From category management to strategic partnerships



Category management

Efforts no longer deliver the needed financial impact.



Refocus into SRM

Strategic suppliers strengthen collaboration, innovation, and risk mitigation.



Improving value delivery

SRM enhances resilience, cost savings, and supplier relationships.

Take the case of a private health and insurance services company whose CPO is increasingly frustrated with the diminishing returns from category management. After years of focusing on this strategy, the company is seeing little recent improvement in value delivery, despite extensive efforts.

Realising that the approach is no longer delivering the financial impact they need, instead of redoubling efforts to retool the category management function, the CPO is instead drawing up plans to shift emphasis from the category management function and refocus resources into SRM.

By concentrating on key strategic suppliers and developing deeper partnerships, the CPO is planning to strengthen the collaborative relationships with fewer, but more strategic and value contributing suppliers, to better mitigate risks and drive greater innovation. This pivot is being designed to not only reignite value delivery from the procurement team but also provide more resilience in the supply chain, leading to significant cost savings and stronger supplier relationships.

04 Leaders provide more value across more metrics

Leaders drive higher value across financial, service, speed, innovation and risk metrics

Leaders achieve higher total savings, maximise cost reductions, and improve efficiencies throughout the supply chain.

Leaders also see greater savings per FTE, demonstrating their ability to provide 'more and more with less.' Their faster operations enable quicker decision-making and execution, enhancing organisational agility in responding to market changes and disruptions.

Beyond financial metrics, Leaders excel in organisational stakeholder satisfaction. They align better with broader business goals and foster positive relationships with internal stakeholders, resulting in higher satisfaction scores. Leaders' focus on strategic value creation and operational excellence translates into a higher ROI for the organisation. By driving both cost savings and broader business impact, Leaders show that procurement can deliver 'more and more with less,' not only by cutting costs but also by generating value across multiple dimensions.

Leaders in procurement deliver superior value through strategic investments in technology and talent, aligning procurement with

broader organisational goals. They prioritise advanced tools like data analytics, automation, and AI-driven insights, enabling smarter decisions and optimised processes. These technologies streamline low-value tasks, cut inefficiencies, and focus resources on high-impact initiatives, creating a resilient and adaptable procurement function.

Leaders' robust operating models embed strategic capabilities and a proactive mindset across all activities. By automating routine tasks and integrating data analysis, risk management, and supplier collaboration, these models allow procurement to respond quickly in a complex and changing environment.

Leaders' procurement teams possess multifaceted capabilities, combining core procurement competencies with strong relationship-building and advanced digital skills. Leveraging new technologies and excelling in data analytics helps inform strategic decision-making and supports procurement customers. This strategic alignment with business goals enables procurement teams to anticipate needs, identify risks, and drive value effectively.

The bottom line is your bottom line: Leaders provide almost 3x the ROI compared to Followers

| | | |
|----------------|------|--|
| Savings ↑ | 2.1x | more savings per FTE (\$M/FTE) |
| Speed ↑ | -53% | less processing time (Avg hours for PR → PO) |
| Satisfaction ↑ | +4pt | increased satisfaction (Customer satisfaction score out of 10) |
| ROI ↑ | 2.8x | Higher ROI (Procurement function ROI) |

Figure 8. Increased value provided by Leaders compared to Followers

05 Leading teams have higher recognised performance

Leaders display consistently higher capabilities across multiple areas

The comparison of procurement team performance, alignment with the broader organisation, and cross-functional collaboration highlights two clear trends.

First, Leaders consistently outperform Followers in all three areas, demonstrating a stronger ability to drive value and integrate with the wider organisation. Leaders are more effective at delivering results, aligning with organisational priorities, and collaborating with other departments. This positions them as key players in achieving strategic goals, while followers tend to focus on operational or administrative tasks, limiting their broader impact.

Second is the stark contrast within Leaders' performance ratings. Leaders are

overwhelmingly judged as high performers, significantly outnumbering low-performance evaluations in team performance, alignment, and collaboration. This shows that when procurement teams mature and adopt a strategic role, their contributions are consistently recognised across the organisation.

Their ability to deliver value, align with business goals, and work effectively across departments positions them as indispensable partners in driving business success. In contrast, Followers are more likely to be seen as struggling or underperforming in these key areas, highlighting the gap between basic operational efficiency and truly strategic procurement leadership.

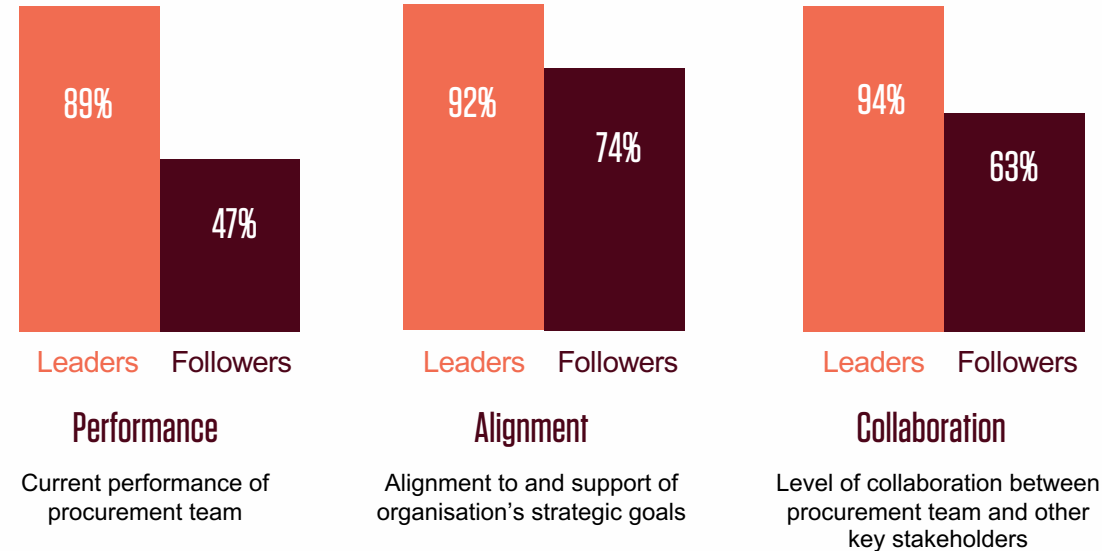


Figure 9. Perception within organisations of superior procurement team capabilities

Stakeholders agree on leaders' capabilities but diverge for followers

A key insight from the data is the alignment between procurement and procurement-adjacent stakeholders, such as CEOs, CFOs, and COOs, in evaluating procurement team performance.

Both groups consistently agree that Leaders do well in team performance, alignment with organisational goals, and cross-functional collaboration. This shared perspective highlights that Leaders have positioned themselves as strategic partners, delivering value recognised by both procurement and senior business stakeholders. This alignment strengthens Leaders' credibility, ensuring they are well-placed to secure resources and support for future initiatives, and more likely to earn a 'seat at the table'.

