# Predicts 2025: Procurement Addresses Data Challenges and Embraces Rapid Change

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Initiatives:Procurement Functional Enablement; Procurement Digital Transformation; Sourcing and Procurement

Procurement's operating context is changing rapidly. This research helps chief procurement officers understand evolving trends in data and analytics, AI, staffing models and supplier risk management to effectively plan for rapid evolution in procurement.

## Overview

### Key Findings

- Despite 68% of CPOs reporting prioritizing investments in AI and generative AI (GenAI) in 2025, 49% of procurement leaders cite data accuracy and reliability as major challenges, reflecting the broader issue of low maturity in data and analytics (D&A) capabilities.
- The convergence of emerging AI reasoning and multimodal capabilities is poised to revolutionize GenAI, enabling AI agents capable of comprehensive strategy development and automating traditional procurement activities.
- The intensifying structural labor shortage, coupled with evolving work preferences and high turnover rates, requires that chief procurement officers (CPOs) adopt innovative recruitment strategies, including leveraging gig workers, to swiftly address skill gaps and adapt to the rapidly changing procurement landscape.
- Fragmented ownership of risk management within procurement and third-party functions is insufficient to address the growing complexity of global supply chain risks, necessitating a unified enterprise-level approach to enhance visibility, resilience and agility.

### Recommendations

- **Foster cross-functional data collaboration:** Collaborate cross-functionally with teams such as IT, finance and supply chain to assess the current state of D&A within the organization. Evaluate whether procurement can access and influence data that is not inherently under their control, such as finance data, which is crucial for procurement but typically managed by the finance department.
- **Update procurement competency models:** The emergence of AI agents will fundamentally change the role of procurement staff — existing staff will need to acquire such strategic competencies (e.g., insight generation, communication and influence) to be effective. Staff will be expected to drive strategy throughout the organization, while AI will drive tactical execution.
- **Assess skills suitable for gig opportunities:** Experiment with gig employment models as you develop a procurement talent strategy for the future. Develop a clear guideline on what capabilities and skills are best suited for in-house full-time employees versus other forms of employment to maximize the benefits of having a portfolio of skills that are future fit and sustainable.
- **Establish supplier risk governance:** Formalize supplier risk management governance that defines functional owners, business objectives, risk appetites and respective risk tolerance to understand the full impact of suppliers and supplier risk.

## Strategic Planning Assumptions

By 2027, 85% of procurement organizations will still be improving data quality in an effort to exploit efficiencies from technologies like GenAI.

By 2028, 60% of CPOs will fail to realize the anticipated value of advanced analytics due to poor D&A governance.

By 2028, 40% of procurement teams will have implemented at least one AI agent.

By 2029, at least a quarter of the procurement talent will be composed of gig workers.

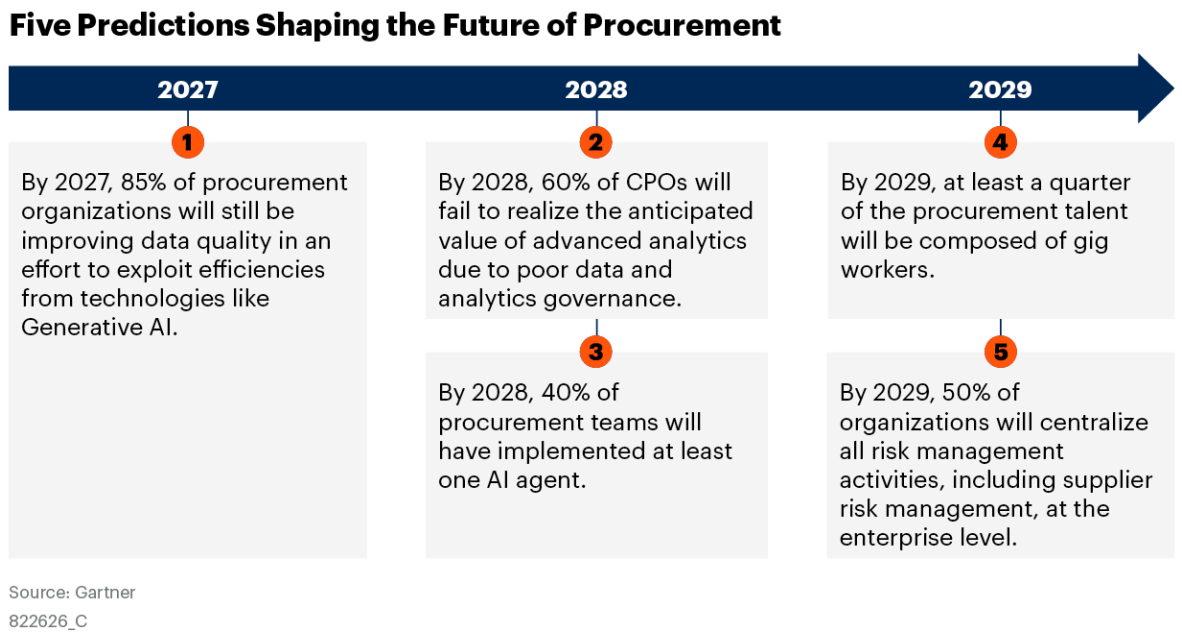
By 2029, 50% of organizations will centralize all risk management activities, including supplier risk management, at the enterprise level.

