Leveraging Agentic AI for Procurement Intelligence and Market Insights

White Paper

The Value of Agentic AI in Procurement

Smarter AI Without Giving Up Control

- Enterprises are adopting more autonomous AI to address complex, dynamic supply markets. Deploy intelligent automation, but enforce our standards and governance. Agentic AI can monitor markets, recommend actions, and execute approved workflows within defined boundaries.
- Procurement teams face constantly changing market conditions, supplier risks, and cost volatility. Agentic AI can monitor market signals, identify risks, and recommend actions before disruptions impact operations.
- Our agents are trained on our business rules, our value creation plan, our sourcing strategy, and our organizational data. Embedding our specific knowledge into the AI ensures it operates within our governance standards and business objectives.
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Introduction to Agentic AI

- Procurement teams face increasing market volatility and risk that stretch resources. Traditional procurement strategies were largely manual, creating a significant gap between market complexity and organizational capacity.
- However, the rise of AI-driven intelligence offers a transformative opportunity. Intelligent procurement leverages supplier intelligence, optimizes cost structures, and enables data-driven decision-making.
- Agentic AI represents the next evolution in procurement, moving beyond automation to autonomous decision-making.
- Our agents are trained on our business rules and our value creation plan, ensuring alignment with our specific governance standards and business objectives. This ensures the Agentic AI operates within defined boundaries and can make data-driven decisions, risk assessments, and procurement recommendations.

Research Insights from Reputable Sources

McKinsey's Perspective

McKinsey's research on Agentic AI in procurement highlights the transformative potential for autonomous decision-making, enhancing supplier management and driving greater sustainability. These research indicates that traditional AI can automate routine tasks, but Agentic AI can handle complex, multi-step procurement processes with minimal human intervention.

Gartner's Findings

- Gartner highlights that procurement teams often face challenges when sourcing data from multiple systems, which hinders timely decision-making.
- Agentic AI addresses this by integrating data from various sources, enabling real-time analysis and recommendations. This capability is crucial for managing complex supply chains and ensuring compliance with regulatory standards.

AI agent development projections by McKinsey and Gartner

Gartner projects that by 2028*

33%	- 15%
of enterprise software applications will include Agentic AI	of the day-to-day work decisions will be made autonomously*

McKinsey projects that by 2030*

$450-650 billion	from 30 to 50%
Agentic AI has potential to generate value across procurement and supply chain functions	Cost savings are identified in procurement and supply chain operations

*Gartner Press release, Gartner Identifies Top Strategic Technology Trends for 2025, Gartner Identifies the Top Cybersecurity Trends for 2025, Gartner Identifies Top Emerging Technologies Impacting Sustainability in Its Hype Cycle for Emerging Technologies, 2024, Gartner Identifies Top Emerging Technologies for Enterprise Adoption in Its Hype Cycle for Emerging Technologies, 2024, Gartner Identifies Top Technology Trends for Data Centers and Hybrid Infrastructure in 2024, Gartner Identifies Top Technology Trends for Supply Chain Leaders in Its Hype Cycle for Supply Chain Technologies, 2024

McKinsey & Company, Agentic AI: Unlocking the next frontier of procurement value, The agentic organization: Contours of the future AI based enterprise, Agentic AI: Unleashing the potential of AI powered supply chains, Agentic AI: Advancing from pilots to production, The state of AI: How organizations are rewiring to capture value, The new frontier of procurement, The new rules of AI in supply chain management, Agentic AI: Unlocking the next frontier of procurement value, The new frontier of procurement, The new rules of AI in supply chain management

The Role of Agentic AI in Procurement

Traditional AI in Procurement

- Traditional AI applications in procurement focus on automation of tasks, such as data entry and basic analysis, to improve efficiency and accuracy.
- However, this scope of AI remains limited by predefined rules and requires supplier teams to spend time on tasks that cannot maximize their business value, such as manual data collection and analysis, which hinders strategic decision-making.

Agentic AI Advantage

- Agentic AI represents a significant leap forward, as it can perform complex tasks like market analysis and price forecasting, such as predicting commodity price fluctuations and optimizing supplier selection based on real-time data, enhancing strategic decision-making.
- Our Agentic AI can monitor market conditions, identify risks, and recommend actions within defined boundaries, ensuring compliance with regulations and business objectives. This allows teams to focus on strategic initiatives and maximize the value of their procurement spend.

Conclusion

1. Introducing an Agentic AI powered market intelligence platform offers a transformative opportunity to enhance procurement strategies.
2. The platform automates the discovery of relevant suppliers, analyzes market trends, and provides data-driven insights, enabling procurement teams to make informed decisions and optimize supplier relationships.

This will significantly improve procurement efficiency and cost-effectiveness and supplier reliability.

Companies That Will Benefit from This Solution

Target Company Profiles

AI Bridge can deliver high-value AI solutions that benefit companies of various sizes and industries, addressing specific challenges in procurement, supply chain resilience, and sustainability.

