

Keelvar >

Annual Survey Report

# Procurement at an Inflection Point

How CPOs can combine volatility  
with technology to get ahead in 2026



# Executive Summary:

## Procurement enters a year of decisive action

According to Keelvar's annual survey findings, procurement leaders are entering 2026 in a fundamentally different operating environment. **External volatility (driven by inflation, geopolitical pressure, tariffs, and supply chain disruption) is no longer episodic but structural.** At the same time, internal decision-making remains slow and fragmented, widening the gap between market change and organizational response.

The data shows a clear shift in expectations. 50% of procurement leaders will prioritize cost avoidance and deprioritize sustainability initiatives in 2026. In addition almost 40% will tackle risk mitigation as their #1 priority. **CPOs are increasingly judged on their ability to absorb volatility, protect margin, and enable faster, more confident enterprise decisions – tolerance for inefficiency has collapsed.**

In 2026, procurement's opportunity – and risk – is clear. Technology adoption separates leaders from laggards, but execution determines value. Organizations that delay are not standing still, they are falling further behind peers who are already compounding advantage through deliberate, governed adoption.

**The next generation of successful CPOs will be defined by their ability to convert technology adoption into durable operating advantage.**

**2–3x**

Organizations that adopted technology are 2–3x better at protecting demand levels against external market disruption than their counterparts

**49%**

cite decision-making speed and quality as a top internal challenge

**65%**

cite inflation and rising costs as a top external concern

**60%**

of non-tech adopters believe they understand AI use cases perfectly

**53%**

of laggard organizations remain in 'fire-fighting' mode

**90%**

of organizations where tech adoption is mandated top-down acquired technology in the last 12 months

**32%**

of non-tech adopters cite lack of budget as the primary reason for not investing

**53%**

think sustainability is a low priority for 2026



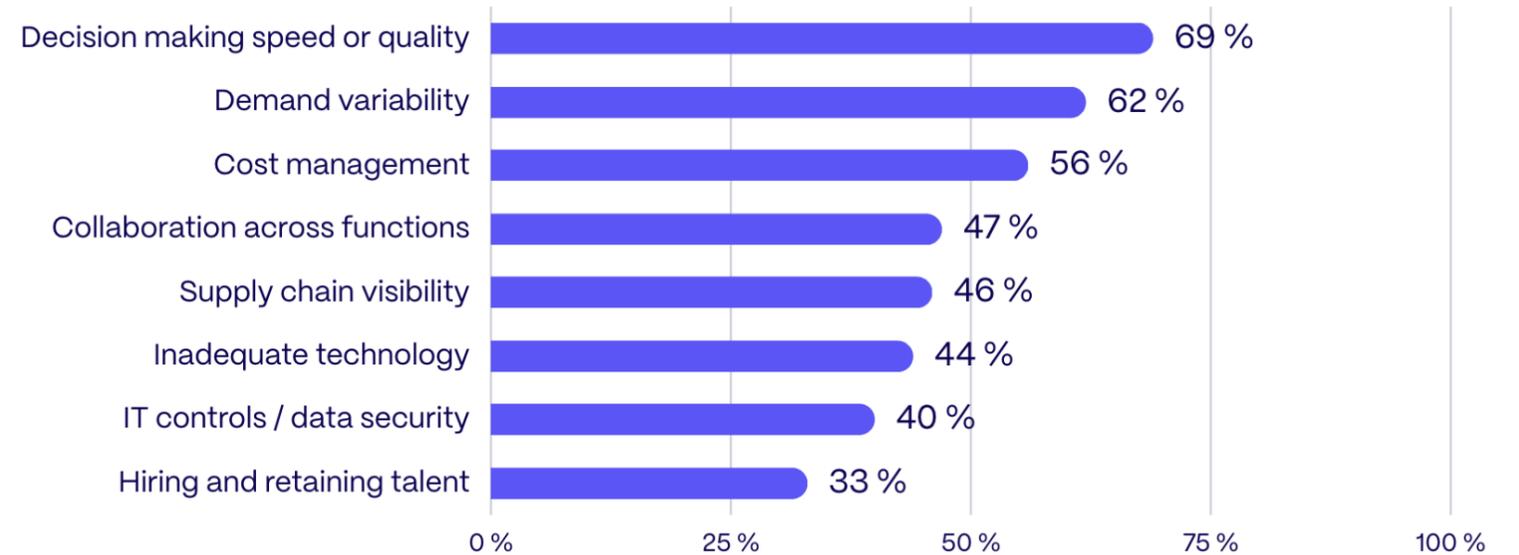
# External volatility outpaces internal decision-making

Procurement leaders are operating in a persistently volatile, cost-pressured environment. **Inflation and rising costs dominate concerns (65%)**, reinforced by a cluster of compounding risks (geopolitical pressure (44%), supply chain disruption (41%), tariff volatility (40%), and growing supply chain complexity (38%). The pattern is clear: volatility is no longer episodic or singular, but structural and multi-source, elevating cost control and de-risking to enterprise priorities.

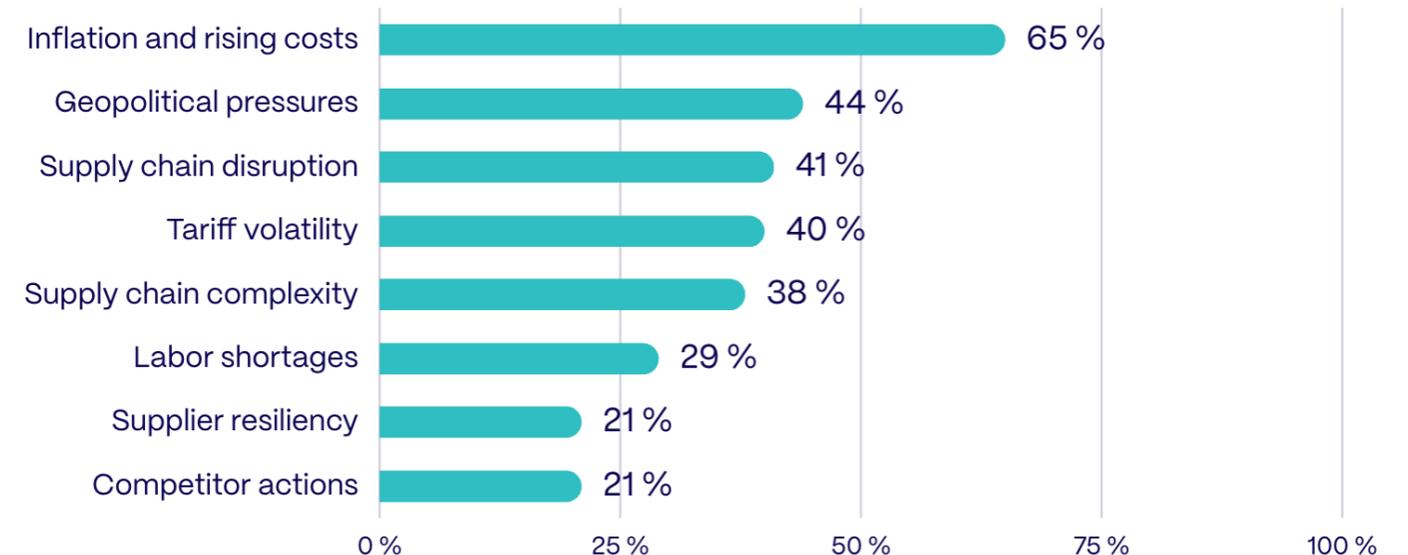
Internally, the primary constraint is organizational responsiveness. **Decision-making speed and quality (69%) and demand variability (62%)** outpace even cost management (56%) as internal challenges, alongside persistent gaps in **cross-functional collaboration (47%), supply chain visibility (46%), and inadequate technology (44%)**.

In short, the external environment is volatile and cost-heavy, while internal decision systems are too slow and fragmented to keep up. That gap is where CPOs (and CFOs) get pulled into a bigger enterprise role: cost leadership is no longer about negotiating harder, it is about **systematically eliminating friction, delay, and decision latency**.

Top three **external** obstacles to achieving your procurement goals and objectives?