# Analysis

## What You Need to Know

Driven by advancements in AI, data and analytics and evolving workforce dynamics, procurement's operating context continues to evolve. This research outlines five predictions that highlight the trajectory of these changes and their implications for procurement organizations (see Figure 1). By understanding these trends and preparing responses to them, CPOs will be better positioned to embrace rapid change.

### Figure 1: Five Predictions Shaping the Future of Procurement




Central to our predictions is the critical role of data quality and governance. By 2027, we predict that 85% of procurement organizations will still be focused on improving data quality to fully exploit efficiencies offered by technologies like GenAI. Despite these efforts, by 2028, we also predict that 60% of CPOs will fail to realize the anticipated value of advanced analytics use cases due to poor data governance and inconsistent standards. These projections underscore the importance — and challenge — of establishing robust data governance frameworks to harness the full potential of advanced analytics.

Another significant trend is the integration of AI into procurement processes. By 2028, we predict that 40% of procurement teams will have implemented at least one AI agent, signaling the growing maturity of AI solutions and procurement's shift toward more automated and intelligent procurement operations. The adoption of AI agents will streamline various procurement activities, from supplier selection to contract management, enabling teams to focus on more strategic tasks.

Consequently, by 2029, we predict that at least a 25% of the procurement talent will comprise gig workers who are highly specialized. This shift toward a more flexible and specialized workforce illustrates the potential for AI to commoditize procurement activities and necessitate new approaches to talent management and procurement strategy.

Finally, we believe risk management is poised for a paradigm shift in the coming years. By 2029, we predict that 50% of organizations will have centralized all risk management activities, including supplier risk management, at the enterprise level, compared with just 12% today. This centralization will enable more comprehensive and coordinated risk management strategies, ensuring organizations can better navigate the complexities of global supply chains.

## Strategic Planning Assumptions

**Strategic Planning Assumption:** By 2027, 85% of procurement organizations will still be improving data quality in an effort to exploit efficiencies from technologies like GenAI.

**Analysis by:** Lynne Phelan

**Key Findings:**

- Based on the 2024 Gartner Chief Procurement Officer Survey, 68% of CPOs respondents are prioritizing investment in AI and GenAI as a priority in 2025, reflecting the significant and immediate interest in leveraging technological efficiencies. [1]
- Forty-nine percent of procurement leaders cite data accuracy, reliability and transparency as implementation challenges for GenAI.
- Most procurement organizations are still trying to master foundational analytics due to low-quality data and low to middling maturity in D&A capabilities generally. [2]

**Market Implications:**

AI is only as good as the D&A it is built upon. If procurement cannot improve the data quality input when deploying these cutting-edge technologies, it will hamper procurement's ability to use techniques like retrieval-augmented generation (RAG) or AI fine-tuning to tailor advanced AI systems to procurement's needs. This can result in "hallucinations," flawed decision making, negative perceptions of AI capabilities and unintended biases, ultimately compromising the integrity and safety of AI-driven efficiencies.

Sixty-three percent of procurement organizations fear losing their competitive advantage if they do not excel at D&A. This gap toward competitive advantage will only deepen as procurement organizations continue struggling to master their data and stall on the deployment of AI and GenAI.

