KPMG

# Dreams & Realities

**The practical applications of Artificial Intelligence in Procurement**

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November 2024

# Introduction

Artificial Intelligence (AI) is taking the world by storm and sending ripples through many industries as use cases are increasingly discovered and proven effective. Some of the uses and impacts are clear: Generative AI chatbots reducing the need for human customer support, or predictive analytics leveraging big data to drive operations, while others require a novel combination of technologies to deliver value.

All these use cases have one thing in common, which is that AI is the enabler of an outcome, not the outcome itself. Fearing they'll be left behind in the perceived AI gold rush, many companies are hastily adopting an "AI first, business outcome second" approach. This often results in a hodgepodge implementation of poorly understood tools. Some companies deploy AI solutions with barely-there value propositions, while others simply rebrand existing technology with an AI label, relying more on hope, and IF-functions, than on solid functionality.

Organisational needs have not changed; cost reduction, process optimisation, and risk management remain priorities but AI offers an effective new enabler to deliver on these priorities. By integrating AI thoughtfully into technology and transformation strategies, companies can identify high-value opportunities and leverage emerging technologies effectively. harnessing the power of the AI revolution without being swept along in its wake. Staying in control of the transformation journey allows AI to truly become a competitive advantage.

This strategic approach requires careful consideration. Success depends on understanding the available technologies, insight we aim to provide in this paper. Organisations should balance thorough implementation and proper due diligence with rapid deployment, focusing on proven use cases while remaining open to innovative applications. The key is pragmatic solution selection with ambitious goals, leveraging existing best practices whilst maintaining flexibility to capture new opportunities in this rapidly evolving space.

**This article will cover:**

- The AI Spectrum
- AI Process Maturity
- Wider AI Considerations
- Where to Start

# Setting the Scene

## AI Dreams

**Impressive AI demonstrations have caused huge, transformational outcomes to appear to be within easy reach, such as:**

## Procurement Realities

**However in practice these are unlikely to occur in the next 2-3 years. Procurement leaders can still deliver exceptional benefit from AI, targeting outcomes such as:**

### Automated Procurement Activity

Fully automated procurement, from sourcing and negotiation to contracting, managed by AI-powered tools with minimal human intervention except for relevant approvals

Strategic and specialist procurement categories still requires expert human interaction to provide an expert viewpoint that AI cannot replicate. However, AI solutions can now automate the management of low-value, tail spend procurement, freeing up time and resources.

### Touchless Supplier Management

Supplier management is handled autonomously through a combination of technologies. Large language model generative AI responds to queries and provides information, while predictive analytics AI models manage risk prediction, mitigation, and management. These AI technologies will interact seamlessly for the user.

While supplier management will always need a human touch, especially for building relationships with strategic suppliers, there is an opportunity to leverage AI to streamline and automate the more routine, administrative communications. This allows procurement professionals to focus on the high-value, strategic interactions with suppliers.

### Proactive Predictive Analytics

Entirely automated predictive analytics driving requirements and strategies with light touch decision making for the most strategic categories. Insights and opportunities surfaced with no human interaction.

Predictive analytics and big data hold immense potential, but are only as good as the data inputs.

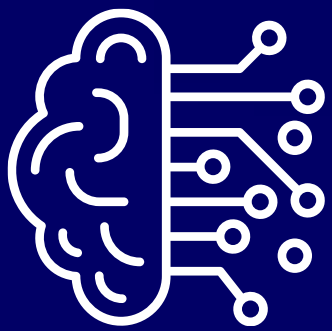
Many organisations lack the data structure, taxonomy and integrations needed to truly take advantage of this and the strategies and opportunities generated by the current generation of tools. AI tools can be implemented to help improve data quality, however this needs to be done before the analytic benefits can be unlocked.

In this paper, we will explore the reality of the opportunities AI presents across the Source-to-Contract process, the potential benefits it can bring, and the challenges which effective implementation faces in each area. While recognising that maximising AI benefits requires a significant shift in mindset within procurement organisations, our focus will be on the specific process areas with the most potential for improvement through AI adoption.