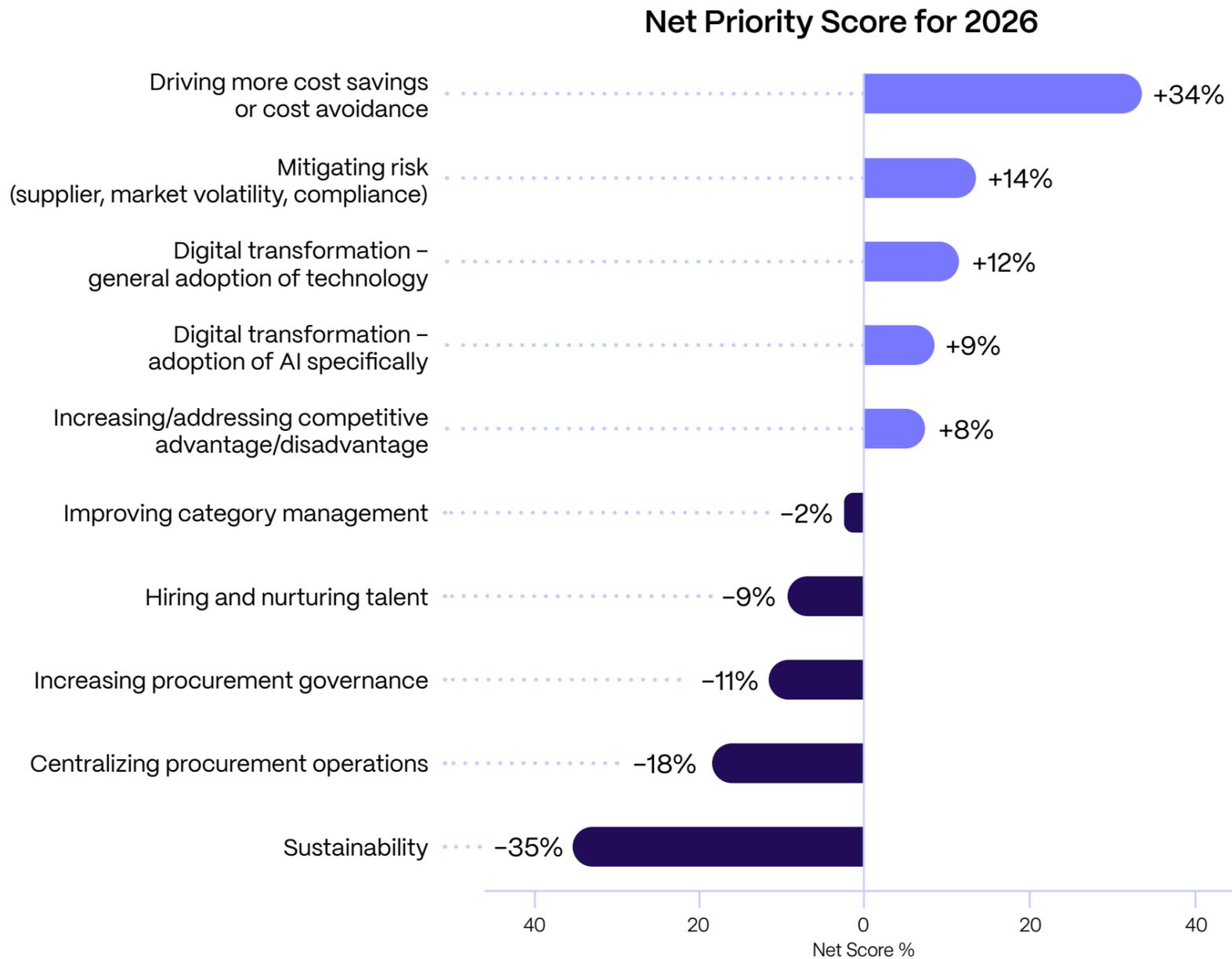


Top three **internal** obstacles to achieving your procurement goals and objectives?





# The tolerance for inefficiency has collapsed



This net priority score was calculated as follows:  
= frequency of prioritization - frequency of deprioritization

Respondents' 'top priorities for 2026' make one thing clear: the tolerance for inefficiency has collapsed. Objectives with immediate financial and risk impact dominate the top of the agenda. **Cost savings and cost avoidance** lead decisively, appearing in the top three priorities 50% of the time and falling into the bottom three only 16% of the time. **Risk mitigation** follows closely (38% top-three), signaling that leadership expectations are now centered on protecting margin and continuity rather than pursuing longer-term improvements.

Equally revealing is what gets deprioritized. **Sustainability** ranks bottom-three for a majority of respondents (53%) and top-three for just 18%, while **talent initiatives** land in the bottom three 39% of the time. That doesn't imply these topics are unimportant, it signals that, in the current environment, they're being treated as less urgent than immediate productivity and cost performance, especially when budgets and headcount are constrained.

In other words: the market is **pushing procurement** to be more disciplined and more defensible. The story here is not just "do more with less," but "control more, predict more, and absorb more volatility" - **with cost savings and de-risking as the two defining imperatives.**



# Procurement under pressure: from the C-Suite to the front line

The split highlights a clear difference in perspective between execution and enterprise leadership. **Managers point primarily to decision-making speed and quality (51%), demand variability (47%), and cost management (45%),** reflecting day-to-day friction in delivering outcomes under shifting conditions. Their emphasis on talent capacity (35%) reinforces that pressure is felt most acutely at the point of execution, where teams are expected to move faster with limited resources.

By contrast, **the C-suite and VPs identify cross-functional collaboration as the single largest obstacle (50%),** well ahead of any other issue, followed by inadequate technology (39%) and supply-chain visibility (37%). This signals that senior leaders see the constraint as structural rather than tactical: decisions are slowed not by effort, but by fragmented ownership, misaligned incentives, and insufficient shared data.

With cross-functional alignment emerging as the top executive concern, CPOs are implicitly signaling a deeper challenge: securing buy-in from other senior leaders and budget holders who shape procurement outcomes but sit outside the function. **To deliver on enterprise resilience, CPOs must move beyond operational influence and firmly claim a seat at the strategic table.**

Obstacle	Manager Priority	▲ ▼	C-Suite Priority
Collaboration across functions	27%	▲	50%
Supply chain visibility	37%	▲	37%
Inadequate technology	35%	▲	39%
Decision speed or quality	51%	▼	41%
Demand variability	47%	▼	37%
Cost management	45%	▼	39%