The intended benefits of AI include increased productivity, reduced cost and better business agility from improved speed to decision making. However, if organizations cannot trust the outputs of their technologies, these benefits will remain unrealized.

**Recommendations:**

- Develop a robust D&A strategy: Develop a comprehensive D&A strategy that incorporates AI and GenAI initiatives. Piloting simple AI use cases first can serve as litmus tests for the usability and quality of your data.
- Prioritize data quality problems: Refrain from targeting 100% data quality, which is both unrealistic and unnecessary. Instead, determine which GenAI use cases require high-quality data and which do not to focus your data quality improvement efforts on the areas that will deliver the greatest impact.
- Foster cross-functional data collaboration: Collaborate cross-functionally with teams such as IT, finance, supply chain and master data management teams to assess the current state of D&A within the organization. Evaluate whether procurement can access and influence data that is not inherently under their control, such as finance data, which is crucial for procurement but typically managed by the finance department.
- Address data quality at its root: Document the root cause of erroneous data, and the processes that create the errors, to determine what would be appropriate prevention or correction strategies. Although data cleanup can seem overwhelming due to its complexity, identifying and addressing individual issues can help to systematically break down and resolve the problem.

**Related Research:**

Procurement Moves Quickly to Experiment With Generative AI

Generative AI Use Cases in Sourcing and Procurement

AI Use-Case Comparison for Sourcing and Procurement

Quick Answer: How to Prepare for AI in Procurement

**Strategic Planning Assumption:** By 2028, 60% of CPOs will fail to realize the anticipated value of advanced analytics due to poor D&A governance.

**Analysis by:** Meghan O'Doherty

**Key Findings:**

- D&A has the potential to provide procurement with indispensable insight for optimized decision making. Seventy percent of procurement leaders report D&A's importance is increasing, rating it as the most important investment area to support their future goals. This beats out areas like digital transformation, GenAI and category management. [1]
- Despite strong agreement across procurement leaders about the importance and value of analytics, procurement as a function is mired in foundational analytics, and most functions aren't even very good at those. Consequently, they are not getting sufficient value out of their analytics and are making slow, or no, progress up the D&A maturity ladder.
- Only 24% of procurement functions are high maturity in procurement analytics, meaning most procurement functions don't have the breadth and depth of analytics use and, at best, are capturing moderate value from their analytics investments. [2]
- The two areas of D&A governance that will heavily impact procurement analytics value delivery are a strategy for consistently embedding analytics in procurement workflows and addressing long-standing data quality issues.
- Based on a recent Gartner survey of procurement leaders, analytics use is ad hoc or discretionary for most organizations. Only 4% are consistent in selecting which decisions get made using analytics. [2]
- Similarly, just 14% rated their functions "very good" or "excellent" at data cleaning, which is a fundamental step to improving data quality. [2]

**Market Implications:**

By 2026, procurement leaders expect it will be necessary to master advanced analytics in order to not get left behind by industry peers. Yet, as of 2024, almost half of procurement functions (47%) have low maturity in data analytics. Low-maturity stages span no analytics, which is exceptionally rare, to just getting started and capturing some value. Without significant change, it's impossible for procurement to achieve the maturity required for advanced analytics use cases. [2]

Based on a recent Gartner survey of procurement leaders, on average less than 36% rate their procurement function as effective in contributing value toward achieving performance goals like cost savings, risk mitigation and achieving ESG objectives. Procurement D&A leaders outperform their peers in these same areas; 59% are effective in achieving objectives. This demonstrates the impact on value capture of embedding analytics into procurement workflows. [2]

Data governance is the foundation of not just procurement analytics, but also critical in the success of efforts to capture value from AI. Without improved governance, both the promise of advanced analytics and AI will fail to materialize.

**Recommendations:**

- Create a well-defined blueprint for procurement analytics: Having a well-defined blueprint for which decisions procurement will apply D&A to is key to ensuring it's consistently embedded into procurement's decision making.
- Embed analytics in procurement workflows: To make meaningful progress on D&A maturity and value capture, procurement functions need to ensure that D&A is consistently embedded into procurement workflows instead of usage being primarily discretionary in nature.
- Establish data quality metrics: While data quality may be a barrier for many functions, measuring data quality will help determine where improvements are needed and which investments should be undertaken to improve data quality.
- Elevate D&A value beyond cost savings: Put business value and outcomes at the core of your procurement D&A strategy. Establish a narrative of how procurement D&A drives business goals and outcomes beyond just cost savings.
- Build a sustainable operating model: To improve analytics progress, procurement must build a robust operating model that accounts for staff capacity and resources to expand bandwidth to incorporate analytics into procurement decision making and workflows.

