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Infosys Portland 2026 Procurement Trends Report

The Structural Shifts Redefining Procurement in 2026

Annual Report

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Procurement is entering a period of structural change, not incremental improvement. The shifts underway in 2026 will redefine how value, risk, technology and operating models are designed and governed across the enterprise.

Procurement enters 2026 facing a more complex and demanding operating environment. Procurement teams are being asked to manage greater volatility, increased supplier risk, faster technology change and higher regulatory scrutiny, often with the same or fewer resources. At the same time, expectations of procurement are expanding beyond savings to include continuity, compliance, productivity and informed decision-making.

These pressures are not isolated operational issues. They reflect broader shifts in geopolitics, regulation, technology, labour markets and economic conditions. These pressures increasingly shape who can deliver, from where, at what cost and under what constraints. Trade and regulatory fragmentation, uneven inflation, labour shortages, cyber threats and rapid advances in AI are no longer abstract background factors. They now influence day-to-day procurement decisions across services, technology, labour-based categories and supply markets.

Infosys has identified ten trends that describe how procurement functions are changing. Each trend is rooted in events seen in the popular press, translated into impacts facing procurement teams and their organisations. The intent is practical: to help procurement leaders look forward and prioritise focus areas, capabilities and decisions for 2026 and beyond.

VALUE AND CONTINUITY UNDER VOLATILITY

Volatility is no longer episodic. It is structural and persistent. In 2026, procurement's mandate extends beyond securing savings to actively designing continuity, shaping supplier ecosystems and managing value across the full lifecycle. The focus shifts from reacting to disruption to building portfolios, contracts and partnerships that can absorb uncertainty while sustaining performance.

Trend 1 – Critical supplier relationships shift from performance management to long-term partnership

1 Critical supplier relationships shift from performance management to long-term partnership

2 Managing volatility and value becomes a lifecycle discipline, not just a contracting exercise

3 Re-building supply bases to secure and ramp-up new capacity and capability

4 Autonomous systems become a value driver in procurement

5 Risk management broadens and shifts from reporting to design

6 Cybersecurity and digital trust becomes core Know-Your-Supplier (KYS) criteria

7 AI becomes embedded in procurement workflows, including early agentic capabilities, with clear limits and governance

8 Technology abundance shifts focus from tool selection to integration and orchestration

9 Procurement outsourcing moves upstream as delivery models become modular and AI-enabled

10 New skill sets become critical to procurement performance

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Volatility is no longer episodic. It is structural and persistent.

Procurement teams place greater emphasis on the quality and durability of supplier relationships, not just price and performance metrics. Delivery, cost and service levels still matter. But they are no longer sufficient indicators of whether a supplier can support the organisation through sustained volatility. Procurement is increasingly expected to distinguish transactional suppliers from those that warrant partnership; not every supplier becomes a "strategic partner". Procurement assesses enterprise impact and adapts approaches to focus on where value can be delivered. This need and focus is not new, but the emphasis is increasingly necessary and feasible.

Trend 2 – Managing volatility and value becomes a lifecycle discipline, not just a contracting exercise

Procurement teams take a broader view of how volatility and value are managed across supplier relationships and lifecycle, rather than relying on contracts alone to absorb change. Contractual mechanisms such as indexation, volume bands and repricing triggers remain important. But they are increasingly complemented by governance, operating cadence and relationship management. Procurement can manage value dynamically, not lock it in at the point of signature.

Trend 3 – Re-building supply bases to secure and ramp-up new capacity and capability

Procurement's role in reshaping the supply base moves from selection to active build-out and stabilisation. As manufacturing footprints, distribution routes and service delivery models are reconfigured, newly installed capacity and new supplier sites rarely perform like mature ones immediately. Ramp-up periods require active management: processes must be qualified, quality systems stabilised, and skills rebuilt over time. Supply development capacity management and supplier readiness and quality are capabilities needing investment and rebuilding. Commercial arrangements are being redesigned to recognise that new suppliers and new capacity take time to stabilise, rather than assuming standard contract terms will hold from day one. Procurement's role is no longer just choosing alternative suppliers. It now includes engineering and commercialising reliable supply ecosystems that can scale, adapt and deliver.

Trend 4 – Autonomous systems become a value driver in procurement

Autonomous systems, spanning robotics, drones and AI-enabled devices, are increasingly part of day-to-day operations, and become value drivers in third party spend. The impact shows up in productivity, safety, reliability, cycle-time and inspection accuracy across manufacturing, logistics, facilities and field services. Procurement turns these gains into governed outcomes. This includes: selecting partners who successfully apply these capabilities, designing contracts that tie performance to measurable KPIs, and embedding cyber and physical risk controls that keep adoption safe. As autonomous technologies create more value, governance and integration become more critical, particularly as AI moves from digital systems into physical operations.

RISK, RESILIENCE AND TRUST BY DESIGN

Risk management is moving from oversight to architecture. Procurement is increasingly expected to embed resilience, regulatory alignment and digital trust directly into sourcing strategies, commercial constructs and operating models rather than treating them as downstream controls. Trust becomes a design principle, built into how suppliers are selected, governed and integrated across enterprise systems.

Trend 5 – Risk management broadens and shifts from reporting to design

Procurement risk and resilience management shift from a reporting activity to an operating discipline. Dashboards and risk registers continue to play a role. However, organisations expect teams to design for disruption, practise responses, and execute contingencies with authority when risks eventuate. In this model, procurement commercially enables resilience choices. Teams do this with informed, data-driven decisions, codified decision rights, and contracts that support adaptations pursued by organisations.