In contrast, the views on Followers' performance reveal a significant divergence in stakeholders' perception. While procurement teams within Follower organisations often believe they are performing well, procurement-adjacent stakeholders like CEOs, CFOs, and COOs are more sceptical, viewing them as underperforming and less aligned with broader organisational strategy. This misalignment creates a credibility gap for Followers, who may struggle to secure the necessary resources and support to improve their capabilities. The challenge for Followers is not only that they are perceived as delivering less value, but also that they are out of sync with the rest of the organisation, potentially hindering their ability to gain buy-in for future transformation efforts or resources to close the value gap.

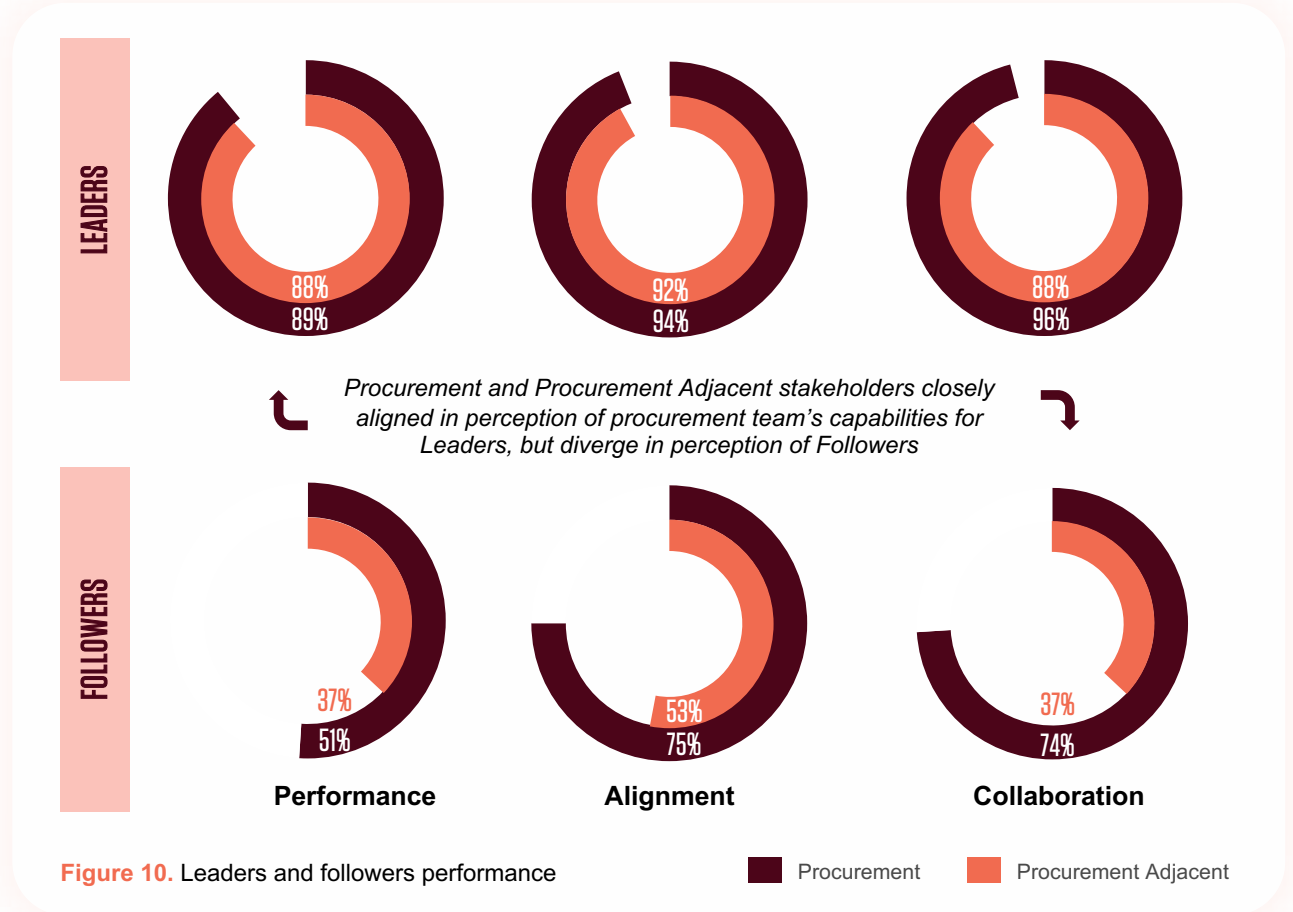


Figure 10. Leaders and followers performance

06 Uncertainty dominates concerns

Leaders' and Followers' top concerns diverge

Both procurement Leaders and Followers view inflationary risks as a core concern, but their other challenges have diverged.

For Leaders, the top concern has shifted to broader macro-level uncertainty, including political change and instability, supply chain disruptions, and environmental events. This focus on global volatility reflects the strategic role Leaders play in navigating complex supply networks and mitigating widespread risks. Leaders are twice as likely as Followers to cite macro-level uncertainty as their top challenge, highlighting their proactive approach to managing these unpredictable factors. Their ability to anticipate and respond to such risks is essential for maintaining organisational resilience and delivering continued value.

Followers, however, have more immediate concerns centred on internal capacity-building. While they acknowledge inflationary pressures, their broader worry is accessing the right people and technologies to build effective procurement teams. This includes challenges in recruiting skilled talent and procuring advanced technologies like automation and data analytics. The struggle to build the internal infrastructure necessary for procurement maturity is their primary barrier to progress. To catch up with Leaders, Followers need to shift their focus from managing current resources to strengthening their people and technology capabilities to better address future challenges.