**Related Research:**

The CPO's Role in Procurement Data & Analytics

Dispel Procurement Data Analytics Myths

Tool: Essential Roles to Meet Procurement Analytics Talent Needs

Case Study: Data & Analytics Intelligence to Unlock Value Delivery

**Strategic Planning Assumption:** By 2028, 40% of procurement teams will have implemented at least one AI agent.

**Analysis by:** Ryan Polk, Micky Keck

**Key Findings:**

- CPOs increasingly recognize the transformative potential of AI, with 72% reporting it as a top technology priority by 2030. [1] This prioritization will create a positive feedback loop of development, in which procurement's investments in AI encourage technology providers to continue advancing their AI solutions.
- Progress in GenAI is enabling advanced reasoning capabilities. Reasoning is an AI model's ability to actively engage in learning, adapt dynamically to new scenarios and make decisions based on real-time contextual understanding and evolving goals. This will transform GenAI from a powerful single-use tool and into an independent agent capable of autonomous execution.
- New multimodal GenAI models can interpret and generate diverse data types — like text, images, audio and sensor data — enabling nuanced analyses and interactions. This leap creates AI systems with intuitive intelligence similar to humans, making them easier to use and allowing individuals to leverage them as extensions of their own capabilities.
- Advanced AI reasoning and multimodality will together lay the foundation for AI agents. AI agents are autonomous or semiautonomous software entities that perceive, make decisions and take actions to achieve goals in their digital or physical environments. As AI agents are deployed, traditional procurement activities will become automated at a rapid pace.

**Market Implications:**

The distance between ideas, insights and action for all employees will get shorter. The synthesis and analysis work required to flesh out new ideas, such as market analysis, business needs assessments and supplier evaluations will be automated, reducing operational friction and freeing up human staff to focus on higher value creative activities. This will create a positive feedback loop in which the speed of change internally and externally will continue to accelerate.

The role of humans within procurement will shift. AI agents will reduce the need for human support in roles where data is known or obtainable, while human support in roles requiring decisions and actions based on little to no known data (e.g., strategic planning, stakeholder relationship management and complex analysis) will increase.

Procurement training and development programs will need to become more intentional. Historically, procurement staff have advanced from entry-level positions through hands-on experience and mentorship. However, AI's efficiency and precision have discouraged senior staff to engage in this exchange. Senior staff prefer automated accurate outputs, rather than training new staff through a cycle of failures and corrections while navigating the complexities and emotions of delivering feedback for improvement to a real human. [3]

Technology interfaces will transition from document uploads and standard workflow templates to free-flowing conversational user interfaces (UIs), simplifying administration as AI handles process requirements and automatic configuration changes. Coupled with high levels of process automation, AI agents will fundamentally transform most activities in source-to-pay technology, such as supplier onboarding and sourcing. Eventually, AI agents will become the primary technology solutions, moving beyond traditional point-and-click UI designs to offer input and output in any form the user desires.

**Recommendations:**

- Update procurement competency models: Procurement staff will need to acquire such strategic competencies as insight generation, communication and influence to be effective. Staff will be expected to drive strategy throughout the organization, while AI takes over the tactical execution realm.

- Establish and strengthen talent development plans: A strong pipeline of capable staff is required to deliver on multiyear procurement strategies. However, the adoption and increasing use of AI may discourage organizations to invest in and cultivate the growth and development of employees organically. To counteract this, formalize a talent development program consisting of job profiles, procurement-specific competency models, capability assessments, curriculum and knowledge libraries, professional development programs and individualized career plans.
- Increase dollar and risk thresholds: Smaller procurement teams will need to be deployed to manage only the most strategic buying activities and/or advise business stakeholders (or AI agents) on how to do their own sourcing. Machine buyers will take over a significant portion of traditional sourcing and procurement activities.