Acute daily friction

Nearly doubles in importance

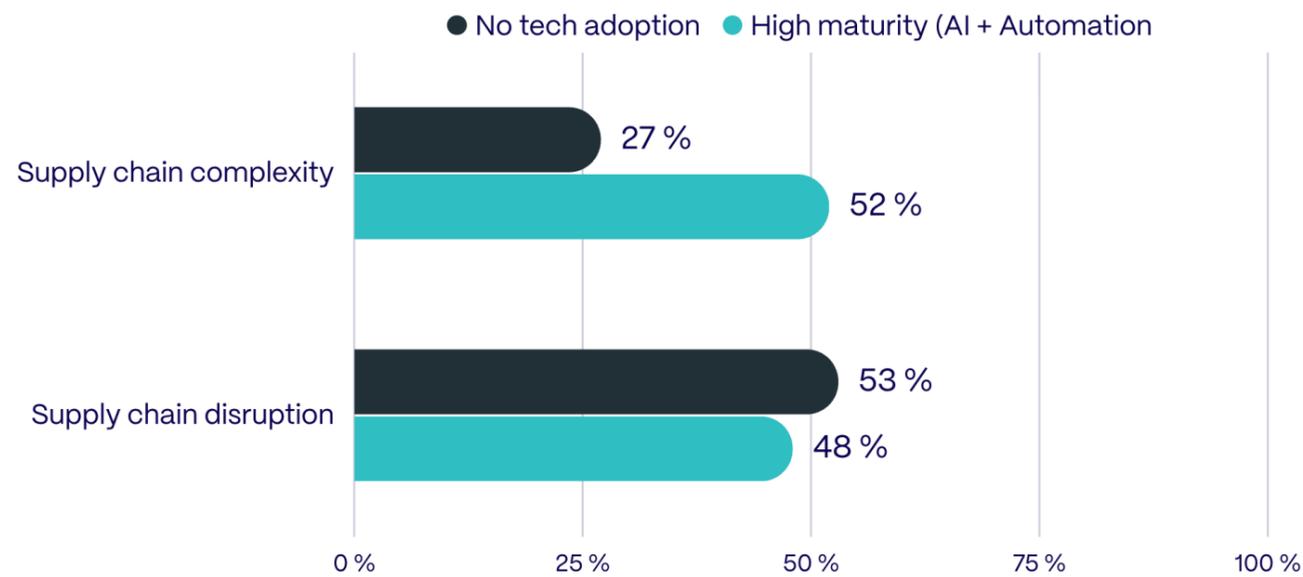


# Trading operational friction for aggressive cost leadership

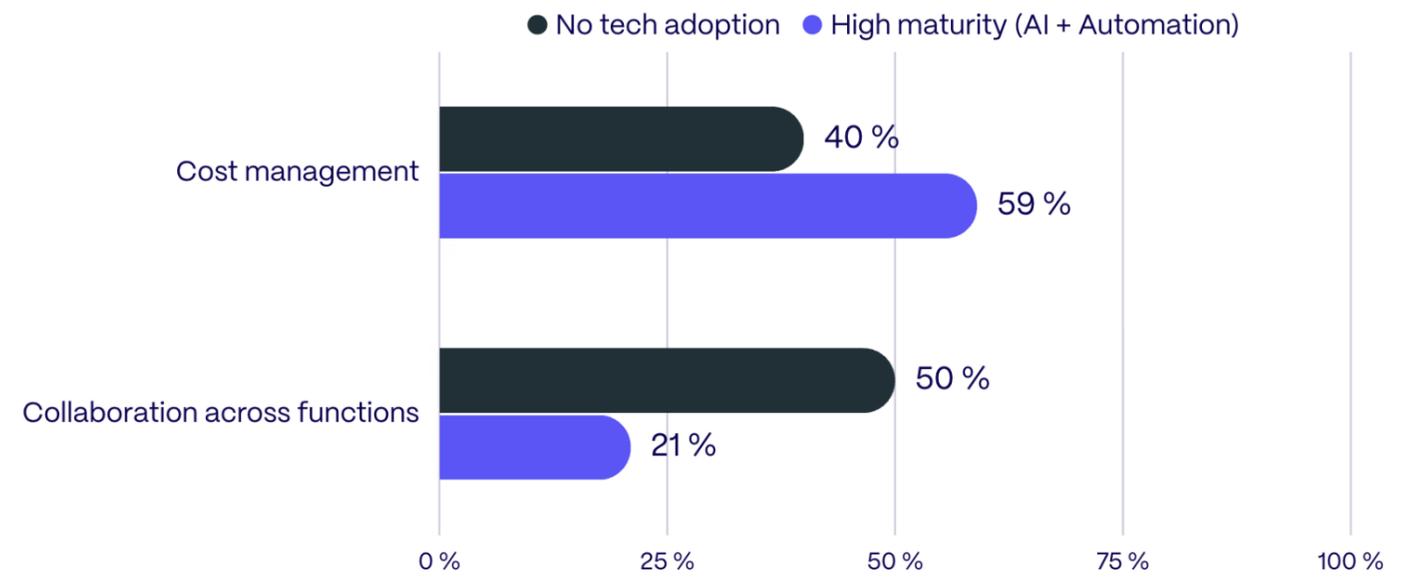
As procurement organizations move from manual processes to AI-driven models, they shift from fighting internal silos to optimizing for **decision agility**. Organizations with no recent tech adoption are primarily paralyzed by **collaboration across functions** (50%), whereas those who have adopted both AI and automation report that **cost management** (59%) is now their primary internal hurdle. This shift suggests that high-maturity teams are being pushed to deliver even more aggressive savings targets now that their “digital foundation” is built.

Externally, the focus is shifting from reactive firefighting to managing **structural complexity**. Laggard organizations remain focused on immediate **supply chain disruptions** (53%), but high-maturity teams have pivoted their focus toward **supply chain complexity** (52%). These leaders are no longer just reacting to shocks; they are using technology to redesign their operating models to withstand a world of multi-causal, permanent volatility.

