



# NEXT-GEN PROCUREMENT AI TRANSFORMATION ASSESSMENT

How mature is the engagement of AI in your materials management organization?

**EFESO**  
MANAGEMENT CONSULTANTS

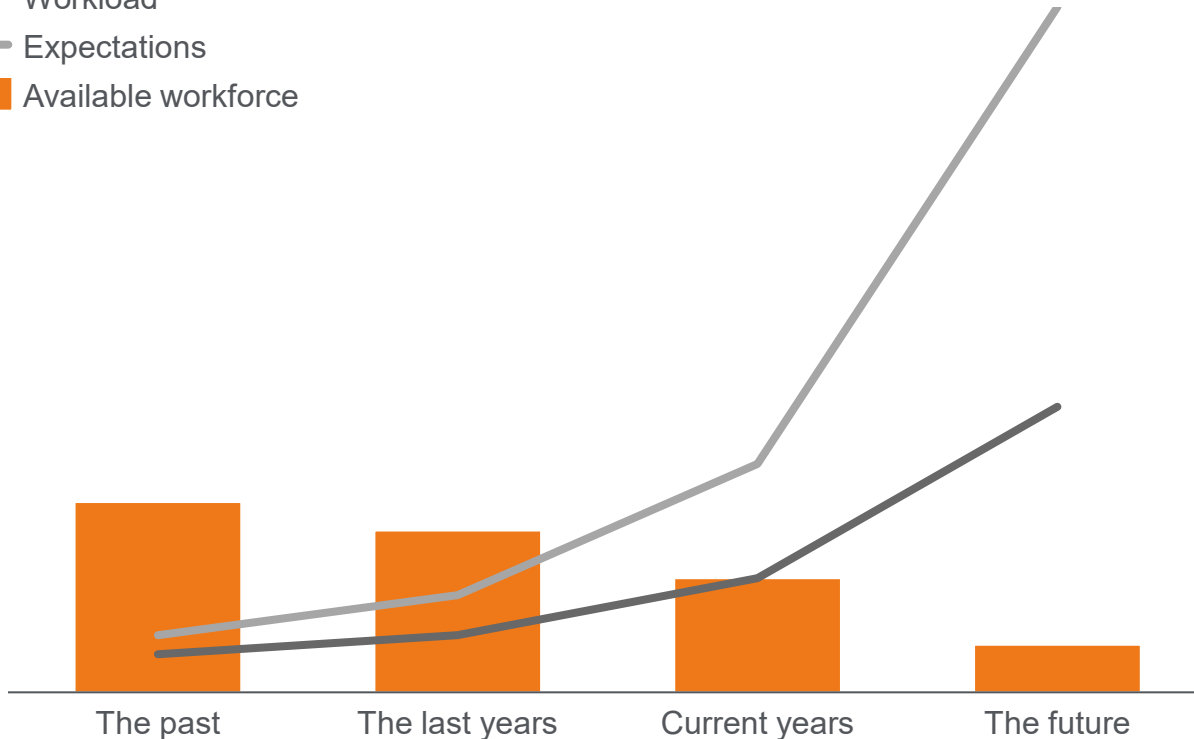
PROCUREMENT  
**INSIGHT**

Procurement organizations in general - and procurement staff in particular - are facing challenging times, which will only get more demanding



## The Dilemma within purchasing organization

— Workload  
— Expectations  
■ Available workforce



## Main challenges and issues



Handling increasing data amount (with Excel), while data quality is decreasing.



Lack of skilled workforce. Problem to retain & gain talent.



Increase in new legislation (sustainability, supply chain protection acts, etc.).



Constant crisis mode. Buyers need to work operationally and lose focus on strategic topics.









