



Navigating through global procurement challenges – examples and CPO survey results 2025

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Challenges on the road

Unprecedented complexity is facing our supply chains in broader view due to security constraints, geopolitical issues and other regulatory requirements

China Could Face

October 20th, 2025 6:11 PM

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Investor
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NEWS GLOBAL MARKET

New tariffs EU and the

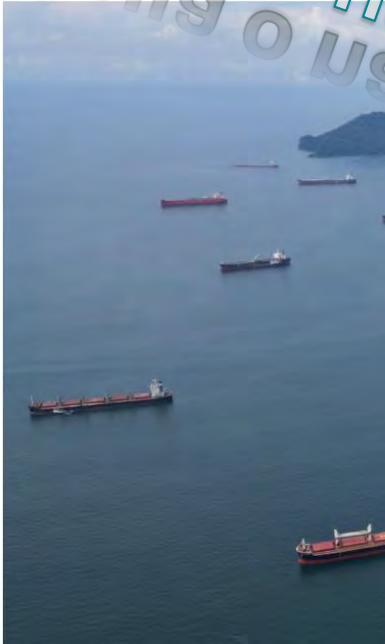
Global economy

'pain' from tariff

How the climate

Panama Canal - a

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Reuters

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ECB to pause rates at least until 2027 on steady inflation and growth outlook

