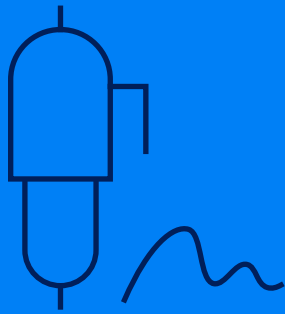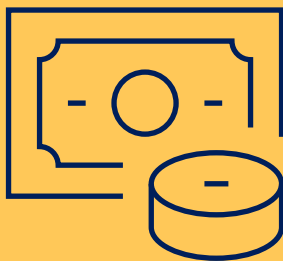# AI in Finance Procurement:

How to Unify Risk, Compliance, and Spend Across Business Units
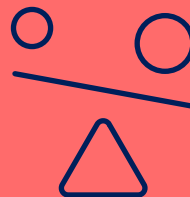
AI in procurement improves efficiency by **40%**

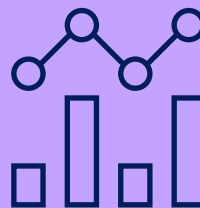reduces supplier risks by **30%**

Spend Optimization

Risk Management

Analytics

levelpath

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INTRODUCTION

Procurement has become a strategic asset that boosts competitive advantage. According to McKinsey, organizations harnessing AI-driven analytics in procurement see efficiency gains up to 30%. Forward-thinking companies utilize these strategies for both efficiency and resilience, with Gartner reporting that AI in procurement reduces supply chain disruptions by 30%, helping firms manage market volatility effectively.

The role of enterprise procurement involves managing risk and compliance across business units, overseeing high volumes of contracts and suppliers, and supporting lean teams under increasing regulatory and operational pressure. Tools like advanced analytics and intelligent automation enable better decision-making, enhance supplier relationships, and streamline workflows. As procurement evolves into a strategic function, adopting AI solutions can increase efficiency, cost optimization and strategic decision-making in finance operations.

This paper will explore how leading organizations are transforming their procurement with AI, moving from traditional methods to a strategic, value-driven approach. It will discuss the key factors, challenges, and opportunities this shift presents, aiming to guide procurement leaders toward impactful business strategies.

