SPOTLIGHT

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AI-native procurement platforms — built from the ground up with embedded intelligence, unified data, and automated orchestration — can deliver the strategic agility, efficiency, and business impact needed to drive tangible outcomes across the enterprise.

The Value of AI-Native Procurement Platforms

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AT A GLANCE

KEY TAKEAWAYS

- True AI-native procurement platforms are built with intelligence and automation embedded at every level, not layered on as chatbots or add-ons.
- Legacy and AI-augmented systems cannot match the process orchestration, data unification, and strategic agility that genuine AI-native solutions deliver.
- Organizations embracing AI-native procurement gain significant efficiency, resilience, and competitive advantage, while those relying on retrofitted tools risk falling behind.

Introduction

OpenAI's introduction of ChatGPT in November 2022 — this generation's "iPhone moment" — created a dramatic shift in the spend orchestration market, fundamentally dividing procurement platforms into two distinct categories: those architected from the ground up with generative AI (GenAI) at their core and legacy providers working to retrofit conversational interfaces onto existing infrastructure platforms. This moment exposed the critical difference between platforms designed with AI-native architecture — where every data structure anticipates machine learning (ML) and every workflow assumes intelligent automation — and traditional solutions that approached AI as an added feature. Organizations that recognize this difference and choose spend orchestration platforms that are AI native immediately gain access to capabilities that legacy systems struggle to support: intelligent supplier data enrichment, autonomous workflow orchestration, and contextual decision-making that transforms manual processes into seconds of guided interaction.

For procurement, this represents the third major digital transformation wave, following the shift from manual processes to on-premises spend management tools and, subsequently, to SaaS-based collaborative platforms. Enterprises' recent leveraging of AI as an autonomous, democratized, and workflow-centric model that executes spend management activity reflects the growing demand for procurement platforms that are efficient and adaptable to the dynamic nature of business operations. However, the use of GenAI technology differs fundamentally from the earlier shifts. While previous transformations focused on digitizing existing processes, platforms that leverage AI technologies reimagine procurement workflows entirely.

Enterprises are already experiencing this transformative impact. As procurement's strategic influence grows amid constrained resources, GenAI provides a clear path forward. It amplifies team capacity, enhances cost savings precision, and enables the delivery of insights and outcomes on a previously unimaginable scale. By embracing AI technologies, procurement leaders can replace manual friction with intelligent, intuitive systems that unlock the next chapter of procurement evolution.

Overview of Next-Generation Procurement Technology

The introduction of digital- and cloud-based procurement technology addressed some of the process constraints of legacy tools but did not resolve the greater challenges of data fragmentation or manual workflows. Early procurement suites automated specific tasks such as requisitioning, sourcing, and contract storage, resulting in some operational improvements. However, these tools often failed to deliver true enterprise integration and strategic perspective because they were often built as patchwork modules with little capacity for real-time insight or enterprise process orchestration. While enterprises infused some applications with AI — which for the most part drew on ML — the introduction of OpenAI's ChatGPT led to the adoption of natural language AI chatbots that facilitate more intuitive user experiences. Many vendors responded by embedding basic AI and ML features into their existing SaaS solutions. While these AI-augmented solutions delivered incremental analytics, they left core workflows, data governance, and collaboration and cross-organizational orchestration fundamentally unchanged. The challenges of siloed information, manual intervention, and poor data visibility continued to limit the true strategic potential of procurement.

AI that merely adds chatbots or dashboards is slideware; true transformation comes when spend, supplier, and contract data are unified, and intelligent agents orchestrate procurement end to end.

The rise of AI-native platforms — designed with AI from the ground up to unify data and proactively orchestrate every step of the procurement journey in real time — is a response to this shortfall.

The top 3 reported benefits of GenAI investments are improved customer satisfaction, improved business agility, and revenue growth (see *The GenAI Value Equation: Use Cases, Returns, and KPIs Outcome Success,* IDC #US53168025, August 2025). The urgency is unmistakable, with one-third of respondents to the IDC's June 2025 *SaaSPath Survey* reporting they plan to replace their current procurement application if GenAI does not feature in the next release, with an additional 15% indicating they plan to renew their current application specifically because GenAI will be included in future releases.

The same survey indicated the most highly anticipated benefit of this investment is employee productivity. AI-driven procurement unlocks new levels of real-time visibility across sourcing, contract management, and supplier relationships, empowering teams to make faster data-driven decisions, proactively manage spend, and drive innovative supplier partnerships. GenAI demonstrably delivers both cost savings and enhanced business resilience, positioning procurement as a proactive enabler of enterprise strategy rather than a reactive back-office function. The fundamental difference lies in the architectural approach: While AI-augmented solutions retrofit intelligence onto existing workflows, AI-native platforms redesign workflows around intelligent automation from the ground up.

