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CPO Rising 2025

Navigating Global Uncertainty & Unlocking an AI-Driven Future

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CPO Rising 2025: Navigating Global Uncertainty & Unlocking an AI-Driven Future

Over the past two decades, procurement has undergone a dramatic transformation, evolving into a strategic powerhouse that enables business resilience, drives savings and innovation, and helps build competitive advantage. In this time, the CPO's journey has been marked by financial crises, a global pandemic that created far-reaching supply chain disruptions, geopolitical instability, and rapid digitalization. Through it all, procurement has remained at the forefront — navigating complexity, mitigating risk, and delivering value.

This year, Ardent Partners analysts are authoring their 20th annual State of Procurement report as an exciting wave of innovation is about to take hold. Yet, CPOs are steadfast, standing at the helm of a major hub of business intelligence and business results, guiding their teams through uncertainty while shaping the future of procurement and the global supply chain.

In 2025, businesses are navigating a storm that is far from perfect, built upon an uncertain foundation of economic, business, and trade uncertainty, including persistent inflation, supply chain fragility, and escalating geopolitical conflicts — all set against the backdrop of rapid technological disruption and shifting global trade dynamics. At the same time, a technological revolution is unfolding. Intelligent, AI-driven procurement is becoming a reality — offering the promise of higher levels of efficiency, intelligence, and agility.

While this report reflects on two decades of dramatic CPO progress, it remains focused on the here and now, presenting a comprehensive, industry-wide view of what is happening in the world of procurement and capturing the experience, performance, perspectives, and intentions of 326 CPOs and other procurement executives. The report also includes benchmark statistics, analysis, and recommendations that procurement teams can use to better understand the state of procurement today, gain insight into best practices, benchmark their performance against Best-in-Class organizations, and ultimately improve their operations and performance.

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Chapter One: The State of the CPO

“The longer you look back, the farther you can look forward.”

~ Winston Churchill

Charting the Course: Two Decades of Procurement Evolution Through the Lens of CPO Rising (2006-2025)

Since its inception in 2006, the CPO Rising research series has documented the transformative journey of procurement and the ascendant role of the Chief Procurement Officer (CPO). This annual endeavor, capturing the collective wisdom and evolving priorities of thousands of procurement leaders across diverse regions and industries, has moved beyond observation to become a primary source illuminating the forces that have shaped — and continue to shape — the profession. From the initial recognition of procurement’s strategic potential to navigating global economic crises and embracing the digital revolution, these reports offer a rich and nuanced understanding of an evolution marked by both persistent challenges and remarkable progress. This brief retrospective discussion aims to synthesize the key insights and overarching themes that have emerged over two decades of CPO Rising research, providing a comprehensive overview of procurement’s evolution and offering valuable lessons for practitioners as they navigate the complexities of the modern business landscape.

The early years of the CPO Rising series (referred to as the CPO’s Agenda from 2006 to 2009), focused on establishing the strategic imperative of procurement and defining the core challenges facing CPOs. The inaugural report in 2006 highlighted the inherent paradox of procurement — central to enterprise activity, yet often perceived as peripheral. The initial agenda centered on foundational elements: building capable teams, expanding spend under management and ensuring compliance, fostering strategic supplier relationships, and strategically leveraging technology. The 2007 research shifted towards accountability, emphasizing the need for CPOs to manage performance rigorously and articulate their value in clear financial terms, and advocating for a stronger partnership with finance. By 2008, the narrative had gained momentum, proclaiming that the CPO is “rising” to meet new challenges and increased expectations, underscoring the growing visibility and strategic importance of the function. These early reports laid the groundwork by identifying the fundamental pillars upon which a strategic procurement organization would be built.

The Great Recession that extended into 2009 served as a critical inflection point, forcing procurement into the spotlight as a key



lever for cost containment and bottom-line impact. The CPO's agenda became inextricably linked to the CEO's, with procurement's ability to navigate crisis solidifying its strategic position within the enterprise. Subsequent reports explored CPO relationships, notably the dynamic between the CFO and the CPO, with a growing recognition of the CPO's leadership potential extending beyond the procurement domain. The focus on measuring and demonstrating value intensified, with the 2012 report emphasizing the need for robust performance metrics to drive prioritization and communicate impact. The mid-decade reports, from 2014 to 2016, highlighted the increasing convergence of responsibilities under the CPO, demanding greater agility and utility. The rise of technology as a critical enabler became a central theme, culminating in the 2017 report's direct address of the need for CPOs to fully embrace digital tools to enhance agility and avoid obsolescence. The emergence of "The Age of Intelligence" in 2018 underscored the potential of data in driving smarter procurement decisions. The drive for continuous improvement and "#ValueExpansion" defined the 2019 report, recognizing the need to instill their organizations with innovative tools and strategies to unlock new sources of value.

The unprecedented global disruption of the COVID-19 pandemic in 2020 and beyond cast a long shadow over the procurement landscape, as documented in the 2021 and 2022 reports. These years highlighted procurement's crucial role in navigating supply chain chaos, ensuring business continuity, and building resilience. The pandemic served as a stark reminder of the fundamental reliance on global supply chains and the imperative for proactive

risk management. The focus on digital transformation and data utilization intensified as organizations sought to gain greater visibility and control over their extended enterprises. "CPO Rising 2023" captured a profession facing critical decisions regarding the restructuring of global supply chains and the acceleration of digital transformation in the wake of these disruptions. The enduring narrative of the CPO Rising series reveals a profession that has consistently adapted and evolved, demonstrating its strategic importance and its capacity to navigate periods of profound uncertainty. In 2025, this capacity will be tested once again.

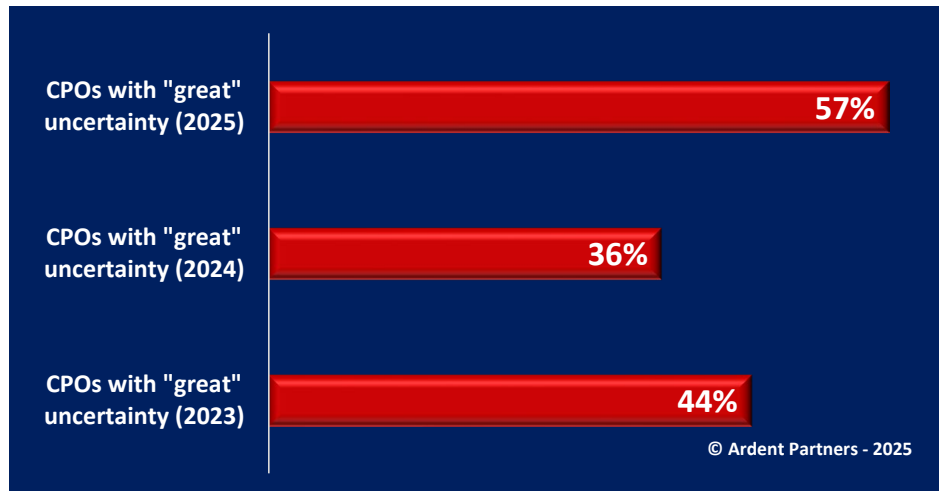
Uncertainty Is the New Normal

For nearly 60% of Chief Procurement Officers, 2025 is a year marked by a great deal of uncertainty (see *Figure 1*), amidst escalating geopolitical tensions, unpredictable regulatory/trade shifts, and frequent environmental disruptions as renewed threats to operations and performance emerge. This reverses the post-pandemic trend. Just as global supply chains were beginning to stabilize, a fresh wave of disruption has emerged in the form of new tariffs and a rapidly changing U.S. trade policy. These actions and announcements have created a new type of market volatility that has forced CPOs to reassess sourcing strategies and supplier relationships.

Not surprisingly, this renewed wave of uncertainty has created a more challenging environment for CPOs as well. In fact, among the more than 320 CPOs surveyed for this study, not one believes that 2025 will be less difficult than 2024. Correspondingly, a striking 90%



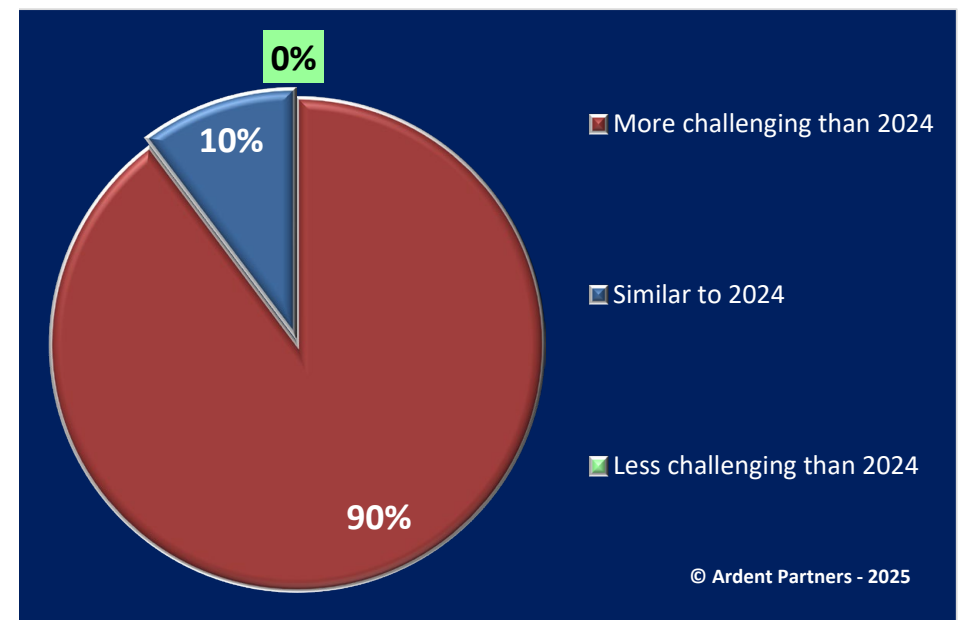
Figure 1: Recent Levels of CPO Uncertainty



expect the year ahead to be even more challenging (see *Figure 2*) — an outlook that underscores the persistent challenges in closing technology gaps, retaining top talent, and securing adequate budgets. Many are constrained by limited insight into their supply chains and a lack of tools to rapidly respond to shifting tariffs, evolving regulations, and geopolitical shocks. A mere 10% of CPOs view 2025 as equally challenging, a perspective likely shaped by earlier investments in talent, processes, and technology that have enabled a more adaptive and resilient approach to managing uncertainty.

Despite the challenges and uncertainty posed by 2025, CPOs have a fair amount of swagger and confidence in their teams, with just over half (51%) expecting their teams to deliver more this year than in 2024. This indicates that many procurement teams have taken on a more strategic role within their organizations by introducing cost-saving initiatives, managing supply chain risks, and leading efforts in digital transformation.

Figure 2: How Challenging Will 2025 Be?





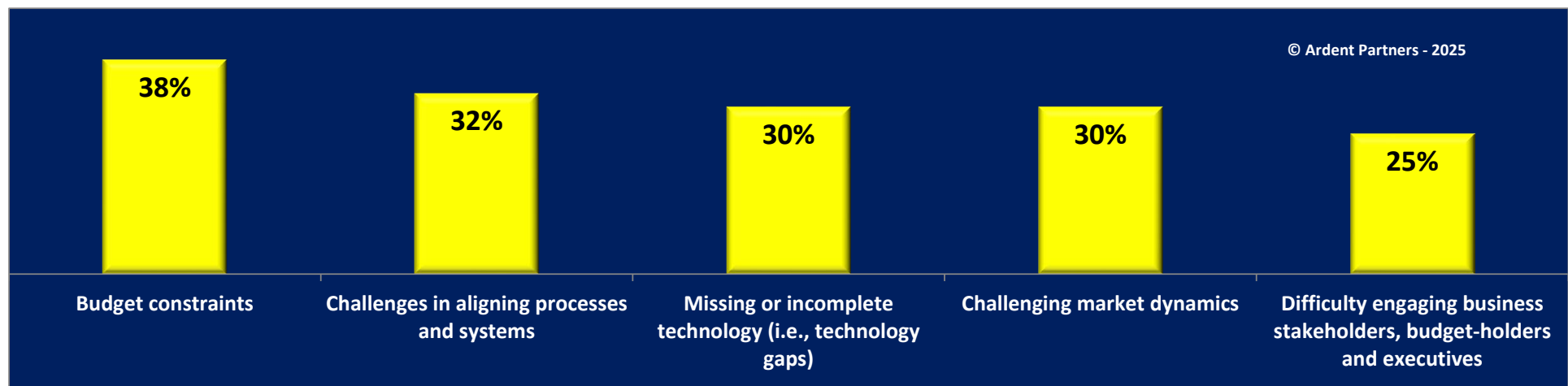
Budget and Technology Are Big Obstacles on the Road to Procurement Performance

New tariffs have quickly become one of the most disruptive forces facing procurement leaders in 2025. But reacting to them is easier said than done. While the stated policy goals of the U.S. tariffs are to reshore manufacturing and reduce reliance on foreign suppliers, shifting production to the U.S. is a long-term effort that could take years, even decades, to realize at scale. In the short term, procurement teams are left navigating immediate cost increases and supplier instability without viable alternatives. The challenge is compounded by uncertainty in the capital markets. As investors and businesses speculate on the longevity and intensity of these new tariffs, it becomes increasingly difficult for CPOs to build long-term sourcing plans or confidently commit to new supplier strategies.

While global disruptions continue to challenge procurement leaders, internal barriers pose sizable obstacles to success this year. The top challenge for CPOs heading into 2025 is budget constraints, cited by 38% of respondents. Limited funding is hindering investment in modern technology and key talent — both essential for meeting today's business demands. Close behind are misaligned processes and systems (32%) and missing or incomplete technology (30%), revealing a deeper issue: Procurement's digital infrastructure remains underdeveloped in many organizations.