Top **internal** obstacles to achieve 2026 objectives



Top **external** obstacles to achieve 2026 objectives

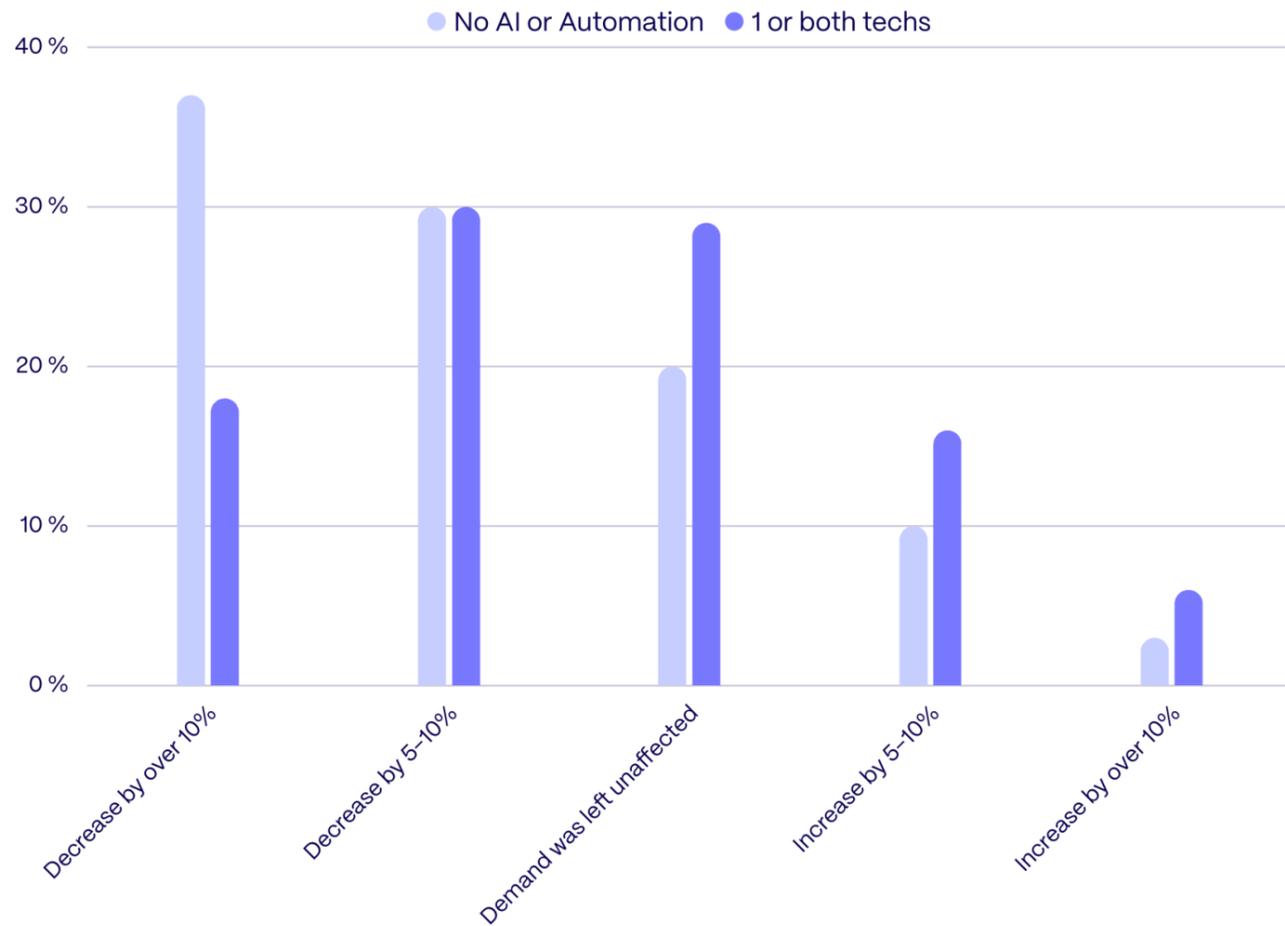


# Volatility is no longer episodic: it is structural

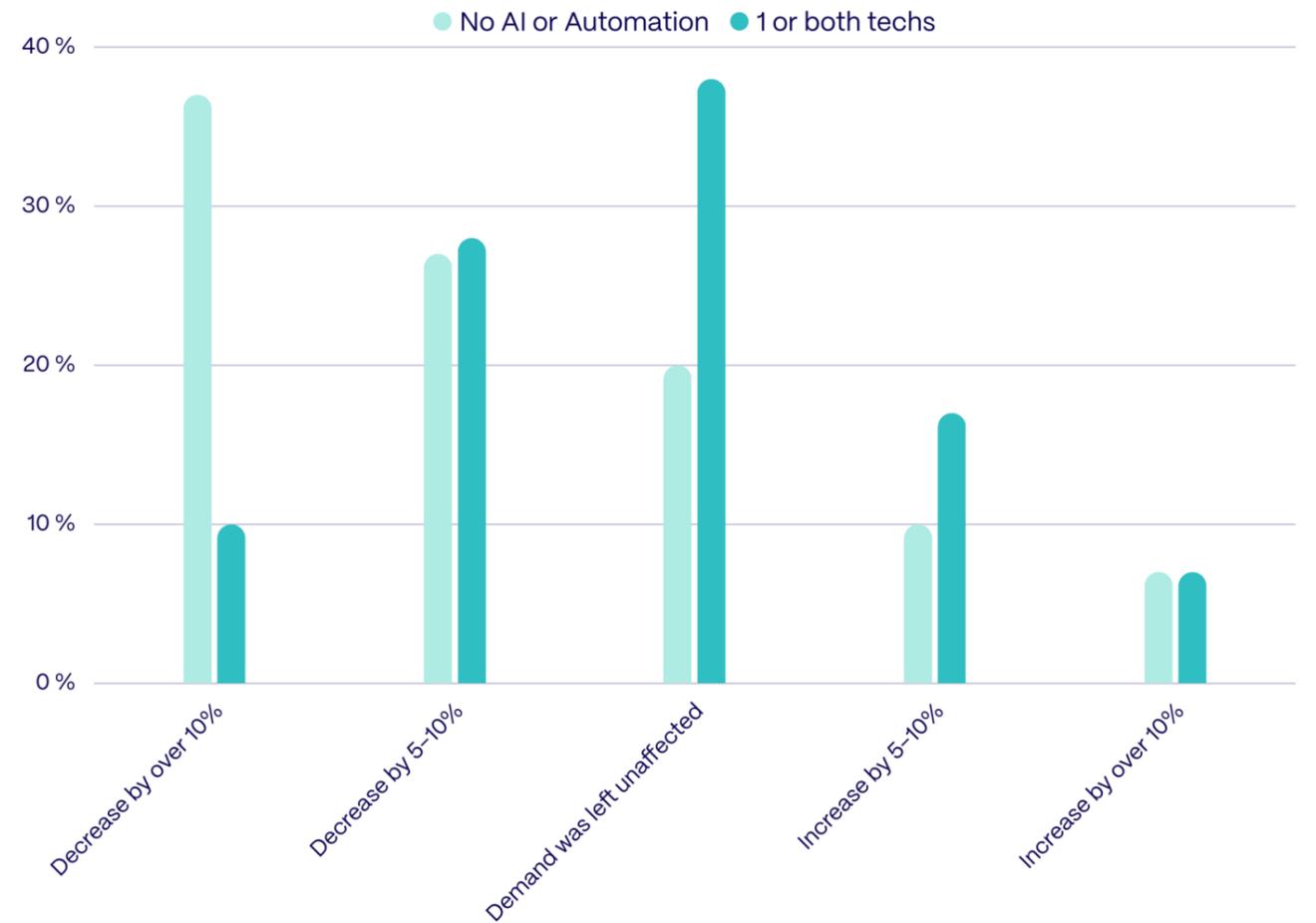
Technology adoption is a decisive factor in how organizations experience external disruption. Across last year's tariff-related and geopolitical disturbances, companies that adopted AI and/or automation in the past 12 months were 2 to 3 times less likely to experience >10% demand contraction, and more likely to maintain stable or growing demand. This pattern holds regardless of the source of volatility, indicating that it is systemic rather than situational.

Adopters were **3.7x** less likely to suffer major demand contraction

Tariffs and supply chain disruptions caused demand to:



Geopolitical issues caused demand to:





# Resilience is built incrementally, not bought overnight

In that context, the data shows that how procurement responds to these imperatives is highly path-dependent. What organizations have already adopted strongly shapes what they plan to do next. Teams with no recent AI or automation adoption are significantly less likely to plan AI/GenAI initiatives (30%) compared with roughly 50–52% among those that have already adopted AI, automation, or both – suggesting that early adoption creates the confidence and organizational permission to scale.

The strongest signal comes from organizations that have adopted both AI and automation. Nearly 80% (79.3%) of these teams plan to pursue advanced sourcing optimization next, versus only 35–43% among all other groups, and they are far more likely to prioritize data quality for AI (45% vs. ~23–27%). This reflects a clear maturity progression: once foundational tools prove value, organizations shift toward more sophisticated, system-level capabilities. In practice, this reinforces why leading CPOs are increasingly judged not on isolated deployments, but on whether they are deliberately building a **digital transformation roadmap** that enables control, prediction, and resilience at scale.

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**This maturity pattern helps explain why organizations with recent AI or automation adoption experience geopolitical and tariff volatility far less acutely than those without it. Technology-enabled teams are not simply more efficient, they are structurally better prepared, with faster decision cycles, greater visibility, and more scalable responses to disruption.** Those capabilities blunt the impact of external shocks before they translate into demand loss or margin erosion. In contrast, organizations without adoption remain exposed, forced to react manually and locally as volatility compounds. The implication is consistent with earlier findings: resilience is not an abstract benefit of technology, it is the cumulative outcome of deliberate adoption choices made over time.

Which digital transformation initiatives do you wish to adopt in the next 12 months?	No tech adoption	AI for procurement	Sourcing Automation	Both
Advanced sourcing optimization for more complex spend	43%	35%	41%	79%
AI or GenAI technologies	30%	52%	50%	52%
Supplier performance management analytics	43%	32%	50%	52%
Supplier analytics technology	53%	32%	36%	38%
Consolidate your tech stack to do more with less tools	30%	32%	50%	45%
Autonomous sourcing for tactical or tail spend	33%	35%	41%	45%
Contract lifecycle management technology	17%	29%	45%	45%
Tackle data quality issues preventing the adoption of AI	23%	23%	27%	45%



# Enterprise resilience is a CPO responsibility

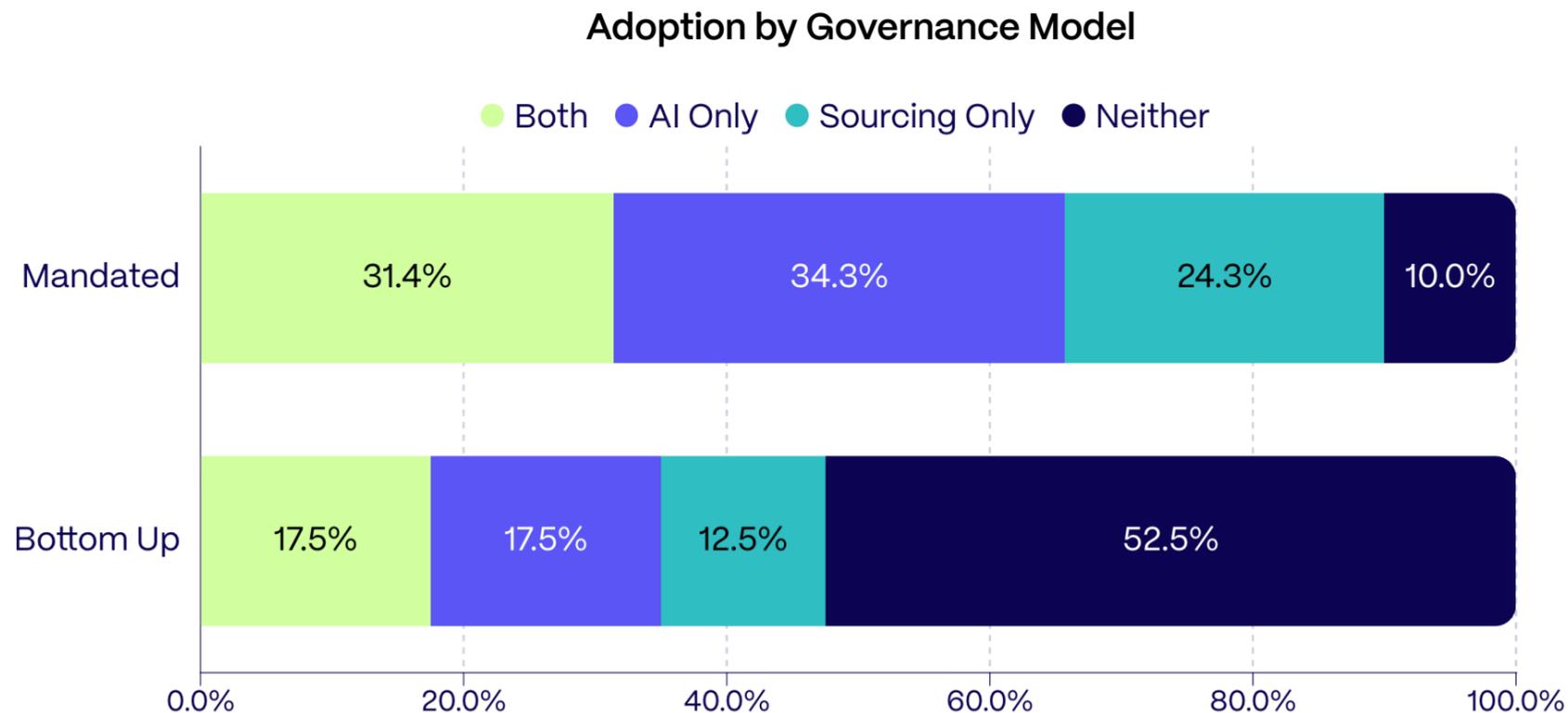
Technology is not the sole differentiator – governance is arguably an even more important factor. In bottom-up environments, adoption remains fragmented: 52.5% of organizations report having adopted neither AI for procurement nor sourcing automation in the past 12 months, and only 17.5% have deployed both. This results in partial digitization and limits technology’s impact to local efficiency gains rather than enterprise resilience.