What Is AI Native?

AI-native platforms treat AI not as a technology add-on but as a foundation. True AI-native platforms exhibit three fundamental characteristics: intelligence-first architecture, where AI drives workflow design rather than merely supplements it; autonomous orchestration that eliminates manual handoffs between processes; and adaptive learning that continuously improves recommendations based on organizational patterns and outcomes. AI-infused or AI-augmented legacy platforms typically layer features onto a structure built for manual- or rule-based control. In the AI-native model, intelligence shapes the workflows, recommendations arise autonomously in real time, and the system

learns continuously from the complete procurement data landscape. Rather than passive dashboards or static automation routines, conversational guidance and proactive orchestration of tasks define the user experience.

AI-native procurement platforms deeply embed intelligence throughout their modules. Data-driven logic and dynamic, automated suggestions shape every user touch point, from initial intake to contract renewal. The system uses live data and ongoing user activity to adapt and evolve its recommendations. It orchestrates process changes across modules and business functions without human handoffs or process delays. These platforms unify and harmonize all supplier, spend, contract, and performance data, ensuring that information is current, consistent, and available on demand for analytics or workflow automation. By contrast, patchwork intelligence grafted onto legacy systems characterizes AI-augmented platforms. While these systems may provide ML for classification or spend analysis, they rely heavily on manual logic for decision routing, approvals, and data reconciliation. Their disconnected data models and lack of built-in orchestration inhibit real-time response and limit their ability to scale value across the entire procurement life cycle. In practice, these platforms can create topical efficiency but are unable to deliver the holistic transformation that an AI-native solution can achieve.

It is common for providers to promote their offerings as "AI native" or "AI first," when in reality they typically overlay their legacy systems with basic AI chatbots. Instead of rebuilding architectural foundations to embed intelligence throughout data models and workflows, these vendors update their user interfaces with conversational features that may answer simple questions or automate tactical interactions. Beneath these chatbots, the core processes remain manual, fragmented, and reliant on static business logic, offering little or no end-to-end process orchestration or adaptive learning. As a result, these so-called AI-native solutions fail to deliver the genuine benefits of unified data governance, dynamic workflow automation, and strategic decision support that true AI-native platforms provide.

While conversational interfaces improve user experience, they may not deliver the comprehensive workflow transformation and strategic value that organizations require from their AI investment. Procurement leaders evaluating AI-native claims should ask: Does the platform require manual routing of exceptions and approvals? Can it automatically orchestrate changes across multiple processes without human intervention? Does it continuously adapt its recommendations based on organizational learning patterns?

Challenges of Traditional Procurement

Organizations that continue to use legacy procurement solutions face a host of persistent challenges. Reliance on spreadsheets, manual record keeping, scattered email approvals, and data stored in disparate systems all lead to fragmentation and duplication. Supplier data is often incomplete or inconsistent, making it difficult to analyze spend, evaluate supplier performance, or enforce compliance. Information silos slow decision-making, hinder cross-functional collaboration, and prevent real-time visibility into procurement activity. These inefficiencies increase the risk of errors and missed opportunities, stalling procurement's ability to further elevate itself as a strategic, value-driven function.

AI-native procurement orchestration overcomes these data and process barriers by unifying all spend, supplier, contract, and performance data in a single platform. This orchestration continuously ingests, validates, and enriches data with both internal and external sources in real time. This creates an information layer that is accessible across the enterprise for analytics, risk monitoring, compliance reporting, and supplier management. By automating the organization of metadata and the elimination of inconsistencies, the platform ensures data is always reliable, timely, and actionable for enterprisewide decision-making and process optimization. The result is not only improved accuracy but improved trust and collaboration across the business.

Adopting an AI-native procurement platform equips enterprises with instantaneous visibility across the full spectrum of procurement activity, from purchase to payment, contract management, spend analytics, and supplier relationship management. Continuous monitoring, automated validation, and built-in audit trails strengthen compliance. Stakeholders in procurement, finance, legal, and operations can access and act on all relevant information, simplifying cross-functional collaboration. Supplier partnerships become more strategic and dynamic because the organization can now proactively manage risk, identify opportunities for innovation, and optimize contract terms based on robust, real-time insight.