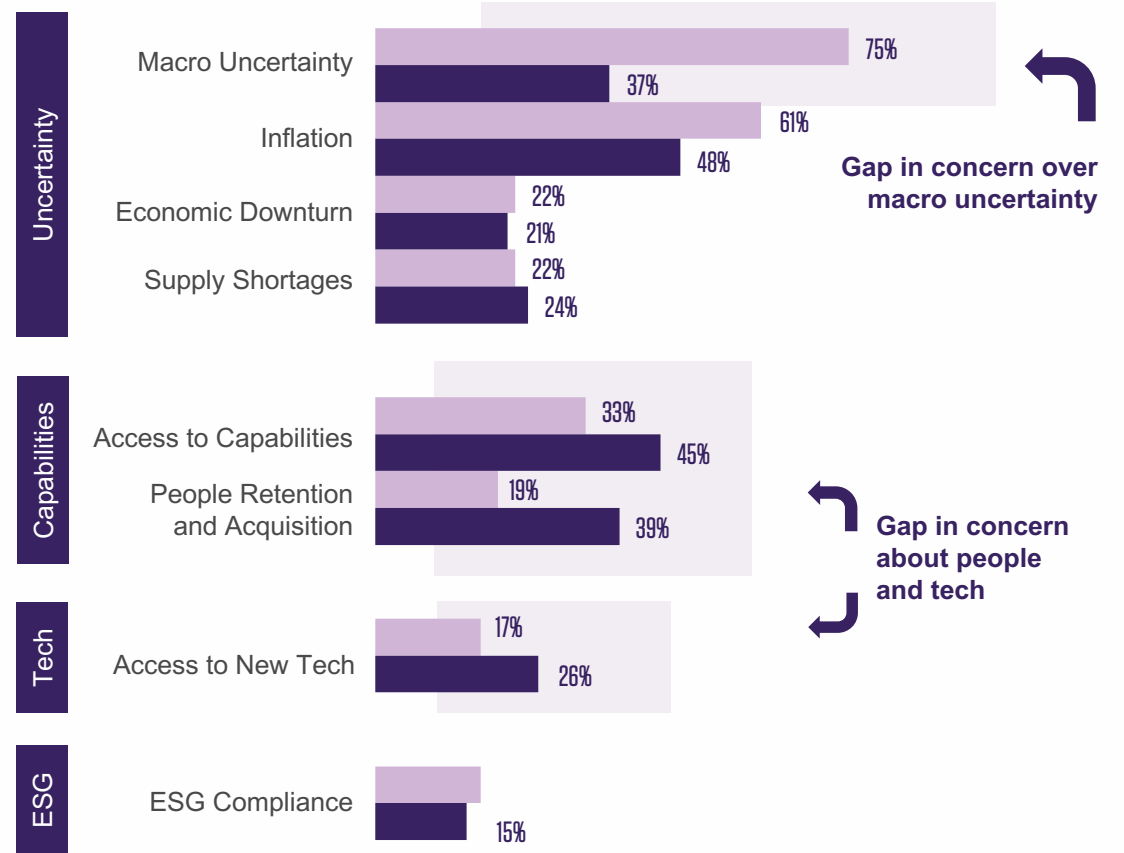


Figure 11. Primary challenges, next 1-2 years

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The Board is increasingly focused on our ability to ensure operational continuity during disruptions. Their questions have shifted from supplier solvency to sub-tier exposure and systematic risk management across key regions.

Head of Procurement & Supply for a leading consumer healthcare brand

Consumer healthcare

Proactive supply chain resilience with risk monitoring



Monitoring worldwide threat sources

System enables precise, targeted adjustments to inventory levels.



Developing continuity plans

Plans can be enacted immediately to minimise disruption impacts.



Strengthening supply chain resilience

Real-time adjustments improve resilience and align inventory with risks.

A leading consumer healthcare brand, recognising the need to safeguard against global disruptions, recently piloted a system designed to monitor worldwide threat sources and allow for precise, targeted adjustments to inventory levels.

The system enables the company to dynamically respond to potential risks by adjusting stock levels and reallocating resources to ensure a steady supply of critical products. Additionally, the brand has developed robust supply continuity plans that can be enacted immediately in the event of a disruption, minimising potential impacts on operations and customer access to essential healthcare products. This proactive approach not only strengthens their supply chain resilience but also enhances financial efficiency by aligning inventory with real-time risk assessments.

Difference in internal barriers faced by leaders and followers

Both procurement Leaders and Followers face significant internal barriers, but Followers struggle more fundamentally. A lack of resources is cited as the prime challenge for all teams, stretching teams thin.

For Followers, outdated technology compounds the problem, preventing efficient operations and adoption of advanced data analytics and automation. This technological gap limits their competitiveness against Leaders.

Additionally, Followers lack strategic capabilities, being twice as likely as Leaders to struggle with developing and executing procurement strategies, hindering their ability to elevate their role within the organisation and align with broader business goals. Followers also have limited access to external partners, being five times more likely than Leaders to report difficulties in securing external expertise. Without internal strategic capabilities or external support, Followers remain stuck in inefficiency and reactive problem-solving, slowing their progress in closing the gap with Leaders.

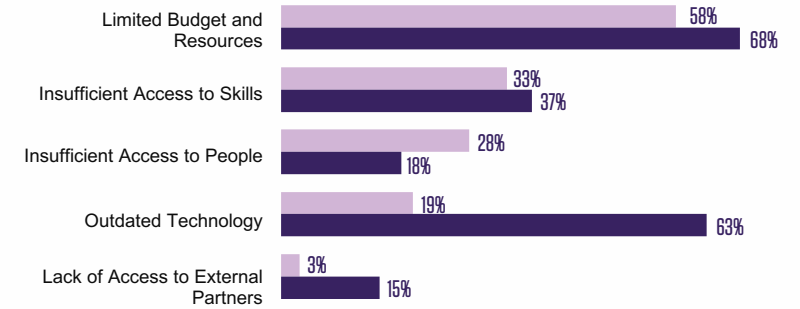
Leaders, while more advanced, face challenges in managing increasing business uncertainty and evolving ESG requirements. Unlike Followers, Leaders have invested in technology and strategic planning but must refine these capabilities to navigate the complex procurement landscape. They need to find the right mix of skills, technology, processes, and organisational structures to remain agile and resilient, particularly in risk management, supply chain resilience, and ESG compliance.

Both Leaders and Followers struggle with resource constraints, but Followers are hindered by basic structural and strategic limitations, while Leaders grapple with more advanced issues.

Leaders must continue to evolve and innovate, while Followers need to overcome barriers related to procurement fundamentals.

For Followers to catch up, addressing technological and strategic shortfalls and securing external expertise will be essential to break free from their current limitations.

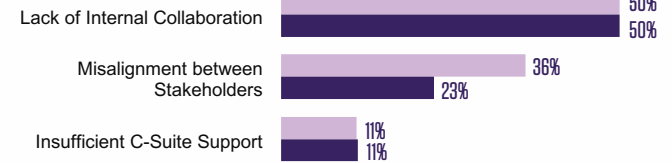
Resources



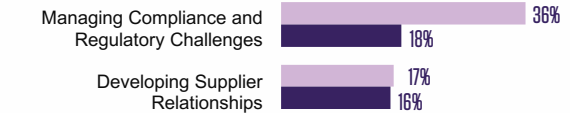
Uncertainty



Internal



Core



Strategy



Leaders
Followers

Figure 12. Primary internal barriers, next 1-2 years

07 Supply resilience is a top focus

Business value basics dominate top focus areas in near term

Looking out over the next few years, procurement teams are focusing on the business basics; cost, risk and business value.

Teams are prioritising supply resilience to manage increasing uncertainty. Ensuring robust and adaptable supply chains amid disruptions from geopolitical instability, environmental events, or market shifts has become critical. Cost savings remain a fundamental goal, as procurement seeks efficiencies and financial impact despite high inflation. Balancing cost reduction with supply chain resilience will be a core challenge as global uncertainties persist.

Beyond traditional areas, procurement teams are focusing on delivering greater business value by transforming operating models, embracing new technologies, and streamlining processes to deliver "more with less." This transformation is coupled with a growing emphasis on intelligence, where procurement provides deeper insights for strategic decisions across the organisation. Improving speed and efficiency rounds out the top five future priorities, enabling procurement teams to be more agile and responsive. These areas are essential for managing risks, cutting costs, and contributing meaningfully to the organisation's broader goals and innovation efforts.