Market complexity is not far behind, with 30% pointing to external conditions like inflation, tariffs, and global instability. And at 25%, difficulty engaging business stakeholders rounds out the top five (see *Figure 3*), reflecting procurement's ongoing struggle to gain influence across the enterprise.

Figure 3: What Are the CPO's Top Challenges in 2025?





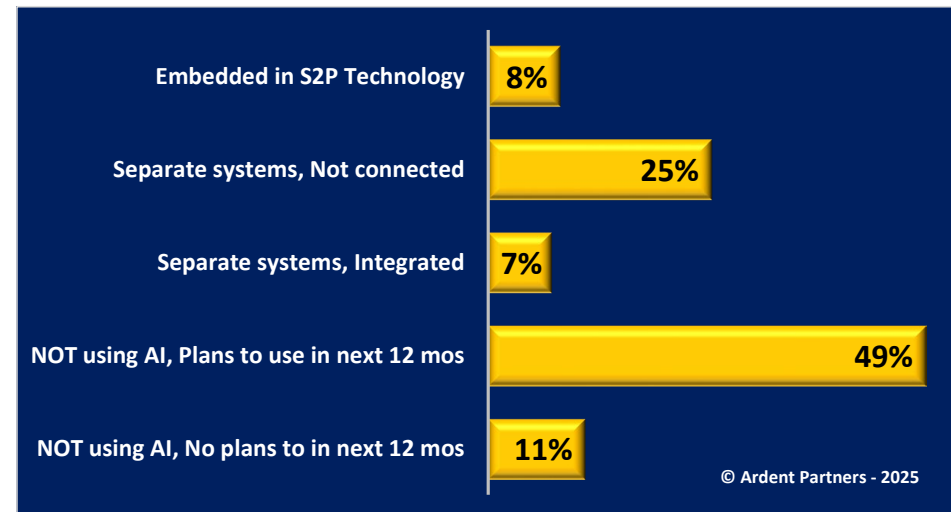
Taken together, these challenges reinforce the enduring procurement paradox first identified in the inaugural CPO Rising report nearly two decades ago: Procurement sits at the center of enterprise activity, yet too often remains at the edge of enterprise priority. The function is expected to deliver strategic impact, but is frequently asked to do so with legacy tools, lean teams, and minimal investment. If procurement is to meet the moment — and the future — it must be equipped accordingly. That means targeted investment in people, systems, and especially AI to unlock the agility and insights it needs to excel.

AI Adoption: A Strong Start with Room to Accelerate

Despite the noise, headlines, and fast-moving hype cycle, AI adoption in procurement is starting to make meaningful inroads. Nearly half of all CPOs report using AI in some form today — a clear signal that the age of intelligent procurement is underway. While only 8% say AI is embedded in their Source-to-Pay (S2P) suites, this number is expected to rise as solution providers continue to bake in machine learning, natural language processing, and other core AI capabilities — often behind the scenes.

Another 32% of CPOs are leveraging AI through individual applications, either integrated or operating in parallel, which means many organizations are building valuable AI muscle — even if they do not always recognize it (see *Figure 4*). It should be noted that general AI awareness and understanding still varies widely in

Figure 4: How Does Procurement Access AI Today?



the market. Some CPOs may associate “AI” solely with the newer wave of generative AI and large language models, and may not realize that more traditional forms of AI are already supporting use cases in sourcing, supplier risk, and contract analytics.

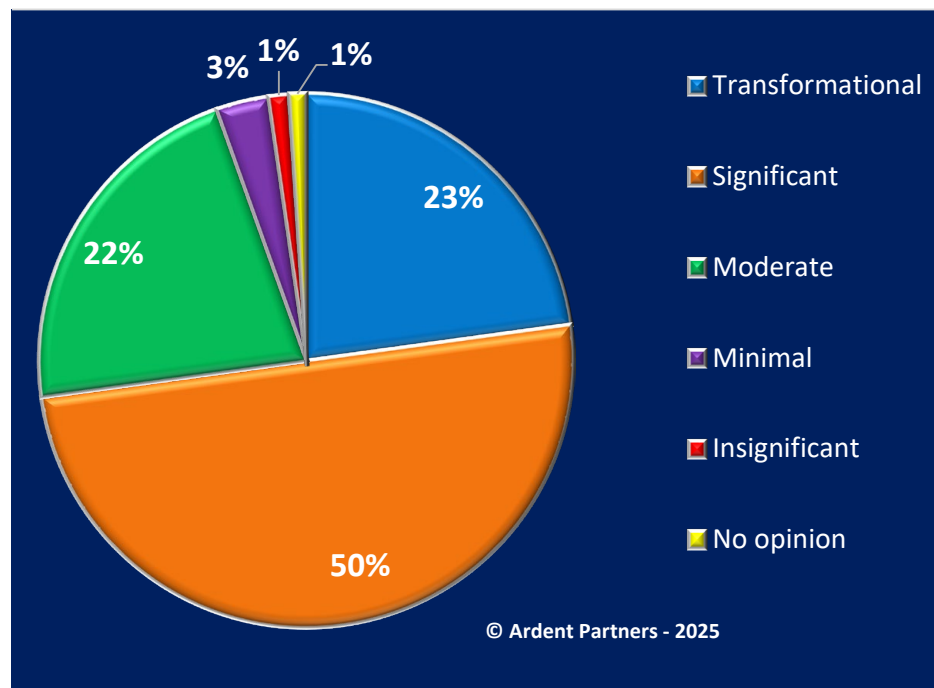
Of course, more progress is expected since more than half of procurement organizations are not using AI, although most (49%) non-users plan to within a year. The good news is that the AI train is still at the station, and CPOs still have a window of opportunity to climb aboard.



Expectations of AI Are Rising Fast

While AI adoption in procurement is not yet universal, belief in its potential certainly is. An overwhelming majority of CPOs expect AI to deliver either a significant (50%) or transformational (23%) impact over the next two or three years — and that sense of potential is accelerating (see *Figure 5*). In fact, the number of CPOs who see AI as truly transformational has jumped by 32% in just the past year.

Figure 5: What Is AI's Expected Impact Over the Next 2-3 Years?



As more CPOs explore AI's capabilities, expectations are scaling accordingly — and solution providers are rising to meet them. From autonomous sourcing and AI-powered negotiations to advanced contract analytics and next-gen spend analysis, intelligent tools are quickly evolving. The result: higher levels of automation, smarter decision support, and better user experiences. This all signals that AI is poised to fundamentally reshape how procurement operates.

AI as a Strategic Lever for Productivity and Insight

In an era where procurement is under constant pressure to deliver more with less, CPOs are placing strategic bets on AI to expand capacity, unlock efficiency, and elevate performance. For many, the first frontier is productivity. By automating essential, but time-consuming tasks like PO creation, low-value RFQs, and supplier onboarding, AI offers a clear path to reclaiming hours in the workplace and tackling more important projects. Even more complex workflows, such as building sourcing events or developing category strategies, are beginning to benefit from intelligent automation, enabling procurement teams to manage a greater share of enterprise spend without expanding headcount.

It's no surprise, then, that when asked to identify their top two goals in using AI, 80% of CPOs cited increasing productivity (see *Figure 6*). An additional 40% view AI as a means to improve efficiency, specifically in response to tightened budgets or workforce reductions.



Beyond automation, CPOs are looking to AI to sharpen their strategic lens. Nearly half (49%) expect AI to improve analytics by delivering faster, deeper insights and better decision support. Other top goals include identifying and executing on savings opportunities (31%), and enhancing forecasting and predictive capabilities (27%). From boosting output to driving smarter decisions, AI is fast becoming a tool CPOs are counting on to transform their departments into a more agile, data-driven function.

eSourcing is Leading the AI Charge

AI is steadily gaining traction across various facets of the procurement organization, with use cases growing in number as organizations try harnessing the technology's potential to enhance efficiency, insight, and decision-making. Currently, the highest levels of usage/support from AI (described as "heavy" or "good"

in the survey) appear in the sourcing process and, therefore, within eSourcing technology. More specifically, AI usage is most prominent in RFP development, where 18% of procurement teams are leveraging AI to automate and streamline the creation of requests for proposal (see *Figure 7*). This is followed closely by supplier discovery (17%) where AI is being used to help identify new potential suppliers based on certain criteria and expanded search and analysis capabilities. Similarly, AI is being applied to bid analysis (17%) where procurement leaders and teams are using AI to more effectively assess and contrast supplier bids.

Other use cases with over 15% heavy or good usage and support include ePayables (AP automation/invoice processing) where 17% of organizations are leveraging AI to optimize front-end invoice receipt as well as processing. Moreover, AI-driven eSourcing is now something 16% of teams are utilizing.

Figure 6: What Are the CPO's Primary Objectives in Using AI?

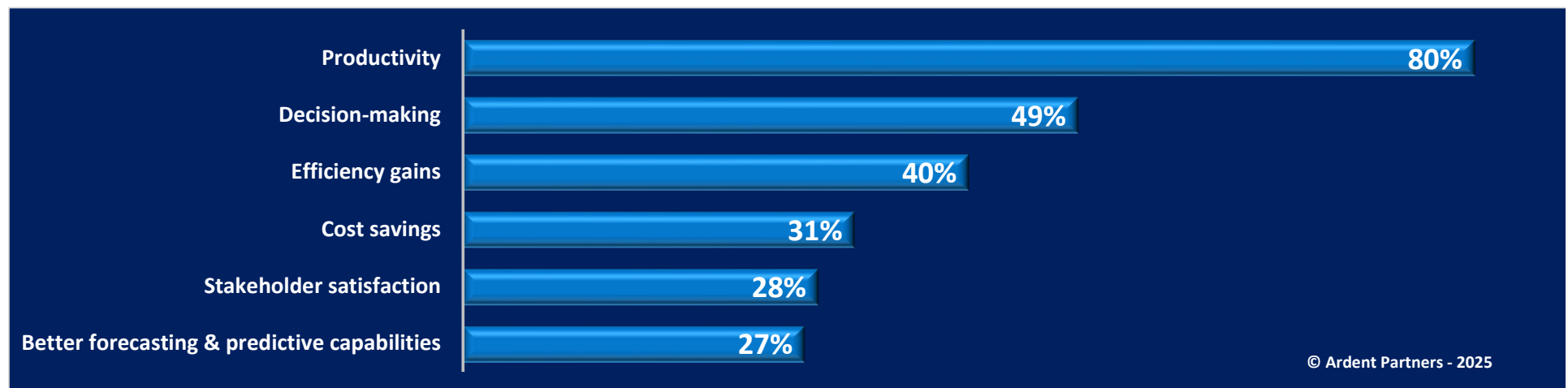




Figure 7: What Areas Have "Heavy" or "Good" Use of AI Within Procurement?

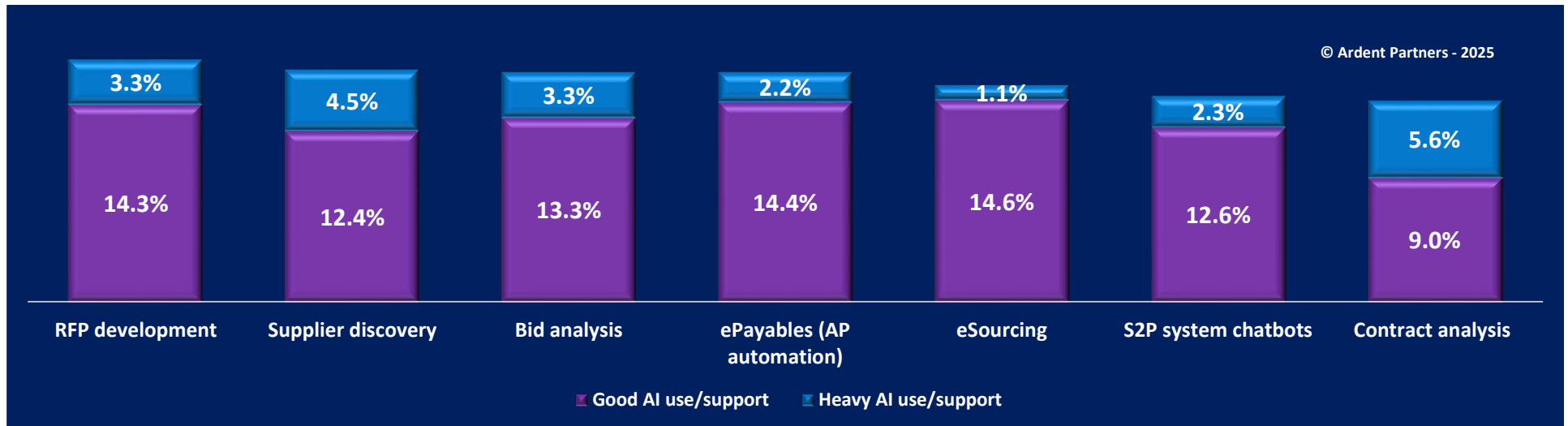
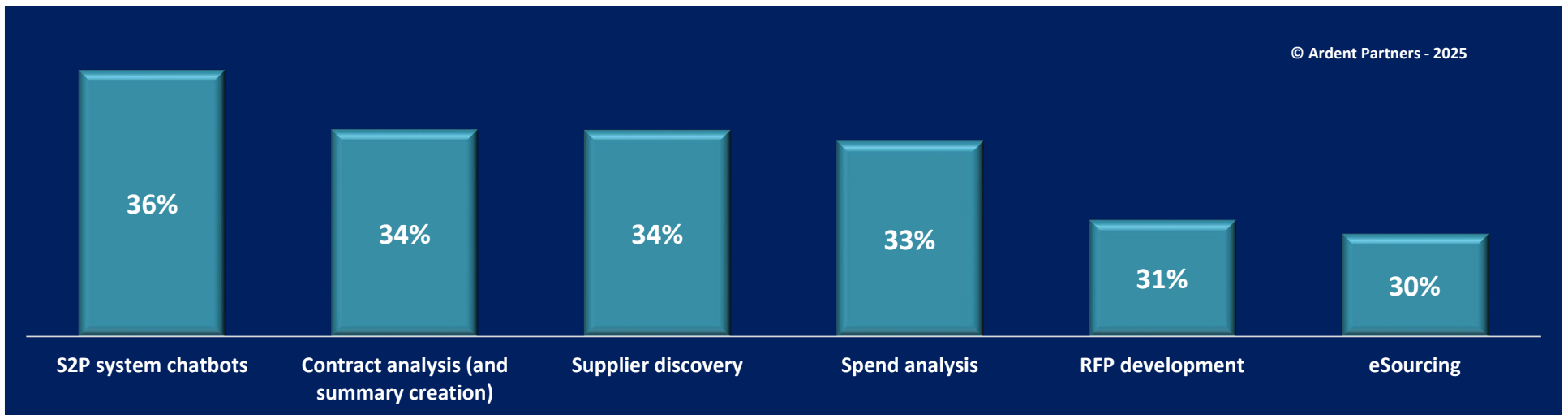


Figure 8: What Areas Have "Some" Use of AI Within Procurement?