This paper explores practical considerations for AI adoption in procurement, focusing on key areas within the Source-to-Contract process where AI can drive significant improvements. We offer insights into leveraging these technologies to optimise procurement operations and deliver specific outcomes utilising the current state of procurement technology.

# 01

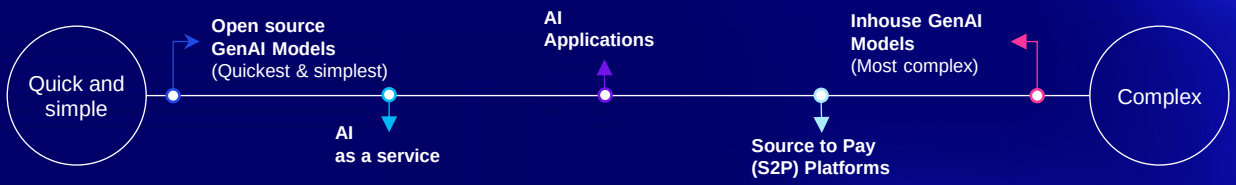
# The AI Spectrum



# The AI Spectrum

Organisations have several options to harness the power of AI. Below, we outline five groupings of common approaches, ranging from easily accessible to more complex implementations, and some qualities of each approach.

By exploring these options, organisations can determine the most suitable approach based on their specific needs, resources, and long-term AI strategy.




## Open source GenAI Models

Leveraging publicly available AI models that have been developed with an existing user front end.

**Inexpensive** – There are a number of models available to the public for free, with affordable premium options.

**No control** – The model's reliance on publicly available options, due to an absence of control, limits its ability to be customised for unique business needs. Furthermore, unexpected updates could disrupt its usage.

**Data security issues** – Due to the public nature of these models, there are data security concerns which can limit potential use cases.

**Low in-house expertise required** – Many procurement professionals are already using these tools and developing their prompt engineering skills despite a lack of prior AI experience.

**No development costs/time** – Tools are immediately accessible, bypassing development or implementation.

**Community support** – Large communities have developed which are dedicated to knowledge sharing and support to get the most out of these tools.

## AI as a service

The utilisation of AI powered applications provided as service model without implementation or change to current processes.

**Moderate expense** – Pay-per-use or subscription based payments, allowing flexible payment as required.

**Limited control** – The degree of control available relies on the 3rd party infrastructure and is typically limited to allow a short time-to-value proposition.

**Data Security dependent on service** – Data security is dependent on provider's policies and contracted agreement. Generally more secure than public options but often require data transfer.

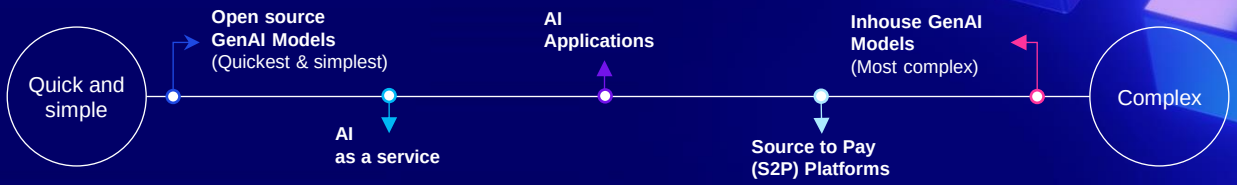
**Low in-house expertise required** – There isn't a high internal expertise requirement for AI as a Service. This allows a large variety of businesses a functions to chose this option.

**Short time-to-value** – This option typically has a short time to value proposition, as implementation not required.

**Process Specific** – Whilst this limits the scope and flexibility of the tool it does mean that users are able to target services which support them in the areas which require it the most.

**Defined outcomes** – The outcomes are typically clear, measurable and benchmarked.

# The AI Spectrum




## Embedded AI Applications

The adoption of pre-built AI-powered applications or software, designed for specific tasks or functions.

**Moderate expense** – These tools require 3rd party fees to utilise, typically subscription based. There can also be a maintenance cost to ensure the application works with enterprise technology.

**Higher control** – The internalised and process specific nature enables a high degree of control over functionality.

**Data Security dependent on application** – Data security is dependent the application but often includes enterprise-grade security.

