

The Agentic AI Implementation Challenge

**The rocky path to autonomy in
procurement and supply chain**



Contents

2	About the report
3	Executive summary
5	Introduction
6	The uneven advance: where autonomy is advancing and where it is not
9	The data challenge: plumbing is not in place
12	An investment failure: too cautious for the challenge
17	The supplier dilemma: taking autonomy beyond the enterprise boundary
19	Compliance before creativity: making AI make sense
22	Conclusion: a recipe for success
24	References

About the report

The Agentic AI Implementation Challenge is an Economist Enterprise report, sponsored by GEP, which explores the challenges of adopting artificial intelligence in procurement and supply chain. The report is based on a survey carried out between January and March 2026 of 404 US or Western Europe-based business leaders in the position of director or above. All survey participants were familiar with their organisation's supply-chain strategy and operations.

Economist Enterprise is solely responsible for the views expressed in this report and the content does not necessarily reflect the perspectives of the sponsor. Economist Enterprise would like to extend its thanks to the following interviewees for their time and insights:

- **Amit Shukla**, global vice-president (VP) and general manager (GM), IQVIA
- **Dr Fabian Hoeft**, former data and AI product manager at Jaguar Land Rover
- **Steven Slawson**, director, procurement for new product development, RealTruck
- **Jaime Roberts**, head of IT delivery, Severn Trent Water

Executive summary

1. Rhetoric vs reality: while boards talk of “agentic autonomy”, AI runs on legacy software and incomplete data

There is a widening gap between executives' vision of AI and the reality of its implementation on legacy systems. At firms across the US and Western Europe, AI is being grafted on to legacy procurement and supply-chain systems without the architectural rebuild required to give it access to company-wide data in real time. As a result, rather than autonomous systems in which AI agents execute procurement processes end-to-end, AI is largely restricted to the automation of discrete tasks that rely on a specific data set. Firms should pause superficial pilots and build enterprise-grade data architecture first if they want to reap rewards from AI.

2. The finance failure: while most firms acknowledge the scale of their data engineering challenge, few are investing to solve it.

While 91% of firms acknowledge the need for greater investment in data engineering to unlock autonomous supply chains and 85% say their software stack requires modernisation, the vast majority plan no spending increase—or only a small one—to address these issues in the coming year. AI dreams are doomed to fail if they are not backed by capital. Rather than treating data engineering as an incremental IT spend, firms must view it as a transformational investment without which their business will not thrive.

3. Compliance before creativity: AI's most valuable insights will not be adopted unless they can be audited, tracked and explained

AI agents make decisions that are, almost by definition, beyond human comprehension, as they churn unimaginable amounts of data from innumerable sources to spot patterns. This might produce productivity breakthroughs, but it also creates unease: procurement managers say they are uncomfortable with actions they cannot explain, justify or audit, while their regulators may reject them entirely. As a result, agentic AI is being accorded far less autonomy than its revolutionary capabilities might imply. This will remain the case unless AI systems are designed for governability, with explanations for actions embedded in tools.

4. Uneven autonomy: AI is advancing in procurement and supply chain, just not evenly

AI is already entrenched in procurement and supply chain with structured, rules-based processes such as issuing purchase orders or chasing invoices largely automated and orchestrated by AI. But this falls far short of full autonomy, in which agents are trusted to make strategic procurement decisions such as supplier selection, without human oversight. Such autonomy would require a level of procurement-specific domain intelligence that AI agents have not yet achieved—for example, the ability to assess the value of existing business relationships, or to consider trade-offs when a decision benefits one part of the business but disadvantages another. As a result, highly context-specific tasks, including supplier negotiations or responses to geopolitical disruptions, remain human-led for now.

Introduction

Since the launch of ChatGPT in 2022, the promise of generative AI and its intuitive natural language prompts has gripped the business world. The last 12 months have seen soaring interest in AI, thanks to a further technological development: agentic AI, which has the potential to dispense with human inputs altogether and manage complex tasks without oversight.

Across industries, the potential of AI agents to deliver huge productivity breakthroughs is forcing global firms into a race for adoption to avoid being left behind by first movers in their sectors.

When it comes to procurement, corporate boards and executives are increasingly talking about fully autonomous supply chains. In this vision, AI agents will parse data from within and beyond the firm in real time, then use it to, for example, negotiate directly with suppliers and recommend actions to avoid future disruptions. Humans would switch from task executors to interpreters of AI outputs and evaluators of its performance.

The reality, however, is far messier. Corporate enthusiasm for AI in the procurement function is colliding with siloed systems, weak data engineering and timid capital allocation to solve those problems. A lack of transparency, auditability and explainability around AI decisions also troubles both business leaders and their regulators. As a result, AI adoption in procurement and supply chain is partial at best and often restricted to the automation of specific tasks to orchestrate a discrete process, such as making payments. This delivers incremental value in terms of improved user experience and efficiency within procurement teams, but it falls far short of full autonomy in which AI agents independently proceed towards a business goal, taking actions in many different areas to achieve this.

Even more worrying is the lack of clarity among supply-chain and procurement leaders about precisely what benefits they expect AI to deliver. Executive alignment around AI technology is critically low and relatively few firms have funded their AI strategies. Moreover, when asked to articulate the benefits autonomous supply chains will deliver in the next two years, there is little consensus among business leaders.

Transforming piecemeal AI adoption into truly autonomous, agent-driven supply chains requires a change in mindset. The firms that succeed will be those disciplined enough to fix or upgrade their legacy systems and brave enough to align behind clear plans with measurable outcomes and a capital commitment to reach them.

The uneven autonomy advance

When executives gathered in Amsterdam late last year for a conference on technology in procurement and supply chain, one topic was on everyone's lips. At panel after panel, speakers discussed the transformative potential of AI to order materials, negotiate with suppliers and plan for disruptions without human intervention.

As conversations moved from future visions to what has already been achieved, however, a more constrained picture emerged. AI has barely been adopted beyond the automation of rote work such as chasing invoices, panellists agreed.¹

This gap between the ambition displayed on stage in Amsterdam and the current reality within firms is, in miniature, the story of AI in procurement. A potentially transformative technology is so far delivering limited value.