By Indradip Ghosh

October 22, 2025 12:51 PM GMT+2 · Updated 15 hours ago



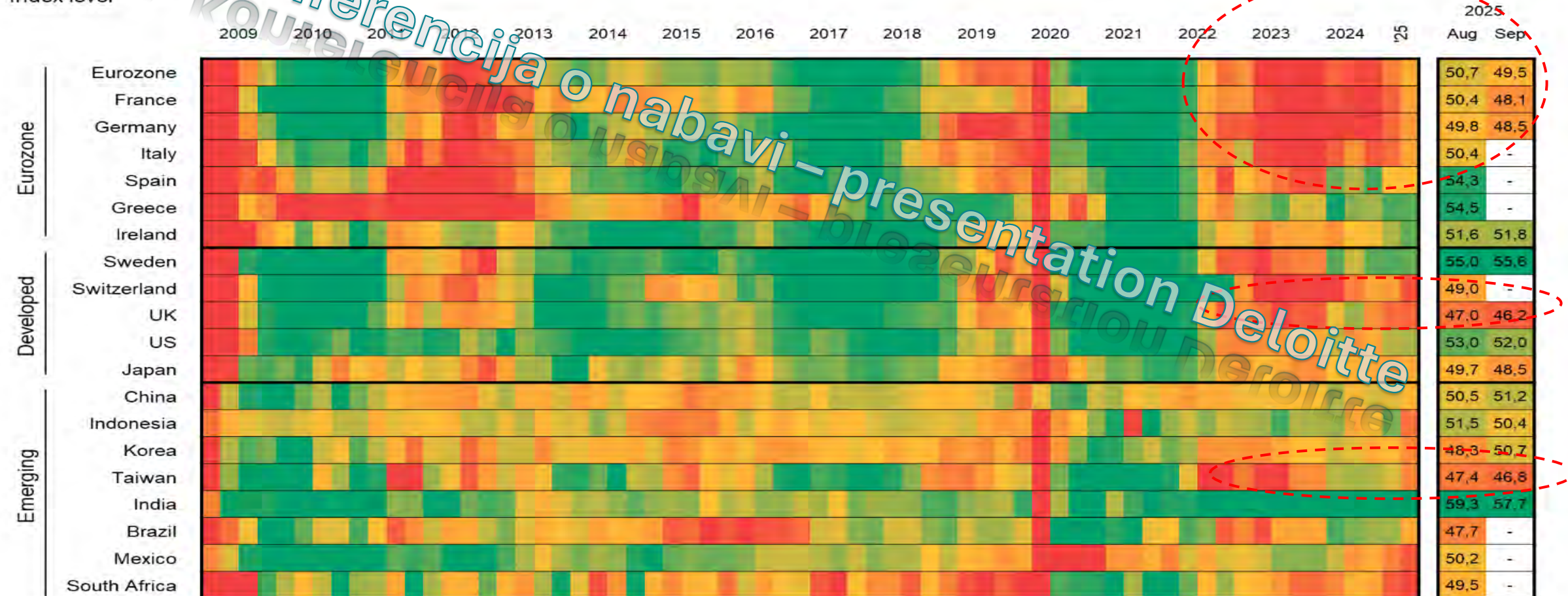
EUROPEAN CENTRAL BANK

European Central Bank (ECB) President Christine Lagarde addresses the media after the ECB's Governing Council meeting, at the ECB headquarters in Frankfurt, Germany, September 11, 2025. REUTERS/Kal Pfaffenbach/File Photo [Purchase Licensing Rights](#)

BENGALURU, Oct 22 - The European Central Bank has finished cutting interest rates as inflation holds around its 2% target and the economy marches steadily on, according to a growing majority of economists

Expectation regarding expansion within majority of Eurozone counties are indicating that neither significant contraction or expansion is expected

Global manufacturing PMI
Index level

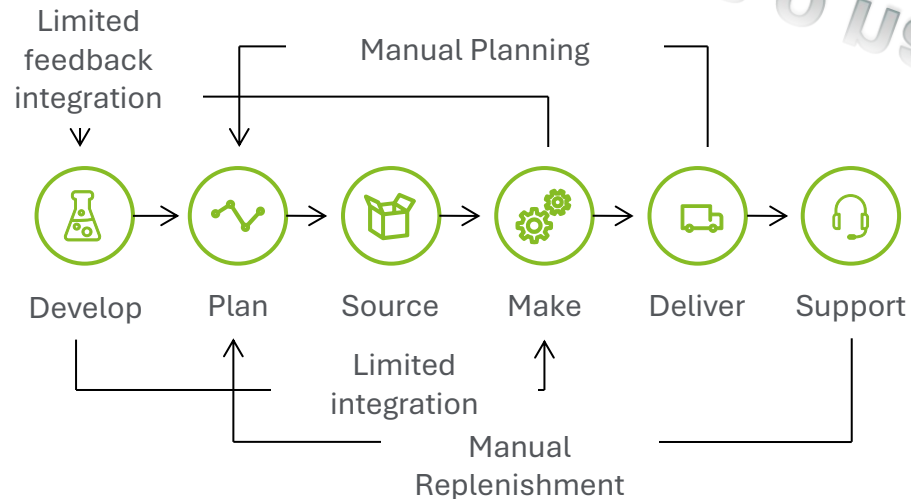


Our world has changed

Innovative and disruptive technologies are changing the supply chain, especially procurement functions, are working within organizations