By contrast, top-down, mandated adoption produces materially stronger outcomes. Where adoption is leadership-mandated, just 10% report no AI or automation adoption, while 31.4% have implemented both AI for procurement and sourcing automation, and a further 58.6% have adopted at least one of the two. These mandates accelerate coordinated adoption, embed tools into core

workflows, and align incentives—driving broader technology penetration and demonstrably stronger resilience during disruption.

The implication for executive teams is clear. In an environment where volatility is persistent, multi-causal, and compounding, resilience cannot be delegated or retrofitted.

**Waiting for organic adoption is no longer neutral, it is a strategic choice to move slower than peers.** Organizations that treat it as permanent are redesigning their operating models, using leadership-mandated technology adoption to hardwire resilience into how sourcing decisions are governed, executed, and scaled.



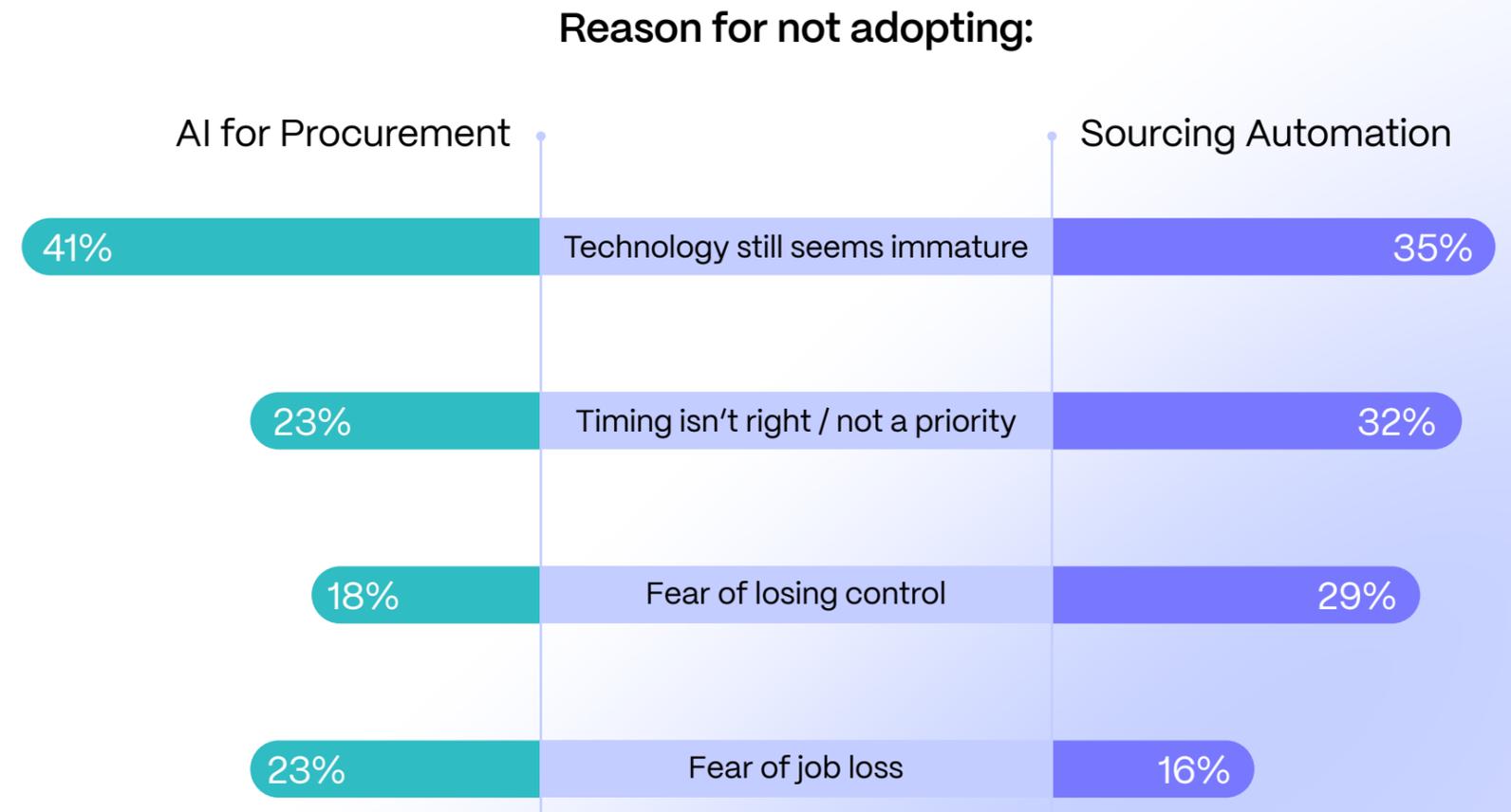


# When inaction is a choice, not a constraint

A significant share of non-adoption is driven by factors that sit squarely within leadership control. Among organizations that have not adopted AI for procurement or sourcing automation, the most common blockers include perceptions that the technology is still immature (35–41%), that “the timing isn’t right” or it isn’t a priority (23–32%), and concerns around job loss or loss of control (16–29%). These are not structural barriers; they are judgment calls, often rooted in risk aversion, change fatigue, or outdated assumptions about technology readiness.

What makes these reasons increasingly untenable is the growing performance gap elsewhere in the data. Organizations that have adopted AI or automation are demonstrably more resilient to geopolitical and tariff volatility, move faster, and plan more advanced digital initiatives next. In that context, hesitation does not preserve optionality, it erodes it. When leaders defer investment due to perceived immaturity or internal anxiety, **they are not standing still; they are falling further behind peers who are already compounding advantage through earlier adoption.**

For CPOs citing immaturity, fear, or deprioritization, the data suggests the greater risk lies in inaction: allowing the gap between leaders and laggards to widen with each cycle of volatility.





# Confidence is not the same as readiness

## Choosing to opt out of adopting AI because:

- The technology is immature
- It is not a priority
- Fears around job loss

.... >60% Rate their understanding of AI use cases at the highest level



High confidence among opt-outs acts as a primary blocker to progress by prematurely dismissing AI's relevance

## Choosing to opt out of adopting AI because of:

- Lack of budget
- Insufficient vendor differentiation
- Difficulty understanding the technology landscape

.... <17% Rate their understanding of AI use cases at the highest level

The data reveals a counterintuitive and important pattern in how procurement leaders assess emerging AI technologies. Respondents who cited “bad” reasons for not adopting AI (such as perceptions that the technology is immature, that it is not a priority, or fears around job loss) also report the highest confidence in their understanding of AI use cases. Over 60% rate their understanding at the highest level, with fewer than 4% indicating low confidence. In other words, the most confident respondents are often the ones choosing to opt out.

By contrast, respondents who cited “good” structural reasons for non-adoption (such as lack of budget, insufficient vendor differentiation, or difficulty understanding the technology landscape) report meaningfully lower confidence. Only ~17% rate their understanding at the highest level, while a much larger share cluster in the middle of the scale. These leaders appear more aware of the complexity involved and more cautious in overstating their grasp of fast-evolving AI categories.

**This reverse pattern suggests that the biggest blocker to progress is not ignorance, but overconfidence.** Leaders who believe they already “get” AI may be prematurely dismissing its relevance, while those who acknowledge uncertainty are more accurately diagnosing the real barriers to adoption.

**For CPOs, this highlights a critical risk: confidence can mask capability gaps and delay action. CPOs who feel they ‘know it all’ might be the ones who benefit the most from upskilling themselves or putting their organization through an ‘AI audit’.** And for the ecosystem, it reinforces the need to replace surface-level narratives with clearer, more grounded education that helps decision-makers distinguish perceived understanding from practical readiness.



# Where CPO control ends and ecosystem support must begin

Not all barriers, however, sit fully within a CPO's remit. Budget constraints remain a top blocker for both AI and automation adoption (32%), reflecting the reality that investment authority often sits with CFOs and broader enterprise prioritization processes. In parallel, many respondents cite vendor-related friction (including perceptions that solutions are not sufficiently differentiated (19–32%) or that AI technologies are hard to understand (27%)). These are not failures of intent, but failures of enablement.

Notably, these issues surface more strongly in bottom-up environments and among senior leaders, where the absence of a clear mandate amplifies scrutiny and slows decision-making. When value propositions are unclear, evaluation is complex, and internal alignment is fragile, even motivated CPOs can become stuck and unable to build the business case or confidence required to unlock funding and approval.

If the next phase of procurement transformation is to scale, the burden cannot sit with CPOs alone. **Vendors and partners must do more** to simplify choices, clarify value, and reduce perceived risk, equipping procurement leaders with the credibility, evidence, and clarity they need to secure buy-in and move from intent to execution.