Low-value orchestration

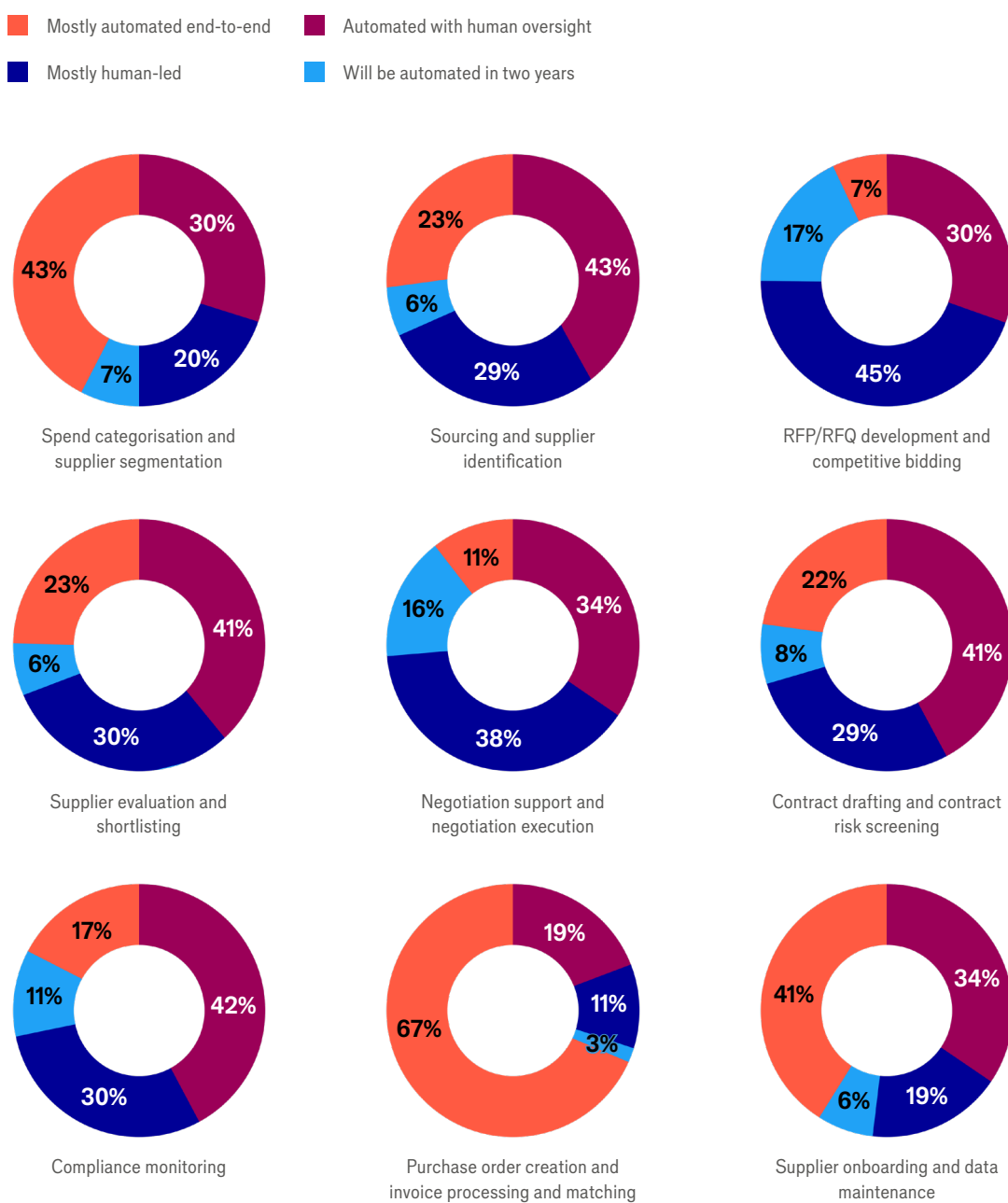
A consistent pattern is beginning to emerge in the adoption of AI in the supply chain. AI agents perform reliably in tasks that are structured, operate under stable rules and where the consequences of error are recoverable. They struggle where subjective judgement is required, so tend to be held back from the most business-critical or heavily regulated decisions.

Purchase order and invoice processing, among the most rule-bound activities in procurement, are substantially or fully automated at 86% of firms. Spend categorisation is fully automated or automated with oversight at 73% and supplier onboarding at 75%. These are all activities in which inputs are defined, outputs are verifiable and the cost of error is manageable, and their automation means entire processes such as paying suppliers can be orchestrated by AI. Doing so does not deliver the promised productivity breakthrough of full autonomy, however, where key procurement decisions are taken by agents with authority to act across a wide remit.

Strategic activities remain human-led. Supplier negotiation is mostly automated at only 11% of firms, and request-for-proposal and request-for-quotation development, which require contextual understanding of commercial strategy, even less often at 7%. Put simply, strategic decisions are still predominantly led by people, while orchestration through automation is advancing in areas where far less discretion is required.

Figure 1: Where machines lead—and where they do not

How procurement tasks are currently executed and whether firms expect them to become autonomous in the next two years



Source: Economist Enterprise survey of supply chain and procurement leaders, 2026

Even technology enthusiasts seem to acknowledge this ceiling to AI's intervention in supply chain and procurement. A 2025 academic paper makes the argument that AI agents will soon autonomously execute contracts, but not much else in the function.²

The cyber-security exception

One striking data point from our survey appears to contradict this idea that AI is only applied to low-stakes, non-critical parts of the procurement and supply-chain function.

At 81% of firms, the response to cyber-security incidents is mostly autonomous, making it the risk most likely to be managed by AI—even though hacks, ransomware and denial-of-service attacks are arguably among the most business-critical and time-pressured challenges faced by procurement teams today.