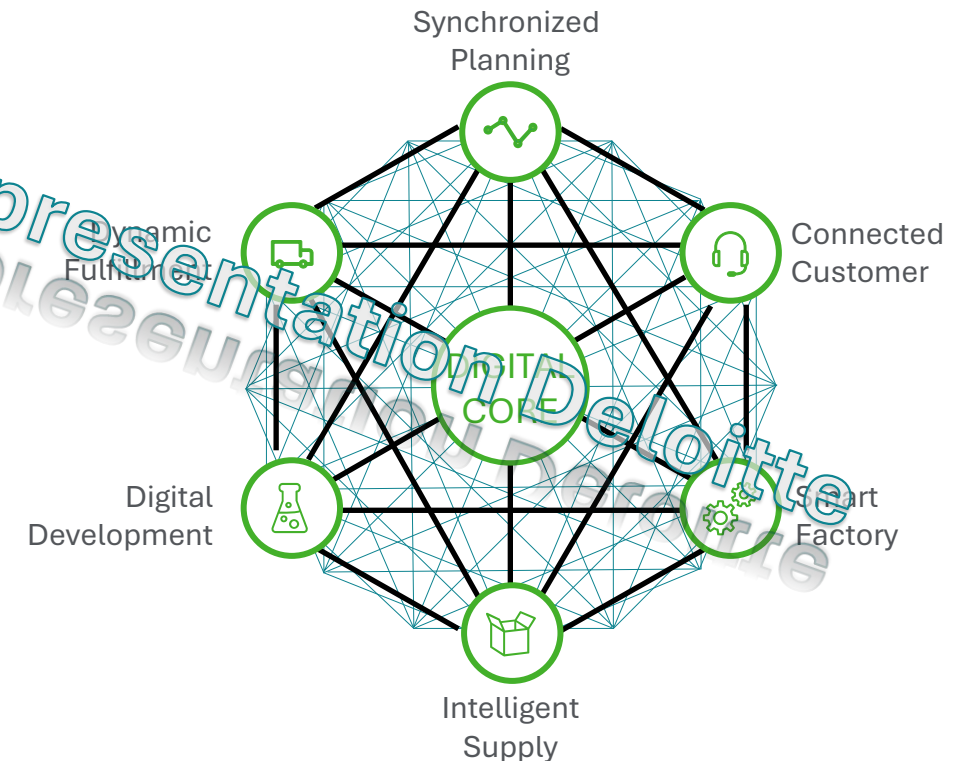
Traditional Supply Chains

Linear & sequential flow of product & information where each step is dependent on the preceding step



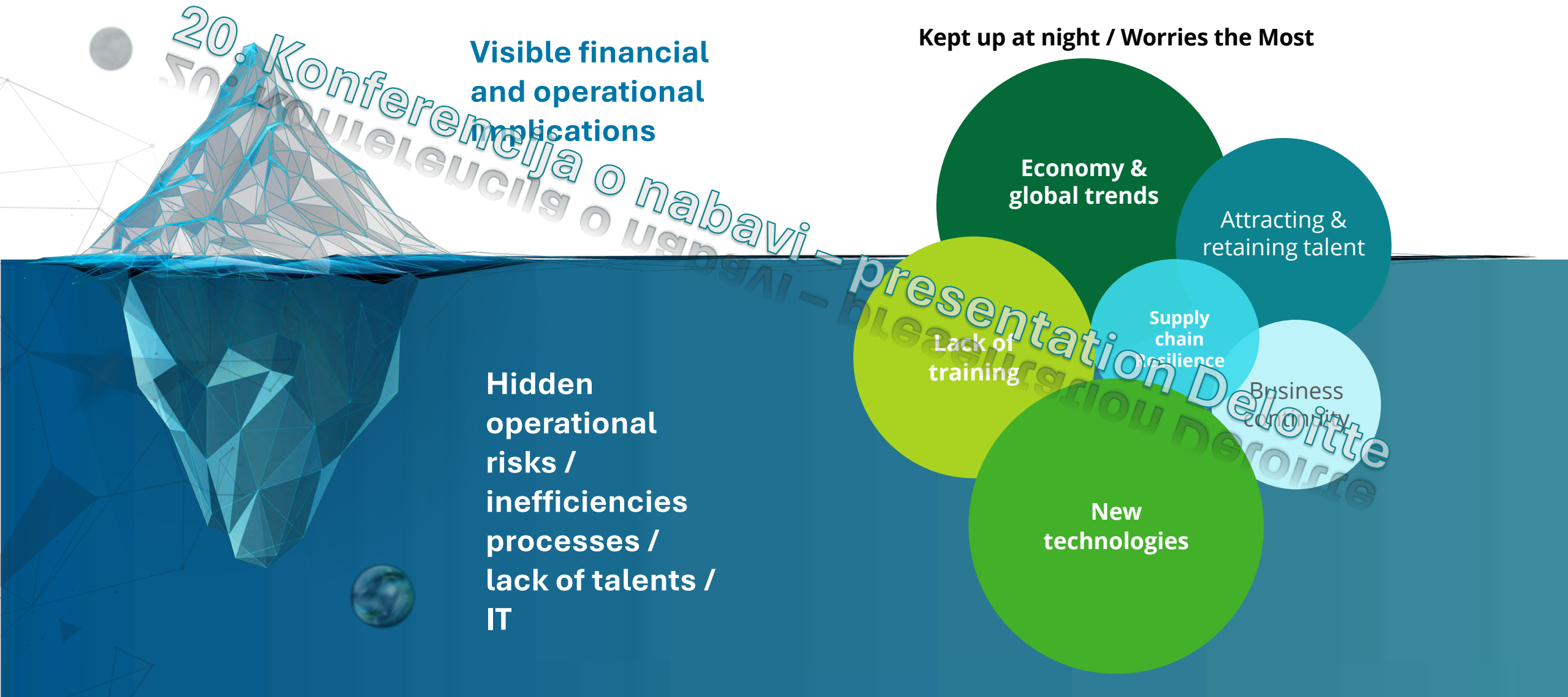
Digital Supply Networks

Real-time visibility into each node of the supply chain network powered by an interconnected flow of information