32%

Budget constraints remain a top blocker for both AI and automation adoption

27%

say AI technologies are hard to understand

18%

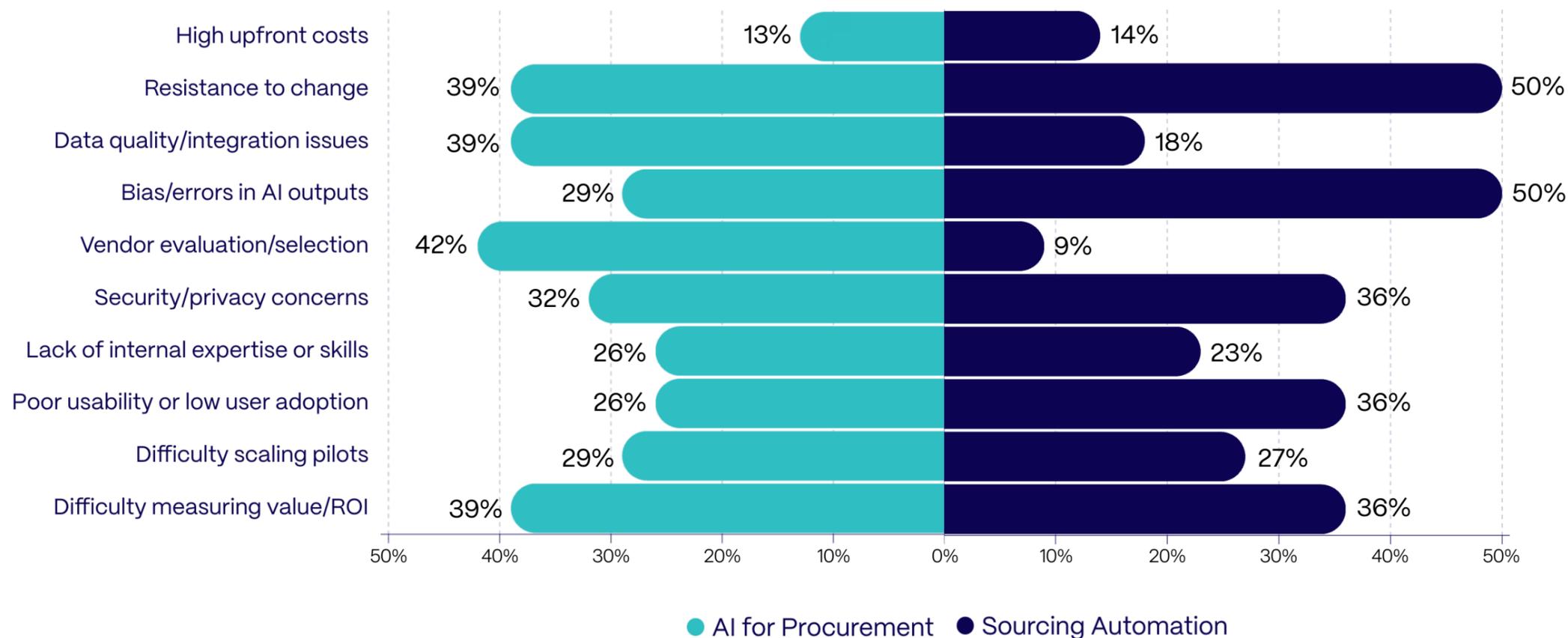
IT team won't approve AI

# Where digital transformations commonly stall

The data shows that the difficulties of digital transformation continue even after the contract is signed. Among organizations that have already adopted sourcing automation, the dominant challenges are internal capability and data readiness, with **lack of expertise or skills** (50%) and data quality, availability, or integration issues (50%) cited most frequently. It's interesting to note here that **hiring** is clearly deprioritized going into 2026 (with 39% of organizations ranking it as the second lowest priority), but CPOs will have to double down on **upskilling** existing talent to prevent their automation investments from failing.

The pattern is even clearer for AI adopters, where complexity compounds quickly. Vendor evaluation and selection (42%), data issues (39%), change resistance (39%), and difficulty measuring value (39%) emerge as the leading obstacles, alongside material concerns around security, compliance (32%), and trust in outputs (29%). Notably, upfront cost is a relatively minor concern (13–14%) across both AI and automation, reinforcing that value breakdowns occur not at the point of investment, but during scaling, governance, and adoption.

**Challenges encountered when adopting AI for Procurement vs Sourcing Automation**



These challenges highlight a shift in where value is won or lost. For 2026, success will depend on whether vendors and procurement leaders jointly address **skills**, data, trust, and **time to value** from the outset. The ability to move quickly from implementation to measurable impact will increasingly separate leaders from laggards. This is where the next phase of differentiation will emerge: not in features, but in execution models that accelerate adoption and convert technology investment into durable operating advantage.



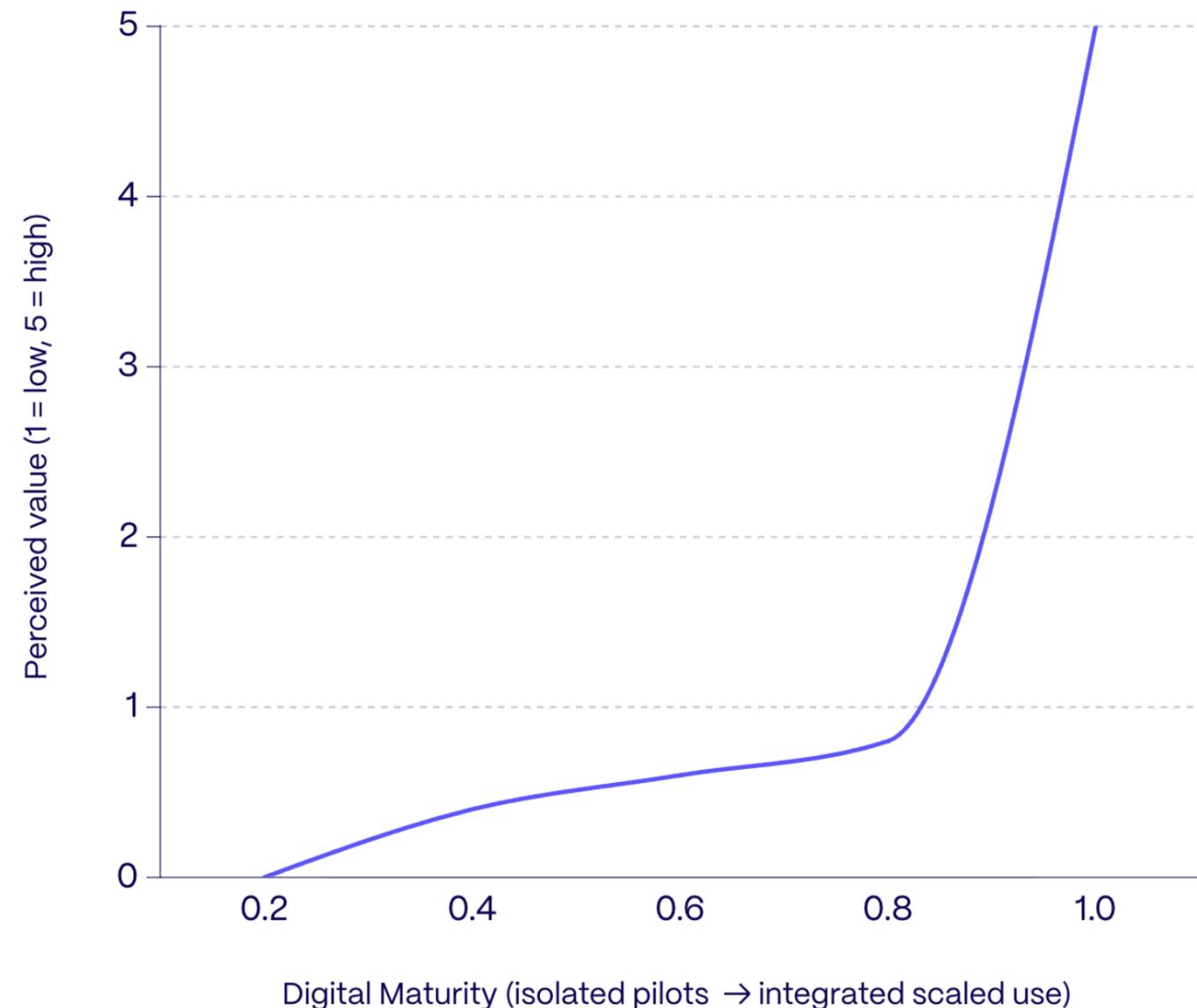
# Why some organizations see value from procurement technology, and others don't

Perceived value from both sourcing automation and AI for procurement varies far more by **digital maturity and execution readiness** than by governance model alone. Respondents who rate value at the highest level (“5”) are disproportionately those who have adopted both **AI and automation**, progressed beyond pilots, and embedded these tools into repeatable workflows. These organizations benefit from stronger data foundations, clearer success metrics, and fewer barriers to scaling, allowing value to compound over time.