Large Enterprises in Manufacturing

- Manufacturers often extend sourcing across extended supply chains, which increases complexity and risk.
- Our Agentic AI can monitor supplier performance, identify potential disruptions, and recommend alternatives.
- This capability helps OEMs maintain lean procurement of materials, such as steel and aluminum, while ensuring supply chain resilience.
- Agentic AI can also optimize procurement processes, such as automating supplier onboarding and contract management, to reduce operational costs and improve efficiency.

Logistics and Retail Companies

- For logistics companies managing global supply chains, procurement costs and supplier performance are critical for maintaining competitive advantage.
- Retailers like Walmart, Kroger, and Amazon rely on efficient procurement strategies to manage vast product portfolios and ensure timely delivery to their stores.
- Our Agentic AI can monitor supplier performance, identify potential disruptions, and recommend alternatives to ensure timely delivery and cost-effectiveness.

Technology and Services Firms

- IT services firms like Accenture and Infosys leverage AI to optimize procurement for hardware, software, and IT services, ensuring cost-effectiveness and timely delivery.
- Our Agentic AI can monitor supplier performance, identify potential disruptions, and recommend alternatives to ensure timely delivery and cost-effectiveness, enhancing their competitive edge in the technology and services sector.

Business Challenges and Value Unlock

Business Challenges in Procurement

Procurement teams face a variety of challenges that hinder efficiency and cost-effectiveness. These challenges include manual processes, data silos, information overload, supplier risk management, and market volatility. Agentic AI can address these challenges by automating data collection and analysis, providing real-time insights, and enhancing supplier relationships.

- **Manual Data Collection**
  Procurement teams spend significant time on manual data collection and analysis, which is time-consuming and prone to errors.
- **Supplier Performance Tracking**
  Monitoring supplier performance across various KPIs can be challenging, leading to delays and inefficiencies in procurement processes.
- **Cost Optimization**
  Procurement teams must balance the need for cost savings with maintaining supplier relationships.
- **Decision Velocity in Volatile markets**
  The volatile nature of supply chains can lead to delayed procurement decisions, which can impact supply chain resilience and operations.

How Agentic AI Solves These Challenges

- **Automation Data Gathering**
  Agentic AI can automatically collect data from multiple sources, including supplier databases, market reports, and news feeds, to provide a comprehensive view of the market.
- **Real-Time Supplier Performance Monitoring**
  Agentic AI can continuously monitor supplier performance metrics, such as delivery times, quality, and compliance, to ensure timely and cost-effective procurement.
- **Better Decision Making**
  Agentic AI can provide procurement teams with data-driven insights and recommendations, enhancing their ability to make informed decisions and optimize supplier relationships.

Agentic AI from Core Engines to Procurement Solutions

Agentic AI Engines

Agentic AI is a sophisticated AI-based digital solution leveraging a complex ecosystem of specialized engines to automate and optimize procurement processes. Key components of the framework include:

1. **Access AI Foundry**
   A centralized "storefront" managing the AI development, design, and deployment of procurement-specific agentic AI.
2. **Procurement Data Intelligence Engine**
   A foundational layer that ingests, cleans, and structures data from various procurement systems, including ERP and supplier databases.
3. **AI Agents**
   Specialized, autonomous AI modules for specific procurement tasks, such as supplier risk assessment or contract analysis.
4. **Agentic Orchestration Engine**
   The central brain that manages and coordinates the use of agents with multiple AI models and external APIs.
5. **Agentic Knowledge Engine**
   A knowledge "warehouse" managing the AI's memory and learning, stores procurement-specific knowledge, rules, and historical data.
6. **Agentic Interface Layer**
   The user-facing layer, providing a conversational interface for procurement teams to interact with the AI system.

Agentic AI Procurement Solutions

The AI Foundry enables rapid development of various, pre-trained, scalable procurement solutions, addressing key challenges in the procurement function. These solutions leverage Agentic AI to automate and optimize:

1. Supplier Risk Management
   AI-driven alerts and predictive analytics to identify and mitigate risks, including supplier bankruptcy, geopolitical disruptions, and compliance issues.
2. Contract Management
   Automated contract analysis, clause extraction, and compliance monitoring, ensuring adherence to terms and identifying potential risks.
3. Spend Analysis
   AI-powered analytics to provide real-time visibility into procurement spend, identify cost-saving opportunities, and optimize budget allocation.
4. Supplier Onboarding
   Streamlined and automated onboarding process, including data collection, verification, and risk assessment.
5. Procurement Chatbot
   A conversational AI assistant to answer procurement queries, provide recommendations, and automate routine tasks.

Value Proposition

Andersen Approach to Agentic AI in Procurement

1. **Process First Approach**
   Mapping of current RFx, and supplier management flows, integration with ERP, procurement systems, and data sources, ensuring seamless integration and minimal disruption to existing processes.
2. **Accelerators Drive Value**
   Customized accelerators, including prebuilt templates, data connectors, and AI-powered automation, to expedite implementation and maximize value.
3. **Scalable Architecture**
   Modular, cloud-native platform designed for future-proofing and scalability, ensuring adaptability to evolving procurement needs.
4. **Continuous Improvement**
   Leveraging AI and machine learning algorithms to continuously optimize processes and identify new opportunities for value creation.

