Series 2: How Digital Transformation will shape The Future of Procurement?

At present, we can find the feasibility of AI in every sector. As promised in <u>our earlier newsletter</u>, we are sharing the insights about practicality of **Artificial Intelligence** in the procurement domain. AI is one of the major driving force that is disrupting all the departments and industries wherever it is applied. When it comes to procurement, it eases the strategic decision making, assists in achieving significant cost savings and accelerates all the ongoing processes in your procurement chain. Here is just a short glimpse of this vast technology which is shaping the Future of Procurement:

An Era of Virtual Personal Assistants (VPAs) and Cognitive Procurement Advisors (CPAs)

Many among us like interacting with Siri on an iOS device, Cortana on Microsoft or Google Assistant on Android. All of these are our VPAs for guiding us whenever we are in confusion. To our amaze, soon we will have such CPAs and VPAs for assisting through the areas where cost savings can be achieved. The CPAs and VPAs can assist you in all the functions ranging from supplier assessments, performance management, to risk management and in maintaining compliance.

Application of AI in Spend Analytics

Spend Analytics facilitates visibility of the whole organizational expenditure on a single screen. Moving a step ahead, integrating Contract Analytics with Spend Analytics and with the application of Artificial Intelligence, one can leverage the benefit of tracing any mistakes in any transaction, document, invoice within the system. Hence, you will not only get the complete visibility, but any human error can also be rectified easily. Apart from that, it will also assist in determining the future price trends, trend analysis of various processes, automatically alerting the internal stakeholders in case of any error etc.

How to make your system compatible with Artificial Intelligence?

AI is not a buzzword anymore. From the discussions and dreams, it is now into reality. For completely adopting and leveraging the benefits of AI in your organization, it is necessary to make some amendments as listed below:

- Integrated database which will serve as the source material for AI toolkit to work with.
- Readily available repository of all the contracts, essential documents and transactions.
- Training the Human Resource and make them well-versed with the existing tools as well as preparing them to adopt the upcoming technologies for their & organizations well-being.

When done correctly, you will move one step closer to solve the key pain points and challenges, which your organization is currently facing.

Note: We welcome your valuable suggestions, views and inputs for our next Newsletter which will be on application of Blockchain in Procurement. Because even you are a contributor to the digital transformation that shapes the **Future of Procurement.**

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