68% of CPOs are prioritizing AI investments in 2025

32% of CPOs missing out on AI advancement in procurement

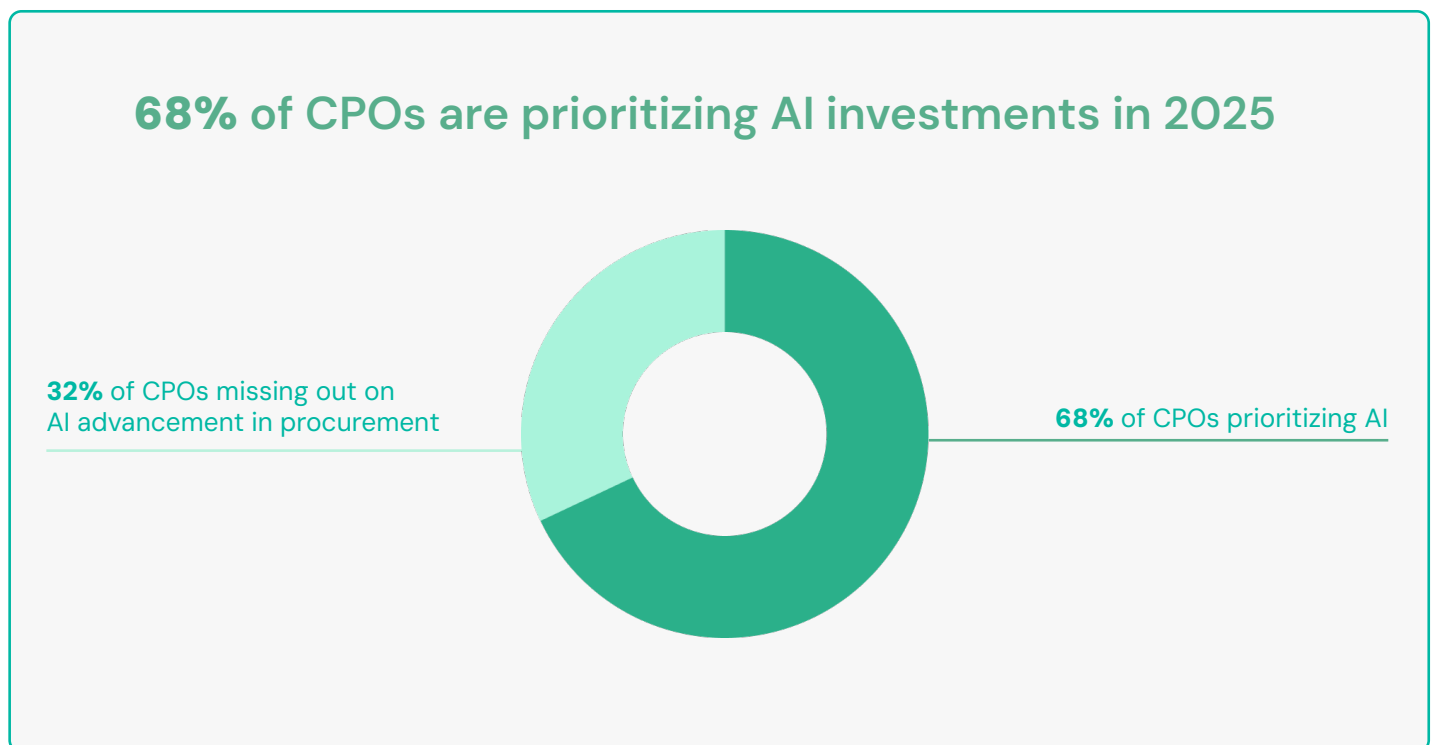**68%** of CPOs prioritizing AI

Figure 1: Percentage of Chief Procurement Officers prioritizing AI investments (Gartner, 2024)

THE SHIFT FROM OPERATIONAL TO STRATEGIC PROCUREMENT

As markets become more complex, businesses are turning to AI for automation and real-time insights. Deloitte's State of Generative AI in the Enterprise report confirms that AI adoption optimizes operations, enhances supplier relationships, and unlocks new strategic opportunities.

AI-powered procurement platforms shift procurement from a reactive cost center to a proactive business enabler. They also provide centralized visibility across procurement activities, enabling teams to enforce regulatory standards, reduce risk exposure, and make informed decisions based on real-time data. These capabilities are especially valuable in environments with complex oversight requirements, large volumes of contracts and suppliers, and limited procurement resources.

But adopting AI isn't just about technology; it requires a cultural shift. Companies must invest in data accuracy, workforce upskilling, and strong governance to maximize AI's potential. Aligning procurement with broader business goals ensures long-term success and resilience.

CHALLENGES IN SOURCING AND PROCUREMENT

Despite the increasing recognition of procurement's strategic importance, many organizations still rely on manual error-prone tools like spreadsheets, email chains, and legacy software systems. Manual processes create inefficiencies, increase risk, and limit procurement's ability to drive real business value. Deloitte reports that organizations using AI-driven procurement strategies achieve greater efficiency, stronger compliance, and improved supplier relationships, helping teams move beyond transactional work and into more strategic roles.

A lack of real-time visibility is one of the most significant obstacles in procurement. Without it, teams struggle to enforce compliance, identify overlapping contracts, and assess supplier risk across business units. AI-powered platforms address this by automating intake, approvals, and triage, improving stakeholder collaboration and delivering insights that support better sourcing and spend decisions. AI copilots enhance this further with real-time analytics that surface regulatory clauses, flag duplicate vendors, and guide users toward preferred suppliers.

Beyond internal inefficiencies, procurement teams face rising external pressures such as economic turmoil, regulatory complexity, and supplier instability. AI-driven supplier management tools help assess performance, assign risk scores, and integrate third-party alerts, while contract automation reduces errors, enforces policy adherence, and ensures audit readiness through embedded workflows and real-time tracking.

> ❝
>
> Leading organizations leverage intelligent automation and real-time analytics to optimize procurement operations and enhance supplier collaboration.
>
> – Deloitte's State of Generative AI Report

OVERCOMING BARRIERS TO AI-DRIVEN PROCUREMENT EXCELLENCE

Integrating AI into procurement is a complex but necessary transformation that requires strategic focus, patience, and cross-functional collaboration. Organizations that address key barriers, such as data accuracy, governance, and workforce enablement, can unlock AI's full potential to drive procurement excellence.