**Low in-house expertise required** – Applications are typically designed with specific end-users in mind and to avoid significant configuration. Market knowledge can be useful to navigate the complex and varied application marketplace.

**Medium time-to-value** – Typically, these AI applications will require integration into your existing technology stack or a significant update to a current tool, which can be time-consuming and resource-intensive.

**Process Specific** – Whilst this limits the scope and flexibility of the tool it does mean that users are able to target tools which support them in the areas which require it the most.

**Defined outcomes** – The outcomes are typically clear, measurable and benchmarked.

## Source to Pay (S2P) Platforms

Leveraging the AI functionality embedded within existing S2P platforms.

**Varied expense** – The platforms themselves have a very high cost but the variable cost to leverage the AI functionality is lesser once the platform is in place.

**Higher control** – The embedded and modular process specific nature enables a high degree of control over functionality.

**Data Security dependent on application** – Data security is dependent the application but often includes enterprise-grade security.

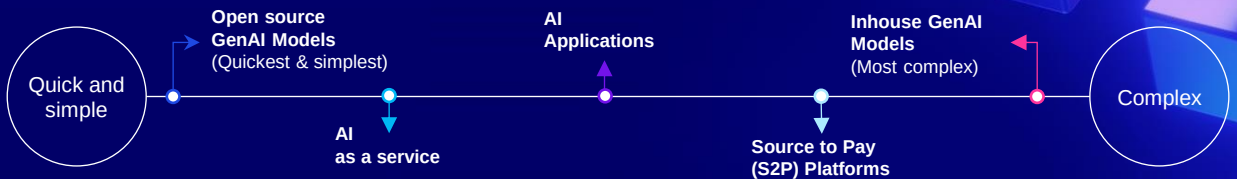
**Moderate in-house expertise required** – Functionality is typically designed with specific end-users in mind, however due to the breadth of the tool knowledge of the system and processes is advantages for deployment.

**Varied time-to-value** – Platform implementation is time consuming and resource intensive with potentially multi-year time horizons. A smaller modular addition, or activating the AI functionality of an already implemented tool can be achieved from smaller timescales

**Less Flexible offering** – Application availability is often dictated by the S2P tool which has already been implemented.

**Developing capability** – Currently most of the large platforms are developing and improving their AI applications however they are behind the curve on what more specific AI applications can offer.

# The AI Spectrum




## Inhouse GenAI Models

The development of custom AI models under the control of the developing organisation.

**Highest expense** – Developing and maintaining in-house generative AI models can be costly, requiring significant investments in infrastructure, computing resources, and skilled personnel.

**Partial control** – Despite being in-house, these models still rely on third-party large language models (LLMs), potentially limiting the level of control and customisation.

**Enhanced security** – Data can be securely held whilst using the model. Therefore proprietary data can be utilised by the model for organizational benefit

**Highest internal expertise required** – Development resource is required, additionally managing the internal infrastructure is required to avoid performance issues.

**High time-to-value** – Typically requires significant integration, configuration and deployment time before benefits can be realised as a significant degree of customisation is often required to provide benefit being a purely open source model

**UX challenges** – Creating user-friendly interfaces for in-house AI requires expertise not always available internally.

**Potential to integrate with common office apps** – Whilst still early in the development cycle, there is the potential for “chat bot” integration with common office apps.

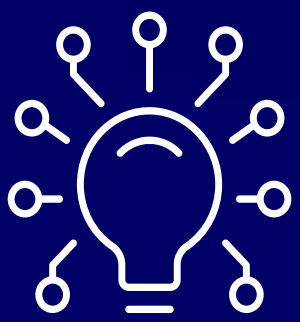
## Summary

Open source options are immediately available and often already in use, whereas in-house models are demand significant investment and development. Vendor-supplied AI applications offer customised solutions but incur costs, striking a balance between user-friendliness and adaptability.

The appropriateness of each option varies based on factors like industry specifics, data readiness, and the overarching AI strategy. Individual technologies can also change position on the spectrum based on how they are used and how deeply they are integrated. Organisations might opt for a mixed approach, employing diverse tools for various purposes. Identifying clear target business outcomes is crucial for tailoring an AI strategy that addresses specific needs and yields the most valuable benefits.