One reason AI is trusted to manage IT security, but not other critical areas, lies in the complexity of these cyber attacks. They occur in such volume and at such speed that humans could not co-ordinate every response. A second reason is data visibility. Attacks target infrastructure such as servers that are surveilled by sophisticated monitoring tools, which provide live streams of data that AI agents can analyse in real time to spot—and respond to—anomalies.



This points to a second obstacle for AI implementation, separate from a reluctance to trust it with critical decisions. AI is limited by what it can see—and right now, in most procurement functions, what it can see is not nearly enough to be effective.

The data challenge: plumbing is not in place

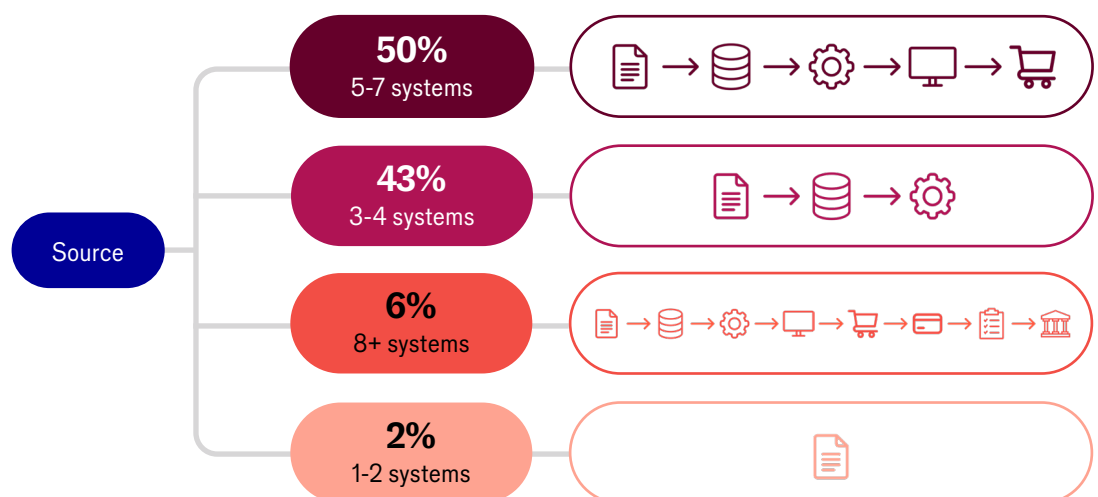
Anyone who starts work in the technology sector will inevitably soon come across a modernisation programme: a multi-year project to migrate users and their data from legacy software to something new that is better integrated with the rest of the business. Long-standing institutions such as banks seem to be in a permanent state of overhaul, barely breaking down one silo before another needs to be tackled.

As AI becomes increasingly central to the way in which companies operate, such modernisation programmes should be taking on a new urgency. Since AI tools are only as effective as the information to which they are exposed, firms that fail to make real-time data available will not benefit from the technology.

In procurement, however, data and software modernisation seems to have barely begun: 98% of firms operate at least three disconnected systems across source-to-pay alone, with the majority operating five or more.

Figure 2: The plumbing problem

Number of separate systems involved in a typical source-to-pay process



Source: Economist Enterprise survey of supply chain and procurement leaders, 2026

IT leaders, the very people charged with achieving data modernisation, are particularly pessimistic about the level of AI-readiness in procurement and supply chain. Just 14% of respondents in IT roles say their firms have access to standardised data, well below the 22% average. Just 7% say their firm has access to real-time data, a third of the 21% average.

This challenge is widely understood by executives, as is the obstacle it poses to AI adoption. Almost nine in ten firms (87%) say the slow pace of improvements in data readiness could force a pause in autonomy initiatives. Eight in ten (77%) say the same for tool and integration complexity. These are acknowledgements of the foundations AI requires, and which most organisations are yet to build.

The forgotten sibling

Unfortunately, procurement and supply chain rarely take priority when it comes to modernisation. That honour goes to customer-facing or operational activities.

Take energy companies. It is now common for AI agents to manage smart grids, spinning up gas power stations in anticipation of intermittent renewable energy supply, for example. Such autonomous decision-making is possible because sustained investment over many years has knitted every power generation and transmission asset into a single, standardised data architecture.

Procurement data, by contrast, has been neglected. Supplier records, contracts, spend data and purchasing workflows accumulate through mergers, platform migrations and departmental decisions and end up fragmented across systems. At UK water utility Severn Trent, for example, supply-chain data is split between old and new versions of procurement software, meaning relatively few processes have been automated.

“The trials of agentic AI are predominantly on the operational side of the business. On the procurement side, AI is predominantly used for analytics.”

“The trials of agentic AI are predominantly on the operational side of the business,” explains Jaime Roberts, Severn Trent’s head of IT delivery. “On the procurement side, AI is predominantly used for analytics.”

Indeed, despite utilities’ enviable record in adopting AI for operational activities, not one respondent from the sector rated their firm’s current supply-chain operations as “highly autonomous”. Energy and utility respondents were also among the most likely to identify legacy technology and poor data quality as barriers to achieving autonomy in the supply chain.

Jaime Roberts, Severn Trent’s head of IT delivery

Data integration delayed

Fabian Hoeft, a former data and AI product manager at Jaguar Land Rover, is all too aware of the problems posed by ill-thought-through data management in procurement and supply chain.

His unit was established partly to rein in shadow IT and data estates, which emerged at the same time as individual business units pursued their own digital agendas. But key procurement activities at the company remain far from uniform.

Dr Hoeft believes firms are only just beginning to digest the findings of a 2024 academic review of AI implementation in supply chain, which found the technology was most effective when data quality was high and AI tightly integrated with processes.³

“Strategic data products—rather than individual, context-specific solutions—are the foundation for doing AI in a centralised and standardised way,” he says. “But it is only in the last two or three years that I have really seen a push in that direction.”

Many firms, it seems, are continuing to persist with domain-specific data solutions, even as they try to adopt autonomy across the business.



An investment failure: too cautious for the challenge

Imagine this scenario. You head up supply chain and procurement for an S&P 500 company, reporting directly to the chief operating officer (COO). After each board meeting, the COO reminds you of the imperative for the company to adopt AI across the business.