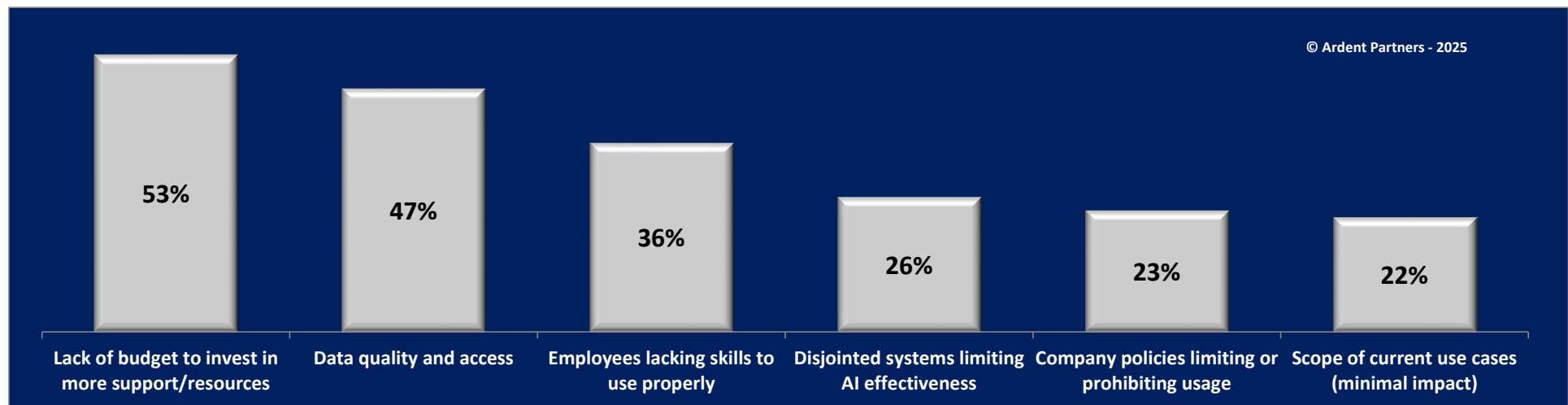


When expanded to include “some” usage and support from AI, the integration of generative AI (GenAI) and system chatbots are emerging within procurement operations. It appears that roughly one-third of teams (34%) are starting to use GenAI technology for contract analysis and summary creation (see *Figure 8*). However, ranking highest in procurement AI usage is source-to-pay (S2P) system chatbots, with 36% of procurement organizations benefitting from this AI capability. Spend analysis, a technology perfectly suited for AI, is an area that 33% report as having some AI usage and support. While this may be an accurate percentage, a lack of deep AI knowledge could mean that this number is understated.

Internal Challenges a Barrier to AI Integration

The primary obstacles preventing CPOs from unlocking greater value from AI adoption are largely internal (see *Figure 9*). Key challenges include a lack of budget to invest in more support/resources (53%), data quality and access (47%), and employees lacking skills to use AI properly (36%). Moreover, CPOs maintain strong confidence in the capabilities of AI solutions themselves as only 17% (not shown) cite vendor capabilities/solutions not performing as expected as being a major barrier to achieving better AI outcomes. This indicates that while artificial intelligence is promising, organizational readiness remains the biggest hurdle to fully realizing the technology’s potential.

Figure 9: What Issues Are Preventing Greater Returns/Benefits from AI?





An AI Primer

Artificial intelligence (AI) adoption within procurement operations is still in its early stages, with most organizations applying it in targeted, tactical ways rather than as a fully-integrated capability. The path of AI within procurement over the next few years will not be linear, but the direction is clear. AI will become a core part of procurement operations, so it is important to start investigating it, and using it with controls.

The ABC's of AI

AI is a complex technology that can be looked at from different perspectives and classifications, such as general, narrow, or application AI (e.g., computer vision, speech recognition, robotics, expert systems, etc.). Another way of classifying AI, which has more relevance to this report, is by AI technique. Within procurement technology, machine learning, deep learning, and natural language processing (NLP) are perhaps the most important today.

- **Machine Learning** is a type of AI that learns from data to make predictions or decisions without being explicitly programmed. In procurement, it can be used to spot savings opportunities, flag unusual spending, or predict supplier risks based on historical trends.
- **Deep Learning** is a more advanced form of machine learning that finds complex patterns in large datasets using layered algorithms. It is often used behind the scenes in tools that handle tasks like forecasting demand, analyzing supplier performance notes, or generating insights from unstructured data.
- **Natural Language Processing (NLP)** helps computers understand and work with human language — both written and spoken. In procurement, NLP can be used to extract terms from contracts,

analyze supplier emails, or summarize lengthy documents quickly and accurately.

The newer AI innovations, such as generative AI (GenAI) and Agentic AI, build on these technologies.

Generative AI

Generative AI is a type of artificial intelligence that creates new content like text, images, or data based on patterns it has learned from large datasets. In procurement, it can help draft RFPs, summarize contracts, write supplier communications, or generate category insights. A common form of generative AI is the Large Language Model (LLM), which focuses on language tasks, such as summarizing documents, answering questions, or generating text. These tools respond to written prompts, so knowing how to give clear instructions is key to getting useful results. However, GenAI can sometimes produce information that sounds right but is not when the system lacks relevant training data or misinterprets the prompt. For procurement teams, this means results should be reviewed carefully, especially when accuracy matters.

Agentic AI

Agentic AI refers to a more advanced type of artificial intelligence that can take action and make decisions on its own to achieve a goal. Unlike traditional tools that wait for instructions, these AI “agents” can plan, adjust, and use other systems to get tasks done with minimal human input. In a procurement context, Agentic AI could eventually help automate complex, multi-step processes, such as running a sourcing event from start to finish, identifying and onboarding new suppliers, or continuously monitoring contracts for risk. It combines several advanced technologies, including generative AI, to operate more independently.



Chapter Two: The State of Procurement

“Behind every great supply chain stands a procurement department making the hard work look easy.”

~ Andrew Bartolini

Despite the uncertainty and near-term challenges brought on by economic and political forces, the state of procurement in 2025 remains strong. A focus on operational efficiencies and AI-powered ProcureTech investments amidst market uncertainties driven by new, fast-changing U.S. trade policies may pull procurement, once again, into the hub of strategic operations. This time, however, the task is more like assembling a plane mid-flight. Strategy, skill, and execution are essential, but so is adaptability, because the conditions are constantly changing and the final destination is still coming into view.

CPO Feedback on the Key Challenges Facing their Teams in 2025

The CPOs interviewed during this research effort were asked to highlight the main challenges facing their teams in 2025. In aggregate, the answers reveal a profession navigating a complex and rapidly-evolving landscape. While specific concerns vary, several overarching themes emerged, highlighting the critical challenges demanding CPO attention and action. These can be broadly categorized as resource constraints, external market volatility/uncertainty, the imperative for technological advancement (including “AI FOMO”), and the ongoing need for talent development and process optimization.

Resource limitations, particularly budgetary constraints hindering investment in needed technology, are a significant impediment for many procurement teams. This lack of funding directly impacts the ability to modernize operations, adopt advanced analytics, and leverage emerging technologies like AI, despite a clear recognition of their potential. Furthermore, the strain of “too much activities” leading to a reactive posture and hindering innovation underscores the challenge of balancing daily operational demands with strategic initiatives. This is often compounded by a lack of adequate resources and, in some cases, limited support from top management or the broader business, leaving procurement teams feeling under-equipped to tackle their expanding responsibilities.

External market volatility continues to be a major source of concern. Navigating newly announced and sometimes fast-changing tariff rates and policies, managing general price fluctuations, and addressing supplier challenges in meeting contractual obligations due to geopolitical factors remain pressing issues. The uncertainty in the international landscape, coupled with inconsistent and unclear trade policies emanating from the United States, has created an unpredictable market that demands constant monitoring and agile strategies to try to allay their potential impact on supply chains and costs.



As noted in the previous chapter, the drive for technological advancement, particularly the integration of AI and procurement automation, is a prominent theme. While there is considerable enthusiasm for leveraging these tools to improve efficiency, gain deeper insights from data, and qualify new sources, overall budgets for many CPOs are tight in 2025. Beyond that, the challenge of aligning data for effective AI implementation and overcoming resistance to change among staff who prefer established processes further complicates the transition to an AI-empowered operation.

Procurement's Impact on Operations and Results

The procurement function has emerged as a key driver of overall business success, as reflected in the survey data on operational business impact. With 88% of CPOs reporting at least a solid impact in 2025, it is evident that procurement can and does make a difference (see *Figure 10*).

A notable 16% of CPOs cited a “major, game-changing” impact, indicating that procurement efforts had a powerful influence on strategic business results. The growing use of technology, coupled with tighter sourcing and supplier strategies to drive cost savings and mitigate risks, contribute to enhanced market agility and competitiveness.

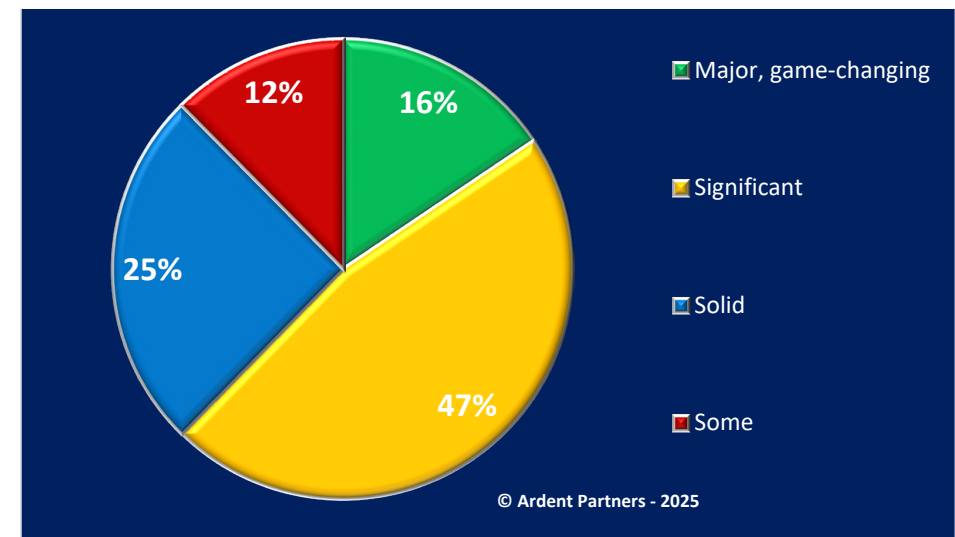
Furthermore, 47% of procurement leaders cited a “significant” impact, underscoring the growing recognition of procurement as a strategic business function. Through procurement optimization efforts, such as standardizing processes and improving supplier

performance and contract compliance, CPOs and their teams can deliver on cost savings and enterprise efficiencies.

The 37% of CPOs who describe procurement's impact as solid/some have room for improvement, by expanding procurement's enterprise reach and influence and improving execution.

It is interesting to note that in this year's survey of more than 300 respondents, exactly zero cited “little-to-no” impact or “negative” impact of the procurement function on overall business operations, highlighting how procurement is generally viewed as a strategic, value-adding function.

Figure 10: What Was Procurement's Impact on Operations and Results in 2024?





Top CPO Priorities

A continuing theme that has been present in recent CPO Rising reports has been uncertainty related to market volatility and supply risk. To address evolving business challenges and capitalize on emerging opportunities, CPOs are strategically aligning departmental priorities with those of the enterprise.

This year's survey results illustrate the continued priority of CPOs, in the face of steady inflation, tariffs, and the emerging potential for a recession, to find savings (see *Figure 11*). The top three priorities identified by procurement leaders are delivering cost savings, managing (and/or mitigating) supply risk, and driving digital transformation, reflecting the growing importance of balancing cost, quality, and risk and having the right tools to do so.