Value for Clients

Andersen approach is not designed to replace the existing procurement tech stack, but to enhance it with intelligent automation and decision-making capabilities, unleashing Agentic AI to drive efficiency, improve supplier relationships, and ultimately, create more value for procurement teams and their organizations.

This approach brings significant value to our clients:

- **Reduce Operational Costs**
  Automate repetitive tasks, such as supplier qualification, contract analysis, reduce the time spent on manual tasks.
- **Improve Supplier Reliability**
  Enhance supplier performance management and mitigate supplier risks, such as bankruptcy, geopolitical disruptions, and compliance issues.
- **Unlock Cost Savings**
  Identify and capture hidden cost savings in both direct and indirect spend, leveraging AI to analyze market trends, supplier pricing, and identify more procurement levers.
- **Enhanced Decision Making**
  Provide procurement teams with data-driven insights and recommendations, enabling them to make informed decisions and optimize supplier relationships.

The process that platform agrees, and tailor-designed roadmap to implement Agentic AI in procurement, ensures that the solution delivers maximum value to our clients. The staff is trained, policy, project examples, and endorsed stakeholder buy-in plans.

Translating Business Goals into Architecture

AI Bridge's core implementation starting with criteria range of capabilities to the client organization and ensure that the solution is designed to meet specific business goals and objectives. This approach ensures that the AI solution is not just a technical exercise but a strategic initiative that drives tangible business value.

Key considerations that can influence the development and integration path:

1. **Legacy and ERP Landscape complexity**
   Assess the existing IT infrastructure, including legacy ERP systems, data silos, and integration capabilities, which impacts the ease and complexity of implementation. Cloud-native solutions offer greater flexibility.
2. **Organizational readiness**
   Evaluate the organizational change management capacity, including the willingness to adopt new processes and technologies, and the need for training and upskilling.
3. **Regulatory compliance and Organizational constraints**
   Consider industry-specific regulations and data privacy requirements, which may dictate data residency and security measures.
4. **Security posture and risk tolerance**
   Assess the organization's cybersecurity posture and risk tolerance, including data encryption, access controls, and compliance with relevant standards.

Whether your company relies on traditional manual procurement processes or a complex, legacy-based approach, our team will work with your procurement team to understand your current workflows, identify the operating models and maximum value.

Executive Overview of the Solution

Solution Overview

- The proposed solution leverages Agentic AI to provide an advanced procurement intelligence platform that automates the gathering, data analysis, supplier risk assessment, and market trend analysis.
- The platform combines the power of real-time data from public and private sources to support strategic procurement decisions and enhance supplier relationships.

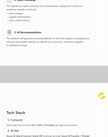
Key Components

1. **Data Integration Engine**
   Aggregates data from both public and private sources, including procurement systems, market reports, and supplier databases.
2. **AI Processing Core**
   Uses advanced machine learning algorithms for price forecasting, risk analysis, and supplier scoring.
3. **User Interface**
   A web-based dashboard that provides supplier scorecards, recommendations, and real-time alerts for procurement teams.

Data Protection and Security

Given the sensitivity of procurement data, our solution ensures robust data protection through:

- **Encryption**
  All data is encrypted both in transit and at rest to protect against data breaches.
- **Access Control**
  Role-based access control (RBAC) ensures that only authorized personnel have access to sensitive information.
- **Compliance**
  Our solution adheres to GDPR, SOC 2, and other relevant privacy regulations to ensure compliance with data protection laws.



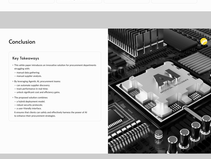
Solution Architecture

Hybrid Deployment Model

Our hybrid deployment model is designed to ensure the highest level of security while offering the scalability and flexibility of the cloud. Here is a breakdown of the implementation:

- **On-Premises Components**
  Sensitive procurement data, such as pricing contracts and supplier negotiations, will be hosted on-premises/private cloud. This ensures data sovereignty and compliance with regulatory requirements.
- **Cloud Components**
  Cloud-based services, such as market trends, supplier risk intelligence, and benchmarks data, will be accessed via the Azure Marketplace. This leverages Azure's scalability and integration with Agentic AI services.

Primary View — Container Diagram


Procurement Analyst
Procurement Manager
Supplier Risk Analyst
Contract Manager
Procurement Chatbot
Agentic Orchestration Engine
Agentic Knowledge Engine
Agentic Interface Layer
Access AI Foundry
Procurement Data Intelligence Engine
Procurement Systems
Supplier Data
Market Data
Contract Repository
Procurement Chatbot
Procurement Analyst
Procurement Manager
Supplier Risk Analyst
Contract Manager
Procurement Systems
Supplier Data
Market Data
Contract Repository
Azure Marketplace
Azure Cloud
Azure Cloud
Azure Cloud