Under pressure to show results, you seek candidates within your department for automation, and commission several pilots. Six months later, however, you quietly shelve each of your projects. The problem was not that AI failed, but that it could not be effectively integrated with the systems it was expected to manage.

This experience is depressingly common, not just in supply chain and procurement, but across businesses. A recent Massachusetts Institute of Technology study found that 95% of enterprise AI pilots delivered no measurable return on investment.⁴ Time and again firms commission pilots for supply-chain autonomy without carrying out the underlying work to make their organisation AI-ready. Why is this?

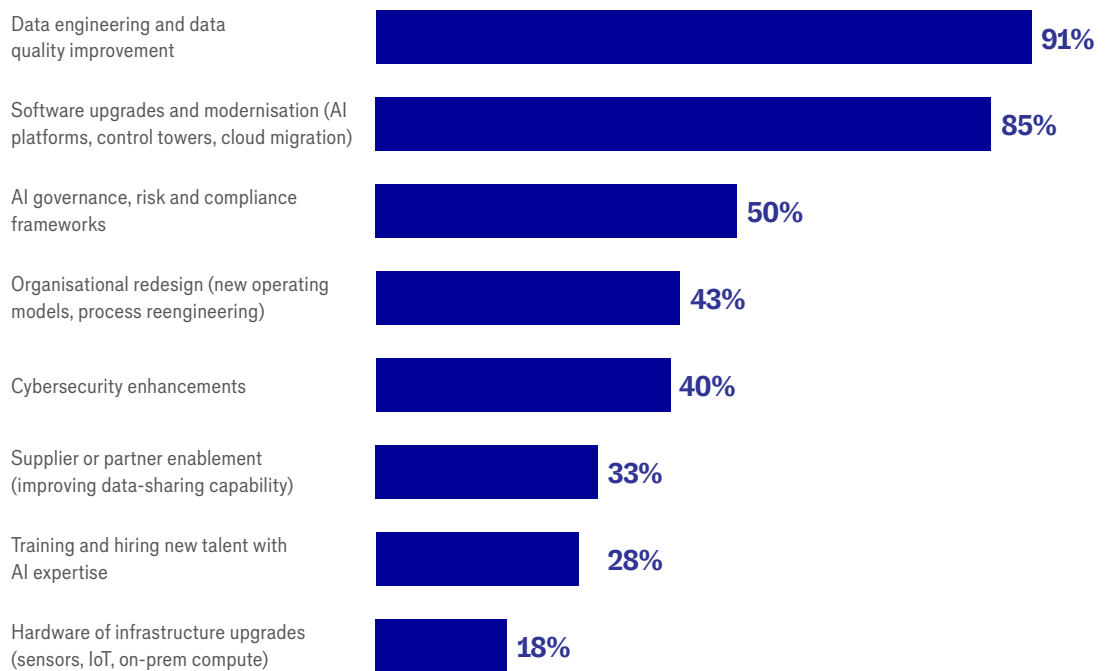


Short-term thinking

The answer is not lack of foresight. The need to invest in technology upgrades is fully understood at the top of companies. Nine in ten business leaders say their firm must invest in data engineering and data quality improvements if it wants to progress toward autonomous supply chains, while 85% say software upgrades and platform modernisation are essential.

Figure 3: Building the machine room

*Investments organisations say they need to make to progress towards autonomous supply chains**



*Respondents were asked to select all that apply.

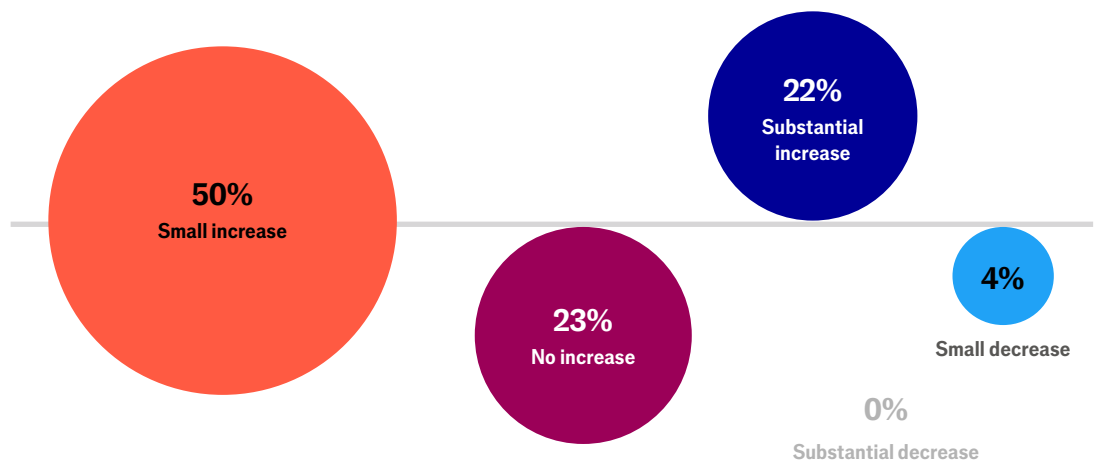
Source: Economist Enterprise survey of supply chain and procurement leaders, 2026

Instead, it is a question of priorities. Investing in software and data modernisation diverts money from projects that can immediately generate revenue or cut costs, in favour of spending on technology upgrades that will have no immediate impact on the bottom line, could take years to deliver and may not succeed. Across industries, our survey suggests, firms are unwilling to take such a gamble, particularly not for the procurement and supply-chain function.

Only 22% of respondents expect a substantial increase in spending to overcome technical barriers to supply-chain autonomy next year. Half plan only a small increase, a quarter no increase at all and 4% expect investment to fall. Three in four firms, in other words, intend to address a critical data engineering gap—which they acknowledge threatens the viability of autonomous supply chains—through only incremental effort, or no effort at all.

