

The 2030 Team Interview: AI Agents, CPOs, and Operating Models Reimagined



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AGENDA

- What does the future look like?
- What's changing for a CPO?
- What is a Spend Orchestration Leader?
- Let's Interact with an AI Agent!
- How can I prepare?

Webinar
30 minutes

15 May
THU

TIME:
10:00 AM Pacific/1 PM Eastern

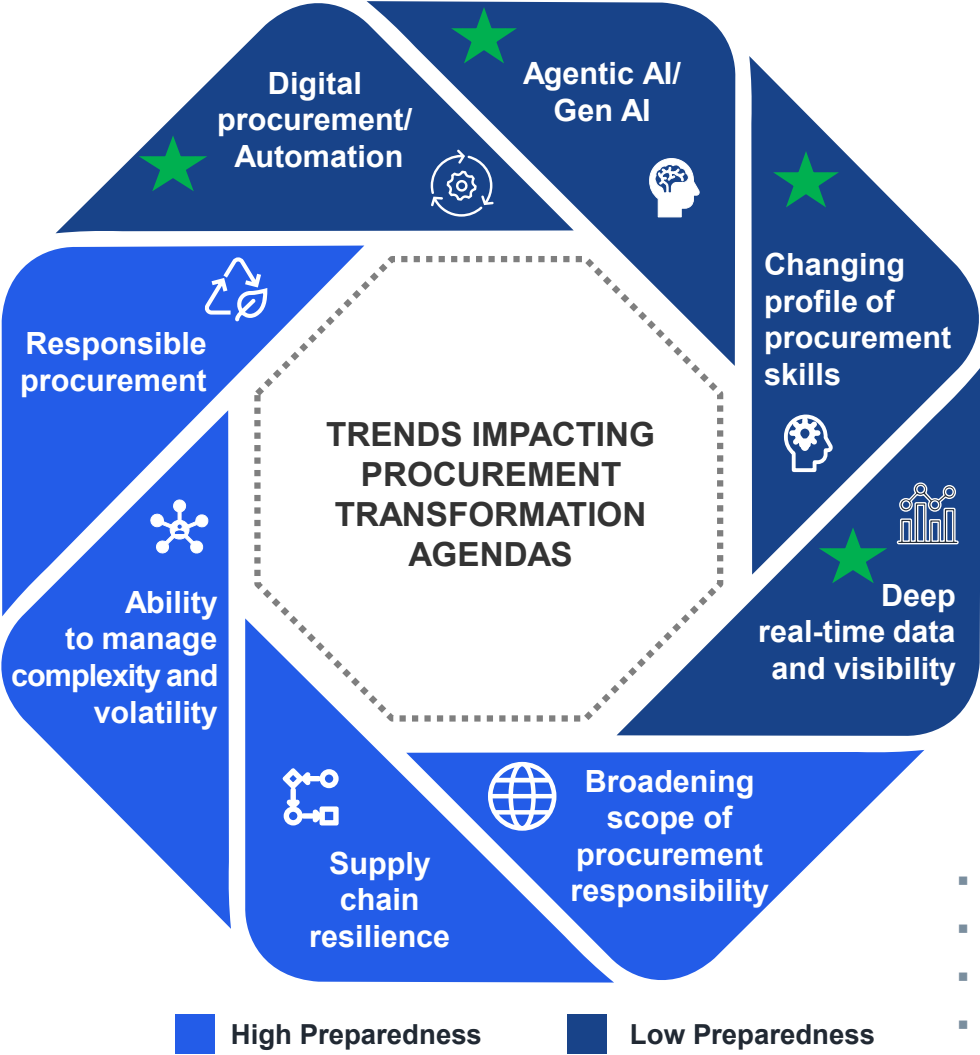
The Journey to Digital World Class[®] Starts Here