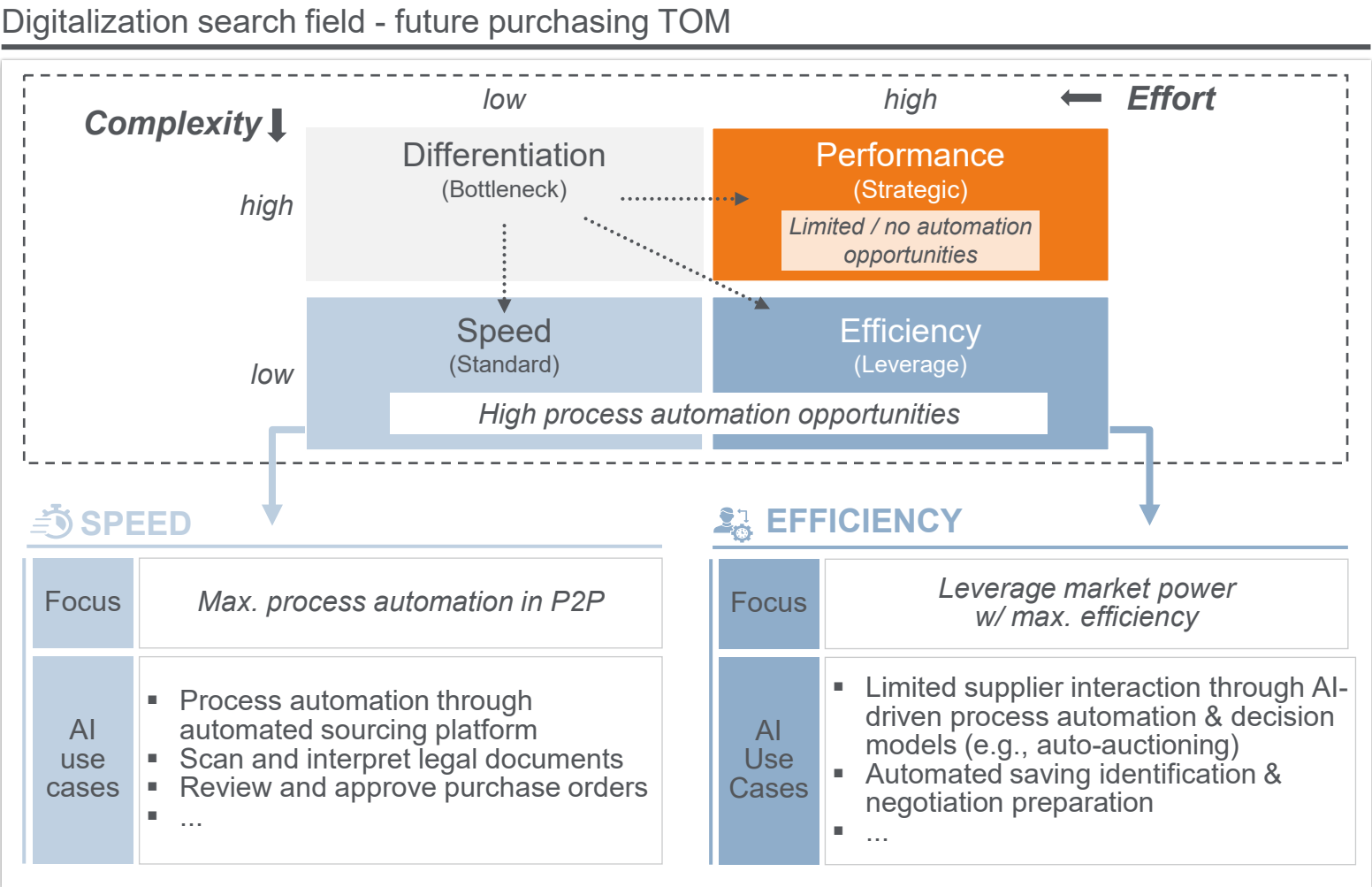
Buyers are not equipped with the right tools to manage increased workload.



It is success critical for purchasing organizations to **increase** the **output** per **employee** to match the increasing expectations and balance the reduced available workforce. AI applications and usage offers various potential solutions.