Figure 4: AI ambitions, incremental budgets

Expected change in financial investment next year to support progress towards autonomous supply chains



Source: Economist Enterprise survey of supply chain and procurement leaders, 2026

Meanwhile, only 11% of firms have fully funded their AI strategy to back up their plans for autonomy with capital investment. Far more firms (41%) fund stand-alone pilots instead, to the frustration of many advocates of AI.

“Leaders always want these shiny models and solutions for their teams, but they don’t want to invest in building out the right data products,” says Dr Hoeft.

“Leaders always want these shiny models and solutions for their teams, but they don’t want to invest in building out the right data products”

Dr Fabian Hoeft, former data and AI product manager at Jaguar Land Rover

AI ambivalence

This tension between long-term tech modernisation projects and immediate experimentation with autonomy is creating a perverse, circular dynamic surrounding AI in procurement and supply chain. Wary of investing in data engineering, executives push for AI pilots and proofs of concept. These often fail to deliver, precisely because data engineering work has not been done, further discouraging future investment.

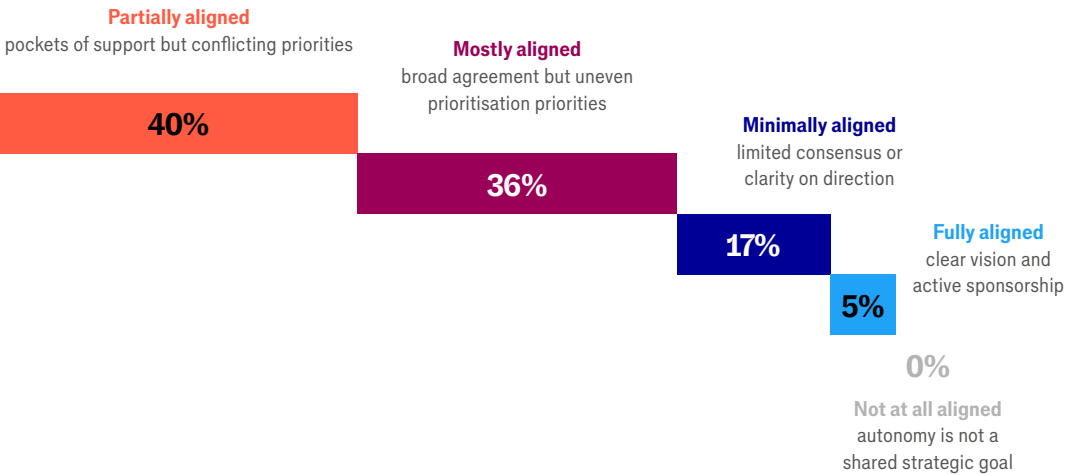
“The board completely acknowledges the transformative nature of this technology for the entire value chain, [but they say] we want to learn more about the potential and make a realistic plan forward.”

Dr Fabian Hoeft, former data and AI product manager at Jaguar Land Rover

Today’s executives are increasingly uncertain about how to approach AI, yet under huge pressure to adopt it to avoid falling behind rival companies. Just 5% of firms report full alignment among executive leadership on the strategy for adopting autonomous supply chains, with most firms reporting at best partial alignment. Around 42% of business leaders list uncertainty about returns on investment among the biggest barriers to progress towards autonomy, making it the third most significant barrier after legacy technology and poor data quality.

Figure 5: Many visions, one supply chain

How aligned executive leadership is on strategies for adopting autonomous supply chains and AI agents



Source: Economist Enterprise survey of supply chain and procurement leaders, 2026

Dr Hoeft neatly sums up the tensions at play at executive level: “The board completely acknowledges the transformative nature of this technology for the entire value chain, [but they say] we want to learn more about the potential and make a realistic plan forward.”

Potential payoffs

In those rare cases when procurement is treated with the same priority as operations, with skilled teams and capital committed to breaking down data silos, firms have shown that AI agents can deliver significant value in supply chain and procurement. What is needed is a clear commercial imperative to justify investment.

For clinical trials firm IQVIA, the covid-19 pandemic provided exactly that. With trial participants wary of leaving their homes due to infection risk, the industry model for clinic-based testing was up-ended. IQVIA had to rapidly develop a last-mile supply-chain solution to deliver medicines to participants' doorsteps and return patient samples to its labs.

The strong commercial imperative unlocked investment in both data consolidation and integration with new suppliers. Data from logistics providers, laboratories and drug companies, that had historically sat in different internal repositories, were combined into a single data store so that AI agents could plan the dispatch and collection of thousands of different test kits to multiple addresses.

The results were significant: a 15-20% reduction in logistics costs compared to human management; a 20% improvement in inventory management; and a 20-30% improvement in service levels.

"Overall, we've improved our service levels, and it's been a successful cost-play in terms of reducing spend," says Amit Shukla, global VP and GM at IQVIA.

For all IQVIA's successes in data consolidation, it has been impossible to convert outputs from some external tools, such as weather feeds, into a format its AI agent can analyse. This means that in cases of extreme weather, employees must manually override the AI agent. This highlights an additional obstacle to AI adoption in supply chain: no matter how advanced a firm's internal data system, incorporating data from outside the company poses a separate struggle.