The shift from manual procurement processes to AI-driven automation is improving efficiency, compliance, and visibility. Companies implementing AI-powered procurement platforms can eliminate long-standing inefficiencies such as fragmented data, slow approvals, and limited supplier engagement.

MAKING THE CASE FOR INVESTMENT IN AI-DRIVEN PROCUREMENT

Imagine your procurement team spending 80% of its time on strategic initiatives that drive real business value. Picture safe supplier partnerships that foster innovation and growth. Envision a risk management approach that anticipates challenges before they arise. These are not just possibilities, they are the real outcomes organizations achieve with AI-driven procurement solutions.

By leveraging advanced tools, companies unlock new levels of efficiency, adaptability, and business impact. Yet, despite the clear benefits, many organizations still struggle to gain approval for these critical technology investments.

OVERCOMING ORGANIZATIONAL RESISTANCE

A common misconception in financial services is that procurement automation only applies to tactical workflows like procure-to-pay. In reality, high-impact areas, such as supplier evaluation, risk vetting, and contract lifecycle management still rely on outdated, manual processes that expose firms to unnecessary cost and compliance risk.

Firms that continue to treat procurement as a static cost center miss the strategic opportunity to drive costs down, improve audit readiness, and modernize decision-making across third-party relationships. Market leaders are investing in intelligent procurement platforms that reduce manual overhead, ensure regulatory alignment, and give teams real-time visibility into commitments and spend, delivering measurable bottom-line impact.

DELIVERING STRATEGIC VALUE WITH AI-POWERED PROCUREMENT

For procurement leaders seeking to make a compelling case for investment, framing procurement technology as a business enabler is crucial. AI-powered tools enhance sourcing and supplier management in ways that directly support enterprise-wide goals:

Enabling Real-Time Visibility
AI-driven analytics unify fragmented data and provide real-time insights that allow finance and procurement leaders to quantify the return on investment, track cycle time improvements, and support enterprise-wide transparency.

Improving Governance and Audit Readiness
Automated workflows capture approvals, document version history, and create metadata-tagged audit trails. These capabilities reduce compliance risk and prepare organizations for regulatory reviews without added administrative burden.

Supporting Lean Teams:
AI copilots automate intake triage, route requests intelligently, and surface preferred suppliers, enabling teams to manage high volumes of requests and contracts with greater efficiency and less manual effort.

50% of procurement organizations will centralize risk management by 2029

(Gartner, 2024)

THE ROI OF AI-DRIVEN PROCUREMENT

Leading organizations have successfully demonstrated the tangible benefits of AI adoption in procurement. According to Deloitte, companies implementing AI-powered procurement solutions report efficiency gains of up to 40%, with supplier risk mitigation improving by 30%. This underscores the effectiveness of AI in procurement, reinforcing its role as a strategic imperative for modern enterprises.

Beyond efficiency gains, AI in procurement enhances compliance, reduces supplier risks, and improves overall business resilience. Companies that proactively invest in AI-driven procurement solutions gain a competitive advantage by increasing visibility, agility, and efficiency across their sourcing operations.

A COMPETITIVE IMPERATIVE

Market leadership demands procurement excellence. Firms that delay modernizing procurement risk increased operational costs, compliance exposure, and missed opportunities for process improvement. In the financial services landscape, procurement must evolve from a cost center to a strategic driver of business performance.

The acceleration of digital transformation across the industry signals a clear mandate: procurement leaders must position AI-powered solutions as mission-critical investments that enable institutions to materially reduce costs, navigate complex and shifting regulatory demands, and modernize workflows across functions, from sourcing to contract management. These are not back-office upgrades, they are mission critical investments that improve audit readiness, reduce third-party risk, and enhance speed to execution.

30%
Improvement in supplier risk mitigation is achieved with AI-powered procurement solutions, according to Deloitte (2024)

LEVELPATH: TRANSFORMING PROCUREMENT THROUGH ARTIFICIAL INTELLIGENCE

Levelpath leads the AI–native* procurement revolution with a platform that streamlines workflows, enhances supplier relationships, and drives smarter decision–making. Its user–friendly interface and advanced automation help teams eliminate inefficiencies, improve collaboration, and proactively manage risks in a complex business landscape.