**Related Research:**

How Generative AI Progress Will Shape the Future of Procurement

Procurement Functional and Role-Based Competency Model

Quick Answer: Components of a Robust Procurement Talent Development Program

**Strategic Planning Assumption:** By 2029, at least a quarter of the procurement talent will be composed of gig workers.

**Analysis by:** Mel Mohamednur

**Key Findings:**

- The structural labor shortage is intensifying. As life expectancy rises and baby boomers retire, a diminishing workforce is burdened. With younger generations having fewer children and the aging population generating demands, CPOs will find it challenging to recruit and retain employees in a competitive labor market.
- Recruiting remains time consuming and costly. According to the 2023 Gartner Recruiter Experience Survey, the median time from posting a job to candidate start is more than two months (78 days), leading to productivity loss. [4] Hiring someone with the right skills quickly becomes a formidable task.

- Today's talent has choices, and younger workers' preferences, like Gen Z or millennials, are shifting. The workforce prioritizes flexibility in schedules and locations, valuing autonomy over work type and colleagues. Gig workers typically have flexible hours and locations, becoming an attractive employment model among younger generations.
- According to the 2023 Gartner A New Leadership Perspective on Turnover Survey, 75% of supply chain professionals agree voluntary turnover is likely to increase in the next five-plus years. [5] This puts pressure on CPOs to look beyond traditional recruiting channels to close skill gaps. Gig workers offer flexibility, reduce costs, and meet immediate needs.

**Near-Term Flag:**

As new technologies come online, rolling them out effectively will require more short-term, project-based work. With a higher degree of digitization and automation in the upcoming years and capabilities like AI commoditizing procurement activities, more procurement processes that require analytical power and time will take place in digital platforms rather than manual spreadsheets. These processes will be facilitated by experts who could easily plug, play and operate in similar tools.

These procurement experts possess a deep understanding of data sources and the knowledge to derive insights. Therefore, procurement talent needs for most analytical tasks will shift from hiring someone with category-specific experience to hiring generalists who could cut across different spend categories and operate these analytical tasks that are more category agnostic and process oriented.

**Market Implications:**

By 2029, most procurement activities will likely be performed on digital platforms. Digital talent, who can plug and play across different procurement systems or categories, will be in high demand.

CPOs faced with talent shortages will prioritize talent availability over the depth of category expertise and turn to different employment models to minimize disruption to operations. Hiring gig workers will involve the least barriers of implementation among all other forms of employment and therefore will become popular for trial and error.

More elderly workers or retirees will seek employment opportunities as gig workers, where scheduling and workload are tightly scoped at a part-time capacity.

Just like establishing relationships with suppliers who deserve the “preferred” status, CPOs will seek to establish and maintain a network of gig workers to tap into when needed. Note that the differences between using gig workers and outsourcing are the duration of the tasks and the emphasis on efficiency. Gig workers are leveraged for short-term assignments via technology-driven connections, whereas outsourcing generally occurs in the form of longer term contractual relationships with a strategic focus on streamlining for efficiency.

**Recommendations:**

- Assess skills suitable for gig opportunities: CPOs should start experimenting with gig employment models to capture lessons learned as they develop procurement talent strategies for the future. Develop a clear guideline on what capabilities and skills are best suited for in-house employees versus other forms of employment to maximize the benefits of having a portfolio of skills that are future fit and sustainable for the organization.
- Conduct skill-based hiring to bridge temporary skill gaps: As technology evolves, emerging skills or new skills required might not yet be developed in the current workforce. Use gig workers to bridge the gaps for short-term needs while concurrently upskilling existing talent or recruiting full-time positions.
- Identify category-agnostic tasks that could be performed on digital procurement platforms, such as:
    - Facilitation of contract negotiations in contract life cycle management (CLM) tools
    - Facilitation of bidding or sourcing events in e-sourcing tools
    - Facilitation of supplier onboarding activities in supplier information management tools
    - Facilitation of value initiatives tracking
- Establish robust processes that gig workers can easily pick up and execute by ensuring that standard procedures of each task and visible metrics are in place as well as an easy-to-follow escalation path in case of process deviation.
- Retain older or experienced talent with their knowledge and skills by hiring them as gig workers with flexible hours, especially for critical skills without enough bench strength or institutional knowledge yet to be preserved.