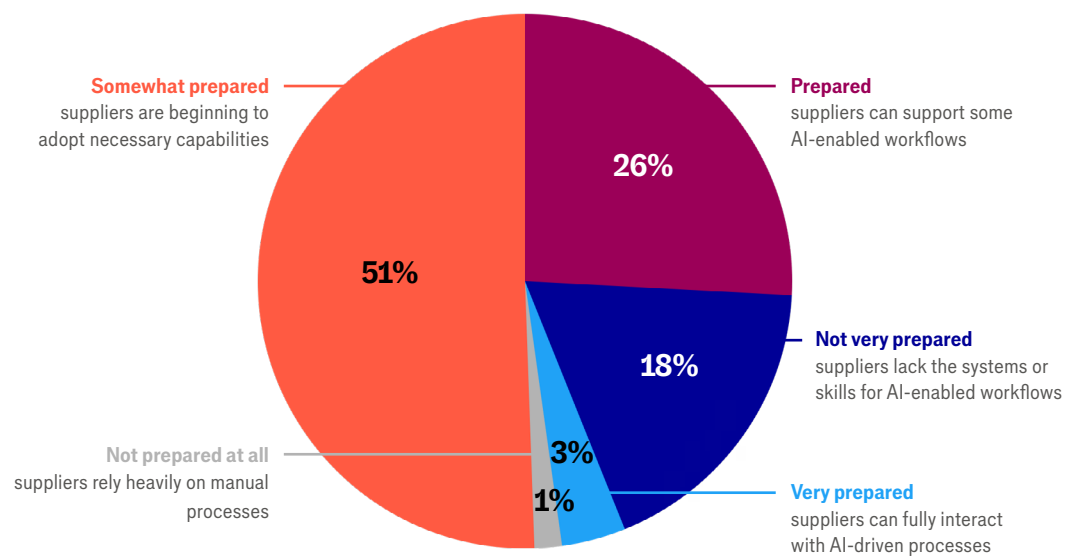
The supplier dilemma: taking autonomy beyond the enterprise boundary

As the IQVIA example shows, even a firm that resolves its internal data problems faces an external one. Autonomous procurement systems can only optimise what they can see, but much of what matters in a supply chain lies outside the enterprise boundary, in the systems and data standards of suppliers.

This makes supplier co-operation and technical integration essential for autonomy to succeed. Yet only 4% of firms say their suppliers are very prepared to interact with autonomous AI systems, with the majority reporting that their suppliers are at best somewhat prepared.

Figure 6: The supplier bottleneck

How prepared suppliers are to interact with AI agents and AI-enabled procurement workflows



Source: Economist Enterprise survey of supply chain and procurement leaders, 2026

Four in ten respondents, meanwhile, cite limited supplier data-sharing as a critical barrier to autonomy.

Size matters

In some cases, supplier integration can be solved through technical investment. IQVIA, for example, built an application programming interface (API) to receive data from dozens of logistics providers, convert it into compatible formats and store it. But this, of course, requires suppliers that have the technology to provide data in real time.

That is not a problem for large businesses such as global logistics firm DHL, who already stream data to customers as standard. However, it is beyond the capabilities of many small and mid-tier suppliers who still communicate by email. Even one weak data link such as this in a supply chain severely undercuts the potential for autonomy in procurement.

Think of an AI agent designed to automatically replenish stock from suppliers as it dwindles. The top tier of suppliers—multinationals with digital teams, API infrastructure and a commercial incentive to integrate—are likely to be able to expose their stock availability and delivery timeframes in real time and accept orders from an AI agent. Smaller firms would not, so the AI agent would have no way of ordering key components. Human intervention would be essential.



Inducing co-operation

Firms that want machine-readable data from their supply base will need to create the conditions in which suppliers have both a reason to provide it and the means to do so. Neither can be assumed.

One option is to use commercial leverage. Buyers can make digital integration a condition of doing business, dropping suppliers that cannot or will not provide structured, real-time data. But this carries a risk of concentration—pushing smaller and less digitally capable firms out of the ecosystem and potentially raising costs and reducing resilience in a crisis.

Indeed, Steven Slawson, director of procurement for new product development at US truck accessory brand RealTruck, questions the need to pursue automation at all costs, if it disrupts long-standing, productive, human-to-human partnerships. Instead, he says, firms should demonstrate to suppliers—particularly smaller ones—that automation complements an existing relationship.

“If you choose to get rid of [humans, then] when something goes wrong, you have no relationship with that supplier to solve that problem,” he says. Rather than being a costly inconvenience that needs to be automated as soon as possible, Slawson argues, supplier relationships are a form of resilience capital, built over years of interaction and difficult to reconstitute once atrophied.

Compliance before creativity: making AI make sense

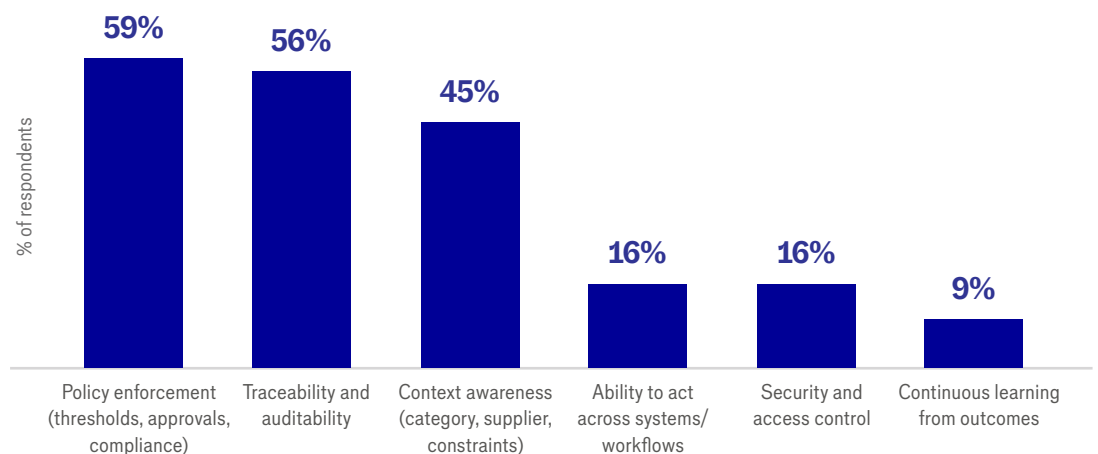
As we have seen, progress towards autonomy in procurement and supply chains faces huge challenges from poor data preparedness, digitally immature suppliers and lack of investment. The most important obstacle of all, however, may be appetite.

While the attraction of AI agents is that they can make business-critical decisions in milliseconds, without needing to explain how, this can also feel intimidating for many executives and their regulators. In fact, ask procurement leaders what they need from AI systems, and the priorities that emerge are far more conservative than advocates of the technology might expect.

Policy enforcement, or the expectation that an AI agent will comply with stipulated thresholds and governance limits, is prized most highly and cited by 59% of respondents. Traceability and auditability follow at 56%. At the bottom of the list, cited by just 9%, is continuous learning—the expectation for AI systems to improve autonomously over time, one of the main selling points of the technology.