# 02

# AI Maturity by procurement process



# Summary of Impact and Maturity per area

**The pace of change in this area is extremely fast with new technology and functionality emerging all the time. We have assessed the market to create a 'point in time' view of maturity and impact across the procurement process below.**

| Process Area | Definition | Maturity Rating | Impact Rating |
|---|---|---|---|
| **1.0 Procurement Strategy** | Overall management of the procurement function, including objectives and functional organisation and resources to deliver against them. |  |  |
| **2.0 Strategic Category Management** | How requirements for specific goods and services are identified and grouped into categories. The management and governance of these categories including the develop of strategies to improve efficient and achieve risk and value objectives. |  |  |
| **3.0 Supplier Relationship Management** | Processes related to onboarding, assessing, and managing suppliers throughout their lifecycle within the procurement process. This includes maintaining accurate supplier master data and conducting thorough third-party risk management activities. |  |  |
| **4.0 Strategic Sourcing** | The strategic sourcing processes are the core of the procurement process and include identifying a requirement and supplier, undertaking RFx activities through to negotiation, contracting and product enablement in sourcing systems. |  |  |
| **5.0 Contract Lifecycle Management** | Covers the end-to-end process of creating, executing, and monitoring contracts with suppliers, ensuring compliance, managing risks, and maximising the value derived from each agreement. |  |  |

## Key

| | | | |
|---|---|---|---|
| **Maturity Rating:** Considers the number of available options, proven use cases, and completeness of vision of the wider market offering. A higher rating indicates a more established and well-developed market segment | **Low maturity**<br>The market offering is immature and not well articulated<br>  | **Medium maturity**<br>Known range of tools but value of AI enhancements not widely proven<br>  | **High maturity**<br>An established and well-developed market segment with AI enhancements<br>  |
| **Impact Rating: C**onsiders the extent of both financial and efficiency-related benefits delivered through AI in the specific area. | **Low impact**<br>Benefits are hard to quantify or poorly known<br>  | **Medium impact**<br>Tools can offer moderate improvements to bottom-line benefits<br>  | **High impact**<br>Known potential to greatly impact value performance or efficiency<br>  |

# Procurement Strategy





## Summary

Procurement strategy has limited opportunities to leverage AI due to the leadership decisions which are needed to be made in this process. AI can support with the enabling activities such as proactively providing the information needed to make informed decisions and create a strong strategy. AI can also be used to generate the documentation required based on prompts following strategy decisions.

## AI Use Cases

- Guided creation of Strategies to support people with creating strategies to templates
- Gathering market insights and information to support decision making and strategy creation. This functionality can also be applied to internal data to support process optimisation
- AI driven scenario planning to support decision making and analysis

## Benefits

- Time saving through automation of data gathering and initial drafting of strategy documentation
- Improved opportunity identification, driven by an the enhanced analytical capability through automated data gathering and analysis
- Automated scenario-planning generation enabling additional scenarios to be modelled for improved decision making

## Drawbacks

- AI hallucinations are common when performing market research which may impact the usefulness of the analysis conducted or even become actively detrimental
- Heavy Gen-AI use can reduce the competitive advantage potential from strategy creation due to inability for the tool to consider business specific context
- Many AI tools only use historic data, meaning the insights and analysis can quickly become out of date

# Strategic Category Management





## Summary

Strategic category management typically requires a great deal of data collection and analysis and therefore has ample opportunity for the use of AI tools. Generative AI can help speed up a laborious category strategy documentation process, whilst data and spend categorisation tools can support the cleansing, normalisation and categorisation processes required to truly understand your categories. Furthermore this data can be used to generate initiatives which will generate value and drive competitive advantage.