- Implement pilot programs for younger generations: Hire junior staff as gig workers for short-term projects to assess mutual fit and interest before officially hiring them as full-time employees.
- Structure onboarding and offboarding processes: Invest the former to make gig workers feel included and integrated into the company culture during onboarding. Formalize the latter to ensure critical knowledge transfer and mitigate the risks of mishandling confidential information.

**Related Research:**

Discover Untapped Talent Pools to Close Supply Chain Skills Gaps

Supply Chain Executive Report: Your Employees Will Leave; Embrace the Turnover

**Strategic Planning Assumption:** By 2029, 50% of organizations will centralize all risk management activities, including supplier risk management, at the enterprise level.

**Analysis by:** Cheryl Van Dyke and Andrea Greenwald

**Key Findings:**

- According to the 2024 Gartner Chief Procurement Officer Survey, supply disruptions, macroeconomic factors, geopolitical trends and compliance issues are the top risks to procurement's success, management urgency within organizations and questions of ownership and relevancy. [1]
- Within the procurement function, ownership of supplier risk management is not consistent and roles are often not delineated. As expressed in the survey, 31% of procurement leaders indicated risk management responsibility is owned by the CPO, 28% state the supplier risk manager, 18% claim strategic sourcing and 14% name category managers. [1]
- Expanding beyond the procurement function to the broader third-party risk responsibilities illuminates further role and ownership fragmentation. According to the 2022 Gartner Third-Party-Risk-Mgmt Governance, Activities and Technology Survey, the primary owner for risk is the third-party risk management office (23% of the time), followed by the enterprise risk management group (12%) and then procurement (9%). [6]

- As companies grow the traditional, albeit sometimes accidental, fragmentation of risk ownership will be untenable and ineffective. Risk's potential to impact cross-functionally and with plurality will mean moving the responsibility of risk management to a unified group at the enterprise level. This unified group will need to develop the risk strategy and integration plan into existing processes without the hindrance or shortcomings of function-specific perspectives and the advantage of sight into macrolevel objectives.

**Near-Term Flag:**

Due to the varied nature of risk, organizations struggle with determining risk management role assignments, authority and resources. Supply chains are already experimenting with roles and responsibilities while trying to create a management path.

For example, organizations are starting to build supplier risk and resilience teams within their centers of excellence in an attempt to centralize supplier risk management and create formal control processes. However, supply chain risk management is neither containable to one function nor forcibly centralized.

Organizations are starting to focus on cross-functional partnerships such as procurement to IT and IT to compliance. As these partnerships grow, the natural evolution will be to turn away from a function-specific "supplier risk manager" and manage risk through a group that represents the organizational make-up and priorities.

For example, a supplier's financial health is important throughout the end-to-end (E2E) supply chain life cycle. The data collection may be owned by procurement, finance, legal or compliance depending on the organization's structure. However, the outcome of that information can impact multiple functions and objectives. CPOs can also use a supplier's financial risk assessment as an opportunity to build a cross-functional model that can be scaled to the enterprise as needed.

**Market Implications:**

While CPOs continue to hire supplier risk managers, they will transform the role from forward facing, focused only on the supplier as the object to be solved, and then add in an element of identifying critical cross-functional risk owners to support management. Current supplier risk managers will form relationships with the functional representatives and lay the ground work on formalizing objectives and risk appetite. Although CPOs may not be ultimately responsible for creating an enterprise-level group, this is an opportunity to trailblaze the collaborative model on a smaller scale. This foresight will position organizations for an easier transition in the future.

Using the risk management technology many organizations already have in place, CPOs will lead cross-functional teams in exploring more cost-effective and advantageous automation capabilities, E2E supply chain dashboards that drive actions, reframing criticality and refreshing monitoring priorities.

As a primer to an enterprise-level risk management cohort, CPOs will be leaders in simulations and training exercises demonstrating the complexity of assessing supply chain risk, the broad approaches to managing it within risk appetite and measuring cost-effectiveness.

The collective resources from a unified, cross-functional cohort will be required to keep pace with navigating the volume of risk events occurring globally. No singular function will have the authority, resources or subject matter expertise to feasibly or reasonably monitor and assess all risks. Collaboration, shared capabilities and resources will be a requirement to be proactive and resilient in the face of potential risks.