Figure 7: Rules before reasoning

*What matters most to organisations for AI-driven decision execution in procurement and supply chain**



*Respondents were asked to select the top two.

Source: Economist Enterprise survey of supply chain and procurement leaders, 2026

The message is consistent: procurement wants AI that follows the rules and leaves a paper trail, not AI that writes new ones.

Governance requirements for the adoption of AI in procurement and supply chain are correspondingly stringent. Eight in ten respondents identify human override capability as the most important feature of an autonomous system, with policy-based approval workflows required by 72% and understanding of why a specific decision was made demanded by 69%.

Executives worry, even when regulators are silent

These requirements reflect a regulatory environment that is tightening all the time.

The EU AI Act requires documented human oversight mechanisms, explainability standards and clear audit trails for high-risk AI applications.⁵ Europe-based respondents are unsurprisingly, therefore, more likely to expect regulatory controls to be built into agentic AI decision-making. State-level regulations in the US are also advancing, however, creating a compliance landscape that increasingly places accountability obligations on any organisation deploying autonomous systems, regardless of where it is based.⁶

Such regulation often places limits on what AI agents can do. For example, as a provider of critical national infrastructure, Severn Trent must be able to explain major decisions to Ofwat, its regulator. This means agentic AI recommendations that are not accompanied by a legible chain of reasoning are unusable in practice, no matter how efficient the proposed course of action may be. For now, AI agents do not execute actions within the company. They only make recommendations for human employees to consider.

Even without such regulatory constraints, however, Severn Trent's Mr Roberts suggests there would be reluctance to allow AI agents full autonomy.

"I think the challenge is one of trust, especially with the concept of AI hallucination," he says. "If you're completely engineering the whole business network around decision-making from an AI tool, you've got to be able to implicitly trust it and ensure that it's completely accurate."

"If you're completely engineering the whole business network around decision-making from an AI tool, you've got to be able to implicitly trust it and ensure that it's completely accurate."

Jaime Roberts, head of IT delivery,
Severn Trent Water

Phased adoption

If these concerns are to be overcome, AI advocates need to be able to prove to boards and regulators that the technology is reliable. At IQVIA, for example, regulatory and quality assurance teams were the strongest resistors of expanded autonomy because they were concerned about an absence of accountability: if an AI agent mixed up medical samples, who would be responsible and where would it be recorded?

The answer Mr Shukla's team developed was graduated autonomy and the concept of “dipstick audits”. First, AI agents were rolled out gradually, starting with low-value trials in specific locations. Second, his team began by reviewing every tenth automated decision, escalating to every hundredth as confidence grew. This kind of governance framework does not block automation; it creates the conditions under which it can be trusted.

“In the supply-chain function, we tend to really focus on reliability and accuracy,” says Mr Shukla. “There had to be a lot of cultural mindset change—both at our end and our partners’—to understand that AI agents could manage distribution effectively.”

Governance, in this reading, does not put a stop to AI adoption; it is the mechanism by which adoption becomes sustainable. Firms that treat explainability and human oversight as features rather than constraints are building systems that regulators can approve, boards can trust and suppliers can engage with. That is, ultimately, what an autonomous supply chain must be.



Conclusion: a recipe for success

AI is genuinely advancing in procurement and supply chain. The evidence for what it can already do—slashing logistics costs, eliminating manual invoice processing, managing cyber-security responses at machine speed—is real and growing.

But the evidence for what it cannot yet do is equally real. The gap between executive ambition and operational reality is large, and closing it is harder and more expensive than most organisations have so far been willing to acknowledge.

The firms that are furthest along share a set of characteristics: they have a defined commercial reason to invest, not just a strategic aspiration; they built data infrastructure before deploying AI on top of it; and they engaged their suppliers as partners in digital transformation rather than assuming co-operation.



Procurement and supply-chain leaders wanting to follow suit should have six priorities:

1. **Start with what AI can already do reliably and build outwards.** Purchase order processing, spend categorisation and supplier onboarding are already automatable at most firms. Deploying AI in these areas generates returns, builds internal confidence and creates the track record that boards and regulators need to see before approving wider autonomy.
2. **But don't settle for quick wins.** The orchestration of rule-bound processes through task automation is a low-hanging fruit, but the value it delivers is limited and does not compound over years. AI transformation needs to be seen as a long-term journey towards full autonomy, with an emphasis on AI agents cultivating domain intelligence, and an understanding of business goals.
3. **Treat data modernisation as a capital investment, not an IT cost.** Firms that budget for AI tools without budgeting for the data infrastructure those tools require are, as many are discovering, wasting their money.

4. **Make suppliers part of AI strategy.** Most of the data that drives supply chains sits outside the enterprise, but firms cannot simply mandate digital readiness across a supply base of thousands. A better approach is co-investment: working with key suppliers to build the data connections that autonomy requires.
5. **Design for governance from day one, not as an afterthought.** Auditability and explainability are not compliance burdens to be bolted on before a system goes live; they are the conditions under which autonomous systems earn and retain trust. Firms that embed explainability into their AI architecture from the start will move faster.
6. **Align the executive team, or do not start.** The commercial case for AI in procurement is strong; making it requires someone at board level to own it, fund it and protect the investment from short-term cost-cutting pressure. Without this, data modernisation projects will not be funded, pilots will be shelved when results are slow to materialise and the function will remain in the perpetual loop of AI ambition without delivery.