## AI Use Cases

- Guided creation of Category Strategies to support people with creating strategies to templates
- Gathering market insights and information to support decision making and strategy creation

## Benefits

- Improved data management through AI collation of inputs
- Knowledge retention and sharing due to standardisation and reduced reliance on the knowledge and experience of key individuals
- Improved aggregation of spend by enabling wider use of category strategies with reduced effort allowing more spend to come under control improving spend under management
- Improving the spend under management will create more data and information to enable ESG reporting improvements

## Drawbacks

- Experienced professionals can feel constrained by process an AI guided category strategy requires leading to dissatisfaction and increased employee churn
- Data quality issues can still exist due to architecture and user input issues, therefore sufficient data assurance and management processes are required to support the AI applications
- Reliance on AI for Category Management can also impact the skill development of more junior colleagues creating a worsening skills shortage over time

# Supplier Relationship Management





## Summary

Supplier relationship management (SRM) an area of developing influence from AI and digital tools. Whilst relationships are an inherently human process there is a significant amount of data and analytical processes which can be enhanced or automated by AI tools, reducing the manual working and allowing for a more information driven relationship management process.

## AI Use Cases

- AI Powered Analytics can continuously monitor supplier information against pre-built metrics, identifying deviations and issuing alerts
- Supplier segmentation and analysis can be largely automated and consider a wide range of complex financial and quality factors
- Predictive analytics can forecast supply chain disruptions, enabling proactive mitigation strategies.
- Automated supplier onboarding and monitoring systems streamline processes

## Benefits

- Predictive risk management can help provide additional time to handle disruptions
- Enhanced supplier performance monitoring and improved supplier data will allow selection of “best value” suppliers
- Onboarding cycle time and manual effort reduction due to automated supplier onboarding
- Improved supplier experience as onboarding processes and be streamlined to match supplier criteria.

## Drawbacks

- Relationships are people driven and therefore increased automation presents a risk if communication pathways are not maintained
- There are ethical concerns that a tool might have potential biases in decision making which might unfairly disadvantage smaller suppliers.
- Privacy and data security concerns when handling sensitive supplier data
- Reliable and accurate data inputs are required to enable predictive analytics

# Strategic Sourcing





## Summary

Strategic sourcing has the most direct value available from the use of AI, through automated supplier identification, automated sourcing and automated contract negotiation AI can deliver direct cost savings as well as efficiency gains automating low value adding activities to free people up to focus on high value, strategic activities to further drive value into the organisation.

## AI Use Cases

- Automated discovery and inclusion of suppliers for sourcing events
- Automated negotiation with suppliers through sourcing, contracting and purchasing
- AI driven assessment of RFP responses to streamline RFP assessment and standardise selection

## Benefits

- Improved ability to address tail spend through increased spend under control management and ability to manage spend with reduced manual effort, increasing spend management without increasing FTE requirements
- Improved standardisation in contracting reducing the manual effort to complete contracting and reduced risk
- Reduced maverick spending through increase spend under management and improved standardisation and automation of processes

## Drawbacks

- Less applicable to strategic and high value spend which still requires close procurement focus
- Potential negative impact to supplier relationships if poorly implemented and managed
- More difficult to leverage organisational power or supplier relationships effectively in automated negotiations

# Contract Lifecycle Management





## Summary

Contract lifecycle management is an area which has been shown to deliver tangible value from AI powered improvements over recent years. The ability for tools to scan large documents for key contractual data, supported by algorithms which can compare obligations to performance data, enables contract compliance to be driven at a much higher level than through manual review alone. Whilst AI is not currently able to reliably create secure legal clauses, it can be used to identify deviation from standard terms, highlighting areas of potential risk.

## AI Use Cases

- AI and GenAI can assist in authoring standard contract templates (based on legal team clause libraries), for example by pre-populating known supplier details
- Natural Language Processing (NLP) tools can analyse text to identify risks and inconsistencies against an organisations accepted position, and extracting key terms and obligations (such as delivery terms, pricing and warranty information)
- Intelligent workflow automation routes contracts through approval, triggers renewal processes and ultimately reduces manual effort

## Benefits

- Contracting cycle time reduction due to author assistance when utilising standard contract templates
- Cost reductions can be achieved from contract obligation monitoring, particularly for the “tail” suppliers which are not routinely reviewed for adherence to terms
- Risk mitigation can be achieved through enhanced contract compliance driven by improved obligation monitoring
- Improved visibility and transparency of contract data from contract portfolio management tools consolidating documentation and issuing relevant alerts