Common challenges

Given the increasing uncertainty in macroeconomic and geopolitical situations, CPOs are continuing to focus on cost reduction to build a “buffer” against potential price increases and uncertainty



2025 Global Chief Procurement Officer Survey

The 2025 Global CPO survey - The survey highlights an increased focus on budget on procurement technology to more aggressively enable digital transformation

The survey showed:



Increasing value delivered by procurement

The role of procurement has significantly grown in recent years, with rising demands and expectations from the function to continue to deliver value in the face of increasing internal and external complexity



Digital transformation including GenAI is a top priority

~95% of CPOs reported involvement in digital transformation, next-generation technologies, or GenAI in some capacity. Digital technologies are allowing Procurement orgs to “do more with less”, spurring a wave of investment in digital



Digital Masters are placing bets and seeing big payouts

CPOs indicated that approximately 20% of their budget was allocated to procurement technology, nearly double the investment reported by CPOs in 2023

Survey respondents that are focusing investments not only in digital and GenAI but **also in digital literacy and talent upskilling are seeing greater ROI**, including better performance, more time spent on strategic activities, and greater internal influence



~265 responses across ~40 countries and 12 industries.

Snapshot from the survey

Cost Reduction and driving efficiency are the top two priorities of CPO's to respond to macroeconomic challenges, and digital transformation is seen as a key enabler to deliver this strategy

Top enterprise priorities in 2025:

#1 72%



Improving margins
via cost reduction

#2 68%



Driving operational
efficiency

#3 67%



Digital
transformation and Gen AI

#4 64%



Expanding
organically

#5 63%



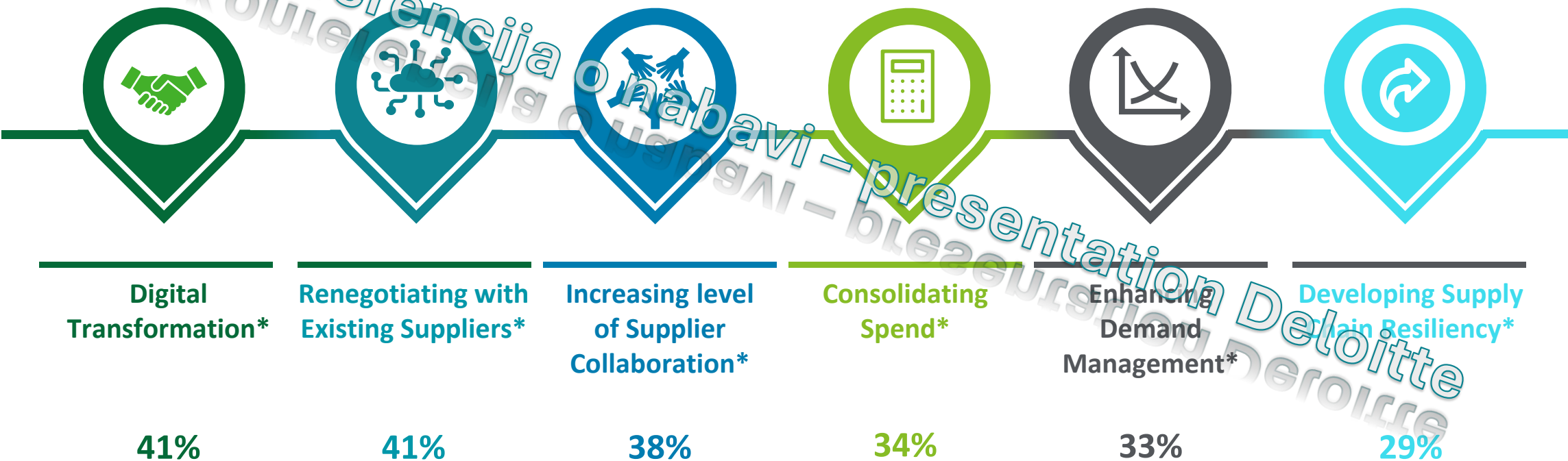
Enhancing risk
management

- The spread across top 5 priorities is less than 10%, indicating a mix of priorities across cost/efficiency, digital, growth, and risk
- Our software and tech clients have similar priorities, those in growth mode tend to be more focused on supporting profitable growth through efficiency, digital, and risk management