Next-Generation Procurement Operating Models
and Drivers of Change

Procurement Executive Advisory Program

Major trends impacting procurement transformation agendas



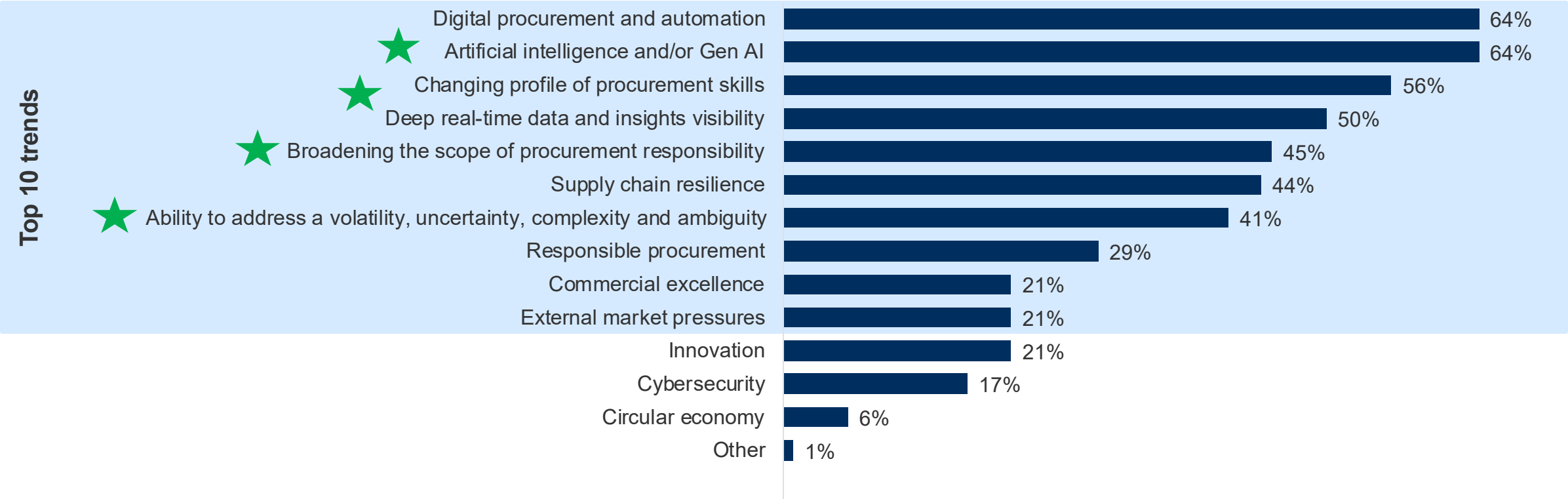
- Digital procurement and automation (64%)
- Artificial intelligence, agentic and generative AI (64%)
- The changing profile of procurement skills (56%)
- Deep real-time data visibility (50%)

Source: The Hackett Group 2025 Procurement Agenda and Key Issues Study

Procurement trends driving change and digitization ...5+ years

The factors expected to drive the greatest transformational impact on the way procurement teams perform their jobs over the next five years are digital procurement and automation (64%), artificial intelligence and generative AI (64%), the changing profile of procurement skills (56%) and deep real-time data visibility (50%). AI and Gen AI are expected to deliver enhanced system functionality that will enable procurement organizations to super-power teams to deliver a broader value proposition.

PROCUREMENT TRENDS WITH A TRANSFORMATIONAL IMPACT



Gen AI use-case benefits will come to fruition over the next five to seven years...and even now

Procurement-specific Gen AI use cases

- Tender / Rfx documentation creation
- Contract authoring, compliance, renewal management and analytics
- Category strategy development
- Supplier discovery
- Spend data aggregation, enhancement and analytics
- ESG data aggregation and analytics
- Risk data aggregation and analytics
- Scenario planning (e.g., supply chain structure, inventory optimization, risk management)
- Supplier performance management (e.g., analytics, development opportunities)
- Interactive engagement (e.g., “negotiation copilots,” smart workflow)
- *And more ...*

General staff productivity Gen AI use cases

- Office productivity:
 - Teams meeting notes and action items
 - Outlook email writing
 - Text summarizations
- External research
- Content creation:
 - PowerPoint presentations
 - Excel analyses/formulas
- Data visualization
- Business partnering:
 - Rapid ad hoc analysis
 - Scenario planning and simulation
 - Self-service/preeducated counterparts
- *And more ...*

Why Procurement Organizations rethinking their Operating Models?