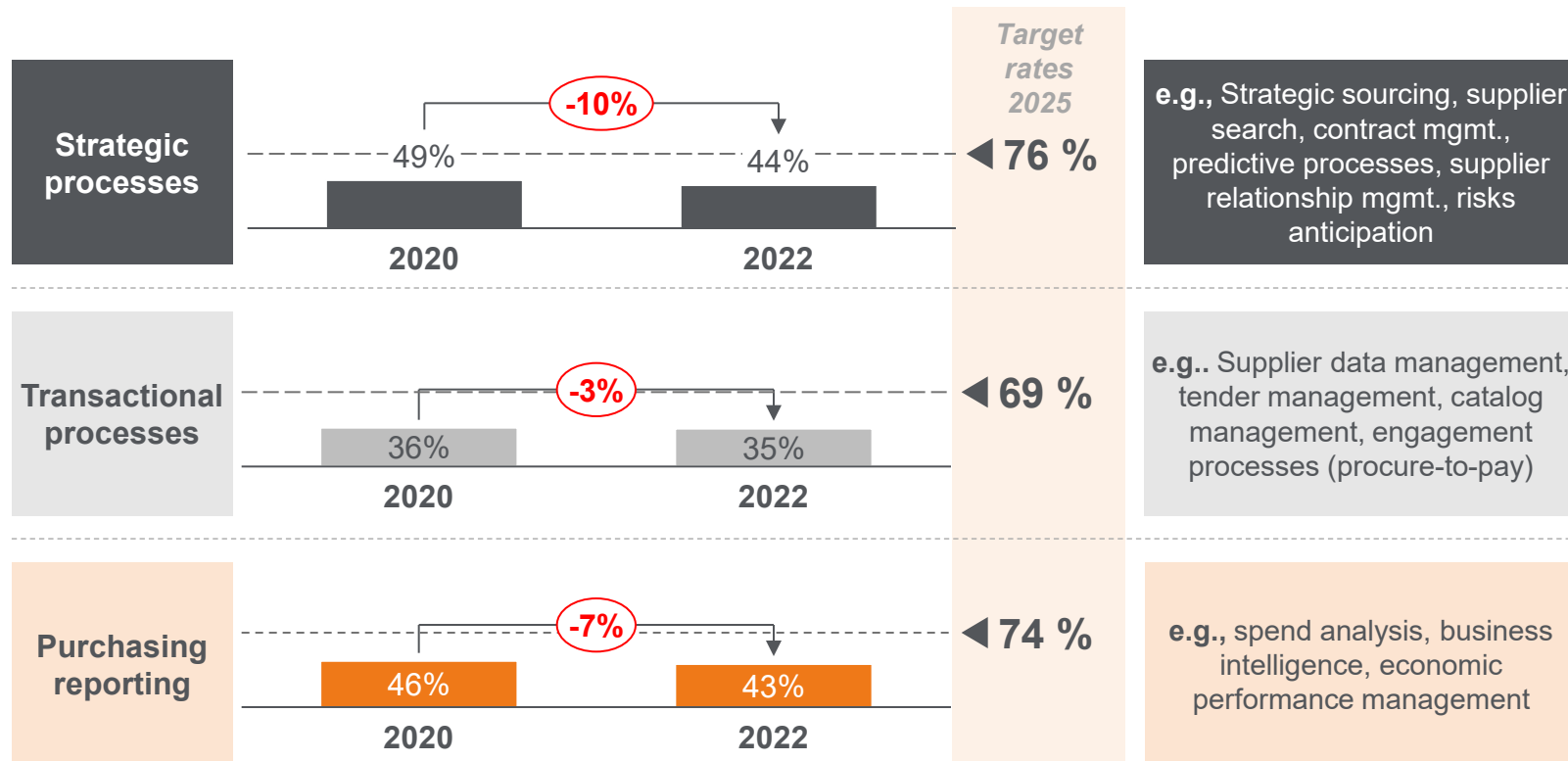
This is why we see a wide opportunity to apply digitalization / AI applications – yet, using the ‘right’ mix of tools and approaches is key