Snapshot from the survey

Digital transformation has emerged as a top priority for CPOs, along with a continued focus on cost savings, indicating a need to provide faster and better insights and greater efficiency to sustain increasing value delivery

Top strategies to deliver the most value in 2025:

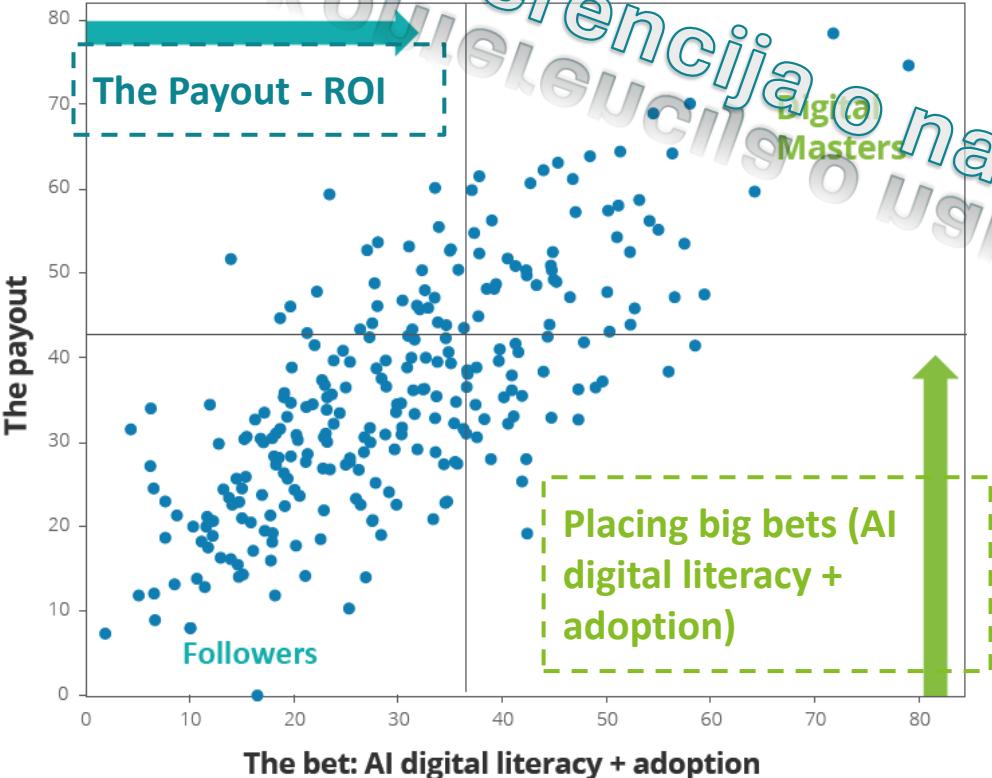


For all segments CPOs reported lack of people, time and technical support to conduct on-time activity or proactive identification of issues.