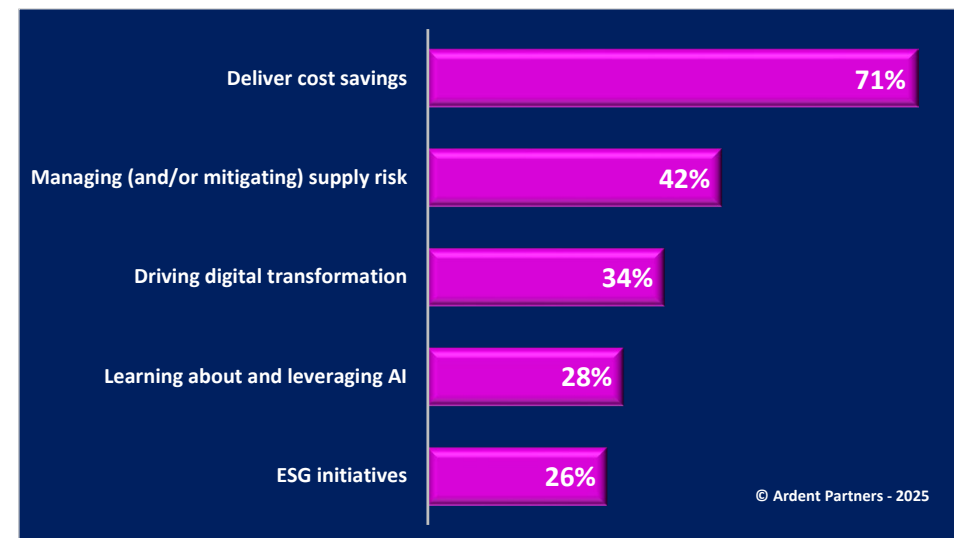
Persistent global market uncertainty, along with the unexpected from a new U.S. administration kept cost savings (71%) as the most critical priority for CPOs and their teams in 2025. This keeps the pressure on procurement to optimize spend by leveraging spend analytics for savings gains in strategic sourcing and supplier negotiations.

The aftermath of the pandemic, coupled with geopolitical tensions and destructive natural disasters, underscores why 42% of CPOs have "managing supply risk" as the second-highest priority. As they look out over the next three years, procurement leaders say they are reevaluating sourcing strategies, with 38% expecting more nearshoring and 20% expecting more onshoring to alleviate risk and possibly tariffs. Using predictive analytics and real-time monitoring

tools promotes a proactive approach to risk management that can help mitigate the impact of disruptions and other challenges.

The expectations for today's CPOs and their departments to streamline complex workflows, analyze immense volumes of data, and gain strategic insights make the prioritization of digital transformation a top initiative for 34% of groups. AI-powered ProcureTech is the next evolution for procurement automation across the enterprise. With CPOs accessing AI within their current ProcureTech systems and larger AI adoption expected in 2025, the fear of missing out (FOMO) on AI and its immense potential are real. Digital transformation and the drive toward automation has been an ongoing priority for procurement.

Figure 11: What Are the CPO's Top Priorities in 2025?





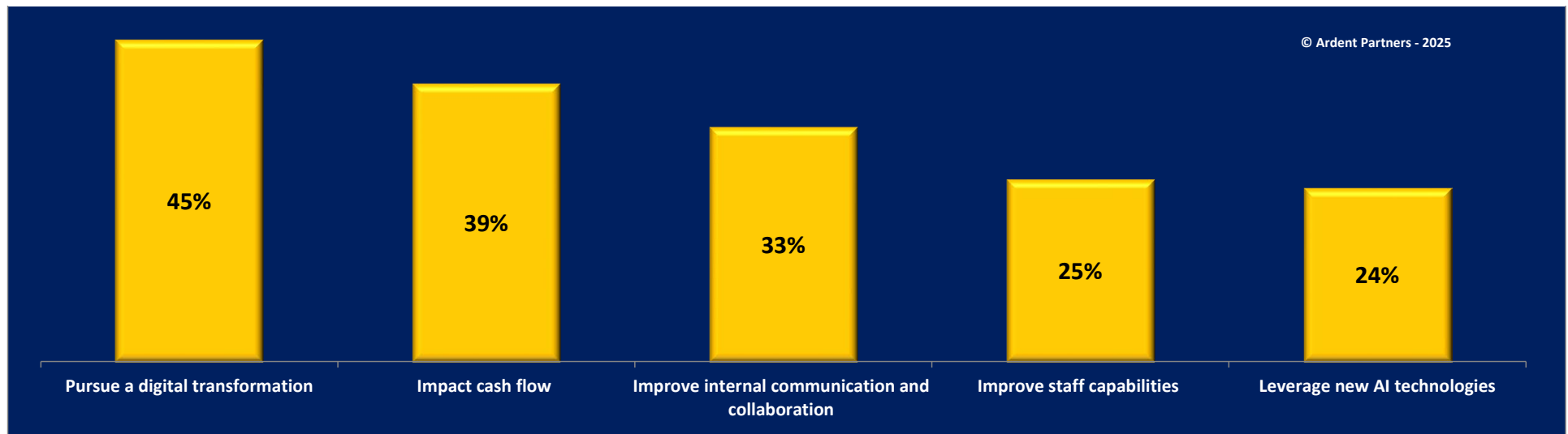
While the top three procurement priorities were centered around savings, risk, and technology, several areas received notably less attention from CPOs. Tracking and improving supply quality (8%), for example — emphasizing that procurement leaders are all about achieving savings but less focused on quality this year. What was less surprising was the de-emphasis on diversity, equity, and inclusion (DE&I), with only 6% of CPOs prioritizing supplier diversity (DE&I) and 1% staff diversity (DE&I) in their departments, respectively. With the U.S. federal government eliminating many DE&I-related programs, this trend is also occurring within enterprises as well. Surprisingly, only 1% of CPOs were preparing for a downturn/recession in their procurement department, indicating that procurement leaders are generally positive about the economic outlook.

Top Procurement Strategies in 2025

To leverage AI advancements in ProcureTech and optimize cash flow in a volatile marketplace, CPOs must elevate their procurement strategies. This requires greater collaboration with line-of-business leaders, stakeholders, and trading partners to maximize process efficiencies and harness the resources to achieve greater savings and financial agility. When identifying the top strategies, procurement leaders have remained fairly consistent in their prioritization albeit, in a shifting, but familiar environment.

With that said, to drive procurement and enterprise initiatives and improve performance, CPOs are focusing on a combination of digital

Figure 12: What Are The Leading Strategies for CPOs in 2025?





transformation, financial strategy, and enhanced collaboration (see *Figure 12*). Pursuit of a digital transformation (both in the adoption of new technologies and the optimization of existing systems) is the leading strategy pursued by 45% of procurement leaders. This reflects a growing recognition that technology, particularly automation, AI-driven analytics, and integrated procurement platforms, can enhance efficiency, reduce manual processes, and improve supplier management.

The second leading strategy for CPOs is implementing processes that improve cash flow (39%). Organizations are increasingly focusing on renegotiating payment terms, managing demand more effectively, and enforcing compliance mandates to ensure financial stability. These strategies are crucial in today's economic environment, where higher interest rates, supply chain disruptions, and financial constraints demand better cash flow agility.

Additionally, 33% of procurement leaders are prioritizing improved internal communication and collaboration with business leaders and budget holders. Strengthening these relationships ensures that procurement aligns closely with business objectives and operational needs. Enhanced collaboration enables CPOs and their teams to anticipate business requirements, secure better supplier agreements, and drive more strategic decision-making. Moreover, effective internal communication also helps in fostering stakeholder buy-in for procurement initiatives, ensuring smoother implementation and greater impact.

Finally, 24% of CPOs plan to leverage AI technologies to further enhance operations. AI-driven insights can improve forecasting, risk assessment, and supplier performance management, while also automating routine tasks. As AI adoption continues to grow, CPOs that successfully utilize these tools expect to see improvement in efficiency, agility, and outcomes.

Technology Adoption

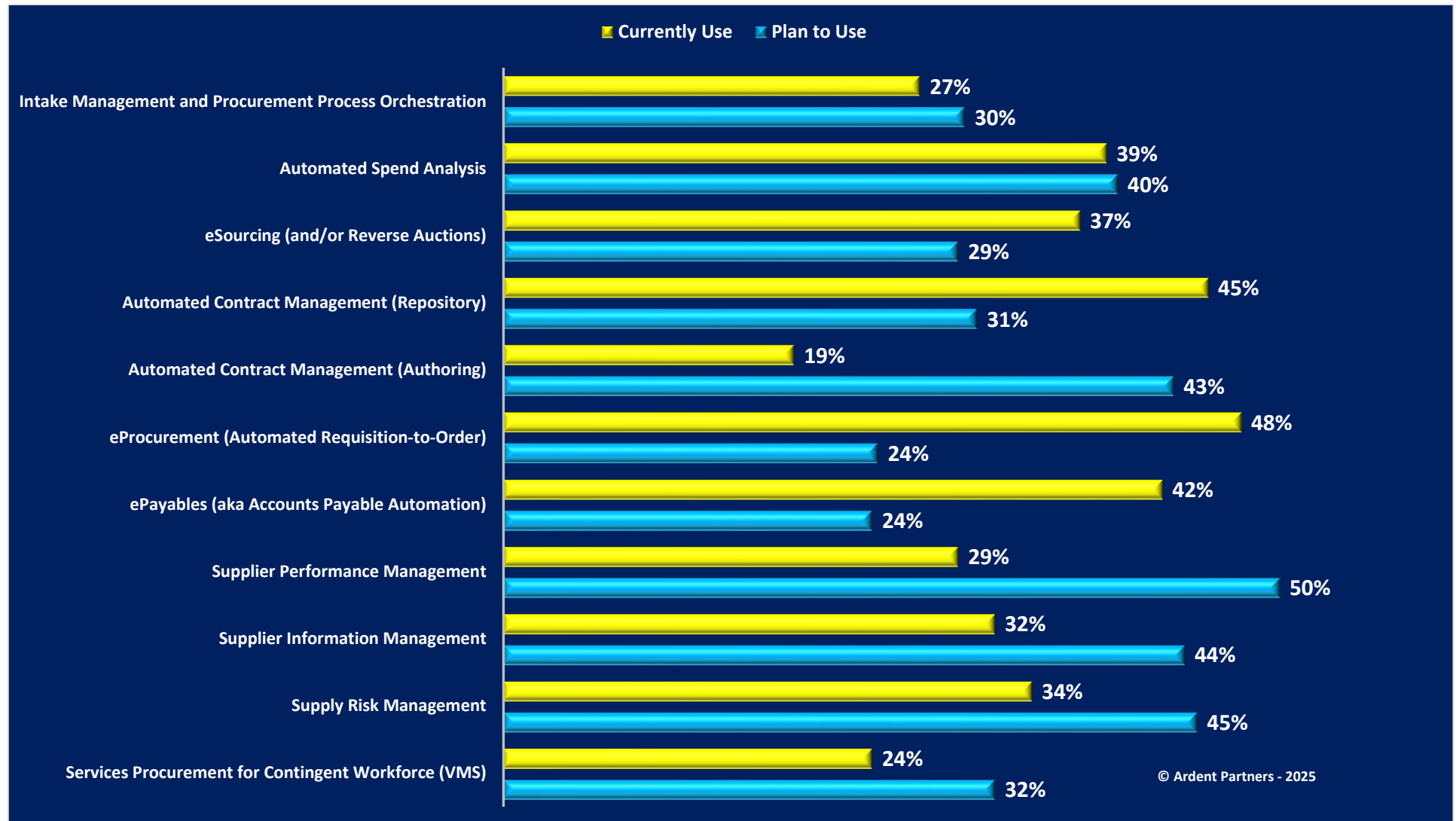
When technology is used effectively, procurement teams can gain data-driven insights that better support procurement's reach across the enterprise. When asked about technology solutions that procurement teams currently use versus those they plan to deploy, the most widely used technology is eProcurement (48%), followed by automated contract repositories (45%) (see *Figure 13*).

The next two technology solutions focus on invoices and spend, with enterprises relying on ePayables (i.e., accounts payable automation) (42%) to streamline invoice processing, while automated spend analysis solutions (39%) are being utilized by organizations to gain deeper insights into spend and drive cost optimization.

When looking out over the next 18 months, more procurement groups are looking to automate different parts of their supplier management operation, including supplier performance management (50%), supply risk management (45%), and supplier information management (44%). The focus on these technologies reflects the view that much of procurement's next wave of value will come from the supply base.



Figure 13: Describe the Current or Planned Use of Systems





Next-Level Performance

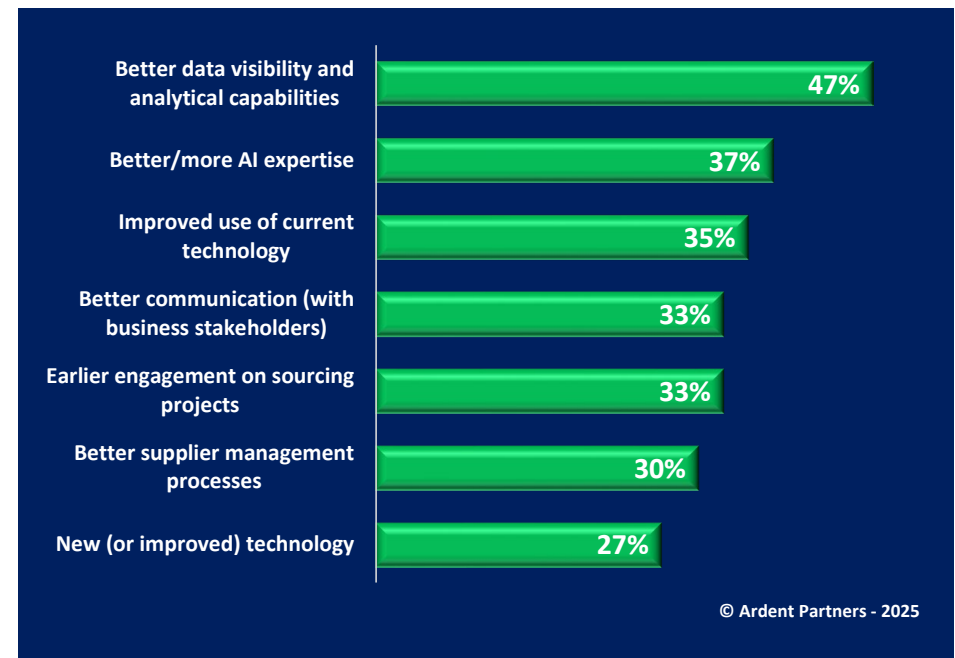
Procurement's influence on the enterprise is rising as CPOs and their teams consistently deliver on performance goals and other objectives. However, there is still work to be done, particularly as volatility in global trade intensifies and organizations increase their competitiveness with AI-powered technology. What does it take to reach the next level of performance (see *Figure 14*)?