Procurement's contributions show up in sourcing strategies, operating models and agreements that embed regulatory, cyber and service-continuity requirements from the outset. Procurement makes change governable: clear escalation paths, time-boxed authorisations, pre-priced alternatives, and service credits align to continuity goals. This allows actions to be taken when events occur without renegotiation in the heat of the moment. Further, procurement contributes to informing organisations how reliability decisions are funded, authorised and audited.

Risk management is shifting from reporting risk to designing resilience.

Trend 6 – Cybersecurity and digital trust becomes core Know-Your-Supplier (KYS) criteria

Cybersecurity and digital trust no longer treated as technical checks or compliance steps. Instead, these are now core components of knowing and selecting suppliers. Procurement teams still need to know about the supplier signing the contract. But now, teams must also understand where supply chains start, how deep digital dependencies run, and where data, access and operational control ultimately sit. Procurement increasingly expected to determine how far due diligence must extend to protect the enterprise.

TECHNOLOGY, AI AND DIGITAL TRUST AT SCALE

AI is transitioning from experimentation to embedded infrastructure. In 2026, procurement workflows increasingly involve coordinated, multi agent systems operating within defined guardrails, where specialist agents exchange context, execute bounded tasks and operate under clear human authority. As these capabilities scale, digital trust, orchestration and governance become as important as productivity gains, ensuring automation strengthens judgement rather than displacing it.

Trend 7 – AI becomes embedded in procurement workflows, including early agentic capabilities, with clear limits and governance

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.

AI is transitioning from experimentation to embedded and integrated infrastructure.

Trend 8 – Technology abundance shifts focus from tool selection to integration and orchestration

Procurement teams are less constrained by access to capable technology and more challenged by how well those tools work together. Most organisations 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. Focus shifts from selecting new tools to orchestrating systems, data and AI agents into coherent, governed end-to-end workflows. This is achieved by: embedding policy-as-code, harmonising 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

The procurement operating model itself is being reconfigured. Work is becoming more modular and distributed across internal teams, specialist partners and AI enabled capabilities, requiring deliberate choices about ownership, capability boundaries and accountability. Performance increasingly depends on commercial judgement, data fluency and enterprise influence rather than transactional efficiency alone.

Trend 9 – Procurement outsourcing moves upstream as delivery models become modular and AI-enabled

Procurement outsourcing moves upstream and becomes more modular. The use of partners is not new. What is new is how procurement designs delivery models that deliberately split work across internal teams, specialist providers and AI-enabled capabilities. Routine, rules-based activities are increasingly automated. Partners are engaged for targeted expertise, orchestration and outcome ownership rather than volume execution. Procurement takes a more active role upfront in defining which capabilities are modularised, which decisions remain internal, and how AI is embedded across providers without fragmenting accountability.

Trend 10 – New skill sets become critical to procurement performance

Performance isn't only determined by spend addressed; it's driven by the skills and judgement brought to increasingly complex decisions. AI and automation are now standard in the workflow, but they don't replace capability, they reshape it. Professionals are expected to frame problems well, interpret and challenge machine generated recommendations, and decide when human judgement overrides automation. Classic strengths (negotiation, sourcing execution, category expertise) still matter and are enhanced. Procurement teams are increasingly required to demonstrate stronger commercial design and decision-making capability. Teams need to incorporate data, AI literacy and structured judgement directly into day-to-day workflows. This includes applying resilience-based judgement to trade-offs and influencing stakeholders across the full procurement value chain, rather than operating only at the point of sourcing.

Operating models are evolving beyond predefined processes into adaptive systems built for persistent volatility.

WHAT LEADERS SHOULD EXPECT FROM PROCUREMENT TEAMS IN 2026

Procurement should be assessed less on activity and throughput, and more on the outcomes it enables for the business. As volatility, regulatory pressure and technology change accelerate, procurement's role shifts from executing transactions to shaping decisions that protect value and continuity. Leaders should expect procurement to operate with clearer judgement, stronger governance and greater commercial discipline. This includes making trade-offs explicit, embedding risk and compliance into design, and demonstrating how procurement choices support enterprise priorities rather than local optimisation.

Stronger financial stewardship under volatility

Leaders should expect procurement to protect margin and cash flow in conditions where costs, demand and supply are less predictable. This includes using contracts, supplier strategies and sourcing decisions to manage volatility, not simply reporting negotiated savings against static targets.

Designed continuity of supply and service

Procurement should demonstrate how continuity is built into supplier portfolios, contracts and delivery models for critical goods and services. Rather than reacting to disruption, leaders should see evidence of deliberate design choices that reduce the likelihood and impact of failure.

Risk and compliance embedded by design

Executives should expect procurement to incorporate regulatory, cyber and policy considerations directly into sourcing strategies, contracts and operating models. Risk should be managed through upfront design and clear accountability, not through downstream reporting or escalation.

Responsible and governed use of technology and AI

Procurement should be able to explain where technology and AI are being used, including early agentic capabilities, and where human judgement remains essential. Leaders should expect productivity gains that are auditable, governed and aligned with enterprise risk tolerance, rather than uncontrolled experimentation.

Clear operating model and capability choices

Leaders should see procurement making deliberate decisions about how work is eliminated, simplified, automated or allocated across internal teams and partners. This includes investing in the skills and roles needed to support judgement, commercial design and cross-functional decision making.

Transparency on trade-offs and priorities

Procurement should clearly articulate when continuity, resilience or compliance is prioritised over short-term cost and why those choices support broader business objectives. Leaders should expect clarity, not ambiguity, on the implications of procurement decisions.

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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