Effectiveness gaps

- Missed value generating opportunities due to limited stakeholder engagement, excessive numbers of suppliers, spend strategies not aligned to business priorities
- The generalist buyer challenge – strategic resources are mired in low-value tactical activities
- All suppliers are treated the same, limited differentiation and value delivery from strategic and critical supplier tiers
- Slow decision-making and change, unnecessary layers of management/supervision (narrow spans of control)

Maturity development/need to elevate procurement's role

- Internal stakeholders regard procurement roles as administrative or compliance focused
- Mismatch between current skills and those required to meet objectives and stakeholder expectations
- High levels of turnover and overtime and/or fatigue, made evident by personnel statistics and/or high absenteeism rates

Efficiency gaps

- High volume of firefighting or process bottlenecks, excessive hand-offs, unclear responsibilities and rework
- Duplication or overlap of job functions across teams/geographic regions
- Overly controlled processes, excessive time spent on communication and unnecessary tasks, slow response times, and missed deadlines

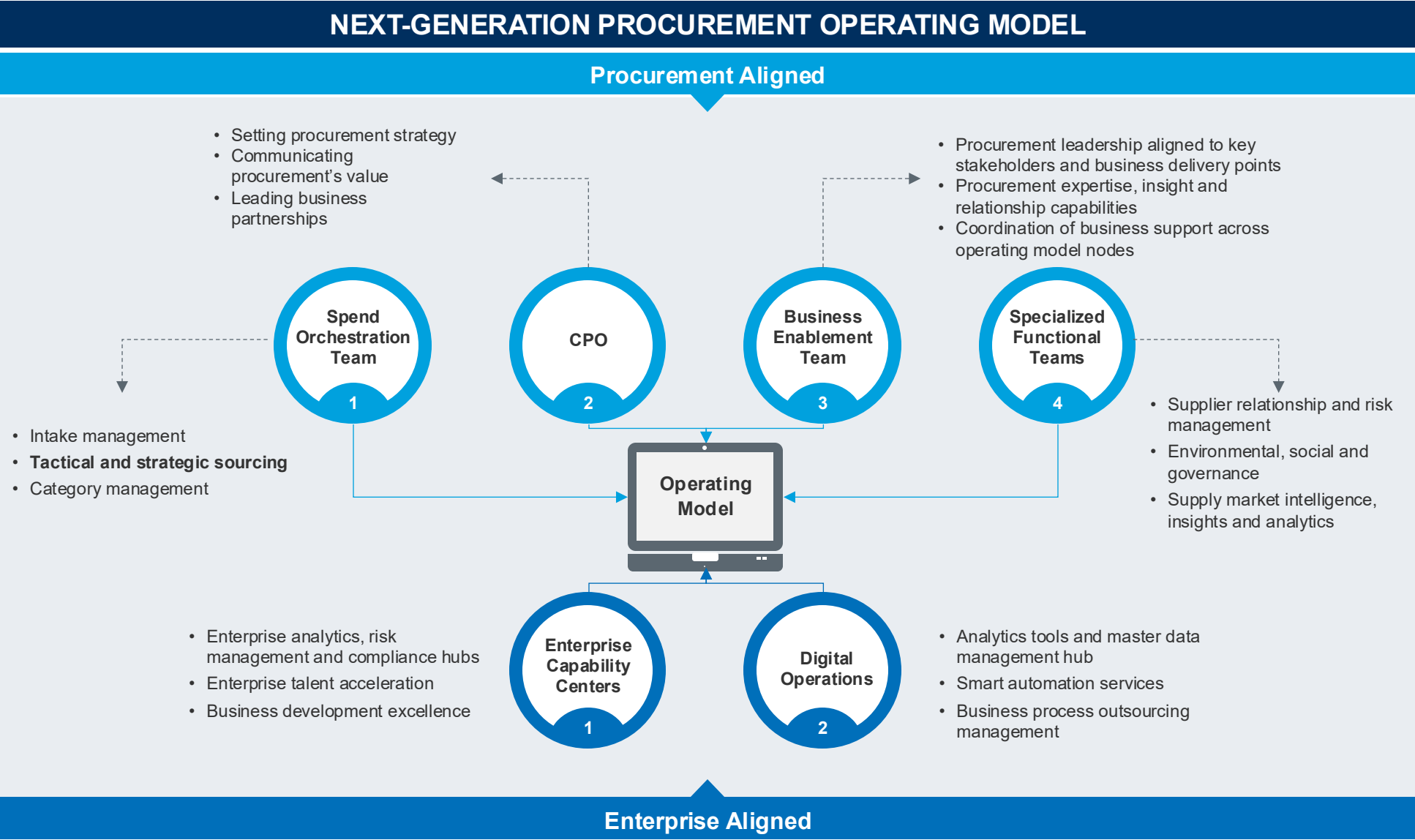
Key limitations of the traditional procurement operating model

The traditional procurement operating model has elevated capabilities and performance, but it has limitations relative to today's business requirements:

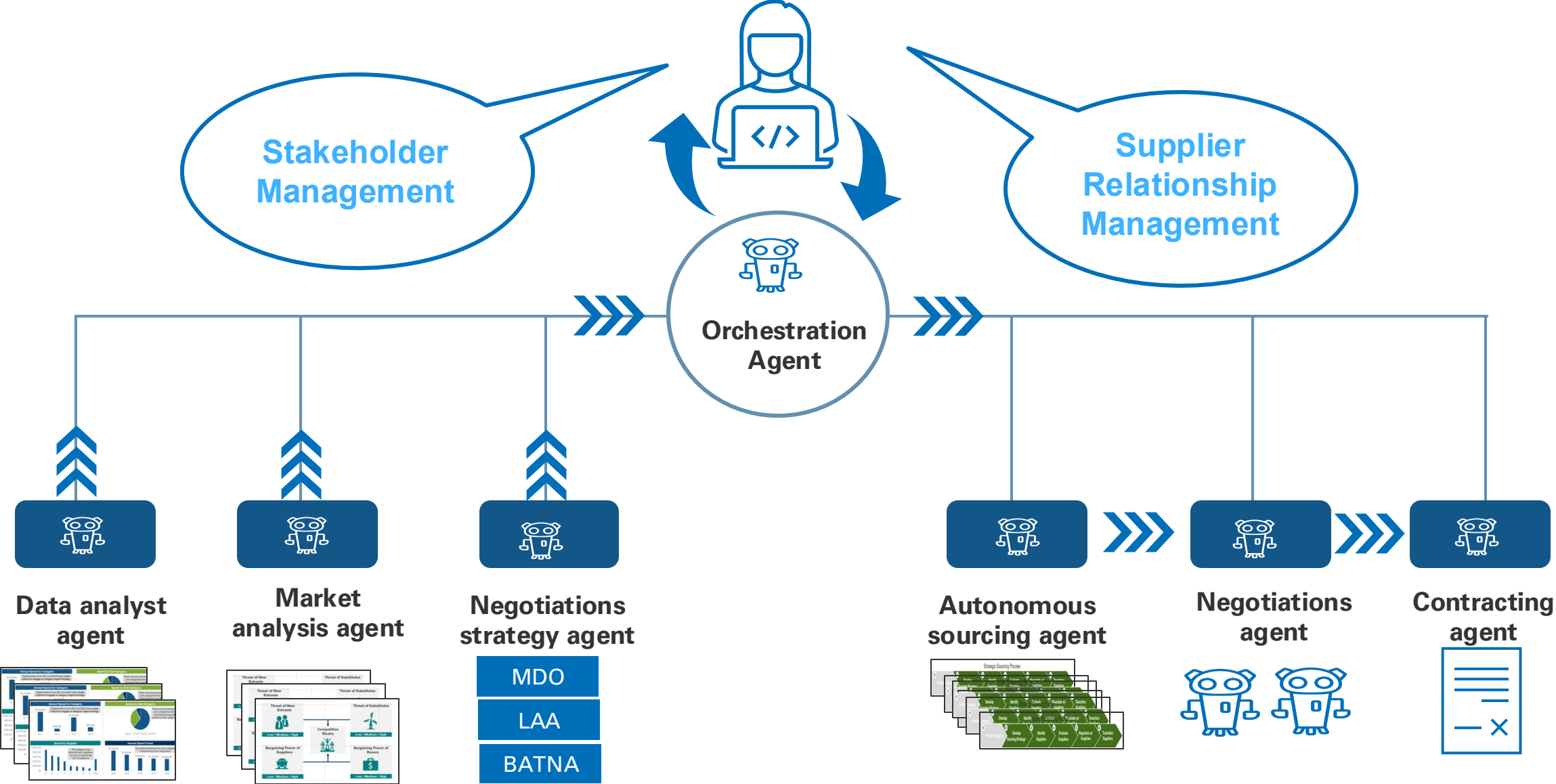
- The top-down structure fosters functional fiefdoms, inhibiting decision-making ability, agility and innovation.
- The function-first perspective is insular and works against the customer-first business orientation necessary for truly proactive partnering.
- The lack of purposeful design hampers the function's ability to optimize to meet changing business requirements or take full advantage of advancements in technology such as Gen AI.
- Centers of excellence (COEs) often focus on the function's remit, limiting the potential for true cross-enterprise business impact.

These limitations combined with process variation and reliance on legacy systems leave little capacity to tackle broader business needs and deliver enterprise value creation, despite having a strong mandate to do so.