**Recommendations:**

- Identify key risk stakeholders: Identify the cross-functional representatives who have accountability for a specific risk. Meet with them to understand the scope of their role, risk management perspective and potential collaboration opportunities.
- Align the risk strategy to organizational goals: Promote a stronger return on resource investment by tethering the supplier risk management strategy upon the intentional goals and risk appetite of the overall organization.
- Establish supplier risk governance: Formalize supplier risk management governance that defines functional owners, business objectives, risk appetites and respective risk tolerance to understand the full impact of suppliers and supplier risk.

- Invest in risk management resources: Invest in resources, including people and technology to manage supplier risks, which is in scope for the procurement role. Keep track of the consolidation of risk technologies to understand when the centralized use of a tool would be more likely.
- Implement risk reporting and monitoring: Formalize reporting and monitoring of risk with the current fragmented technology market, working with the enterprise risk management group to uncover when ownership would move over to a centralized group.

**Related Research:**

Proactive Supplier Risk Management: A Strategic Approach

Select the Best-Fitting Supplier Risk Management Techniques

Supplier Risk Management: Establishing Procurement Governance

Case Study: Supplier Risk Management to Mitigate Future Risk Events

Market Guide for Supplier Risk Management Solutions

Prioritizing and Managing Risks to Procurement's Future Success

## A Look Back

*In response to your requests, we are taking a look back at some key predictions from previous years. We have intentionally selected predictions from opposite ends of the scale — one where we were wholly or largely on target, as well as one we missed.*

**Strategic Planning Assumption:** By 2023, spending on supplier intelligence will double, driven by the availability of better quality data and the increasing maturity of machine learning (ML).

Investments in supplier intelligence have increased and are driven by the combination of technological advancements and the broader availability of applications in the market, offering a holistic view of supplier data.

Supplier discovery vendors have evolved in the market, providing location-specific and product range insights that help organizations to identify and shortlist the new suppliers quickly and to diversify their existing supplier base. Supplier risk management vendors expanded their capabilities to provide insights into suppliers' financial viability, sustainability/ESG scoring and other aspects. While a single vendor may not be able to provide 360-degree information on suppliers, through integrations to third-party databases, organizations can gather the required data on current and prospective suppliers.

The availability of higher quality data has significantly improved, enabling more accurate and comprehensive supplier assessments. Furthermore, the advanced capabilities of ML have allowed these tools to offer more sophisticated data analysis and predictive insights. These technological advancements have made supplier intelligence indispensable for informed procurement decisions, driving increased investment.

**Strategic Planning Assumption:** By 2024, 20% of buyers will use a shared, permissioned supplier network to improve the agility and flexibility of their sourcing.

This prediction was underpinned by two primary assumptions. First, advances in emerging technologies such as ML and blockchain will enable better data cleansing, classification, security and trust for procurement organizations. Second, in turn, that would increase the utilization of shared supplier networks that will improve sourcing.

The adoption of embedded ML algorithms has increased across procurement technology, helping to cleanse, classify and trust data. However, many organizations are still in the middle of improving data inputs to maximize the value of these emerging technologies, and adoption of the blockchain technologies required to support a permissioned, decentralized network has been limited.

The bigger challenge is that the concept of shared networks has not been popularized. While some shared networks exist, most major vendors are investing in developing their own supplier networks, and this remains a competitive advantage across the Source-to-Pay S2P market.

Increased regulatory changes, improved data quality and a need for better transparency will continue to push the concept of shared supplier networks forward as it stands to benefit both buyers and suppliers. However, it is evolving at a slower pace than initially expected.

## Evidence

[1] **2024 Gartner Chief Procurement Officer Survey.** This survey aimed to explore where and how organizations need to invest to advance their procurement functions. The survey was conducted online from 26 June through 29 July 2024 among 258 respondents from North America (n = 126), Western Europe (n = 80) and Asia/Pacific (n = 52). Respondents were from organizations with enterprisewide annual revenue of $250 million or more in 2023. The industries surveyed included communication and media, education, government, healthcare providers, insurance, manufacturing, natural resources, retail, services, transportation and logistics, utilities and wholesale trade. Qualifying respondents held job roles tied to the sourcing and procurement function and were involved in decision making regarding sourcing and procurement, either leading or being part of the leadership team. Disclaimer: The results of this survey do not represent global findings or the market as a whole but reflect the sentiments of the respondents and companies surveyed.