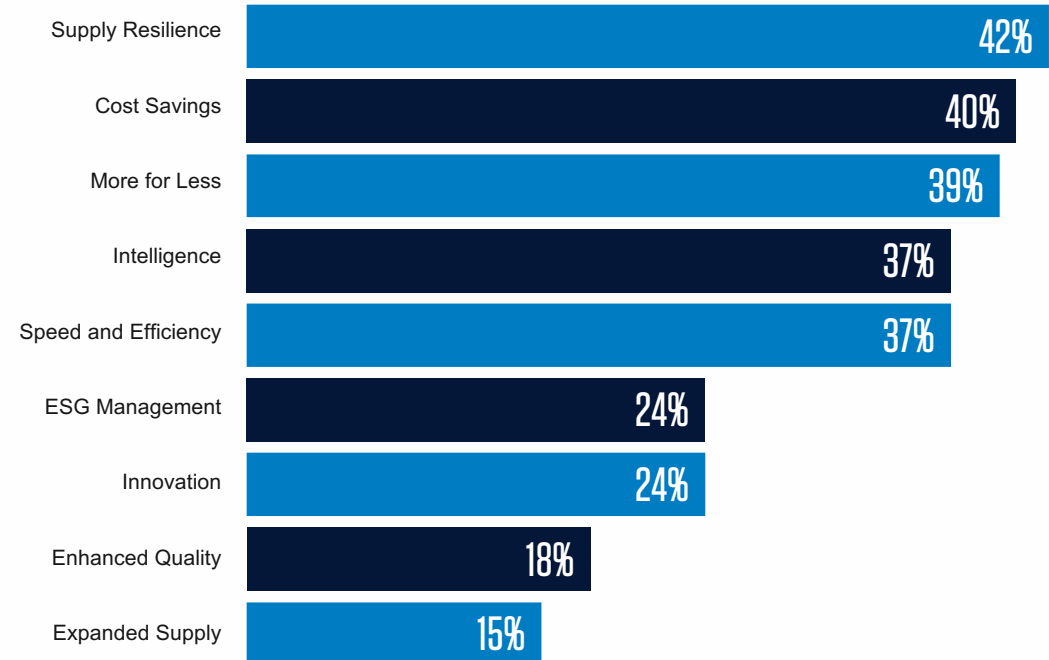


Figure 13. Top focus areas, next 1-2 years

Leaders have increased emphasis on supply resilience

Leaders in procurement are significantly more focused on supply resilience than Followers, with a 23-percentage point difference.

This focus aligns with Leaders' concerns about macro-level uncertainty, including geopolitical instability, shifting supply networks, and potential environmental disruptions. By building stronger, more adaptable supply chains, Leaders are better equipped to manage disruptions and maintain continuity in volatile markets. Their investments in diversifying suppliers, improving risk management, and leveraging technology for real-time insights give them the agility to pivot quickly and protect operations.

Even if the future is less disruptive than expected, these resilience-building efforts will still benefit Leaders. Strong supply resilience not only prepares organisations for unforeseen crises but also fosters long-term competitive advantage. Resilient procurement teams can capitalise on new opportunities more quickly, negotiate better terms with suppliers, and maintain higher operational efficiency. Additionally, resilient supply chains improve supplier relationships and drive innovation, providing a stable foundation for strategic partnerships and new initiatives. The skills and practices Leaders are honing to prepare for uncertainty will continue to serve them well, regardless of how the external environment unfolds.

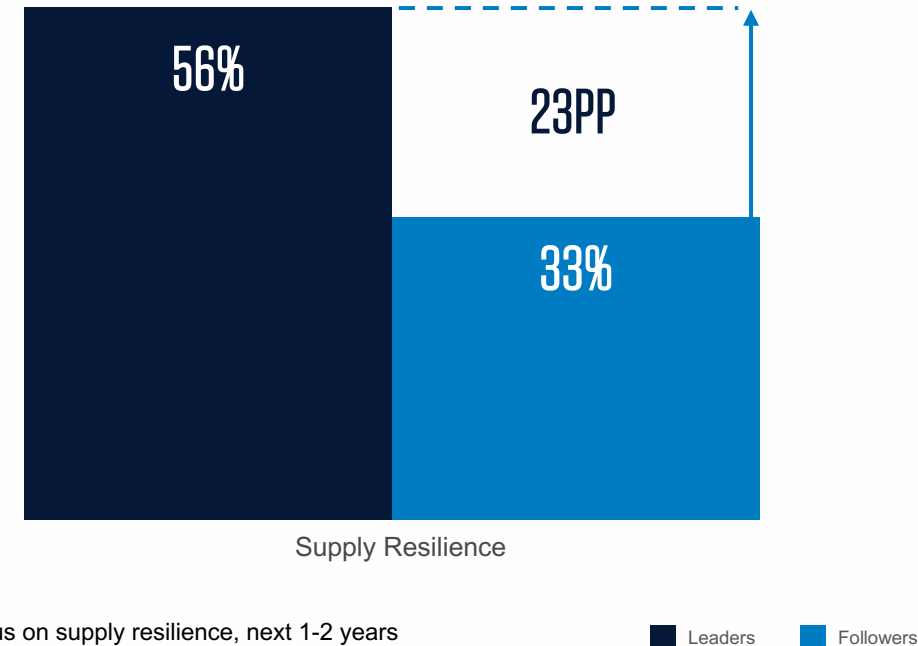


Figure 14. Focus on supply resilience, next 1-2 years

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Risk doesn't observe functional boundaries, so we realised it didn't make sense to split risk management into functional silos. When we started to look at risk more holistically in terms of how our supply network impacts our organisational objectives, it unlocked our ability to transcend functional barriers.

Head of Inbound Supply & Procurement for a state-based utility

State-based utilities

Risk management into procurement for resilience



Fragmented risk management

Existing approach was insufficient for addressing critical supplier risks.



Holistic operating model

Redesigned procurement to integrate risk management across all functions.



Greater resilience and collaboration

Improved cross-functional cooperation to anticipate and mitigate threats.

Faced with growing concerns around supplier risk and the potential for critical disruptions, a state-based utilities organisation realised that their fragmented approach to risk management was no longer sufficient.

The CPO led an effort to redesign the organisation's entire operating model to incorporate supply risk management across governance, processes, service delivery models, technology, people, and data. This holistic transformation aimed to address not just traditional procurement risks but also to identify and mitigate cross-functional threats, such as financial instability, cybersecurity vulnerabilities, and supply chain disruptions from key suppliers.

By embedding risk management into every facet of the procurement function, the organisation was able to create a more resilient, proactive approach to managing both known and emerging threats. The new model facilitated better collaboration across departments, allowing the procurement team to work alongside IT, finance, and operations to anticipate and respond to risks before they could impact the business. As a result, the organisation significantly reduced its exposure to critical supplier-related risks and positioned itself to better navigate future uncertainties. This comprehensive risk management approach not only fortified the supply chain but also fostered greater trust and collaboration with key stakeholders across the business.

08 Technology is the top strategy to achieve goals

Technology is the preferred choice, by far, for achieving future goals

Looking ahead, technology and data are seen as the top strategy for procurement teams to achieve their goals. Advanced tech solutions like automation, data analytics, and AI are expected to drive efficiency, streamline operations, and enhance decision-making.