Functional area	Digitalization example
<div>  <b>Logistics</b> </div>	Real time shipment tracking via RFID technology
<div>  <b>Production</b> </div>	Industry 4.0 as main digitalization initiative
<div>  <b>Sales &amp; marketing</b> </div>	AI based customer segmentation & forecasting
<div>  <b>Finance &amp; controlling</b> </div>	Automatization of accounting processes
<div>  <b>R&amp;D</b> </div>	Usage of digital twin in development
<div>  <b>Purchasing</b> </div>	



Surprisingly, ambition and reality show a large and widening gap – instead of accelerating digitalization, declining tendencies can be recognized

## Development of digitalization – example: purchasing processes



## EFESO insights

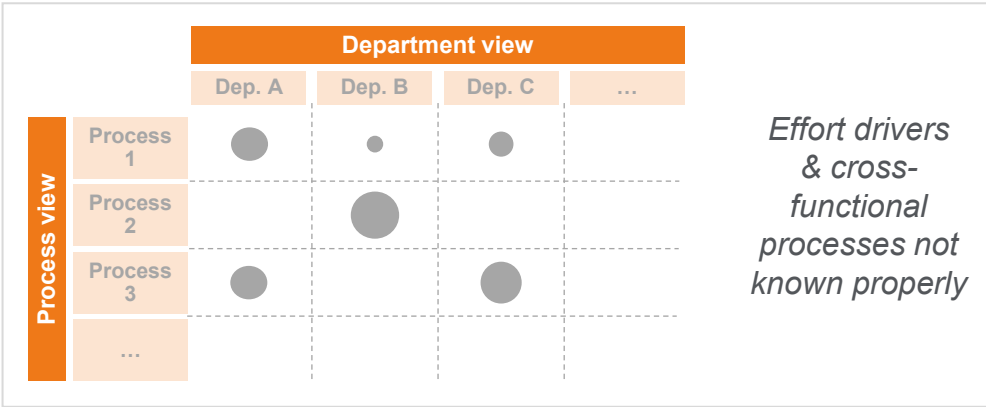
- Crisis priorities appeared, such as wars, supply chain disruptions, etc., thus the **digital transformation projects** were put **on hold** and companies **shifted** and **remained** in **crisis mode**
- Recognizing the **need for action** in Procurement, **ambitious digitalization objectives** 2025 has been set, but are hard to achieve
- EFESO project experiences show, that although there are **existing** and **elaborated applications** available, the **opportunities of digitalization** and AI are often **not known** or **used** properly.



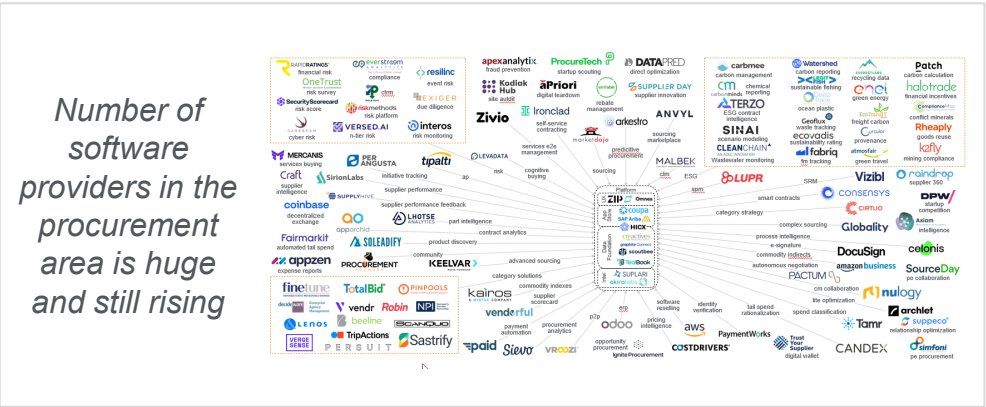
To achieve the ambitious digitalization targets, companies must shift focus back to strategic digitalization initiatives.