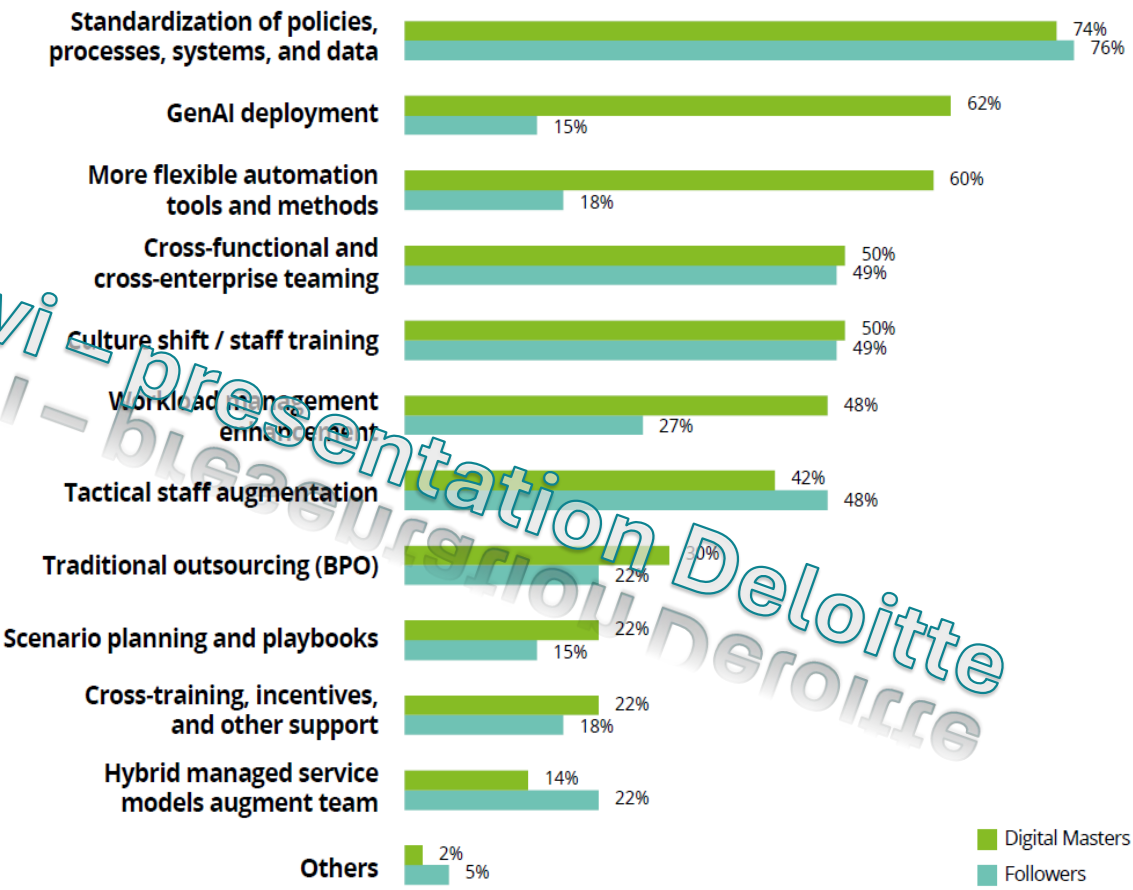
Snapshot from the survey

Survey reveals a strong correlation between the combination of technology and talent competencies to deliver better performance— big bets result in higher payouts

Two main types of organizations



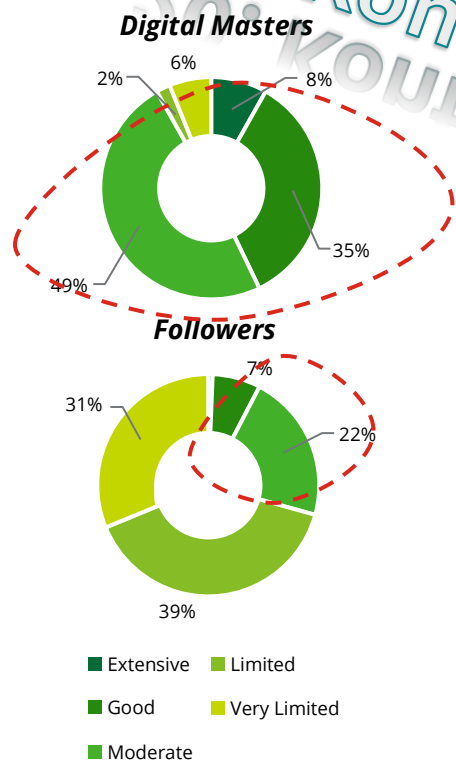
Strategies to manage workload— Digital Masters vs. Followers