By contrast, respondents rating value at the lowest level (“1”) tend to sit earlier in the maturity curve, with **single-tool deployments, limited integration, and unresolved data or skills gaps**. Low value ratings align closely with execution challenges already surfaced, difficulty measuring ROI, weak user adoption, and stalled pilots, indicating that dissatisfaction reflects incomplete operating environments rather than flawed technology. **Notably, mandated vs. bottom-up adoption shows little influence on perceived value; organizations with similar governance models diverge sharply based on how well they enable execution.**

The difference between rating technology a “5” or a “1” is not belief in AI or automation, it is whether the organization has crossed the threshold from adoption to impact. Value is path-dependent and time-sensitive. As 2026 approaches, leaders will be those who compress the journey from deployment to measurable outcomes, shifting focus from acquiring technology to accelerating time to value.

Perceived value increases exponentially with Digital Maturity



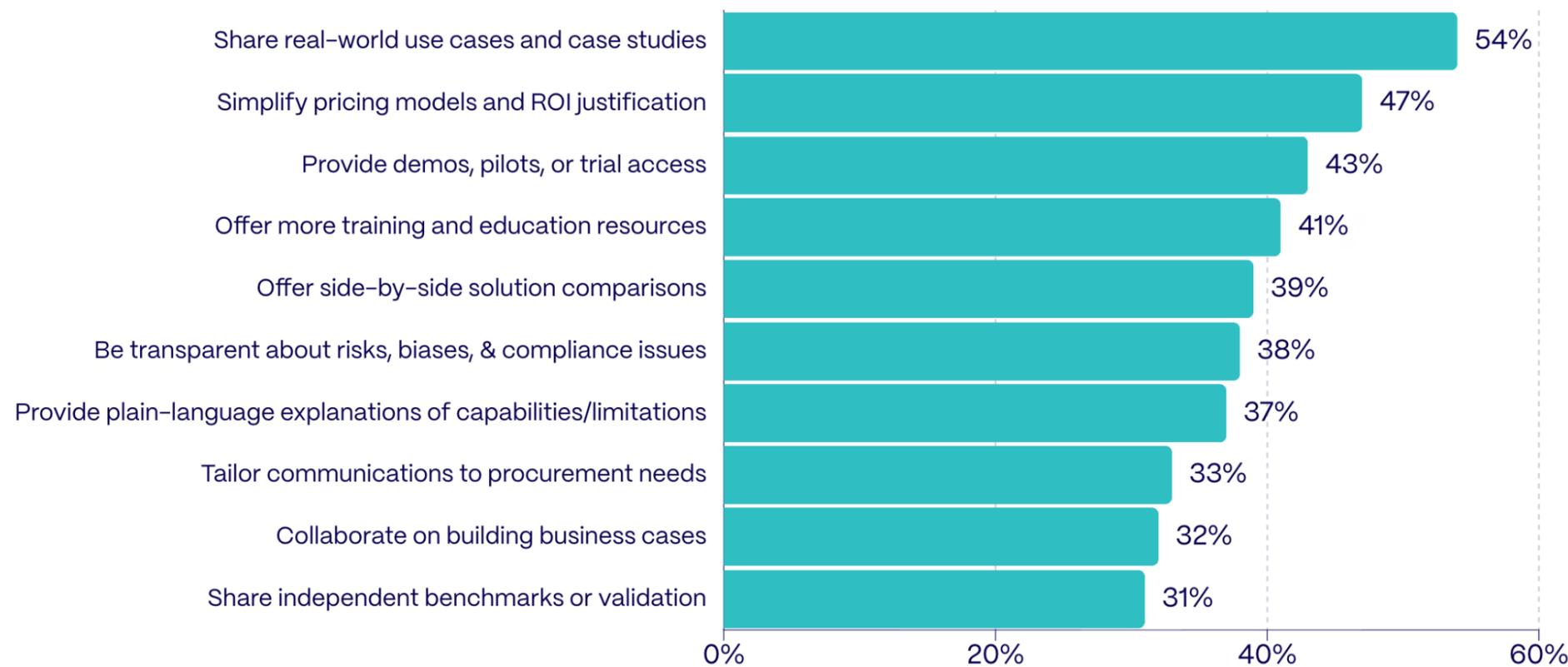


# What Procurement actually needs from vendors next

The data makes clear that procurement leaders are not asking vendors for more features, they are asking for faster confidence, clearer value, and lower execution risk. The most frequently cited request is for real-world use cases and case studies (54%), followed by simplified pricing models and **ROI justification (47%)** and access to demos, pilots, or trials (43%). Together, these point to a single underlying demand: **reduce uncertainty and accelerate time to value by showing, not telling, how outcomes will be delivered.**

Equally telling is where respondents want vendors to change how they engage. Nearly 40% want side-by-side solution comparisons (39%) and greater transparency around risks, biases, and compliance (38%), while 41% are asking for more training and education and 37% for plain-language explanations of capabilities. These are not procurement teams struggling to buy technology, they are teams struggling to evaluate, justify, govern, and operationalize it in complex enterprise environments.

What could vendors do better to support your understanding and adoption of AI or automation technology?



This reinforces a critical shift in the market. As technology maturity increases, differentiation is moving away from product capability and toward how quickly vendors can help customers reach measurable impact. Vendors that can compress evaluation cycles, de-risk adoption, and make value explicit early will enable CPOs to move faster, secure buy-in, and deliver results. Those that cannot will continue to lengthen decision cycles and stall transformations, regardless of how advanced their technology may be.



# Practical takeaways: what CPOs should do next

## 1 Don't take your CFO's 'no' for an answer

Organizations using AI and automation are materially **less likely to experience demand contraction** during periods of volatility, translating directly into revenue stability and working-capital protection. Equally important, automation shortens sourcing and decision cycles, allowing savings and cost-avoidance to be captured faster. Beyond headcount reduction and efficiency, return is driven by protecting margin, accelerating cash impact, and reducing risk.

## 2 Anchor digital investments to cost and risk outcomes, not capability

AI and automation adoption correlates strongly with resilience, but value only materializes when tools are embedded into repeatable workflows. CPOs should prioritize use cases that directly impact savings delivery, demand volatility, and supplier risk, rather than pursuing broad or experimental deployments without a clear path to impact (a generic 'GenAI' mandate will only get you so far).

## 3 Move from bottom-up adoption to leadership-mandated execution

Fragmented, voluntary adoption and reliance on organic uptake lead to partial digitization and limited resilience. The strongest outcomes occur where AI and automation are mandated, governed centrally, and embedded into core sourcing and decision processes (e.g. requiring AI-driven benchmarks for all Material spends >\$10M).

## 4 Invest early in data readiness and capability, not after rollout

Post-adoption challenges consistently cluster around data quality, skills gaps, and change resistance, not technology cost. CPOs should sequence investments deliberately: data foundations, operating models, and training must be addressed upfront to avoid stalled deployments and eroded confidence.

## 5 Challenge overconfidence and re-test assumptions about readiness

The data suggests that confidence in understanding AI often masks real capability gaps. CPOs should pressure-test internal assumptions, encourage honest assessment of readiness, and seek grounded external perspectives to avoid premature dismissal of emerging technologies.

## 6 Redefine the CPO role around enterprise resilience

As volatility becomes permanent, procurement's remit extends beyond savings delivery to enterprise stability. CPOs should position themselves as owners of resilience – linking sourcing strategy, technology adoption, and governance to margin protection and continuity – and claim a stronger role in enterprise decision-making.