Upgrading processes to align with new technologies is also crucial, ensuring effective integration into daily operations. However, there is a concern about whether enough emphasis is placed on developing the skills needed to fully leverage these technological upgrades. About one-third of procurement teams plan an operating model transformation in the next few years, and without sufficient investment in people, these transformations may fall short.

The success of tech and process upgrades depends on having the right talent and skill sets to maximise the value of new tools. Without a clear focus on upskilling and educating employees on advanced technologies, procurement teams may struggle to achieve desired outcomes. Adopting new technology requires not just implementation but also a workforce that understands how to harness its full capabilities. To make these transformations successful, procurement teams need the knowledge and expertise to integrate and optimise tech solutions, turning investments into tangible improvements in performance and value creation.

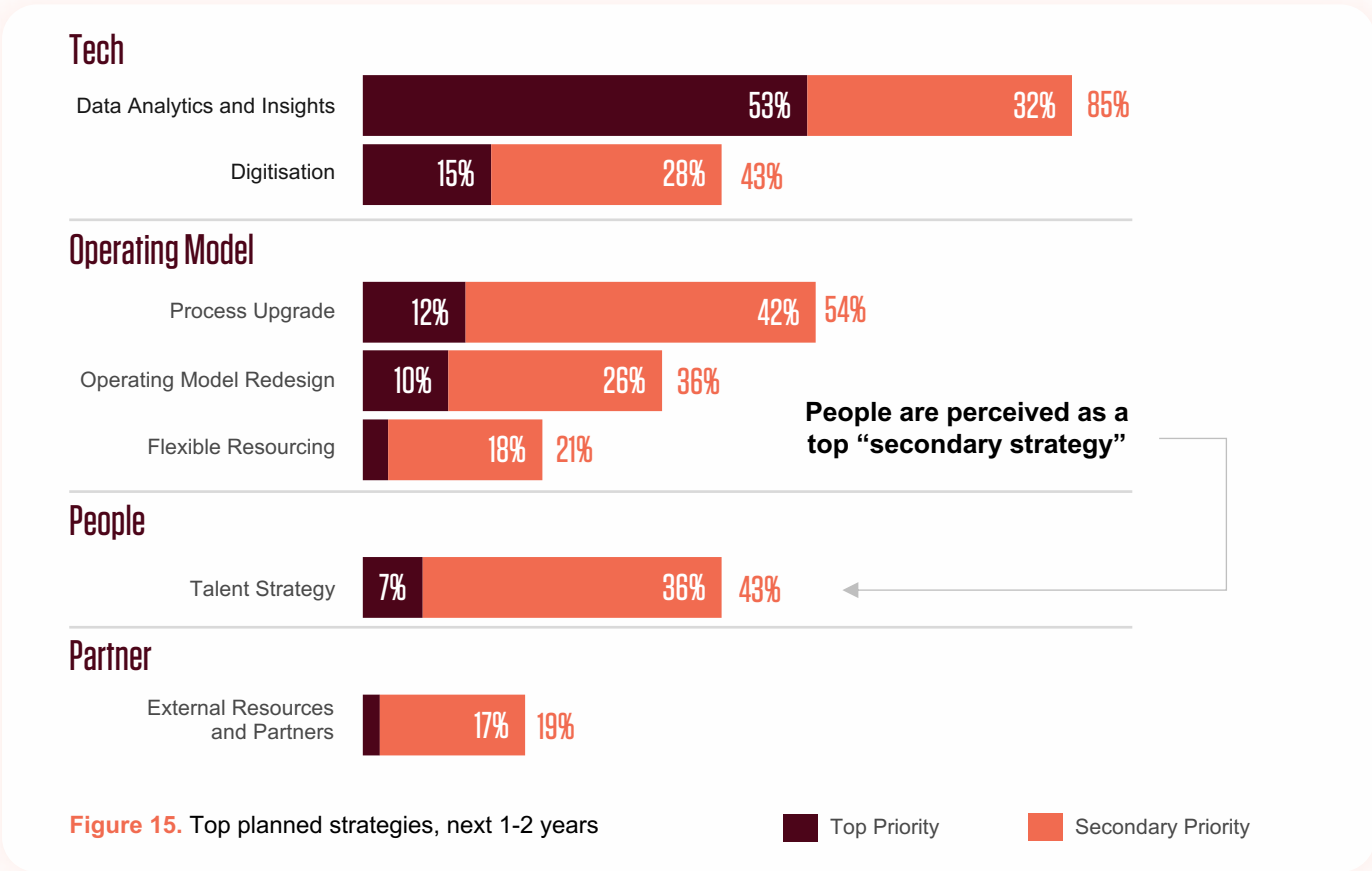


Figure 15. Top planned strategies, next 1-2 years

Red flags ahead for technology investment

Despite significant investments in procurement technology, only 4% of organisations rate their tech investments as highly effective, with most teams falling into the "emerging" or "moderately effective" categories.

This includes larger, well-resourced procurement teams. The root cause appears to be a combination of technology, implementation processes, and mindset. Many organisations adopt standardised, off-the-shelf solutions under the guise of 'best practice,' but these often fail to align with their unique needs, resulting in technology that meets timelines but doesn't transform procurement processes.

The issue partly lies in how technology implementations are handled. System integrators often focus on the 'how'—deploying features and meeting deadlines—without addressing the 'why' behind these investments: transforming procurement and delivering measurable results. Additionally, generalist change managers often lack a deep understanding of procurement processes, leading to poor user engagement and adoption. This disconnect leaves organisations with mediocre systems that don't improve key outcomes like automation, efficiency, or savings realisation. Consequently, procurement teams deal with manual workarounds, poorly categorised data, and user complaints about speed and complexity, falling short of the promises made when the systems were first purchased.