In addition to its advanced features, Levelpath helps organizations overcome implementation challenges. The proprietary Hyperbridge reasoning engine connects and enriches data across one platform, maintaining data integrity and consistency. Our front door experience provides a user–friendly interface that eases adaptation to technological changes, while its mobile–friendly design ensures accessibility everywhere. Transforming procurement into a strategic asset, Levelpath drives enterprise success. Its AI–native platform empowers teams to optimize costs and make informed decisions, building sustainable competitive advantages globally. Levelpath uses smart automation and advanced analytics to deliver delightful, value–driven procurement.

With **Levelpath's AI–driven procurement solutions**, organizations can take advantage of:

Advanced Risk Protection:
Sophisticated compliance monitoring and governance tools safeguard operations while minimizing exposure to potential disruptions.

Real–Time Visibility and Reporting
Dynamic dashboards provide procurement and finance leaders with immediate access into procurement activities, enhancing planning, enabling proactive management, and improving strategic resource allocation.

Intelligent Supplier Relationship Management:
Automated workflows streamline supplier interactions while AI–driven insights foster more valuable partnerships.

Strategic Decision Optimization:
Data–driven analytics unlock deeper insights that guide smarter sourcing strategies and maximize value creation.

* WHAT DO WE MEAN BY "AI–NATIVE"?

Levelpath was not retro–fitted with AI; it was conceived around it. Large–language models (LLMs) and the next wave of breakthroughs are not awkward add–ons, they are woven into our core. As the models evolve, so does Levelpath, effortlessly upgrading itself with every leap forward. The result is AI that does not just lend a hand, it takes the wheel and gets the job done.

REAL-WORLD IMPACT

FINANCIAL SERVICES

A global financial services firm used Levelpath to replace a fragmented legacy procurement environment marked by overlapping tools and siloed contract, supplier, and intake data. The team migrated more than 10,000 contracts, supplier relationships, and supporting documents into Levelpath, establishing a single source of truth for sourcing and contract management. With nearly 8,000 suppliers and over 3,000 completed requests now centralized, the team can support 500 active requests at any given time while maintaining full visibility across the procurement lifecycle.

The implementation gave them the ability to track regulatory and compliance obligations through additional contract metadata fields, improving audit readiness and operational transparency. AI-native OCR capabilities now extract and enrich metadata automatically, increasing data accuracy and team efficiency. The migration from their previous system was completed ahead of schedule, allowing for overlap to do validation and testing. With Levelpath, the organization has achieved measurable improvements in compliance enforcement, streamlined workflows, and access to reliable, auditable data across its procurement operations.
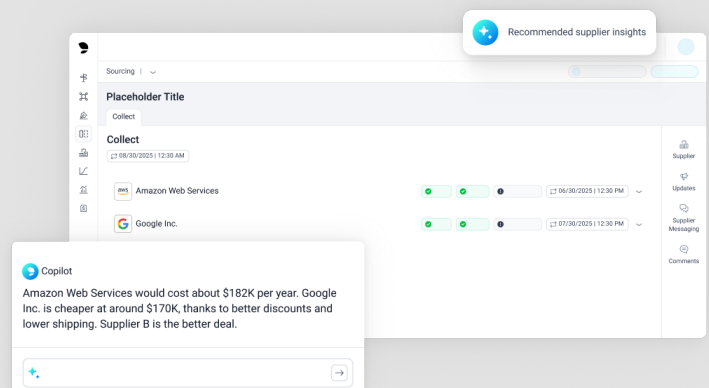
INSURANCE SERVICES

Another customer, a public insurance organization, began their engagement with Levelpath by tracking sourcing projects and savings. Following a failed audit, the team turned to Levelpath's native AI capabilities to strengthen compliance and improve process reliability. They now use the AI Copilot to generate approval memos, a mandatory part of their internal controls. This task previously took 30 minutes of manual effort per request but is now completed in less than 5 minutes with improved consistency and audit alignment.

The organization is also preparing for a full rollout of Levelpath's front door experience and a complete replacement of their prior legacy system. What began as a focused project has become a broader transformation initiative aimed at restoring audit confidence, reducing administrative burden, and accelerating procurement effectiveness.

See our AI-native platform in action.

Request a demo.

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