Redistribution of procurement processes



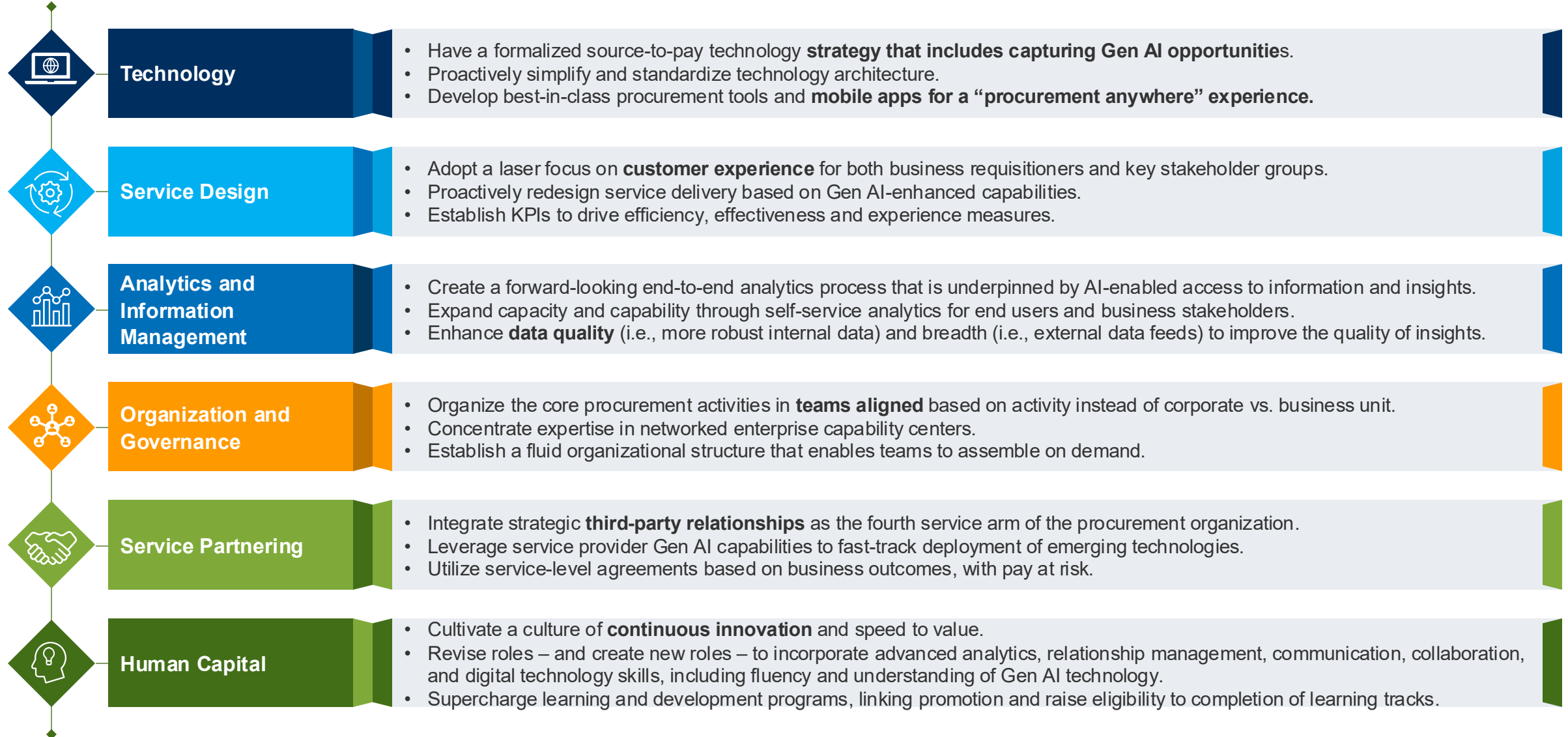
Next Generation Procurement – day in life ...



Evolving the procurement operating model requires **process design** and **ownership transformation**. The design at right provides a high-level view of the model after a **full transition of processes** and resources to the new nodes...

Interview

How do we initiate change?



Reinventing the procurement operating model **will not happen through incremental change**. It requires **bold thinking** and **broad transformation** of the function's culture, structure, people, platforms and processes.

Q&A – and what can AI do for you today...

- Check out what AI can do for you for **today** at www.raindrop.com
- Read the research from The Hackett Group

(we'll send it out and make it available to download)

Any questions?

Raindrop us a line!

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www.thehackettgroup.com

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