Data Governance, Orchestration, and Value

Neglecting procurement data governance risks both operational disruption and regulatory penalties. Poor quality data and weak governance in traditional or AI-augmented platforms create uncertainty, undermine analytics, and complicate audits. AI-native solutions reduce these risks by embedding rigorous controls from the ground up. Automated data validation and cleansing routines prevent inaccuracies from entering the system. Permission structures and compliance logic define what data is accessible, modifiable, and by whom, supporting enterprisewide regulatory adherence. Every action is logged, creating an audit trail that builds internal and external trust in procurement-generated data, insights, and process outcomes.

With AI-native orchestration, procurement activities from intake to sourcing, negotiation, contract management, supplier onboarding, and risk monitoring occur as an automated sequence rather than a series of manual steps. AI-driven logic uses emerging intelligence, such as new risk signals or shifts in business priorities, to dynamically adapt workflows. This orchestration surpasses the capabilities of AI-augmented legacy platforms, which require manual intervention along the way. Organizations experience faster cycle times, continuous compliance, and a reduction of human-driven bottlenecks. The platform reduces and intelligently manages transactional work, allowing procurement practitioners to allocate more time to strategic initiatives.

> The market's rush to claim AI-native status is leading many providers to simply reskin their legacy platforms with AI chatbots rather than embed real intelligence or automation into the core of the procurement process.

Efficiency gains are a natural outcome of AI-native orchestration. Enterprises experience improvements in cycle times for approvals, supplier onboarding, and sourcing events. Automation of data entry and validation reduces the risk of error and administrative burden. Risk mitigation improves as proactive compliance and intelligent audit prompts become standard. The process transforms the procurement experience itself, as guided buying, conversational interfaces, and proactive, real-time decision support make processes easier and more intuitive for all users. These enhancements foster higher user adoption and engagement, making strategic value creation sustainable over the long term.

However, AI-native procurement is about more than efficiency gains; it is a platform for enterprisewide strategic enablement. The entire procurement process transitions from reactive and backward looking to a dynamic and predictive endeavor. Businesses anticipate risk rather than merely respond to it, orchestrate supplier-driven innovation, and adapt to changing market conditions with agility. The view of procurement evolves from that of a cost center to a business catalyst, freeing teams to focus on high-value analysis, supplier development, and creative problem-solving. As more companies invest in AI-native platforms, those that fail to act expose themselves to a growing competitive gap in

both efficiency and resilience. AI-native platforms accelerate return on investment, simplify implementation, and offer accessible transformation stories that build enterprise confidence. Leaders maximize the benefits by championing early successes, supporting workforce upskilling, and positioning the initiative as vital to enterprise growth and survival.

Considering Levelpath

Levelpath is an AI-native procurement platform that transforms intake-to-procure processes through intelligent automation. The mission is simple: a delightful procurement experience with built-in AI and agents designed to accelerate sourcing, streamline contracts, orchestrate cross-functional collaboration, and automate supplier enrichment. At the platform's core is the Hyperbridge reasoning engine, which enriches procurement data to drive efficiency gains and cost savings.

AI in Procurement

Levelpath's unified procurement platform supports enterprise teams across key areas, including:

- **Intake:** Levelpath streamlines intake with conversational AI. Employees can submit requests in natural language, and Levelpath routes them to approved workflows, reducing procurement effort, minimizing shadow IT, and ensuring finance policies are followed.
- **Sourcing:** AI-driven automation accelerates sourcing. Levelpath builds RFx content, recommends suppliers, structures responses, and generates side-by-side bid comparisons, helping capture savings faster.
- **Contracts:** Levelpath converts agreements into structured records, automates renewals, and surfaces key terms for cross-functional value capture.
- **Pipeline:** Levelpath consolidates projects, savings, and reporting, keeping teams aligned on execution, systems strategy, and budget impact.
- **Risk management:** Levelpath monitors financial, operational, cyber, and reputational exposure, supporting enterprisewide risk mitigation across procurement functions.
- **Supplier management:** Levelpath manages the supplier relationship at every stage, including continuously enriching supplier profiles, recommending new sourcing events, initiating new contract renewals, identifying opportunities for supplier consolidation, calculating supplier scorecarding, and mitigating risks across all vendors.

Smarter Procurement: AI-Driven Efficiency

Central to Levelpath's procurement AI solutions is the AI Assistant, which automates complex tasks while ensuring compliance with IT policies and financial controls. Operating through a single, intuitive interface, it is designed to turn any sourcing- or supplier-related challenge into actionable results across supplier, contract, sourcing, and purchase management tasks through a GenAI interface.

For example, it creates comprehensive requests for proposals, compares competitive bids based on pricing or scorecard-driven criteria, performs deep contract and risk reviews, and benchmarks proposed MSAs against all internal standards while highlighting every deviation in a clear table format. This analysis provides data-backed guidance for supplier negotiation, creates full visibility into all products a supplier manages, and generates critical documents, such as a

delegation of authority matrix or an executive memo to justify and summarize projects on demand. Ultimately, the assistant aims to optimize supplier relationships by providing broad-based support for sourcing, contract, and procurement analysis and enabling procurement teams to focus on strategic value creation while reducing processing time and scaling capabilities without additional head count.

