

# AI in Procurement

Cutting through the AI boom

# AI in Procurement

Cutting through the AI boom

Chapter 1  
Introduction

Chapter 2  
External cost management and AI

Chapter 3  
AI use cases in reality

Chapter 4  
Getting it done

About OPX Partners

# Executive summary

AI in Procurement is creating real impact when applied correctly. For Procurement leaders, the challenge lies in cutting through the buzz and identifying use cases that match a reality where digital maturity is often still developing

At OPX Partners, we help clients navigate this uncertainty. Building on **three key elements of effective external cost management**, this whitepaper highlights **how to get started on your AI journey, showcasing high-value use cases** where AI augments existing processes and tools

## *Key elements for effective external cost mgmt.*

## *Example use case*



**Transparency and insights:** Make faster, better decisions by leveraging both internal and external data

**Supplier and market research:** up to 90% time-reduction with 2-7x more suppliers identified



**Ways of working:** Streamline processes and automate manual, error-prone tasks

**Spend anomaly detection:** typically, <2 months payback in anomaly detection tools



**Governance:** Strengthen compliance and reduce risk through more comprehensive reviews

**Contract reviews:** up to 85% time saved in compliance reviews

A **pragmatic, business-driven approach is essential** for value capture. Start with focused, high-return pilots that addresses clear pain points, build capabilities step by step, and keep initiatives anchored in business priorities and measurable outcomes

Cutting through the AI boom starts with focus — identifying where AI can truly create value and making choices grounded in business relevance.

## Chapter 1

# Introduction

In recent years, artificial intelligence has shifted from technical novelty to strategic priority. For many executives, AI is no longer a futuristic ambition, but a near-term necessity to stay competitive and unlock new forms of efficiency. As a result, expectations on AI adoption are rising across industries — and procurement is no exception.

Despite the growing interest, many procurement functions remain early in their digital journey. Manual workflows, high document volumes, and fragmented data remain common. These challenges also present opportunities: with the right approach, they offer clear potential for automation and smarter decision-making.

We are often approached by management teams wrestling with familiar questions:


- *Where do we start — with small, targeted pilots or more ambitious implementation programs?*
- *Can AI add real value if core processes are still analog?*
- *What outcomes are realistic — and how soon can we expect them?*

- *Which areas of procurement should we prioritize?*
- *Which AI use cases have proven real business impact?*

These are not questions of ambition, but of direction. Without a structured approach, many organizations risk being swept up in the AI boom — pursuing hype over impact, and deploying tools without clear ROI.

At OPX Partners, we work closely with our clients to navigate this space. Our experience from numerous digital and operational transformations tells us that success is rarely about tech alone. It starts with anchoring initiatives in real business needs, understanding where the organization stands today, and building capabilities that enable long-term value. We advocate for a pragmatic and impact-driven approach.

In the following chapters, we outline our view on how to navigate the AI journey in procurement: identifying opportunities, prioritizing efforts, and shaping initiatives tailored to each organization's context — all while keeping business value at the core.



*While everyone is talking about how AI can revolutionize procurement, the reality is that our digital maturity is still so low that we cannot practically leverage many of the models and tools being pushed on us*

## Chapter 2

# External cost management and AI

Effective external cost management is typically driven by three key elements: **transparency & insight**, **ways of working**, and **governance**. These pillars form the operational backbone of procurement and are prerequisites for sustainable cost control. While traditional systems and process improvements have long supported these capabilities, AI introduces new levers to increase impact — if applied in the right places.

In this chapter, we explore what potential AI has in each of these areas, where it is ready to create value, and where conventional solutions may still suffice.

### 1. Transparency & insight

Creating transparency means transforming data into insight — understanding what you are buying, from whom, and why. Most companies already generate vast amounts of procurement data, but much of it remains underutilized or inconsistently structured.

AI has the potential to play a key role in unlocking transparency by turning scattered procurement data into actionable insight — however, many solutions are still in early phases. **Spend classification** is a promising use case that has the potential to increase speed and enable consistent categorization across suppliers and invoice lines — though it does often require a minimum level of data quality to be effective.

Meanwhile, **source identification** and **market analysis automation** are accessible to most organizations, with relatively few prerequisites. While the tools are still developing, they can deliver quick results — especially in organizations where this type of work isn't done regularly



#### 1. Transparency & insight

Leverage internal and external data to gain **visibility into what you buy, from whom, and why** – for smarter prioritization, stronger risk awareness, opportunity identification, and more informed strategic decisions



#### 2. Ways of working

**Streamline and standardize processes** to ensure the right products and services are delivered at the right price, time, and quality – ensuring efficiency, consistency, and a unified approach across the organization



#### 3. Governance

Drive **accountability through a cohesive spend governance structure**, with clear targets, defined ownership, and consistent policies – enable effective strategy evaluation and uncover improvement opportunities

*Figure 1: Three key elements for effective external cost management*

## 2. Ways of working

Efficient procurement depends on standardized and scalable processes — but in practice, many steps remain manual, fragmented, or bottlenecked by legacy tools. Many companies have invested in P2P and sourcing systems to support this — and for some, these tools are sufficient. However, AI can create new value by accelerating and streamlining low-value, time-consuming tasks.