[2] **2024 Gartner Optimizing Procurement Data and Analytics ROI Survey.** This survey was conducted to delve into procurement's struggle to capture value from, and advance their function's maturity in, data and analytics. The research was conducted online from 29 April through 4 June 2024. In total, 288 respondents were surveyed in English across North America (n = 148), Western Europe (n = 101) and Asia/Pacific (n = 39). Of the respondents, 190 were procurement leaders, while 98 were procurement managers and staff; 158 respondents were from organizations with more than 10,000 employees. Respondents were asked a series of questions regarding their procurement function's current use of data and analytics as part of its approach to decision making. They were measured on the consistency and scale of their analytics, to determine whether procurement functions that more thoroughly integrate data and analytics into decisions experience greater value and decision quality, superior business outcomes and higher data and analytics maturity. Additional questions were asked to provide insight into how to better integrate analytics into procurement, including addressing problems with data quality, securing analytics talent and crafting an analytics operating model. Disclaimer: Results of this survey do not represent global findings or the market as a whole but reflect the sentiments of the respondents and companies surveyed.

[3] E. Mollick, "Co-Intelligence: Living and Working with AI," Portfolio, 2024.

[4] **The 2023 Gartner Recruiter Experience Survey** was conducted to understand strategic recruiter behaviors, workload complexity and capacity constraints, evolution of the recruiter role, career pathing for recruiters and the usage of AI in recruiting tasks. The research was conducted online from 19 July to 21 August, 2023 among 301 frontline recruiters, sourcers and recruiting managers from various geographies and industries. The survey was designed and developed by Gartner's HR Practice research team.

[5] **2023 Gartner A New Leadership Perspective on Turnover Survey.** This survey was conducted to investigate the impact of various organizational behaviors and models on turnover-related outcomes in supply chain organizations. The research was conducted from 22 May through 19 June 2023. In total, 336 respondents completed the survey globally. Qualifying organizations operated in industries with supply chains. Qualified participants were supply chain leaders (nonindividual contributors) whose roles were tied to a supply chain function and were in manager roles or above. Respondents were surveyed on their attitudes toward turnover as well as the status of their supply chain organization in areas such as the level of disruption caused by turnover, interactions with alumni, offboarding and onboarding procedure, knowledge management processes, learning and development, and skill leverage. Disclaimer: the results of this survey do not reflect/represent global findings or the market but reflect the sentiments of the respondents and companies surveyed.

[6] **2022 Gartner Third-Party-Risk-Mgmt Governance, Activities, and Technology Survey.** This survey was conducted online between October to November 2022, with 939 completed responses from employees detailing their perceptions of third-party risk management. This research focused on how organizations can manage third-party risks and their impact on enterprise outcomes. Data and background were pulled from secondary literature review as well as primary research among heads of compliance and their teams.The survey was developed collaboratively by a team of Gartner analysts and was reviewed, tested and administered by Gartner's Research Data, Analytics and Tools team. Note: The results of this study are representative of the respondent base and not necessarily the market as a whole.

[7] **Gartner Generative AI 2024 Planning Survey:** This survey was conducted to examine generative AI's use case implementation and impact by business function. The survey was conducted from September through November 2023. In total, 822 business executives who lead corporate functions outside IT and who indicated will begin or continue to implement Generative AI across the next 12 months qualified and participated. The research was collected via online surveys in English. The sample was equally split across the following eight corporate functions: finance; HR; marketing; sales; customer service; supply chain; procurement; and legal, risk and compliance. The sample mix by location was North America (n = 536), Europe (n = 176) and Asia/Pacific (n = 110). The sample mix by size was $50 million to less than $500 million (n = 119), $500 million to less than $1 billion (n = 129), $1 billion to less than $10 billion (n = 374) and $10 billion or more (n = 200). Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

## Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

How Regulatory Complexity Will Shape the Future of Procurement

How Global Divisions Will Shape the Future of Procurement

How Generational Shifts Will Shape the Future of Procurement

How the Energy Transition Will Shape the Future of Procurement

How Generative AI Progress Will Shape the Future of Procurement

Procurement Functional and Role-Based Competency Model