References

1. Key takeaways from DPW Amsterdam: The real state of AI in procurement. Archlet. November 26 2025. Available at: <https://www.archlet.io/blog/ai-in-procurement-dpw-amsterdam-takeaways>
2. Tatini PR. Transforming Sourcing and Supply Chain Management: The Evolution of AI Agents in Modern Procurement. International Journal of Scientific Research in Computer Science, Engineering and Information Technology. January-February 2025. 11;1:1219-1226. Available at: <https://doi.org/10.32628/CSEIT251112131>
3. Culot G, Podrecca M, Nassimbeni G. Artificial intelligence in supply chain management: A systematic literature review of empirical studies and research directions. Computers in Industry. 162; 2024: 104132. Available at: <https://www.sciencedirect.com/science/article/pii/S0166361524000605>
4. What Companies with Successful AI Pilots do Differently. Harvard Business Review. September 2025. Available at: <https://hbr.org/2025/09/what-companies-with-successful-ai-pilots-do-differently>
5. The EU AI Act: A Quick Guide. Simmons + Simmons. Available at: <https://www.simmons-simmons.com/en/publications/clyimpowh000ouxgkw1oidakk/the-eu-ai-act-a-quick-guide>
6. Stout K. State Approaches to AI Regulation Are a Patchwork. International Center for Law & Economics. June 2025. Available at: <https://laweconcenter.org/resources/state-approaches-to-ai-regulation-are-a-patchwork/>

About GEP

GEP® delivers AI-native procurement and supply chain solutions that help global enterprises become more agile and resilient, operate more efficiently and effectively, gain competitive advantage, boost profitability and increase shareholder value.

Fresh thinking, innovative products, unrivaled domain expertise, smart, passionate people — this is how GEP SOFTWARE™, GEP STRATEGY™ and GEP MANAGED SERVICES™ together deliver procurement and supply chain solutions of unprecedented scale, power and effectiveness. Our customers are the world's best companies, including more than 1,000 Fortune 500 and Global 2000 industry leaders who rely on GEP to meet ambitious strategic, financial and operational goals.

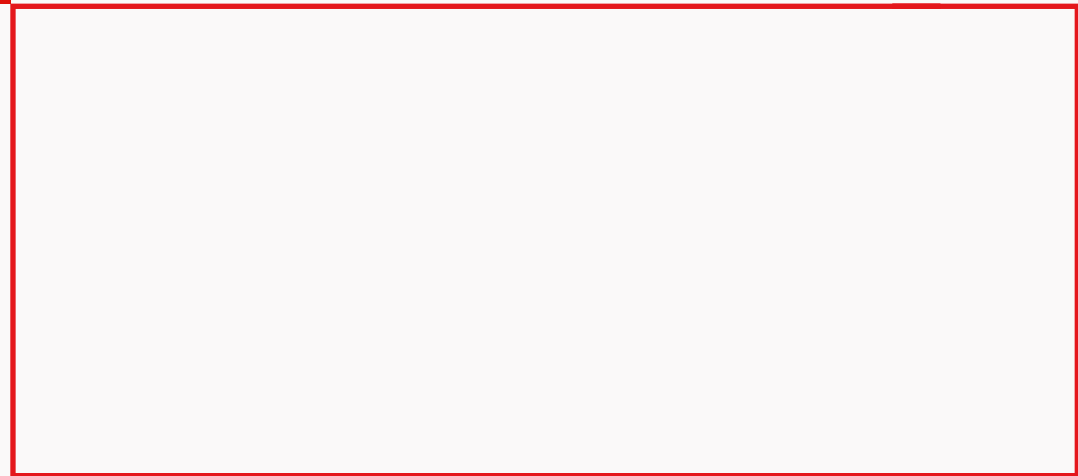
A leader in multiple Gartner Magic Quadrants, GEP's AI-native procurement and supply chain platform consistently wins awards and recognition from industry analysts, research firms and media outlets, including Gartner, Forrester, IDC, ISG, and The Hackett Group.

GEP is also regularly ranked a top procurement and supply chain consulting and strategy firm, and a leading managed services provider by ALM, Everest Group, NelsonHall, IDC, ISG and HFS, among others.

Headquartered in Clark, New Jersey, GEP has offices and operations centers across Europe, Asia, Africa and the Americas. To learn more, visit www.gep.com.

Clark, NJ | New York | Chicago | Miami | Toronto | San Jose | Mexico City | Bogota | Santiago | São Paulo | Dublin
London | Amsterdam | Dortmund | Frankfurt | St. Gallen | Prague | Cluj-Napoca | Toruń | Riga | Sandvika | Solna
Tampere | Helsinki/Espoo | Lagos | Cairo | Centurion | Addis Ababa | Tel Aviv | Riyadh | Abu Dhabi | Mumbai | Pune
Hyderabad | Coimbatore | Kuala Lumpur | Singapore | Surabaya | Shanghai | Dalian | Tokyo | Sydney

While every effort has been taken to verify the accuracy of this information, Economist Enterprise cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report. The findings and views expressed in the report do not necessarily reflect the views of the sponsor.



LONDON

The Adelphi
1-11 John Adam Street
London WC2N 6HT
United Kingdom
Tel: (44) 20 7830 7000
Email: london@economist.com

GENEVA

Rue de la Rôtisserie 11
1204 Geneva
Switzerland
Tel: (41) 22 566 2470
Fax: (41) 22 346 93 47
Email: geneva@economist.com

SYDNEY

Level 14
5 Martin Place
Sydney
Australia
Tel: (61) 2 8551 0023
Email: asia@economist.com

NEW YORK

The 900 Third Avenue
16th Floor
New York, NY 10022
United States
Tel: (1.212) 554 0600
Fax: (1.212) 586 1181/2
Email: americas@economist.com

DUBAI

Office 1301a
Aurora Tower
Dubai Media City
Dubai
Tel: (971) 4 433 4202
Fax: (971) 4 438 0224
Email: dubai@economist.com

GURUGRAM

9th floor, Tower A
Infinity Building
DLF Cyber City, Phase – II
Gurgaon (122002)
India
Tel: (91) 124 6409 300
Email: asia@economist.com

HONG KONG

1301
12 Taikoo Wan Road
Taikoo Shing
Hong Kong
Tel: (852) 2585 3888
Fax: (852) 2802 7638
Email: asia@economist.com

SINGAPORE

8 Cross Street
#23-01 Manulife Tower
Singapore
048424
Tel: (65) 6534 5177
Fax: (65) 6534 5077
Email: asia@economist.com