Procurement is becoming more data driven. CPOs recognize the need for enhanced data visibility and analytical capabilities, cited by 47% of respondents. Without strong data capabilities, procurement teams are limited in the amount of value they can add. Next-level procurement requires an analytical, proactive approach to address evolving market- and supply-based challenges. Another crucial factor, cited by 37% of CPOs, is the need for better AI expertise to maximize the benefits of emerging technologies. The promise of AI-driven solutions is vast. However, many enterprises face a knowledge gap in effectively deploying and managing AI tools. To harness AI's potential, organizations must commit to training programs and deeper collaboration with solution providers.

Additionally, 35% of respondents emphasize the importance of improving the use of current technology. Utilizing technologies to their fullest potential to drive efficiencies, scale best practices, and identify savings will be of the utmost importance in 2025 and beyond.

Finally, next-level procurement also requires earlier engagement on sourcing projects as cited by 33% of procurement leaders, stressing the need for stronger stakeholder collaboration to achieve better sourcing outcomes. With growing tensions among U.S. trading partners, CPOs will need tighter engagement to ensure material availability and total cost optimization. Moreover, implementing better supplier management processes was cited

Figure 14: What Is Needed to Get Procurement to the Next Level of Performance?





by 30% of procurement leaders as a next-level priority. Whether it's supplier selection, negotiations, or collaboration, the supplier management process is a critical piece to overall sourcing success.

Automation Levels

With procurement's focus on cost savings and digital transformation as top priorities in 2025, one would assume that process automation levels are high. However, that is far from the case. Few procurement teams have fully-automated their core processes, revealing a striking reality given the challenges experienced during the pandemic when many manual processes proved unworkable.

The survey data reveals that the level of automation across key procurement processes varies significantly, with some areas achieving moderate automation while others remain largely manual or underdeveloped. Invoice processing leads the way, with 21% fully automated and 29% mostly automated, reflecting the growing adoption of ePayables solutions (see *Figure 15*). Ardent Partners' research consistently demonstrates that automated invoicing reduces processing costs by 50% to 80% compared to manual methods. While organizations recognize the efficiency gains of automating invoice processing, such as reducing errors, improving payment accuracy, and streamlining approval workflows, nearly half of enterprises still rely on partially automated or manual processes, suggesting substantial opportunities for enhancement.

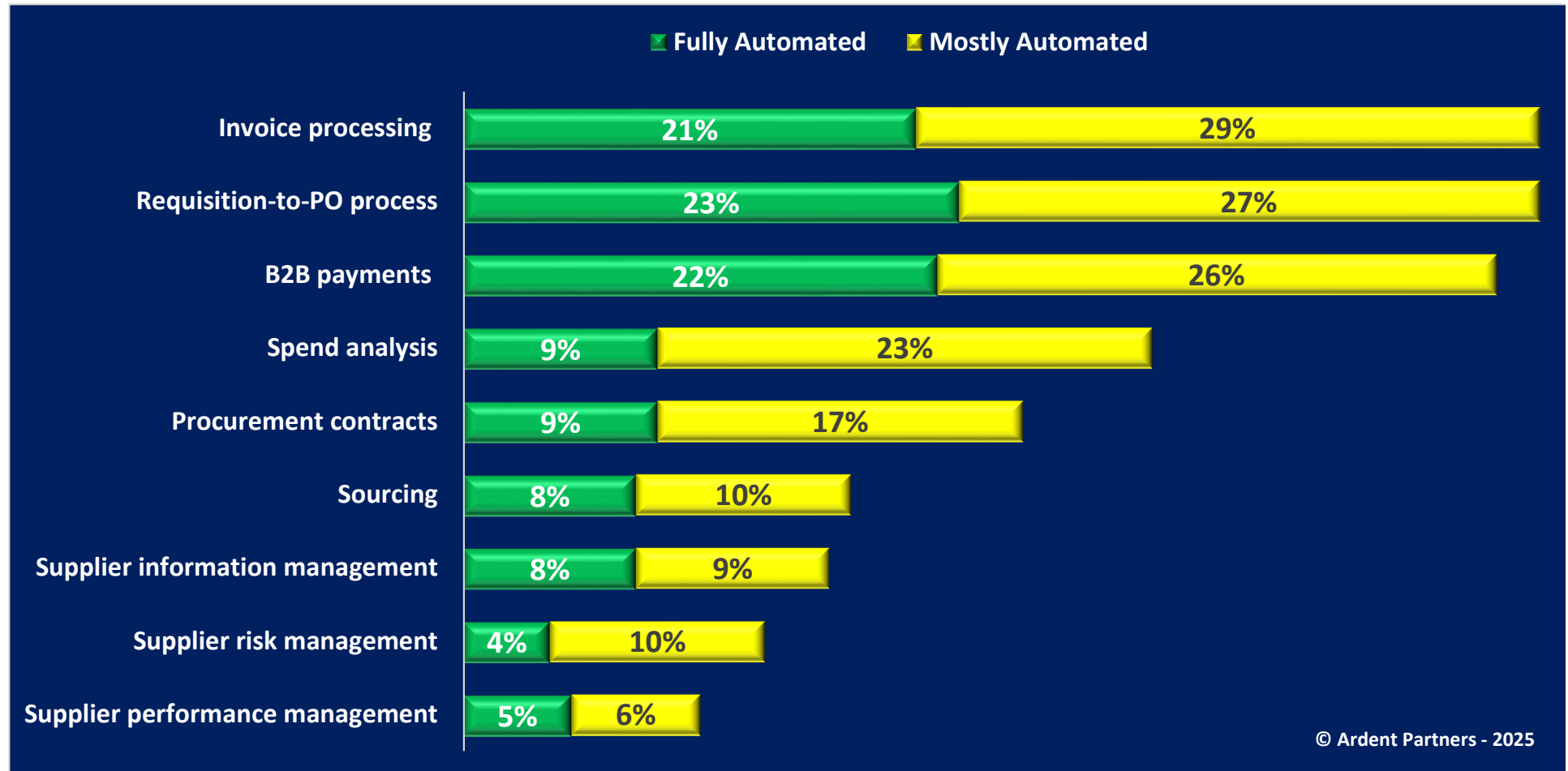
Similarly, the requisition-to-PO process has parallel levels of automation, with 23% fully automated and 27% mostly automated. This aligns with the widespread adoption and use of eProcurement solutions, which help standardize requisition approvals, enforce compliance, and accelerate order processing. For B2B payment automation, 22% of enterprises have fully automated transactions, while 26% have mostly automated processes.

Conversely, spend analysis automation, a critical function for cost optimization and strategic sourcing, lags, with only 9% fully automated and 23% mostly automated. Many organizations still rely on partially automated (40%) and manual (28%) reporting, limiting their ability to gain real-time insights and transparency into potential cost savings and category spend.

Automation in supplier-related processes remains particularly low. Supplier risk management is only 4% fully automated and 10% mostly automated in the market, leaving a significant portion of risk assessments dependent on manual processes. Supplier performance management is similarly underdeveloped, with only 5% fully automated and 6% mostly automated, indicating a need for better tracking mechanisms, automated scorecards, and performance benchmarking tools.



Figure 15: What Are the Levels of Automation Across Key Processes?





Supply Chain: Changes and Challenges

Procurement leaders and teams are now operating in a world free of the pandemic but facing new supply chain challenges that require strategic planning. With global uncertainty around active and pending tariffs and warnings about a potential recession, CPOs are examining areas to control costs while mitigating supply risks.

When asked to describe planned or expected changes to their supply chains over the next 24 to 36 months, the responses indicated that enterprises are poised to undergo significant transformation in their supply chain strategies, particularly around supplier relationships and associated technology, as well as risk mitigation and a commitment to sustainability initiatives. The most prominent area of planned change is the increased investment in supplier management technology (58%), reflecting the importance of optimizing supplier collaboration and gaining visibility into the supplier lifecycle.

Following closely behind was building out supply relationship management capabilities, cited by 57% of CPOs. During the pandemic, procurement leaders realized even more the criticality of supplier engagement and collaboration to drive innovation and supply chain resilience. Expanding SRM capabilities, CPOs can focus on mutual benefits with a long-term partnership in mind. Additionally, nearly half (48%) of CPOs cited the intention to build out supplier and supply market intelligence capabilities. This strategy aligns with the overall trend of procurement becoming more data driven. Markets and supply channels remain volatile, especially under the threat of tariffs that could undermine sourcing strategies. Thus, enhanced intelligence can lead to a proactive sourcing approach and improved negotiation leverage. The investment in supplier management capabilities, technology, and intelligence is a strategic step toward a sustainable competitive advantage.

Shifting focus, sustainability remains a core area of importance, with 49% of CPOs planning to expand environmental, social, and governance (ESG) and sustainability programs within their supply chains. Evolving regulations and consumer pressure continue to influence ESG and sustainability within the corporate landscape and supply chain more broadly. CPOs will look to strengthen these programs by ensuring clear ESG goals with suppliers and ongoing monitoring to mitigate reputational risks.

Lastly, rounding out the top six responses, CPOs plan to actively de-risk the current supply chain (41%) and nearshore more supply (38%), indicating a need to diversify the supplier base and reduce supply risk by bringing it closer to home. Global disruptions and escalating geopolitical tensions are all factors in the move to ensure business continuity and supply chain agility.

Where are procurement leaders placing less of a supply chain focus over the next 24 to 36 months? Most areas have a sourcing component to them, including the need to build out global sourcing capabilities (21%), onshore more supply (20%), and decrease the supply base in China (15%). CPOs are eyeing opportunities to mitigate risk by shrinking the supply chain and ensuring supply availability in the face of any global disruption. By becoming more relationship-focused and technology-enabled, CPOs can better weather the storm of uncertainty.



Chapter Three: Procurement Performance

“Excellence is never an accident. It is the result of high intention, sincere effort, and intelligent execution.”

~ Aristotle

Charting Procurement Performance and Its Impact on Business Results Since 2006

For nearly two decades, the CPO Rising research series has documented procurement's evolving priorities, strategies, and challenges. Another central and increasingly prominent thread has been the focus on performance — its evolving definition, its measurement, and its demonstrable impact on business operations and results. This exploration, capturing the insights of thousands of CPOs, reveals a compelling narrative of a function embracing accountability and emerging as a critical driver of enterprise success, particularly amidst economic turbulence and global upheaval.

The series' early stages emphasized foundational metrics like spend under management and cost savings. However, even then, the strategic value inherent in collaborative supplier relationships hinted at performance beyond transactional efficiency. Subsequent years broadened this lens, calling for CPOs to articulate their value in clear financial terms and highlighting concrete examples of procurement's impact through cross-functional collaboration, demonstrating influence beyond traditional purchasing.

The 2009 economic recession served as a pivotal moment, solidifying procurement's role as a vital lever for profitability. The stark performance differentials between leading and lagging organizations underscored the direct financial consequences of effective procurement. The focus began to encompass a more sophisticated understanding of value creation, including demand management.

Following the recession, the definition and measurement of procurement performance continued to evolve, emphasizing the importance of strategically aligned metrics beyond simple savings. While spend under management remained key, the conversation expanded to include sourcing throughput and contract compliance, highlighting areas with direct financial implications.

By 2014, the limitations of heavily focusing on cost savings became apparent, with the series advocating for a more holistic view encompassing agility, risk reduction, supplier performance, and even revenue enhancement. The concept of procurement leverage further illuminated its strategic importance to overall business results. The rise of data and “procurement intelligence” promised more precise performance measurement.



The COVID-19 pandemic in the early 2020s brought procurement's impact on business operations into sharp focus, emphasizing its crucial role in ensuring business continuity and building supply chain resilience. While savings remained relevant, the ability to navigate extreme uncertainty and maintain operational stability became paramount. The focus on supplier enablement and digital transformation underscored procurement's commitment to long-term efficiency and risk mitigation.

In essence, the CPO Rising series chronicled a significant expansion in how procurement performance is measured and understood. The initial emphasis on cost savings has broadened to encompass a multi-faceted view of value creation that directly impacts business operations and results, particularly during times of crisis. The ascending calculus of procurement's contribution reveals a function that has not only risen in prominence but has become an undeniable force in shaping enterprise success.

Against this backdrop of evolving expectations and demonstrable impact, the expectation for robust performance measurement has never been greater. The following section of this report delves into the critical procurement performance benchmark metrics for 2025, providing a detailed analysis of how leading organizations are measuring their effectiveness and driving tangible value in an increasingly complex and dynamic global marketplace. These benchmarks offer invaluable insights for procurement professionals seeking to understand the current state of the art, identify areas of competitive advantage, and ultimately elevate their own contribution.