## Drawbacks

- Contract lifecycle management touches a number of functions (notably legal) and therefore can require significant change management to effectively implement
- Requires a certain level of data maturity in order to feed the contracts into the AI tool

# 03

# Wider AI Considerations

# AI in the Procurement Ecosystem

**Significant benefits are available from the use of a single tool but value is maximised when a series of tools are harnessed together. This drives value through the end to end process enhancing many stages and reducing the amount of manual interaction needed to successfully deliver the procurement processes. As laid out in the introduction the specific tools used will depend on the specific business objectives which you want to achieve.**

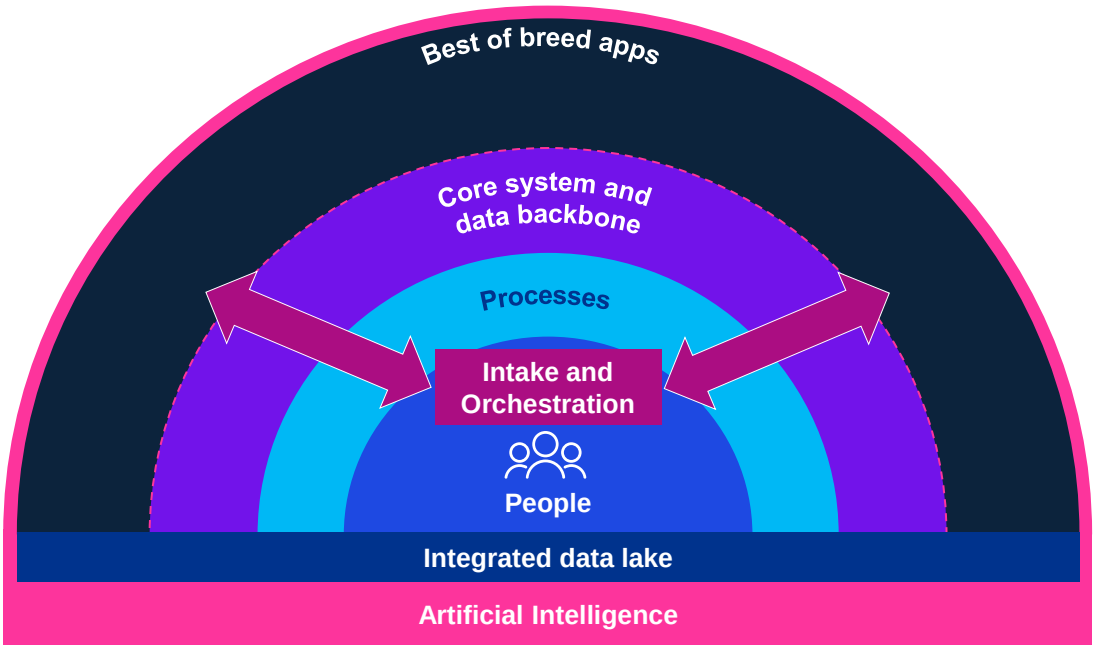
**In this way there is no 'silver bullet', which is the cure to all ills and a straight path to effective, digitised procurement. Instead, it is reliant on a ecosystem of solutions integrated together and working in harmony to maximise benefits.**

### Best of breed Apps

Augmenting the core platform with best of breed applications to handle specific activity areas and provide people with the best tools to complete their role

### Core system and data backbone

A core S2P platform streamlines transactional processes freeing time for people to focus on valuing adding, commercial activities




### People

People are at the heart of the procurement organisation. They must be the commercial partners which the business can rely on to drive value and deliver competitively

### Processes

Core processes are created to ensure efficient working and to enable the efficient leveraging of skills and technology

### Intake and Orchestration

These tools guide users through the processes, seamlessly linking the tools, processes and people together to ensure everything runs smoothly in line with the process

### Artificial Intelligence

Emerging technology enabled through AI empowers and enhances all the technology layers to improve processes and better support people

# Potential AI draw backs

**AI has a number of costs associated with it, some of these are obvious and have a clear link to the technology being implemented whilst others are more hidden and indirect. We've broken down some of the less obvious costs below:**