AI creates clear value by streamlining manual, repetitive procurement tasks. Process automation stands out as a high-impact use case, especially in **manual AP invoice management** — reducing errors, increasing speed, and freeing up capacity. **RFX drafting** is another strong candidate, where generative AI can quickly produce high-quality tender documents based on existing templates and past data.


These applications deliver efficiency gains without requiring major system changes, making them accessible and valuable even for organizations with limited digital maturity. Other areas with potential includes bid analysis, virtual assistants, and digitalization of unstructured data.

## 3. Governance

Governance is about ensuring compliance, accountability, and policy alignment. Most companies already have frameworks and systems in place — but AI can elevate their effectiveness.

Poor governance can be costly: organizations may miss opportunities embedded in supplier contracts, overlook policy deviations, or fail to catch pricing errors — all of which directly impact the bottom line. AI supports stronger control by continuously monitoring transactions and highlighting exceptions that would otherwise go unnoticed.

Among governance-related applications, **spend anomaly detection** and **contract compliance automation** stand out as two of the highest-potential AI use cases. They help organizations catch pricing errors, policy breaches, and missed contract terms — reducing leakage and ensuring that negotiated value is captured, all with minimal manual effort.



*AI is not a blanket solution. You should apply it where it creates the greatest leverage for your organization*

## Chapter 3

# AI use cases in reality

In the following pages, we'll take a closer look at how AI is being applied across key areas of the procurement process—unpacking specific use cases, and the tangible value they bring.

The use cases — **Market Insights and supplier research**, **Spend anomaly detection**, and **Contract Compliance** — have been selected for their broad applicability, practical feasibility, and relative readiness. They have demonstrated tangible value in real-world settings and represent areas where implementation is achievable today, even as the underlying technologies continue to evolve.

While not necessarily the right fit for every organization, these use cases offer strong potential across industries and can be relevant regardless of an organization's current level

of digital maturity or support systems. For many, they provide a pragmatic starting point for exploring the benefits of AI in procurement — without requiring major transformation from day one.



Figure 2: Summary of use cases

## Market insights and supplier research — AI accelerates procurement by delivering real-time market intelligence and streamlining supplier identification and evaluation

Identifying and evaluating potential suppliers is a central — yet often time-consuming — part of the sourcing process. Manual desktop research, scattered data sources, and limited visibility beyond existing supplier networks are common bottlenecks in the process — all well suited for targeted AI support.

Although primarily targeting investment professionals, AI powered market research tools can provide notable value in sourcing as well. Through targeted searches and real-time market intelligence, these tools can significantly reduce sourcing timelines, quickly generating exhaustive lists of potential suppliers based on predefined requirements. In practice, users have reported up to 90% time-savings on company research, along with two to seven times more comprehensive longlists compared to manual research.

In addition to the reduction of sourcing timelines, usage of AI tools can also strengthen the negotiation position. Easily accessible financial insight on both suppliers and their competitors enables high-level assessment of the supplier positioning and negotiation power.

Existing AI tools are typically delivered as SaaS solutions powered by large language models trained on external data, with many also supporting integration of internal data to enhance accuracy and contextual relevance. In addition, operational requirements are generally modest, with easy-to-use solutions. As a result, entry barriers are relatively low. However, without consistent and purposeful use, there is a risk of over- or underutilization — potentially limiting impact on sourcing quality and overall return on investment.

*We see up to **90%** faster supplier research...  
...and **2-7x** more suppliers identified  
when applying AI in market and supplier research*



## Spend anomaly detection — AI helps organizations detect irregularities early, reduce costs, and ensure greater transparency in financial operations

Detecting and managing spend anomalies is an area where AI can provide immediate and tangible value. Machine learning models are increasingly leveraged to analyze accounts payable (AP) data, identifying irregularities such as duplicate invoices, overpayments, or potentially fraudulent transactions. These insights enable organizations to act early—reducing costs by catching issues before payments are processed, increasing transparency through accurate audit trails, and ultimately optimizing cash flow by ensuring compliance and timely financial operations.

While the algorithms used are generally well-established and technically feasible to implement, they require access to both historical and real-time AP data to function effectively. Operationally, introducing such AI tools can be relatively seamless, especially when partnered with third-party providers. The primary internal adjustment involves

setting up a clear process for following up on identified anomalies.

Despite the benefits, companies must be mindful of risks such as incomplete data, resistance to process changes, or unclear ownership of anomaly resolution. To succeed, implementation must be anchored in strong data governance and clear accountability. When done right, spend anomaly detection not only yields direct financial impact but also builds trust in the accuracy and reliability of the organization's financial operations.