Three Types of Agents

Levelpath provides three types of embedded agents governed by supplier and contract data: Information agents ensure data quality through retrieval and enrichment; task agents execute summaries, comparisons, and processing; and workflow agents coordinate multistep processes for complex analysis.

Built on a modular framework, these agents operate individually or combine into multiagent orchestration, multiagent systems, and complex agentic experiences. Levelpath's AI-native approach, which leverages generative AI and agentic AI, seeks to provide procurement with the right agent for the job, accelerating execution and extending impact across the enterprise.

AI success depends on accurate and consistent data. Levelpath serves as a supplier system of record with unified profiles. Levelpath's Data Manager applies predictable schemas across suppliers, sourcing, and contracts to eliminate duplicates, reduce excess fields, and standardize categories. This clean data foundation is designed to enable reliable AI insights and automation at scale across procurement functions.

Orchestrating Procurement in One Source of Truth

Levelpath built its offering with agents and LLMs from day 1; it also integrates cleanly with existing stacks.

This native AI architecture recognizes a fundamental reality: Enterprises rely on multiple business systems, and procurement must connect across them to be effective. That is why Levelpath built its offering with interoperability as a core strength. Through secure, scalable APIs and direct connectors, Levelpath integrates with leading platforms such as Coupa, Ironclad, Slack, Oracle Fusion, and Docusign. These integrations eliminate duplicate entry and manual reconciliation while enabling real-time synchronization across intake, supplier management, sourcing, and contracts.

The Levelpath API extends this framework and allows organizations to compose integrations that fit their environment, including ERP systems and contract life-cycle platforms. This approach enables a single source of truth for procurement within the broader enterprise ecosystem.

Challenges

The biggest challenge for AI-native procurement platforms like Levelpath's is breaking through the status quo and competing with established legacy systems. The noise created by legacy providers marketing themselves as "AI first" adds another layer of confusion, making it harder for organizations to distinguish truly AI-native solutions. Success also depends on the business's commitment to AI adoption, as it is a newer technology that is scaling quickly, and IT teams are still developing policies for the enterprise. When adoption is slower, these platforms will need to overcome resistance and also position procurement as a more strategic driver of business value.

Conclusion

AI-native spend orchestration platforms are not just the next step for procurement — they represent a fundamental leap that will redraw the procurement application landscape. The next 5 to 10 years promise tremendous gains in autonomy,

intelligence, and resilience, fundamentally changing what is possible in procurement. Organizations that fail to transition will be structurally disadvantaged — outpaced by agile competitors that leverage AI agents to drive savings, ensure resilience, and continuously innovate.

Doing nothing is riskier than transformative change. Procurement teams and organizations that continue to rely on legacy or retrofitted solutions will experience increasing operational drag, higher costs, regulatory exposure, and loss of talent to innovation leaders. In contrast, those that invest in genuine AI-native spend orchestration will lead their markets — defining new standards for strategic impact, resilience, and profitability.

About the Analyst

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Patrick Reymann is research director for Procurement and Enterprise Applications, responsible for the worldwide procurement applications market. Mr. Reymann's core research coverage includes the worldwide research of purchasing, procure-to-pay, sourcing, buy-side contract management, spend analysis, spend orchestration, and supplier relationship management applications that the procurement function touches within an organization. He is also focused on procurement digital transformation use cases, the procurement buyer's journey, innovative workflows, and the issues faced with technology selection, implementation, and usage as organizations add or integrate with other solutions.

MESSAGE FROM THE SPONSOR

Levelpath is the premier AI-native procurement platform, purpose-built to help global enterprises optimize spend and operations. Levelpath unifies complex procurement processes with intelligent automation, no-code workflow orchestration, and a delightful stakeholder experience. The platform delivers real-time visibility, actionable insights, and faster execution, enabling procurement teams to drive measurable business value at scale. Trusted by leading enterprises worldwide, including Ace Hardware, Amgen, Coupang, Fortrea, GATX, SiriusXM, SSM Health, and Western Union, Levelpath helps organizations collaborate smarter, operate more efficiently, and unlock new levels of agility.

Headquartered in San Francisco, Levelpath is backed by Benchmark, Redpoint Ventures, Menlo Ventures, NewView Capital, and World Innovation Lab. Learn more about Delightful Procurement at levelpath.com or connect with us on LinkedIn.

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