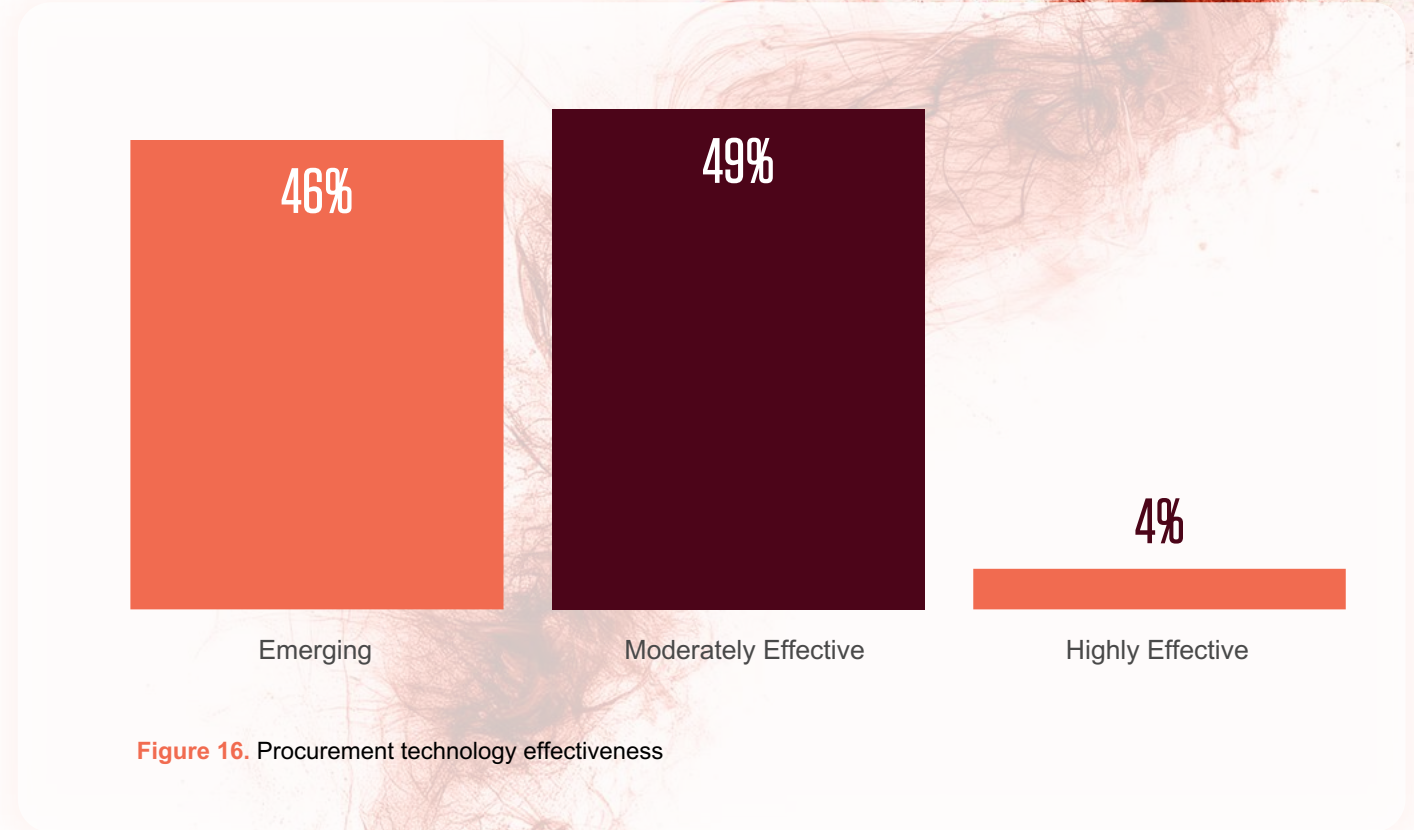


Figure 16. Procurement technology effectiveness

Mindset limiting the effectiveness of technology

The issue isn't just about technology or implementation; it's also a mindset problem.

Many organisations settle for subpar results, thinking it's acceptable because others are in the same position. This mindset limits the potential of procurement technology. Organisations need to ask how technology can fit their unique needs, not the other way around. Bold, forward-thinking organisations are challenging the status quo by aligning their investments with specific business outcomes rather than generic best practices.

Procurement teams often face unmet expectations from their tech investments. Despite claims of efficiency and innovation, many still deal with issues like a lack of automation, rigid processes, slow systems, poor data quality, and compliance failures. Procurement teams need to shift from off-the-shelf solutions to tailored systems that incorporate bespoke user experience layers to match their organisation's complexity. Orchestration platforms, Intake-to-Procure (I2P) solutions, and agentic AI can streamline procurement workflows, enhance automation, and enable real-time decision-making. Business intelligence tools further provide deeper insights, turning data into strategic advantage. Today's technology—low code/no code platforms and orchestration solutions—provides the tools needed, but a change in procurement leadership's mindset is missing. Leaders must resist one-size-fits-all solutions and focus on building systems that drive real transformation, tailored to their unique challenges and goals.