*We typically see <2 months  
payback on investment when applying AI  
spend anomaly tools*

## Contract compliance — AI enables faster reviews, reduces risk, and ensures alignment with policies and regulations

Ensuring contract compliance is a critical — and often underleveraged — aspect of procurement governance. Traditionally reliant on manual review and policy enforcement, it remains resource-intensive as companies struggle to keep up with evolving regulations and to maintain consistent reviews across large volumes of agreements. This increases both compliance risk and operational strain — making it a clear opportunity for targeted AI.

AI addresses these challenges through scalable, consistent contract analysis. Modern tools can process thousands of pages, compare clauses against regulations and internal policies, flag compliance risks, track deviations across versions, and generate amendment suggestions — all while maintaining traceability back to policy frameworks. This accelerates reviews and helps surface key obligations and

risks early. Preconfigured frameworks and customizable policies enable faster deployment and better alignment to industry needs.

By automating workflows, surfacing compliance gaps, and standardizing reporting, AI can reduce processing and approval times by up to 85% in contract-heavy procurement processes. With lightweight implementation and minimal integration requirements, these tools improve efficiency without disrupting existing systems. Human oversight remains essential to ensure contextual relevance and long-term quality.

For companies seeking to reduce contract risk, improve review efficiency, and strengthen governance with limited disruption, contract compliance stands out as a high-potential AI use case.

*We see up to **85%** reduction in time  
spent on contract reviews when  
applying AI tools*



## Chapter 4

# Getting it done

### Building the AI roadmap

When viewed across the external cost management process, it becomes clear that AI does not add equal value everywhere — and shouldn't be treated as a blanket solution. In domains like sourcing, invoice handling, and monitoring, AI applications — such as **sourcing and market insights**, **RFX drafting**, and **contract compliance** and **anomaly detection** — align well with known pain points where traditional systems often fall short in flexibility, speed, or adaptability.

At the same time, for more transactional or well-structured steps — like purchasing and standard approvals — existing ERP or P2P systems are often sufficient and may not benefit meaningfully from AI augmentation. The key is to not apply AI broadly or reactively, but to focus efforts where it addresses clear challenges and adds business-relevant value.

Determining where to focus AI efforts is not straightforward. Rather than following trends, organizations benefit from a structured, business-driven approach — one that targets specific capability gaps and aligns initiatives with strategic priorities. At OPX Partners, we advocate for an AI roadmap that is both feasible and anchored in core business value. It should reflect the organization's current challenges and digital maturity, while balancing near-term opportunities with long-term potential. With this foundation, companies can prioritize initiatives that maximize impact based on the maturity of available technologies and their own organizational readiness.

### Concluding remarks

In today's AI landscape, the challenge is not ambition, but focus. Broad applications may seem appealing, but true impact comes from identifying where AI adds more value than traditional approaches — and where existing systems suffice. A pragmatic, business-driven approach is essential.

The use cases outlined in this paper illustrate high-potential areas, but realizing value requires tailoring AI efforts to each company's specific challenges. An initial diagnostic is a critical first step — uncovering pain points and setting priorities. Based on this, an AI roadmap can be developed, typically including a digital maturity assessment, broad use case mapping, and expert interviews in high-potential areas.

With a clear understanding of both the organization's needs and the technology's potential, companies can move beyond experimentation — and start using AI where it truly matters. At OPX Partners, we bring broad experience from supporting clients across a range of transformation journeys. If this paper has sparked ideas or raised questions within your organization, we would be pleased to discuss them further.

AI creates most value when aligned with real business needs — not from chasing trends, but from making deliberate choices based on where your organization is today.

## About OPX Partners

OPX Partners is a Nordic management consulting firm. We support our clients in solving complex strategic and operational problems, from diagnosis to implementation – across a range of business topics. We have specific 'products' targeted at specific situations particularly relevant in a PE setting, e.g.

- **Pre-transaction:** Organizational Capacity Review, Operational Improvement Assessments
- **Initial Ownership:** Value Creation Planning
- **Acceleration:** Cost Effectiveness & Scalability, Pricing & Sales Excellence, Supply Chain & Footprint Optimization, Purchasing
- **Intervention:** Mid-Term Reviews, Turnarounds

Our approach has been shaped through working extensively with PE-owned companies across a variety of industries. Our approach is characterized by 3 factors:

**Smart:** By bringing experienced teams that know, and have first-hand experience of the problem at hand, but also have top-tier management consulting experience, we can hit the ground running, quickly understand and design the solution, and then move into implementation mode.

**Pragmatic:** Our extensive line experience and senior teams ensure that solutions are pragmatic, implementable and tailored to the client's specific environment.

**Collaborative:** We take a partnership approach with our clients and are normally present on the ground for the duration of the project, and especially during implementation to help ensure successful change. We work together to build our clients' capabilities and ensure ownership at all levels and functions of the organization.