# Resource: the 2026 Vendor Accountability Checklist

*Use or share this checklist to evaluate whether a technology partner can address the typical failures that stall procurement digital transformations.*

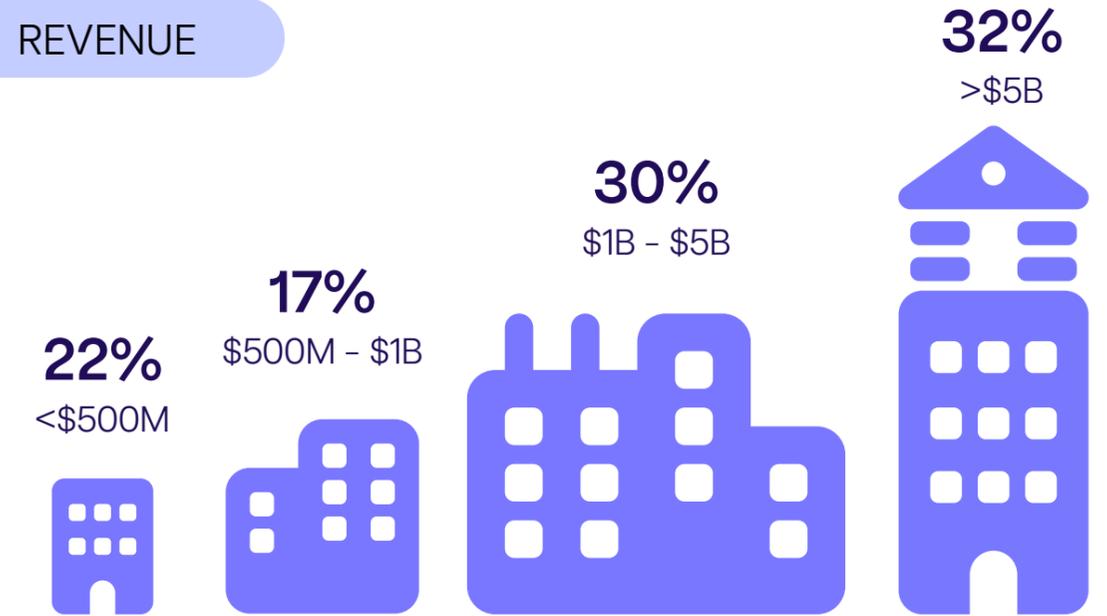
- Does the vendor provide real-world use cases mirroring your specific spend complexity?
- Does the vendor offer demo, pilot, or trial access to test data integration before full commitment?
- Does the vendor prioritize a fast journey from deployment to measurable outcomes over simple feature sets?
- Does the vendor provide the training and education resources necessary to bridge internal skill gaps?
- Can the vendor provide the specialized skills needed to prevent "stalled" digital transformations?
- Can the vendor explain AI capabilities and decision-making logic without technical jargon?
- Does the vendor provide formal transparency regarding AI biases and security compliance?
- Does the vendor have clear protocols to ensure the accuracy and reliability of AI outputs?
- Does the vendor provide pricing models and ROI justifications that are clear enough for CFO approval?
- Is the vendor willing to anchor fees to specific cost-savings or risk-mitigation outcomes?
- Is the vendor transparent enough to provide side-by-side solution comparisons for easier evaluation?

# Who we surveyed

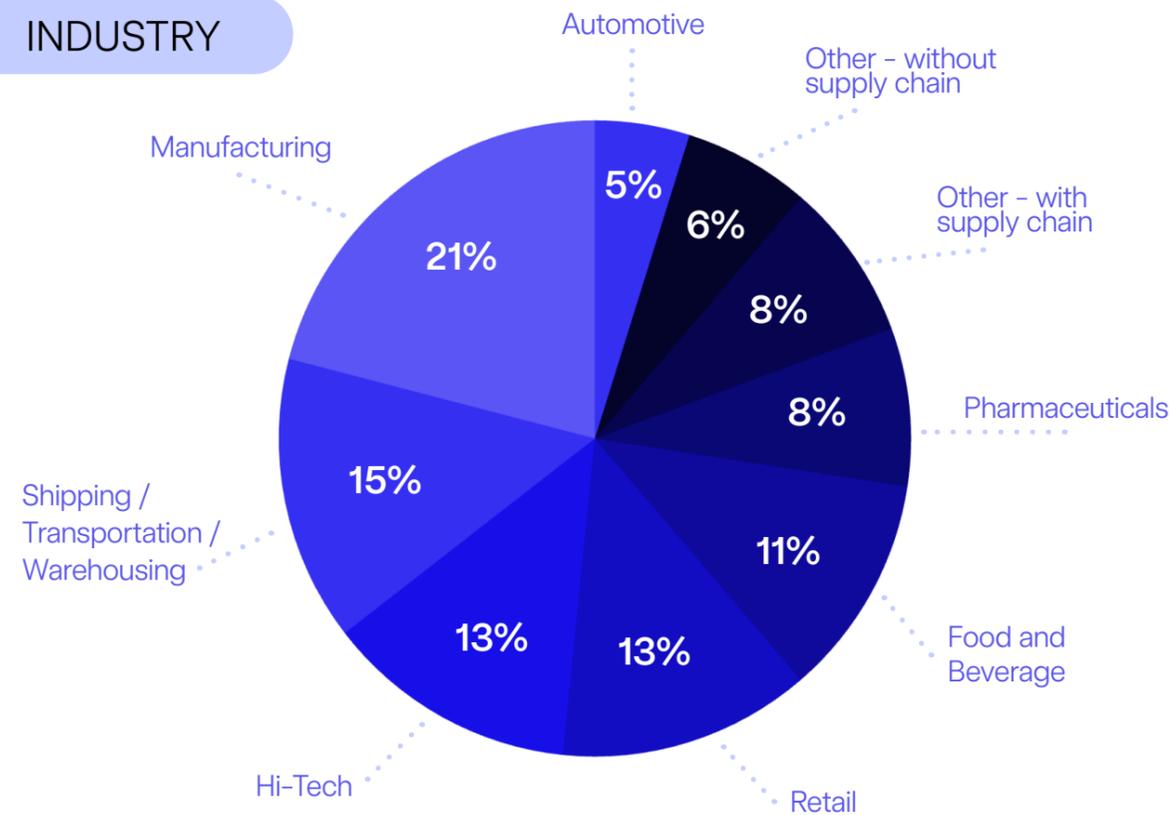
SPEND CATEGORY



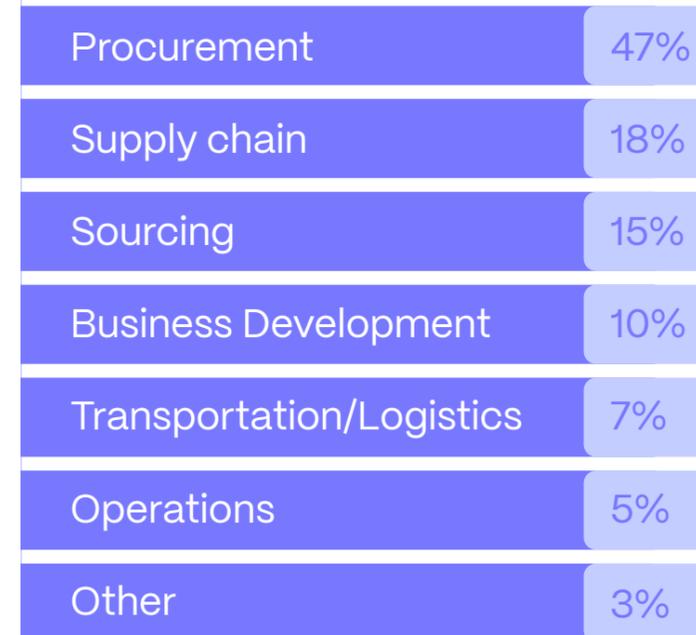
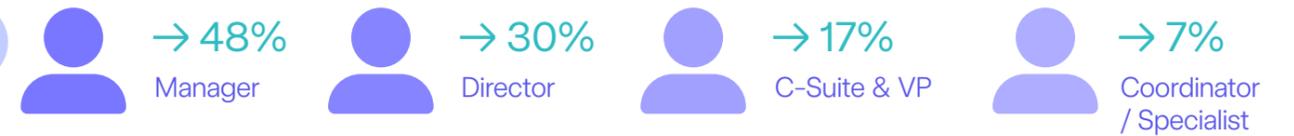
REVENUE



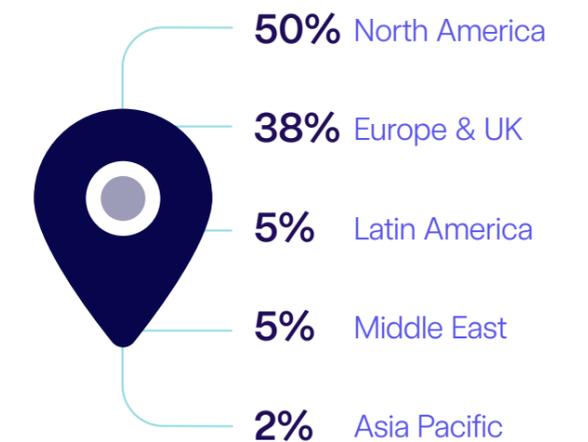
INDUSTRY



ROLE



LOCATION





# About Keelvar

Keelvar is an autonomous sourcing platform built for procurement teams that manage complex, high-stakes spend.

We combine automation that turns best practices into repeatable, scalable workflows with machine learning sourcing optimization – the kind of analytical power that no spreadsheet or manual process can replicate. The result: faster sourcing cycles, better decisions, and savings that show up from the first event.

Over 150 global enterprises trust Keelvar to source across direct materials, logistics, services, and beyond – including companies like Nestlé, Siemens, Maersk, and Mars.

In a world where volatility is permanent, procurement teams can't afford slow processes or tools that were built for a simpler era. Keelvar is built for the environment they're actually operating in.



[Click here](#) to learn more about how autonomous sourcing supported Maersk's growth and resilience.