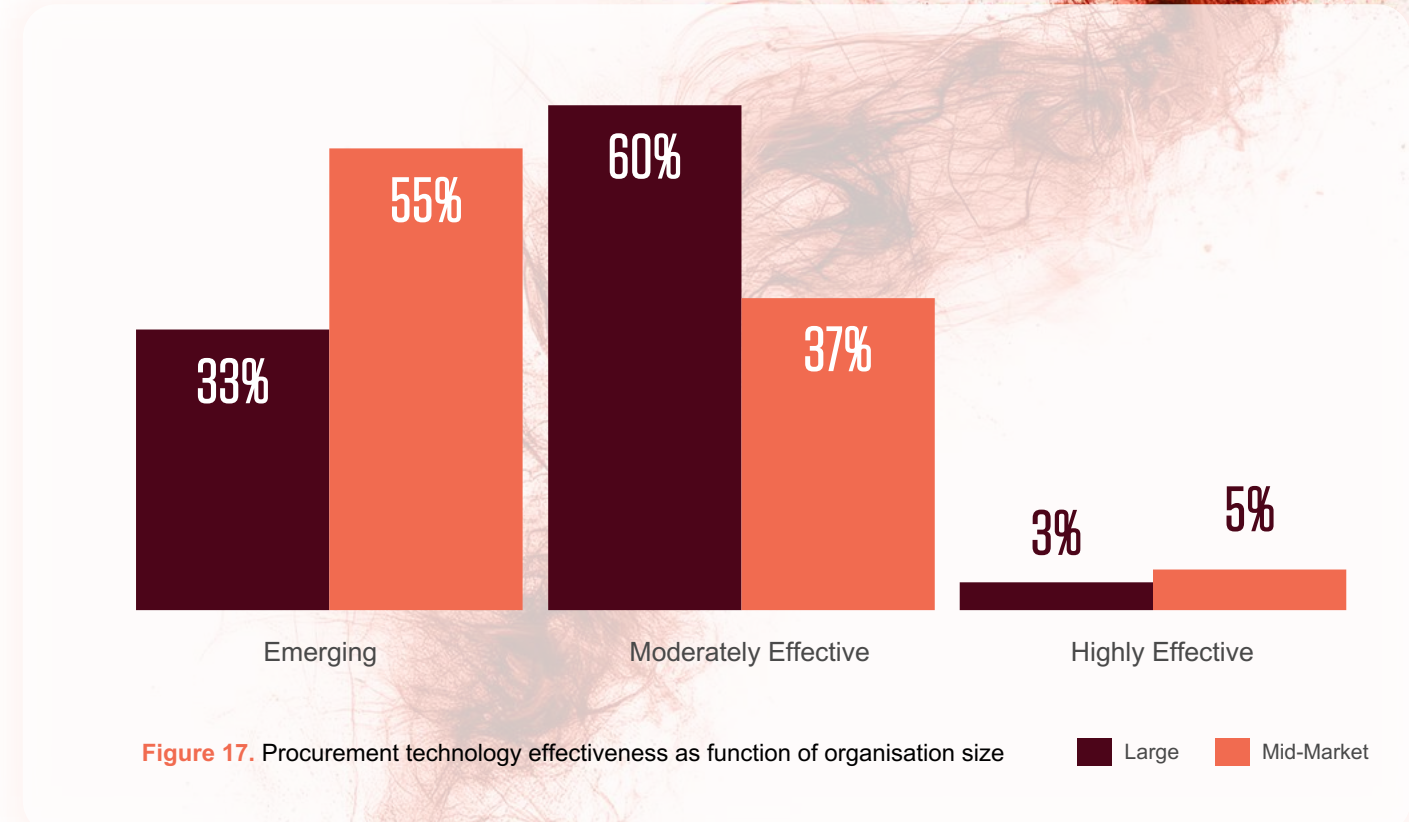


Figure 17. Procurement technology effectiveness as function of organisation size

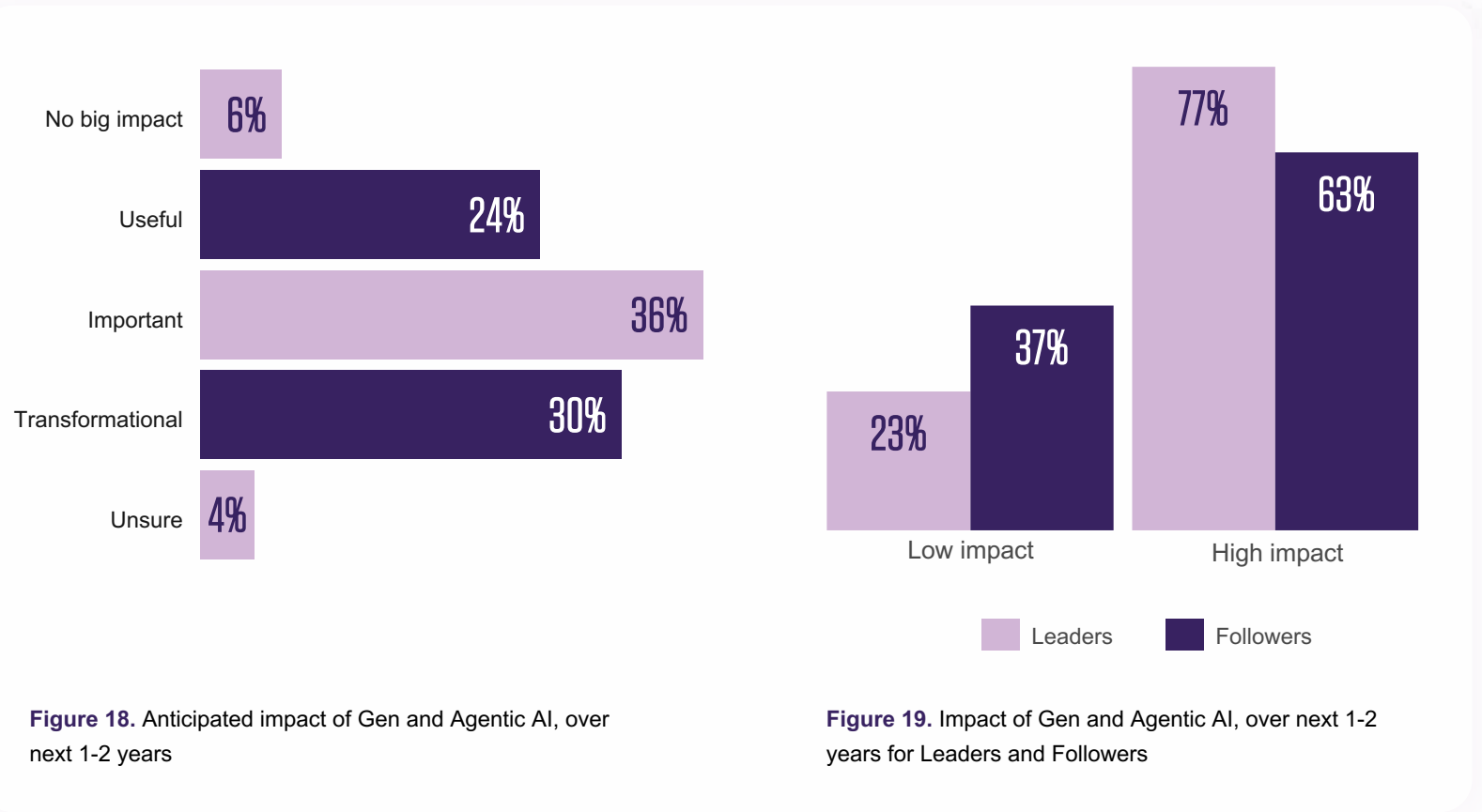
09 Extensive AI prospects, with future approach underway

Most teams think Gen and Agentic AI has a big role to play in near future

Over the next 1-2 years, generative and agentic AI is expected to have a significant impact on procurement, with about two-thirds of organisations viewing it as important or transformational.

Gen and agentic AI's ability to analyse large data sets, automate complex processes, and provide real-time insights has the potential to revolutionise procurement operations, making tasks faster and more efficient. Leaders are particularly optimistic, seeing its application in supplier management, risk assessment, and strategic sourcing as game-changing, allowing them to elevate their procurement function and deliver greater value.

Followers, however, are more cautious, viewing Gen and agentic AI's impact as incremental rather than revolutionary. For many Followers, the technology is seen as a tool to improve efficiency, but not something that will dramatically change procurement operations. This gap in optimism reflects the broader disparity in technological adoption—Leaders see Gen and agentic AI as a way to leap ahead, while Followers view it as an enhancement rather than a transformative shift.



Deciding on the role AI will play

How to effectively integrate Gen and Agentic AI

Despite the optimism surrounding generative and agentic AI, most procurement teams are still figuring out how to integrate it effectively.

Many are developing plans, testing, and learning how best to apply the technology to meet their specific needs. Teams are adopting a mindset of "embrace change" and "understand options" as they navigate this emerging landscape. There is also a growing recognition of the need for training and upskilling to fully leverage Gen and agentic AI's capabilities. This learning phase is crucial for moving from understanding Gen and agentic AI's potential to harnessing its power in day-to-day tasks.

These early steps towards Gen and agentic AI adoption are happening alongside significant planned investments in technology. As teams upgrade their tech stacks, Gen and agentic AI will play a key role in these transformations. However, simply investing in technology won't be enough. Procurement teams need to build the right processes, foster the right skills, and cultivate a culture of continuous learning and adaptation. Successful integration of Gen and agentic AI will require a comprehensive strategy that addresses both the technical and human elements needed to unlock its full potential.



Figure 20. Current Gen AI activities

International Security Organisation

Laying the groundwork for responsible AI in policing



AI-first strategy planning

Organisation is defining a roadmap to guide AI adoption.



Ensuring data readiness

Data cleaning is critical for building a strong AI foundation.



Responsible AI implementation

Focus on guardrails, risk mitigation, and maintaining public trust.

A large international policing organisation is in the early stages of defining a plan of action as part of their AI-first strategy. Recognising the immense opportunity AI presents, the CPO understands the importance of laying the right foundation.

Key to their approach is the need for proper data cleaning to lay the groundwork and establishing strong internal and external guardrails to ensure the technology is used safely and responsibly. Rather than rushing into adoption, the organisation has engaged an external partner to help lead them through the process, mapping out the various options and building a clear roadmap for implementation.

The focus of this partnership is to weigh the pros and cons of differing approaches, identify potential risks such as data privacy and security, and ensure they have the right systems in place to support the responsible use of AI. By carefully planning their next steps, the organisation aims to leverage AI in a way that enhances their capabilities while maintaining the trust and safety required given the sensitivity, legal, and political implications involved in policing work.

