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



Kate Denissova Senior Director, Executive Advisory at The Hackett Group



Future CPO

Rain Al Agent

Future Spend

Orchestration Leader

• What d

- 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



TIME: 10:00 AM Pacific/1 PM Eastern

The Journey to Digital World Class[®] Starts Here

The Hackett Group

World Class Defined and Enabled

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



Q. Which key issues and challenges will have the greatest transformational impact on the way procurement performs its job over the next five years? (Please select 5 trends.)



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

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

Procurement-specific Gen Al 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 Al 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 ...

Source: The Hackett Group

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



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Redistribution of procurement processes

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...

Source: The Hackett Group



Interview

How do we initiate change?

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	Technology	 Have a formalized source-to-pay technology strategy that includes capturing Gen Al opportunities. Proactively simplify and standardize technology architecture. Develop best-in-class procurement tools and mobile apps for a "procurement anywhere" experience.
	Service Design	 Adopt a laser focus on customer experience for both business requisitioners and key stakeholder groups. Proactively redesign service delivery based on Gen AI-enhanced capabilities. Establish KPIs to drive efficiency, effectiveness and experience measures.
	Analytics and Information Management	 Create a forward-looking end-to-end analytics process that is underpinned by AI-enabled access to information and insights. Expand capacity and capability through self-service analytics for end users and business stakeholders. Enhance data quality (i.e., more robust internal data) and breadth (i.e., external data feeds) to improve the quality of insights.
0 0 0 0 0	Organization and Governance	 Organize the core procurement activities in teams aligned based on activity instead of corporate vs. business unit. Concentrate expertise in networked enterprise capability centers. Establish a fluid organizational structure that enables teams to assemble on demand.
- FEED	Service Partnering	 Integrate strategic third-party relationships as the fourth service arm of the procurement organization. Leverage service provider Gen AI capabilities to fast-track deployment of emerging technologies. Utilize service-level agreements based on business outcomes, with pay at risk.
	Human Capital	 Cultivate a culture of continuous innovation and speed to value. Revise roles – and create new roles – to incorporate advanced analytics, relationship management, communication, collaboration, and digital technology skills, including fluency and understanding of Gen AI technology. Supercharge learning and development programs, linking promotion and raise eligibility to completion of learning tracks.

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 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! hello@raindrop.com



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