The 2025 Procurement Benchmarks

The 2025 Procurement Benchmarks (see *Table 1*) represent the performance and operational results of the average procurement department in the market today. The **percentage of spend under management** at the average enterprise has moved up nicely to **70.8%**, the highest level ever seen in the history of the CPO Rising research series. For the first time in years, it appears that the average procurement organization is interested in expanding their influence and impact on the enterprise's overall spend. Ardent applauds these efforts as its research has shown that enterprises realize a savings of between 6% and 12% on every new dollar of spend placed under procurement's control. There are other benefits beyond savings that also result from procurement's influence, including improved quality and lower risk.

While the procurement function continues to evolve beyond its historic focus on cost savings, financial performance remains a key measure — and the numbers suggest momentum is building. **Savings performance** in 2024 landed at **6.6%**, a notable increase over recent years and a sign that procurement's ability to deliver value is gaining strength. Even more encouraging, CPOs have set their sights higher for 2025, with **an average target of 7.7%**, reflecting growing confidence and a renewed focus on driving this important metric. These numbers were captured before the breadth of potential tariffs was understood. If macroeconomic conditions shift through the implementation of huge tariffs on a large percentage of a business' spend, Ardent Partners expects that the savings targets and the intensity with which they are pursued will remain.



One standout area of year-over-year improvement is **supplier enablement**, where progress continues to reflect broader digital transformation efforts. This year, **52.3%** of the average enterprise's supplier base is electronically enabled to conduct transactions like orders and invoices. This kind of enablement reduces transaction costs significantly while also laying the groundwork for faster, more connected, and more responsive supply chains. In a world where agility and collaboration are paramount, digitally connecting with more suppliers is not just smart, it is essential.

Similarly, the percentage of **addressable spend that is actively sourced** has climbed to **49.7%**, up from previous years and demonstrating steady growth. While sourcing may have slipped slightly from the top of the strategic agenda, it remains a cornerstone of procurement influence and impact. With teams already executing against robust pipelines, this upward trend reinforces the value of consistent sourcing activity and hints at even greater opportunity if global markets stabilize.

Contract compliance continues to hold steady at **62.2%**, a flat figure year-over-year but one that still represents a meaningful baseline. CPOs should see this as both a warning and an opportunity: Every non-compliant dollar is a potential source of value leakage, while every gain in compliance strengthens procurement's credibility and impact. From guided buying to PO- and catalog-based spend, compliance mechanisms are key levers for retaining savings and reducing risk.

Altogether, these updated benchmarks tell a clear story: Procurement is advancing. It is becoming more connected, more efficient, and more ambitious. Whether through increased supplier enablement, a higher percentage of sourced spend, or climbing savings targets, the data points to a function picking up speed.

Table 1: The 2025 Procurement Benchmarks

Metrics	Average	Trend
Spend under management	70.8%	Up
Savings 2024 (Actual)	6.6%	Up
Savings 2025 (Target)	7.7%	Up
Addressable spend that is sourced	49.7%	Up
Spend that is contract compliant	62.2%	Flat
Enabled suppliers	52.3%	Up

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Best-in-Class Procurement Performance

Ardent's analysis in this report determined Best-in-Class procurement performance by identifying the top 20% of performers in the spend under management metric. As a group, they have placed, on average, 91.7% of enterprise spend under management, almost exactly 50% more than their peers (see *Table 2*). Ardent uses spend under management as a starting point in the development



of its Best-in-Class Framework and to drive additional discussion and deeper analysis of strategies, capabilities, and results.

Best-in-Class enterprises are known for their top-tier performance across a series of critical procurement, sourcing, compliance, and supply management metrics; and the metrics presented in Table 2 bear this out. A Best-in-Class procurement operation remains a competitive advantage with far-reaching results, and the role that technology plays in enabling top performance continues to increase. Managing more than 90% of spend is an accomplishment worthy of accolades and celebration. By surveying thousands of distinct organizations over the years, Ardent Partners has been able to clearly establish that the groups that manage very high levels of spend perform significantly better across the other key performance and operational metrics tracked by procurement departments. Ardent Partners' 2025 Best-in-Class Framework for Procurement (see *Table 2*) continues to validate that point and is reason for all procurement departments to continue to try to increase the amount of spend under management.

The savings rate advantage for the Best-in-Class (8.0%) last year compared to All Others (6.4%) is sizable and impactful, especially since the savings rate of the Best-in-Class is applied to a significantly larger spend portfolio. The result is that the Best-in-Class impact on total savings is significantly larger than their peers, making it clear that the development of a Best-in-Class procurement operation is well worth the investment. Based on their estimates, the Best-in-Class savings advantage is expected to remain a powerful difference between these two maturity classes in 2025.

Of course, savings alone does not fully capture the value of procurement activity. For example, how (and/or if) tariffs will impact savings is unclear at the time of writing. But in a high tariff environment, a lack of identified savings does not mean that a sourcing team did not add value to the process. Speaking of sourcing, the Best-in-Class continue to source a significantly higher percentage of their addressable spend than their peers each year (67.4% vs. 43.6%). While there is no shame in competitively sourcing more than 40% of overall spend, the number, ideally, should be higher. Additionally, the amount sourced should be a strategic decision and not one based on resource constraints. Because many sourcing considerations are now global in nature, supply market leadership is much more difficult to maintain than in years past. It is certainly not necessary to have the market-

Table 2: The 2025 Best-in-Class Procurement Framework

Metrics	Best-in-Class	All Others
Spend under management	91.7%	61.1%
Savings 2024 (Actual)	8.0%	6.4%
Savings 2025 (Target)	8.2%	7.0%
Addressable spend that is sourced	67.4%	43.6%
Spend that is contract compliant	79.5%	56.2%
Enabled suppliers	61.7%	44.2%

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leading suppliers in every category of spend, but it is clearly wise to avoid laggards and fading stars. Active sourcing ensures that the procurement team (and business) is regularly contracting with the highest-value suppliers based on the latest and most relevant award criteria. Utilizing eSourcing tools should be mandatory for most competitive bids. AI is starting to directly impact sourcing activity and results. CPOs who are not using eSourcing aggressively, should rethink their approach.

As they have been for the past few years, the compliance rates for the Best-in-Class are notable and substantially strong. After years of mediocre rates, the Best-in-Class procurement departments report average spend compliance rates of 79.5%. Opportunities persist for the All Others group to focus on improving their average rate (56.2%). As noted, Ardent's research has shown that the cost of noncompliant or maverick spend is significant. That means there has been real value generated by improving these contract compliance rates across all procurement teams. Finally, the Best-in-Class have enabled 61.7% of their suppliers, on average, which is 40% more than the All Others group who has enabled 44.2% of their suppliers.

The Best-in-Class Advantage

Best-in-Class enterprises have shown that investments in improving internal systems and processes and enhancing external relationships with key partners are proven paths to better performance. The Best-in-Class have also differentiated themselves with superior performance across the primary procurement metrics seen in Table 2 (see page 28). These leaders have utilized specific levers for

success like higher levels of automation and greater technology proficiency, a focus on visibility into data and processes, and strong and decisive leadership to a greater degree and greater impact. The result is that they have generated a sizable, competitive advantage in the market.

The Functional Factor: Enterprise Alignment

Like any successful strategy, project, or team, procurement cannot operate in a silo. And in a time of high market volatility and constant disruption — from shifting trade policies to rapid advances in technology — agility is no longer a luxury, but a requirement. As new tools and innovative approaches reshape what's possible, securing executive sponsorship and organizational alignment is critical. Procurement leaders must be tightly connected not just in vision, but in execution, ensuring that the spend management agenda moves in lockstep with broader business priorities, ready to pivot as conditions demand.

Ardent research has found that Best-in-Class procurement functions are nearly 60% more likely for their agendas to be aligned in parallel with those of their enterprise leadership, helping to work together to support and achieve common goals and objectives.

The Best-in-Class Path to Success: A Reliance on Tech and Innovation

For the 20 years that this research series has been produced (and utilized in the market by procurement executives), one constant that has separated the Best-in-Class operators from all



Figure 16: The Best-in-Class Technology Advantage





other organizations is a heavier use of technology to propel the procurement function forward.

As shown in Figure 16, Best-in-Class enterprises are utilizing a wide range of solutions to a significantly greater degree than All Others, a key factor in achieving their superior results.

Best-in-Class organizations are actively leveraging both core and progressive technology solutions and platforms. These companies are:

- **174% more likely to utilize supplier information systems and 102% more likely to mitigate risk with supplier risk management.** The more comprehensive approach to supplier relationships ensures consistent quality, fosters innovation through collaborative partnerships, and mitigates supply chain risks through enhanced transparency and accountability.
- **74% more likely to leverage eSourcing technology and 32% more likely than all others to utilize eProcurement.** The power of eProcurement has been apparent for nearly three decades. This solution can streamline purchasing processes, enhance spend visibility, and drive compliance. Meanwhile, eSourcing solutions enable more competitive supplier selection, accelerate procurement cycles, and capture measurable cost savings through structured digital bidding and negotiation.

- **50% more likely to harness automated spend analysis systems.** These solutions provide deep visibility into organizational spend patterns, enabling strategic decision-making through data-driven insights that identify savings opportunities and optimize supplier relationships. In today's data-driven business arena, the power of information can drive better buying decisions and drive more dollars to the bottom line.

AI: Procurement's Link to the Future

AI has become the hottest topic in the business arena and rightfully so: From automation of core tasks to strategic decision-making, AI represents the future of all business functions, not just procurement.

Beyond basic automation, AI is beginning to transform procurement by analyzing vast datasets to identify spending patterns, predict market changes, and optimize sourcing strategies. Machine learning algorithms enhance supplier selection, contract negotiation, and risk management while natural language processing extracts insights from unstructured data.

This technology elevates procurement, enabling supply management professionals to focus on relationship-building and innovation.



Figure 17: The Best-in-Class Process Advantage





- **Best-in-Class organizations are more than twice as likely as all others to utilize embedded AI within their source-to-pay technology.** While the overall usage numbers are not huge, they are indicative of the larger trend that top performers adopt technology faster and gain proficiency sooner. These market leaders are starting to leverage AI capabilities to automate routine procurement tasks, enhance spend analysis accuracy (and boost the overall speed of spend analysis efforts), optimize supplier and vendor selection, and identify savings opportunities that would otherwise remain hidden in complex datasets, creating competitive advantages through more efficient and effective procurement execution.
- **Nearly one-third (32%) of all Best-in-Class procurement functions believe that AI will have a significant impact on their operations and greater business.** This forward-thinking perspective enables these organizations to invest strategically in AI capabilities, develop the necessary talent and change management frameworks, and position themselves to capitalize on emerging AI-driven procurement innovations that may fundamentally transform how procurement delivers value in the months and years ahead.

The Best-in-Class Procurement Program

Beyond technology, the truth is that Best-in-Class procurement teams would not be able to achieve their level of success nor have the ability to harness the power of robust spend management solutions without a core of foundational procurement capabilities (see Figure 17).

One area of great advantage between Best-in-Class and All Other procurement teams is in how tightly their sourcing and contracting processes are linked. While nearly half of the Best-in-Class (45%) report tight linkage between the two, just 28% of All Other teams report the same — a 61% difference. This significant gap highlights how leading organizations are able to link sourcing and contracting workflows to capture negotiated value, maintain compliance, reduce cycle times, and create a seamless progression from supplier selection to executed agreements.

Standardized sourcing processes, in place in at nearly 70% of all Best-in-Class organizations, establish consistent frameworks for supplier evaluation, negotiation, and vendor selection that enable procurement teams to systematically identify optimal suppliers for their unique needs and requirements (and, especially in this economic climate, budgets). This disciplined approach not only accelerates the sourcing timeline but also ensures a more thorough assessment of critical factors, including quality, reliability, risk, and total cost of ownership, amongst other factors.

In 2025, procurement's ability to drive value hinges on its collaboration with line-of-business leaders and budget-holders as well as the other business functions. Here too, the Best-in-Class thrive with collaboration levels significantly above their peers. As spend becomes more decentralized and business needs more dynamic, procurement must work hand-in-hand with stakeholders across the enterprise to ensure alignment, influence demand, and deliver outcomes that matter. Without this partnership, even the most sophisticated sourcing strategy risks missing the mark.



Best-in-Class teams are nearly 65% more likely to have standardized their governance, risk, and compliance processes, including tax management, which helps mitigate risk and ensure regulatory compliance. Platforms, such as tax automation, enables buyers to see, in real time, the tax component of an order and perform a total cost of ownership calculation. This could be extremely useful if complex tariff structures are enacted.