### Operating Model Changes

Introduction of new AI tools will require changes to layers of the operating model including data, reporting, people and governance. Each of these wider changes will have a cost of change associated with them which should be taken into account when calculating the ROI of an AI tool

### Business Risks

Poorly controlled AI tools can introduce an almost unlimited level of business risk if used incorrectly. The exposure from providing incorrect information could lead to negative business outcomes such as selling a new car for $1 or exposure to legal liability depending on the nature of the information given

### Employee Satisfaction and Pipeline

Removing core areas of responsibly from experienced procurement professionals could lead to employee dissatisfaction and increased turnover. At the other end of the spectrum automating too much of the lower level procurement activity removes the space for incoming professionals to train and build skills potentially exasperating an already painful skills shortage

### Sustainability Impacts and, Energy and Hosting Costs

Powering AI, especially large language models and generative AI is a very power intensive endeavour, which may drive negative impacts to your company's ESG targets. If these tools are built and run in house this may also equate to much higher utilities and data hosting costs creating a run cost which is unsustainable in the longer term and destroys the expected ROI of the tools

### Over-reliance and Business Continuity

AI is an emerging marketplace with many young, start up companies operating and is reliant on IT infrastructure. Creating an over-reliance on these tools could lead to very weak business continuity if a key provider were to fail or an infrastructure issue arose. Coupling this with the people and skills issued highlighted above and it could be a detrimental impact to BAU operations without a detailed and meticulous business continuity plan in place

# Responsible AI

There are a number of considerations when leveraging AI and Machine Learning to drive business processes not least of which is the ethical and moral concerns which drive a need for responsible AI use. The recent release of Google's AI search support leading to widely publicised and memed issues ranging from absurd and inaccurate to potentially dangerous is the latest example of the problems with relying on AI.

KPMG have developed a framework of principles to consider as an approach to support a responsible implementation to reduce the risk of issues arising in AI tools once implemented.

## 01

### Fairness

Ensure models are free from bias and are equitable

## 02

### Explainability

Ensure AI can be understood, documented and open for review

## 03

### Accountability

Ensure mechanisms are in place to drive responsibility across the lifecycle

## 04

### Security

Safeguard against unauthorised access, corruption or attacks

## 05

### Privacy

Ensure compliance with data privacy regulations and consumer data usage

## 06

### Safety

Ensure AI does not negatively impact humans, property and environment

## 07

### Data Integrity

Ensure data quality, governance and enrichment steps embed trust

## 08

### Reliability

Ensure AI systems perform at the desired level of precision and consistency

## 09

### Transparency

Ensure AI solutions have proper to support stakeholder understanding

## 10

### Sustainability

AI solutions should be designed to be energy efficient and support the environment

**By considering these factors you can ensure that any AI tool which is implemented is controlled, reliable and auditable. This will especially help in regulated industries where internal audit requirements are essential. With the variation in AI tools and technologies there is not a one size first all risk or control set but utilising a framework such as the one above will help to drive reliability.**

# 04

# Where to Start

# AI Considerations

**Can you answer these key AI questions?**

**Do you understand the different AI offerings and their benefits?**

Understanding and articulating the value of diverse technical offerings available across a complex market place is crucial in developing a robust business case.

**Is your data ready to support AI powered operations?**

Understanding your data strategy, architecture, and quality is crucial to avoiding issues during the implementation of AI tools. Data literacy has emerged as a fundamental catalyst for utilising AI technologies.

**What does your operating model look like after the implementation of AI?**

The integration of AI-powered technology has the potential to significantly shift the focus of your workforce. Adequate preparation for your organisation's future is essential for effective change management and to ensure you maximise the benefits offered by AI-powered technology.

# So where should you start?

This is a complex area with a lot of confusion and conflicting approaches. We would recommend that there are 3 initial activities that we'd recommend starting with that KPMG are ideally placed to assist you with

## 01

### Understand the Benefits

- Conduct a comprehensive market review to gain a thorough understanding of the current landscape. This involves analysing industry trends, competitor activities, and emerging technologies.
- Explore real-life use cases to glean insights and practical applications of AI.
- Develop a robust business case that articulates the rationale, benefits, and potential ROI for integrating AI into your business operations.