10 Successful future transformations not a given

Many operating model transformations set up with a high probability of suboptimal outcomes

About a third of teams are planning an operating model transformation in the next few years, with significant technology upgrades expected. However, several red flags could jeopardise success.

Only a quarter of these teams plan to invest in their people, a critical oversight given the need for talent development and upskilling to leverage new technology fully. Additionally, just a third report having the strategic capacity to execute such a transformation effectively, while 40% admit to poor collaboration with stakeholders and 59% struggle with alignment to stakeholder goals. These internal barriers suggest many procurement teams may be unprepared to execute a transformation that delivers real value.

Without addressing these red flags, the risk of failure is high. A lack of investment in people, coupled with poor collaboration and misalignment with stakeholder goals, threatens to undermine the purpose of an operating model transformation. When only 4% of teams are satisfied with their tech to date, simply adding more technology without addressing these deeper issues will likely result in minimal return on investment. Furthermore, with only 13% planning to seek external help, many teams may be setting themselves up for achieving suboptimal outcomes. If these initiatives fall short, procurement risks losing credibility with stakeholders, diminishing team morale, and wasting significant resources on efforts that fail to deliver meaningful impact. A successful transformation requires a balanced approach that includes not just tech upgrades, but also strategic alignment, strong collaboration, and a clear focus on people.

36%

Procurement teams planning operating model transformation in the next few years

84%

Procurement teams having a concurrent technology investment planned as part of the transformation effort

A few concerning stats

28%

Planning on investing in upskilling their team as part of transformation

35%

Feel they have low strategic capability in planning transformation

40%

Feel they collaborate poorly with other stakeholders and...

59%

...of these teams feel they aren't well aligned with enterprise goals either

4%

Highly satisfied with their technology investments to date

13%

Of teams embarking on transformation engaging external partner to help

What we saw from 2025 survey

Leaders have more mature tech and team capabilities, and as a result provide more value to the organisation in a 'more & more with less' model



Uneven tech and team capabilities

Leaders possess more mature technology and team capabilities compared to Followers, providing significantly more value and gaining greater recognition from stakeholders.



Portfolio of tools delivering value

Leaders utilise a broader range of upstream and downstream tools to deliver value, with no single silver bullet.



More & more with less

"More & more with less" is a key priority for procurement teams, amidst macro uncertainty and resource constraints.



Shifting to value with tech investments

Teams invest in technology to shift from operations to value, but few investments are highly efficient due to overemphasis on integration and lacking deep procurement expertise.



Challenges in operating model transformation

Many operating model transformations with tech investments are planned, but success is at risk due to low strategic capabilities, underinvestment in people, poor alignment, weak tech adoption, and limited external partnerships.

Lessons learned from the survey

There are no silver bullets to achieving value; better alignment, collaboration and technology are essential, but growing uncertainty makes this an even greater challenge



No silver bullets for sustained value

Leaders have begun to shift from an operating focus to a value focus. To achieve this, teams need an operating model that aligns tech and team capability investments with broader organisational goals.



Improved collaboration and alignment needed

Non-procurement senior stakeholders recognise the value that procurement Leaders deliver, as they consistently align to organisational goals and collaborate effectively with non-procurement stakeholders. Soft communication and collaboration skills for procurement teams is essential.



Addressing continuing uncertainty is a top concern

Everyone is struggling with continued macro uncertainty, but where risk management is succeeding, teams are finding higher financial returns and developing abilities to become more adaptable to changing conditions.



New tech is not a guaranteed success

Despite its necessity and growing abilities, only a small set of tech investments are seen as highly effective. Teams need to try a different approach towards ensuring their tech investment resources are well spent and they are happy with the outcome; for example, the tech fits the organisation, not the organisation fits the tech.

Beyond 2025

More opportunity exists to better utilise tech and people investments to deliver value and meet continued uncertainty and disruption

01 Strengthening procurement to navigate rising uncertainty

Uncertainty will only increase in types, levels, and speed. Procurement teams must enhance risk management and adaptability to prepare for a rapidly changing world.

02 Technology must fit organisational needs

Technology will remain key, with more advanced capabilities available. However, systems will continue to be underutilised if one-size-fits-all solutions are adopted, as they often don't fit unique organisational needs.

03 Leaders must keep innovating

The value gap between Leaders and Followers will grow as technology and capabilities improve. With technology becoming cheaper, sustained advantage isn't durable—Leaders must keep innovating to stay ahead.

04 AI-first approach reshaping procurement

Generative and agentic AI will mature, driving teams to set goals, refine strategies, and enhance capabilities. An AI-first approach will transform procurement by embedding AI into processes, creating integrated, intelligent workflows.

05 Building AI-ready procurement teams

AI-enabled tools will demand new skills and certifications. Teams must invest in data analysis, AI-driven decision-making, and automation. Certifications in AI technologies and advanced analytics will be increasingly sought after.

06 Strategic procurement for lasting advantage

Teams that combine strategic vision, well-executed technology investments, upskilled capabilities, and effective risk management will create value and a competitive advantage for their organisation.

Jump start your journey

To help think through what's next for your team, we've provided a list of questions



Strategy and value outcomes

1. What kind of value will be prioritised, is it aligned to the organisational goals and how will it be delivered?
2. How will procurement deliver value to customers in a way that is appreciated, trusted, and sustainable?
3. Is procurement team collaborative, specialised where appropriate, and focused on customers?



Technology, data, and customer-centricity

1. How can technology improve outcomes for business, procurement, and suppliers?
2. Is data analytics and insights helping create new sources of value and aiding in decision making?
3. How will technology investments be fit for purpose and result in highly effective outcomes? How will this be verified before the investment is locked in?



People

1. What are the capabilities the team must have to deliver value? Where are the gaps?
2. How will you fill these gaps leveraging hybrid talent models to access needed capabilities, specialties and resource capacities on demand?



Operations and processes

1. How can procurement processes be made more reliable, speedy, and friction free?
2. Has procurement freed bulk of resources from operations?
3. Can basic operations be provided continuously despite disruption?



Uncertainty and adaptability

1. Does procurement have visibility of the rapidly changing macro environment and understand how changes are changing the risk profile to the organisation?
2. Can procurement quickly react and proact to changes and disruptions to maintain customer-centricity?



ESG

1. Is ESG program ready to mature beyond regulatory compliance and tackle cost reduction and investor confidence measures?

Infosys Portland

Over the past 25 years our clients have realised sustainable value and positive bottom-line impact by leveraging better procurement and supply chain processes, people, and technology

We offer our clients:



Strategy and advice

We combine deep domain expertise with leading practice and analytical rigour to help businesses solve their most complex problems.



Delivery and implementation

We execute strategies quickly and efficiently, which helps our clients realise benefits quickly.



Ongoing support

We help our clients manage their day-to-day operations to deliver further efficiencies.



Enabling technology

We assess, optimise, and implement our clients' technology landscape to ensure that they are well-positioned to operate in an ever-changing world.



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