The Best-in-Class Visibility Advantage

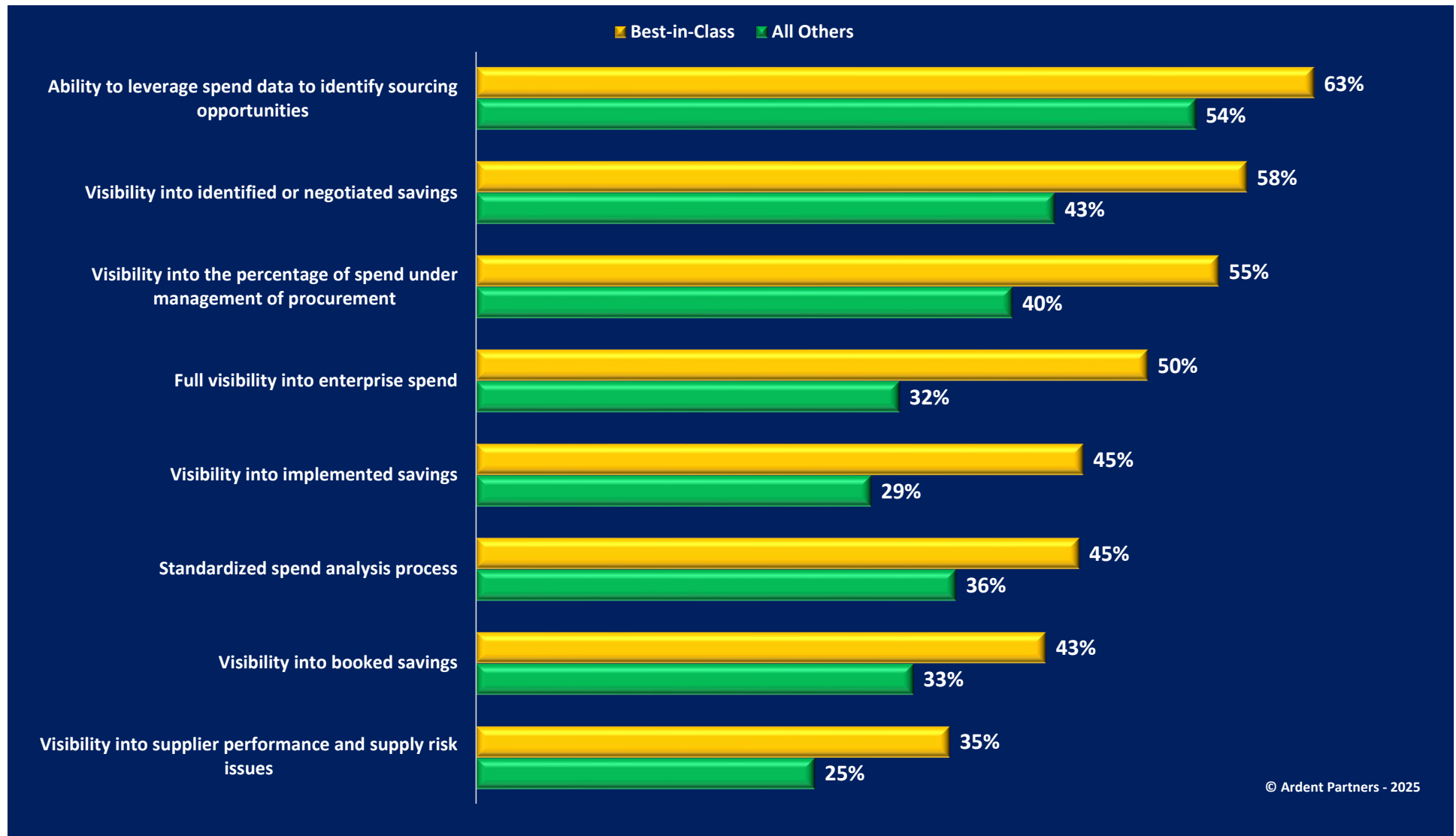
The “visibility advantage” is crucial for leading procurement organizations as it ensures a comprehensive understanding of supplier performance, risk factors, and market dynamics. This level of transparency empowers procurement teams to make informed decisions, optimize sourcing strategies, and proactively address challenges. By leveraging visibility through real-time data, intelligence, and KPIs, organizations can enhance collaboration, maintain compliance, and achieve greater operational efficiency, driving both short-term results and long-term resilience ... all factors that are critically important in today’s globalized business market.

Having visibility into spend, process, and the supply base is the foundation upon which Best-in-Class procurement performance is built. The Best-in-Class do not possess universal visibility into key performance metrics, but the frequency in which they possess it compared to All Others is compelling, ranging as high as nearly 1.6 times greater when looking at areas like savings, compliance, and supplier performance (see *Figure 18*).

Most importantly, however, Best-in-Class businesses are nearly 60% more likely than all other organizations to possess full visibility into enterprise spend. With this visibility, professionals are armed with the necessary data and intelligence to not only continue to better manage how the organization purchases its direct and indirect materials, but also set the course for an agile operation that can manage enterprise spend during uncertain times.



Figure 18: The Best-in-Class Visibility Advantage





Chapter Four: Strategies for Success

“In the 21st Century, supply chains are the lifeblood of business. Procurement is the pulse.”

~ Andrew Bartolini

Recommendations

Best-in-Class procurement departments, on average, manage 91.5% of enterprise spend and they do it more efficiently and to greater impact than their competitors. They align themselves more closely with executives, think about their processes more holistically, and adopt and utilize technology to a greater degree, driving better visibility and superior performance.

Wherever possible, Ardent Partners recommends modeling these key characteristics as a direct way to improve performance. Besides adopting the core strategies and tools of the Best-in-Class procurement teams presented in this report, Ardent recommends the following actions and strategies to employ over the next 12 months in three general categories:

1. Tariff Planning and Management

Map and monitor supply chain exposure to tariffs.

Develop a clear understanding of where your supply base is geographically concentrated and which categories or suppliers are at risk under current or announced tariff policies. Beyond the current tariffs, use spend analytics and supplier data to identify high-exposure areas, then monitor trade policy developments closely to stay ahead of changes.

Collaborate internally and with suppliers to prepare for tariffs.

Work closely with finance, legal, and logistics teams to assess the total landed cost impact of tariffs, including tax, transportation, and compliance fees. At the same time, engage suppliers in early, transparent discussions as some may be able to shift production, adjust pricing, or share tariff-related cost burdens.

Build optionality into sourcing strategies.

Establish alternative suppliers in non-affected regions or countries and diversify sourcing strategies to reduce dependency on any single geography. Dual or multi-sourcing critical categories — even at a slightly higher base cost — can provide a hedge against sudden tariff shocks and improve resilience.

2. AI in Action

Invest in establishing a baseline of data quality before scaling AI.

Procurement data, like spend, supplier, and contract data, is often incomplete, inconsistent, or stored in different systems. For AI to generate meaningful insights or automate decision-making, it needs structured, accurate, and normalized input. That means



dedicating time and resources to cleanse and classify spend data, harmonize supplier records, and resolve conflicting entries. Be pragmatic, but remember, a data-driven operation needs good data.

Start with clear use cases that address real pain points.

The number of potential use cases for AI in procurement is already quite large. This has the potential to overwhelm procurement departments. And while most of the initial uses for AI in procurement this year will be smaller and tactical in nature, make sure to pick the low-hanging AI fruit first. Rather than chasing hype, focus on AI applications that solve specific, known challenges — such as automating low-value RFQs, improving spend classification, or enhancing supplier risk monitoring. Quick wins help build internal confidence and demonstrate early ROI.

Establish AI 101 training for procurement staff.

The most discussed and overhyped technology in decades has a ton of baggage in the form of misconceptions and myths that should be addressed. Introduce basic AI literacy into your procurement team's training. The team does not need to become data scientists, but rather possessing an understanding of what AI can (and cannot) do will help them identify opportunities, interpret results, and trust the outputs ... and also know how to verify them.

Establish an AI governance framework.

At the enterprise level, most IT departments should already be working on an AI governance framework that outlines acceptable use, data access protocols, system integration standards, and audit requirements (in the mid-market, CPOs should be prepared to establish their own policies). IT can and should serve as a resource for procurement departments wanting to establish robust protocols and standards on how AI will be used, by whom, and to what extent within the procurement operation. The guidelines and frameworks emerging from these exercises should be adaptable in their design with the goal of empowering teams to harness the full potential of AI technologies.

Establish outcome-focused metrics that track AI's impact across procurement operations.

Start by aligning AI initiatives with tangible business goals like faster process cycle times or increased sourcing throughput and build KPIs that directly reflect those outcomes. Measure both efficiency (e.g., time saved, touchless transactions) and effectiveness (e.g., quality of insights, stakeholder satisfaction). Regularly review performance with internal teams, and refine metrics as AI use matures.

Join (or form) a cross-functional AI review council.

Join (or form) an AI governance group that includes stakeholders from procurement, IT, legal, data governance, and other functions like HR. This council should review AI use cases, evaluate new tools or pilots, and monitor ongoing AI performance for fairness,



accuracy, and transparency. Involving IT ensures alignment with enterprise data policies and strategies, while keeping procurement at the table to help ensure the AI tools it deploys are practical, relevant, and impactful.

3. CPO Strategies

Align procurement activity and initiatives with business goals and executive priorities.

Best-in-Class procurement teams prioritize tight alignment with broader organizational objectives, ensuring that spend management initiatives complement and support the goals of the business. This strategic integration enhances collaboration, secures executive buy-in, and maximizes the overall impact of procurement efforts.

Deepen procurement's overall expertise by tapping into skills-based hiring.

As the average enterprise continues to become more digital, procurement will require top-tier talent to implement and integrate technology like AI into its core operations. The CPO and its team should revamp its hiring strategy by focusing more on candidate skills rather than past work history in its search for new talent and workers.

Prioritize visibility across procurement activities.

Improve and prioritize visibility across the full set of procurement activities. Achieving comprehensive visibility into supplier

performance, spend, and market dynamics through real-time data and intelligence will empower informed decision-making, proactive risk management, and improved collaboration, driving resilience and long-term success in a rapidly evolving economic landscape.

Enhance overall standardization of core procurement and sourcing processes, such as contracting.

Implement consistent frameworks for supplier evaluation, negotiation, and contracting to reduce variability and ensure efficiency. Standardized templates and approval workflows accelerate cycle times, maintain compliance, and strengthen supplier relationships, contributing to a more seamless procurement operation.

Build better and deeper technological proficiency within the team.

Deep technological proficiency will empower the procurement team to work more efficiently, adapt quickly, and unlock greater value from existing tools. To achieve this, the department should implement a structured upskilling program that includes role-specific training, regular technology refresh sessions, and hands-on workshops with internal systems and platforms. Encouraging team members to earn relevant certifications or participate in cross-functional tech projects can also build confidence and capability. As digital fluency grows, the team will be better equipped to leverage emerging technologies, such as AI.



Adopt or increase the utilization of advanced ProcureTech, particularly eSourcing and spend analysis.

Invest in next-generation solutions, such as eSourcing and automated spend analysis systems, to streamline processes, enhance visibility, and optimize supplier selection. These tools provide actionable insights and drive measurable cost savings, positioning procurement as a critical enabler of business efficiency. In the assessments, make sure to understand the AI roadmaps of the different providers.

Use automation and data to intelligently source tail spend, not simply control it.

Apply intelligent sourcing tools that automatically identify qualified vendors, issue quick RFQs, and generate competitive bids for tail spend categories. This approach brings previously unmanaged spend into the fold, delivers measurable savings, and ensures speed and simplicity for internal stakeholders, without requiring manual intervention from procurement teams.

Utilize (or launch) a supplier management approach that balances risk, performance, and collaboration.

Start with a clear supplier segmentation based on spend, risk, and strategic value that extends through onboarding, performance tracking, and relationship development. Collaborate with suppliers to establish proactive processes and communications that incorporate regular performance reviews, risk monitoring, and

feedback loops. Align procurement, business stakeholders, and suppliers around shared goals to ensure continuous improvement and long-term value creation.

Build supplier enablement metrics into your definition of digitization success.

Supplier enablement should not be an afterthought. Prioritize onboarding suppliers onto your platforms with clear processes, straightforward requirements, and tiered options based on supplier spend volumes and category complexity. Start with strategic and high-volume suppliers to maximize impact, and offer training, self-service portals, and responsive support to reduce friction. A well-executed enablement strategy improves data quality, accelerates transactions, increases compliance, and strengthens collaboration — creating the classic “win-win” for buyers and suppliers.

Partner with finance to create a unified view of tariffs (see page 36), total cost, and savings impact.

Collaborate closely with finance to model the true financial implications of tariffs, including landed cost, tax exposure, and margin pressure. Align on savings definitions — captured, realized, avoided — and ensure that procurement’s contributions are measured and reported in ways that resonate with the CFO’s priorities. This partnership not only sharpens sourcing strategies under tariff pressure, but also strengthens procurement’s credibility as a strategic contributor to financial performance.



Craft a clear, consistent marketing and communication plan that is tailored to stakeholders and executives.

New tariff policies may draw procurement into many executive-level discussions. Beyond that, there is still a need to develop a communications strategy that highlights procurement's impact on business priorities, like cash impact, savings, risk mitigation, and innovation, that uses data-filled success stories, performance metrics, and consumable executive-ready messaging. Use multiple formats (dashboards, quarterly briefs, internal newsletters, town halls) to reinforce the message, and tailor content to different audiences across the enterprise.



Lessons Learned and the Path Forward for CPOs and Procurement Professionals

I hope that the enduring legacy of the CPO Rising research series offers profound lessons for Chief Procurement Officers and procurement professionals as they navigate the evolving complexities of the modern business landscape. The consistent themes and recurring challenges highlighted over nearly two decades provide a roadmap for success and a framework for anticipating future trends.

Firstly, the unwavering ascent of procurement's strategic importance underscores the critical need for CPOs to operate as true business leaders. The series demonstrates that procurement is no longer a back-office function but a vital driver of profitability, innovation, and resilience. Moving forward, procurement professionals must continue to cultivate a strategic mindset, aligning their initiatives with broader organizational goals and proactively seeking opportunities to create value beyond cost savings.

Secondly, the consistent emphasis on talent management reinforces the fundamental truth that people are the cornerstone of a high-performing procurement organization. Investing in recruitment, training, and development remains paramount. CPOs must foster a culture of continuous learning and adapt their talent strategies to attract and retain individuals with the evolving skillsets required in a digital and increasingly complex global environment.