Snapshot from the survey

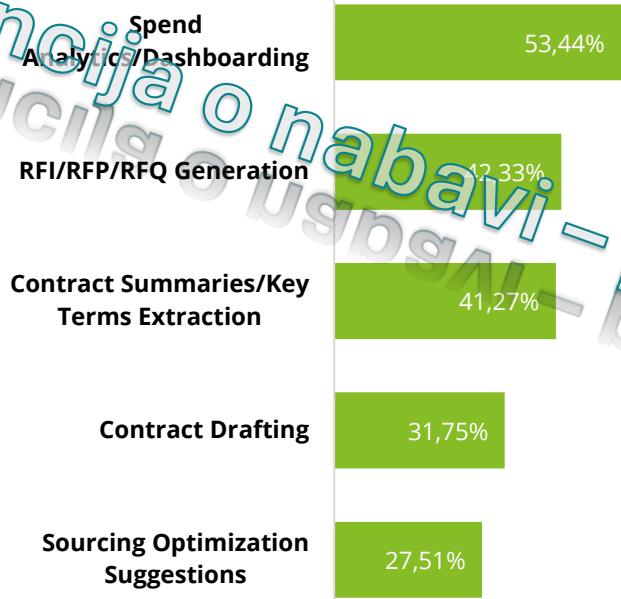
An understanding of GenAI, along with how to assess its capabilities for sourcing and procurement use cases provided varying results; and many still have questions around the value of GenAI.

Procurement organization's understanding of AI



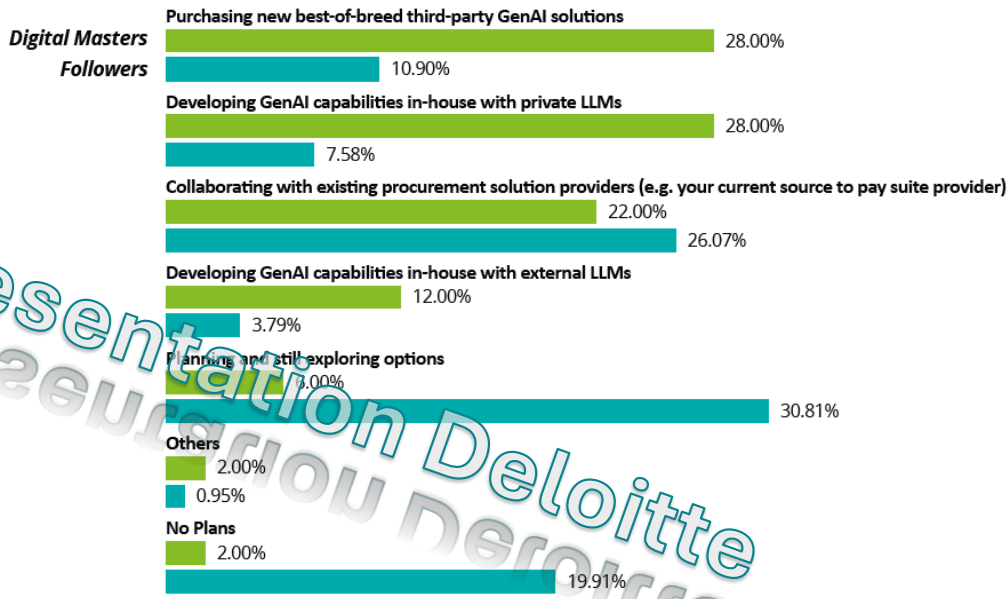
Only 34% of the Followers have **at least a moderate understanding** of GenAI, compared to **92% of Digital Masters**

Top five use cases for Gen AI



Top use cases where GenAI has been piloted or deployed are analytics and source-to-contract processes

Plans to assess GenAI capabilities in sourcing and procurement



Digital Masters are well ahead of the curve with **investing in and developing** systems to leverage GenAI capabilities for their processes. A majority of the **Followers** are **planning and still exploring the available options** or have **no plans** to assess Gen AI capabilities at this time

Snapshot from the survey

Compared to the rest of the pack, Digital Leaders are placing focus on digital and talent — and unlocking measurable value across savings, influence, and overall performance

Digital Leaders are placing bigger bets...



Accelerating Digital Adoption and AI Deployment

33%

more budget dedicated to procurement tech

9x

more likely to have fully deployed advanced analytics

2x

more likely to fully deploy Gen AI



Upskilling & Talent Development

56%

allotted >3% of budget to talent development (vs. 25% of Followers)

40%

+ focus on flexible automation tools and upskilling in emerging technologies

Resulting in larger payouts...