Reason is that - although digitalization search fields in purchasing are known – numerous obstacles hinder organizations to digitalize or to introduce AI successfully

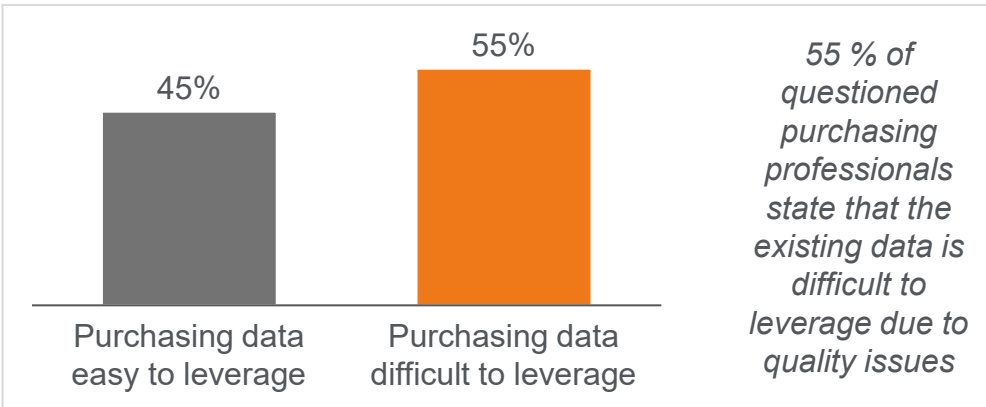
Business process efforts not known



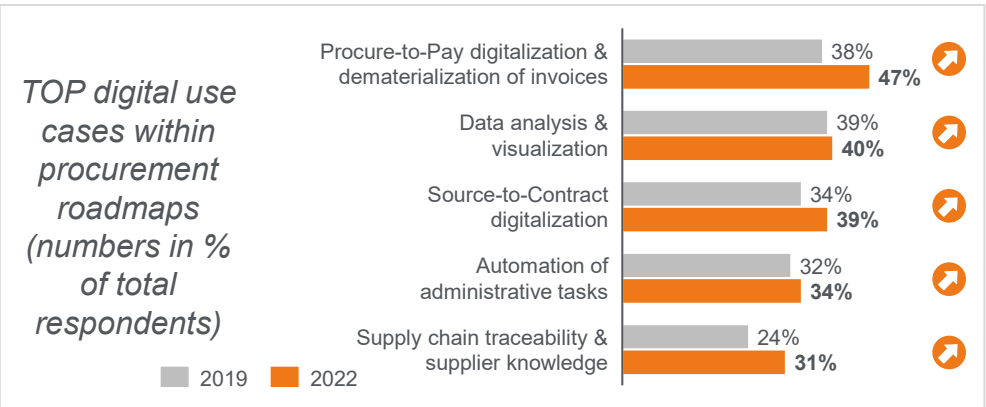
Rising number of software providers



Insufficient data quality



Lacking knowledge about digitalization levers



We help you to overcome this hurdle by using our “AI Transformation Assessment” as a navigator to bring materials management to the next level and make it future ready



Effort  
transparency



Process data  
transparency



Efficiency  
improvement



Digitalization  
strategy



AI tool  
options

### Optimization



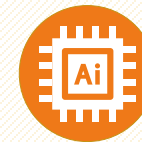
Up to 50% process efficiency  
improvement

### Digitalization



Up to 25%  
headcount  
reduction

### Way forward



Working with suitable and  
customized AI applications



With our unique track record in digitalization projects, we are perfectly positioned to help your organization to reach its full potential.



NVA: Non-value add