Thirdly, the journey of technological adoption chronicled in the CPO Rising series offers a clear mandate: embrace digital transformation.

Resistance to technology is a path to obsolescence. Procurement organizations must actively explore and implement digital tools and strategies to enhance efficiency, gain deeper insights from data, and improve agility. The focus should not just be on adopting technology, but on strategically leveraging it to drive tangible business outcomes.

Fourthly, the strategic management of supplier relationships will only become more critical. The interconnectedness of global supply chains demands a collaborative and proactive approach to supplier engagement. CPOs must foster strong partnerships, drive innovation through supplier collaboration, and implement robust risk management strategies across their extended enterprise.

Fifthly, the ongoing emphasis on performance measurement and value articulation highlights the need for procurement to demonstrate its impact in clear and quantifiable terms. Developing and tracking key metrics, and effectively communicating procurement's contribution to financial and strategic goals, remains essential for securing executive buy-in and continued investment.

Finally, the experiences documented during periods of global disruption underscore the importance of building resilient and agile procurement operations. The ability to adapt quickly to unforeseen challenges, to diversify supply chains, and to implement robust risk mitigation strategies will be crucial for navigating future uncertainties.

As we move forward, the CPO Rising research series serves as a powerful reminder that procurement is a dynamic and continuously evolving profession. The lessons learned from the past two decades provide a



solid foundation for future success. By embracing these principles and remaining adaptable to the ever-changing business landscape, CPOs and procurement professionals can continue to elevate their function and drive significant value for their organizations in the years to come.

Here's to the next twenty years!!

Andrew Bartolini,
Procurement Evangelist



Appendix

About the Authors



Andrew Bartolini, Founder & Chief Research Officer, Ardent Partners

With 26 years in the industry and 16 years leading the charge at Ardent Partners, Andrew Bartolini is a globally recognized expert in sourcing, procurement, supply management, and accounts payable.

As the Chief Research Officer at Ardent Partners, Andrew oversees all research and client programs, including the annual State of the Market and Metrics that Matter eBook Series', Technology Advisor Reports, Ardent's monthly webinar series, as well as its in-person and virtual CPO Rising Summits.

Andrew is also the publisher of CPO Rising, the news and research site for Chief Procurement Officers and other procurement leaders (www.cporising.com) and the host of the industry's exciting podcast, [Procurement Rising](#).

Advisor to corporate executives and leading solution providers alike, Andrew is a sought-after presenter, having lectured and presented more than 650 times in ten different countries. Over the past decade, Andrew has benchmarked thousands of enterprises across all facets of their sourcing, procurement, supply

management, and accounts payable operations and his research has been part of the Supply Chain Management curriculum at several U.S. universities.

He actively covers the technology marketplace as well as trends in sourcing, procurement, supply management, and accounts payable, and has been published or quoted in leading business publications including *The Wall Street Journal*, *Business Week*, *Investor's Business Daily*, *Forbes*, and *Fortune*, as well as the major trade publications focused on accounts payable and supply management.

Prior to becoming an industry analyst, Andrew developed, packaged, deployed, and used supply management solutions on behalf of enterprises in the Global 2000 while working for several prominent spend management solution providers. Additionally, his experience in strategic sourcing (where he managed sourcing projects totaling more than \$500 million in aggregate client spend), business process transformation, and software implementation provides a "real-world" context for his research and writing.

Andrew's post-MBA work started in management consulting and investment banking where he structured, managed, and advised on large capital market transactions. Andrew began his professional career running a homeless family shelter in Los Angeles. He welcomes your comments at abartolini@ardentpartners.com or 617.752.1620.



Appendix

About the Authors



John Yuva is the Director of Research Operations at Ardent Partners

He is a seasoned procurement and supply chain content strategist and publications professional, with nearly 25 years of experience in the field. Throughout his distinguished career, John has contributed

significantly to the discourse surrounding procurement and supply chain trends, strategies, and best practices, providing insights and interviewing thought leaders for hundreds of articles within leading trade publications.

At Ardent Partners, John plays a pivotal role in supporting the firm's research initiatives, focusing on procurement, supply management, and contingent/extended workforce dynamics. His depth of knowledge and keen analytical skills enrich Ardent's research endeavors, contributing valuable insights to industry practitioners and stakeholders.

Before joining Ardent Partners in 2022, John spent most of his career as the Director of Publications for the Institute for Supply Management (ISM). In this capacity, he was entrusted with

overseeing content strategy and publications operations for ISM, a premier association dedicated to advancing the profession of supply management.

Under his stewardship, John advanced the global recognition of ISM's flagship publication, *Inside Supply Management*, with its industry-leading content and executive profiles. He also presided over ISM's production and release of its *ISM® Report On Business®*, a nationally recognized key indicator of the state of the U.S. economy.

In addition to ISM, John served as editor for several trade publications within the procurement, logistics, and supply chain fields. He holds a bachelor's degree in English from the University of Northern Iowa.



About Ardent Partners

Ardent Partners is a next-generation analyst firm that leverages its data-driven research to help business executives make smarter decisions and achieve better results. Ardent's clients (and global community) understand and appreciate that when we publish research and guide our clients, we do so based upon literally thousands of data points collected and analyzed over the past two decades. Our unique primary research methodology, high-impact research publications, and deep domain focus set Ardent apart from its competition. Our community is expansive, our influence is extensive, and our research is unrivaled. If you are making an important decision or technology investment, our research can help — [visit our research library today](#).

Research Methodology

Ardent Partners follows a rigorous research process developed over years spent researching the supply management market. The research in this report represents the web-based survey responses of 326 CPOs and other procurement and business leaders captured from January to March 2025, as well as direct interviews with multiple CPOs and procurement leaders. These 326 participants shared their strategies and intentions, as well as their operational and performance results to help us define Best-in-Class procurement performance and understand what levers the leading groups pull to obtain their advantage. More than 125 of the total participants shared some personal insight and commentary to help provide greater context to the results. This primary research effort was also informed by the experience and analysis of the report author and the entire Ardent Partners research team. Complete respondent demographics are included to the right.

Report Demographics

The research in this report is drawn from 326 respondents representing the following demographics:

Job Function: 88% procurement; 3% supply chain; 2% finance; 2% operations; 5% all others

Job Role: 49% VP-level or higher; 23% director-level; 19% manager-level; 9% all others

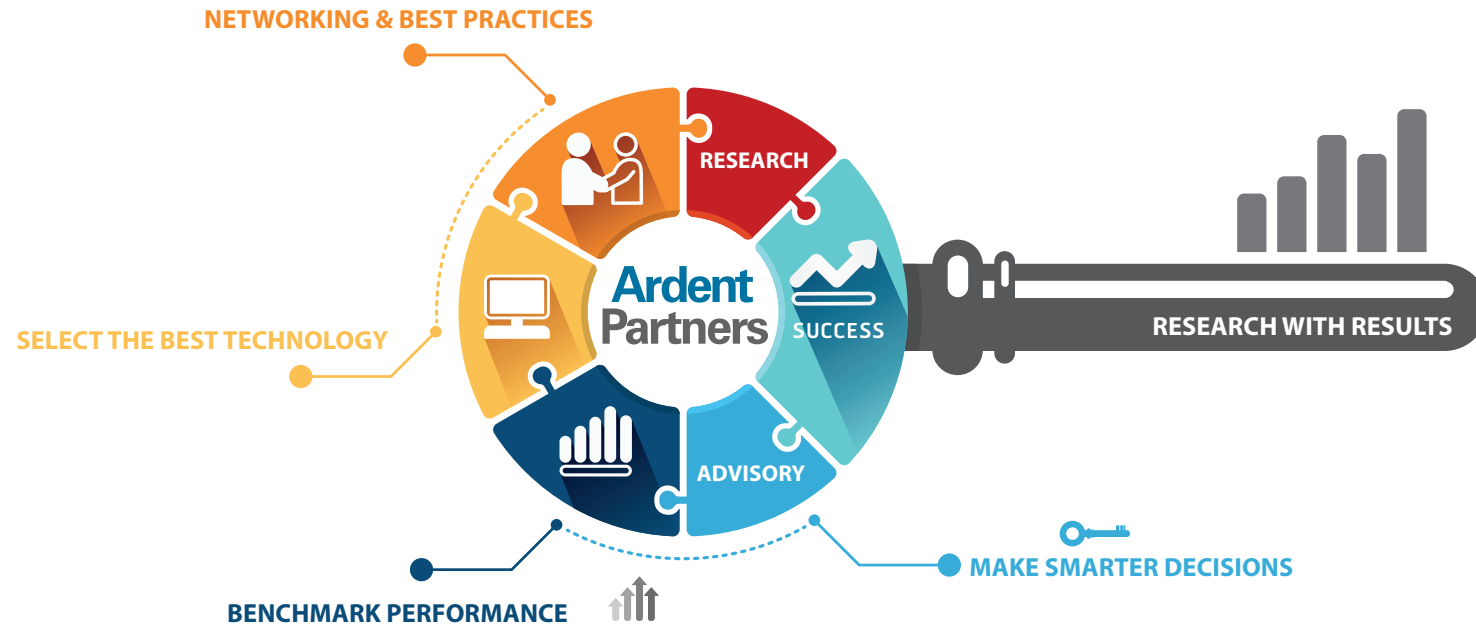
Company Revenue: 64% Large (revenue > \$1 billion); 19% Mid-market (revenue between \$250 million and \$1 billion); 17% Small (revenue < \$250 million)

Region: 55% North America; 32% EMEA; 12% Asia-Pacific

Industry: Twenty-five distinct industries are represented. Manufacturing, Oil and Energy, Pharmaceutical, Higher Ed, Financial Services, and Hi-Tech are the largest industries in the survey pool; no industry represents more than 13% of the overall survey respondents

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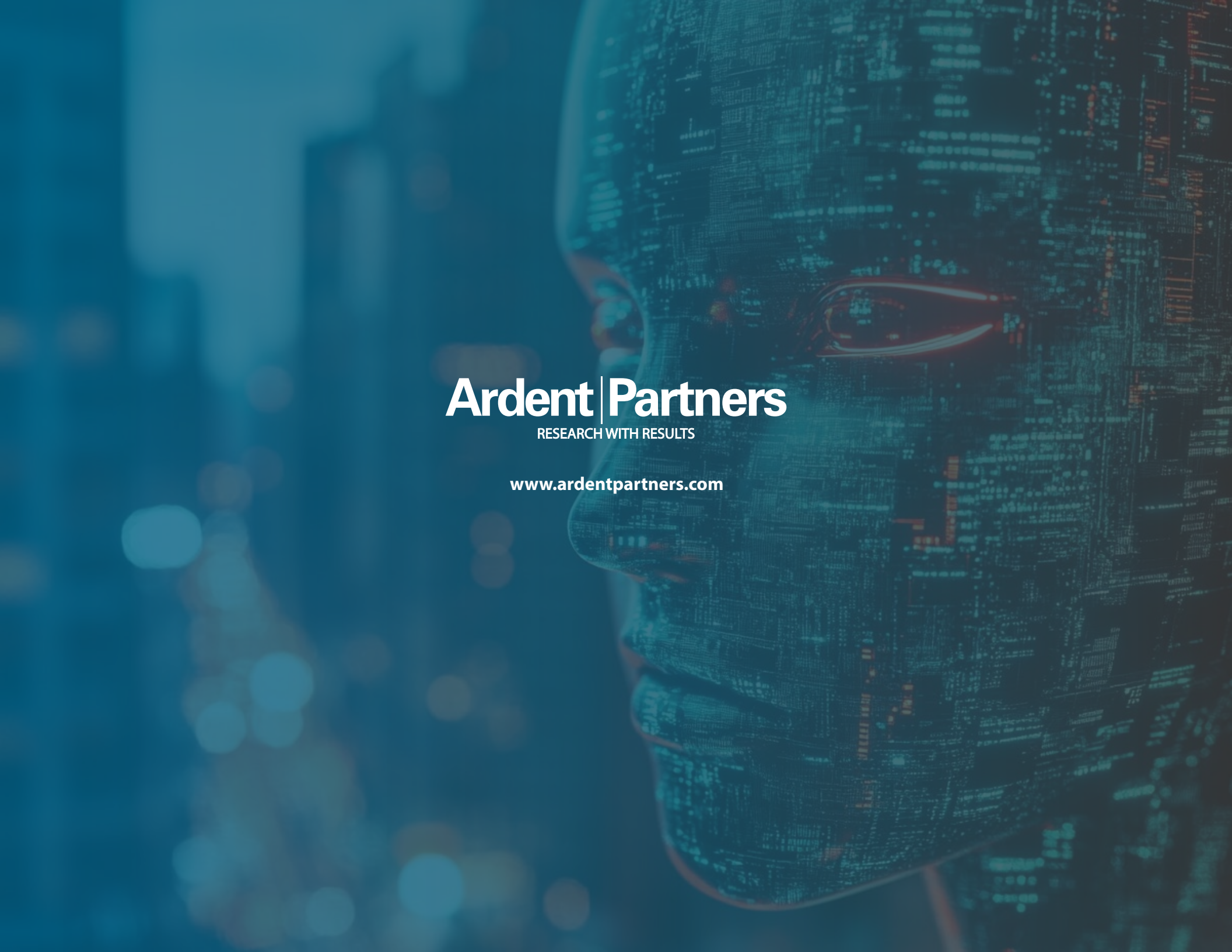


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We deliver Research with Results™. Let us show you what we can do.

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