## 02

### Evaluate your Current State

- Assess the readiness of your team for AI integration by evaluating their skills, knowledge, and familiarity with AI technologies.
- A comprehensive evaluation of the quality, accessibility, and relevance of your existing datasets.
- Conduct a thorough gap analysis by comparing your current processes and practices with industry-leading standards.
- Align with cross functional transformation.

## 03

### Develop an agile roadmap

- Design your overall strategy, understand what you want to achieve, how you're going to achieve it and the pace at which you want to move.
- Moving quickly will help your team avoid falling behind, running a pilot with a small number of users will help build momentum.
- Ensure you take into account all of the wider operating model impacts which implementing technology will have.

# Conclusion

**In conclusion there is major advantage and value to be drawn from leveraging emerging technologies including AI but it has to be tackled in the right way. By taking a holistic view of procurement and identifying the technologies which will have the greatest impact on your strategic priorities you can do the most, with the least, and lay the groundwork to enable you to ride the wave of future developments in AI and machine learning.**

**By establishing the right processes, data infrastructure, and operating model changes upfront, procurement teams can more easily adapt and scale their use of emerging technologies over time. This positions them to continuously unlock new sources of value as the AI landscape rapidly evolves.**

**The technology and applications are advancing rapidly and what is true today may not be next year or even next month. Laying the groundwork and staying abreast of the market can deliver a competitive advantage to an organisation by allowing them to move whilst others are undertake lengthy transformations.**

**Within all of the excitement and hype around technology it is critical to remember that all these processes still rely on people driving them to deliver business value. The beating heart of any business is the people, and that won't change. Treating AI as a way to optimise and not replace people will deliver more meaningful impact.**

## The key therefore, is to avoid getting swept up in "AI Dreams" and instead focus on optimising the organisation's "Procurement Realities"

# Points to Take Away

### AI is the vehicle, not the destination

AI needs to be an enabler of a business outcome not the goal itself, by understanding what outcomes you want to drive through AI you'll be better placed to deliver something meaningful

### The fundamentals don't change

No matter how much emerging technology you're able to leverage the core of procurement doesn't change you still need to have effective processes and strong people to deliver value. Supporting them with great technology is a way to take it to the next level

### Strategy is key

To deliver effectively you need to look at procurement as an overall ecosystem not just isolated parts to develop a technology strategy and roadmap of how you're going to implement and leverage technology in the short, medium and long term

### No single right answer, but some wrong ones

There isn't a single, gold standard, right way to do things, there will be variations based on industry, maturity, priorities but there are pitfalls which you can fall into which will reduce or remove the benefits of implementation

### Human in the loop

Even with the best automation and the leading AI enablement there will always be a need for people, the human element of procurement will never disappear and as such the key to creating an effective and efficient process to ensure that AI and people can work seamlessly together to deliver

# How can we help?

## 01

### Understand your readiness

- We can utilise our leading practice assets to assess the maturity of your current operations and advise on any gaps which will limit the impact and effectiveness of any AI tools which you choose to implement
- Through this assessment we can also identify the areas where AI will be most impactful and provide a high level roadmap to support phasing and implementation planning

## 02

### Accelerate spec and select

- Leveraging our assets and experience we can support with rapidly identifying and recording you requirements
- These can then be matched to potential solutions and providers leveraging our existing market scanning activity to streamline the process and quickly make introductions to the most relevant tools
- To support this process through to selection we can utilise our leading practice RFx methods and assets to help you make an informed decision on the right solution partner

## 03

### Advise and manage implementation

We can leverage our knowledge, relationships and experience to support you through implementation and the associated change management needed to effectively leverage AI solutions

# Why KPMG

**Pioneering internal AI usage – AVA (internal GenAI) and Microsoft Co-pilot**

**Combination of technology and industry know-how**

**Gold rated for Digital Transformation capability by the Financial Times' UK's Leading Management Consultants 2024**

**KPMG have a current AI-as-a-service offering which has been delivering value to our client for years**

**Proven track record of AI enabled delivery**

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