Procurement Outperformance

96%

met/exceeded cost savings targets (vs. 80% of Followers)



More Strategic Focus

34%

more time on strategic activities (vs. transactional work)



Greater Business Influence

21%

Higher involvement in strategic decision-making (e.g., make vs. buy, outsourcing)



Stronger Returns on Investment

2.8x

average Gen AI ROI (vs. 1.6x for Followers)

AI technology

Agent AI – as ultimate digital colleague capable to cope with multiple complex tasks to provide recommendations or generate and execute simple routine transactions



Key Description

Agentic

Agentic AI

Involves semi-autonomous to autonomous agents that can make decisions and take actions without human intervention. It is suitable for dynamic, complex environments where adaptability and real-time decision-making are crucial.

Hybrid Gen AI

Involves limited and defined Gen AI behaviors (and therefore cost). Can be utilized to create new content from existing data and user prompting. It is useful in scenarios where pattern recognition is required, such as content creation, research, and product design.

Automation (RPA, AI/ML, etc.)

Involves using technologies like Robotic Process Automation (RPA) and AI/ML to automate repetitive, rule-based tasks. These solutions may have lower costs per interaction but require greater upfront investment.

Traditional



Examples use cases



RFx Generation

RFPs, RFIs or RFQs can be generated based on specific procurement category needs and predefined sourcing criteria using GAI capabilities like text generation, extraction, translation, search and industry solutions.



Contract Summarization

Summary documents of complex contracts are generated using GAI capabilities like search, text generation, extraction, translation and summarization to simplify understanding for non-legal personnel.



Supplier Negotiation Strategy / Analysis and suggestions

Negotiation strategy and scenarios can be formulated for suppliers in each category based on past negotiation history and current context using GAI capabilities like search, extraction, text generation and industry solutions and current context.



Purchase Requisition Drafts Creation

Drafts for purchase requisition are generated based on specific procurement needs and predefined templates using the of search, extraction, translation, industry solutions and text generation capabilities.

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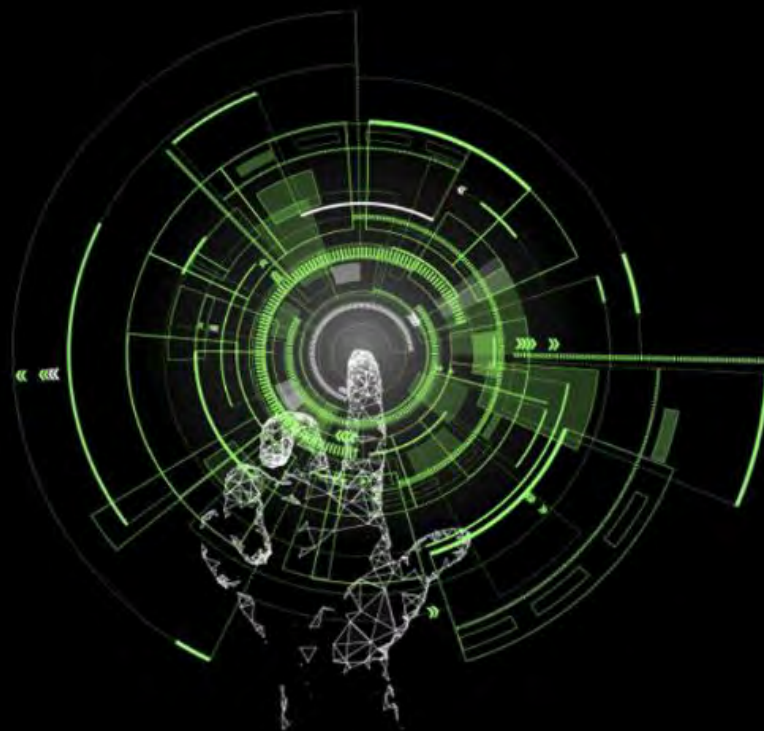
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AI - prezentacija Deloitte

Start small and do piloting (PoC essential)

Always be prepared for testing and recalibration of your model

Be ready to have strong opponents within the organization

If you are not doing it, be aware that competition is doing it



Alan Stefanac
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