

The Procurement Imperative

A view from the C-suite in 2026

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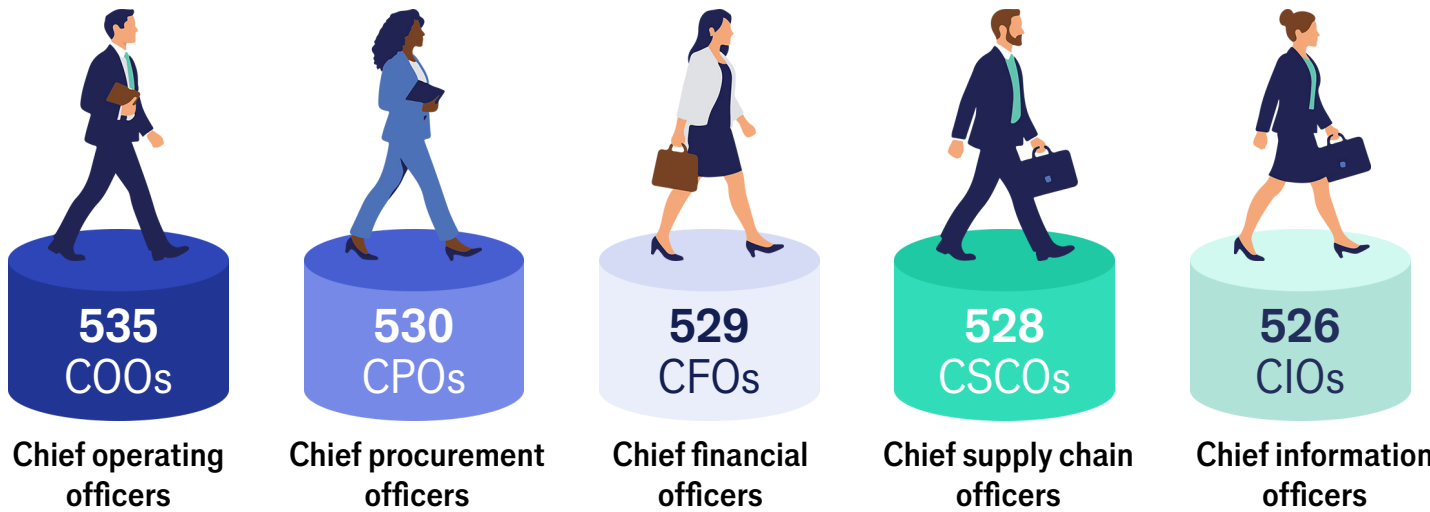
In 2026 procurement remains central to business decision-making, but the function is at a crossroads. Procurement teams are being asked to do more: cut costs, manage disruption and drive digital change. But confidence in their ability to deliver on that broader mandate, and in its alignment with wider corporate strategy, is slipping.

“Creating a competitive tender process that reduces costs is not the only way for a procurement function to create value. There are a lot of levers you can pull.”

Chris Sawchuk, principal and global procurement advisory practice leader, The Hackett Group

About the research programme

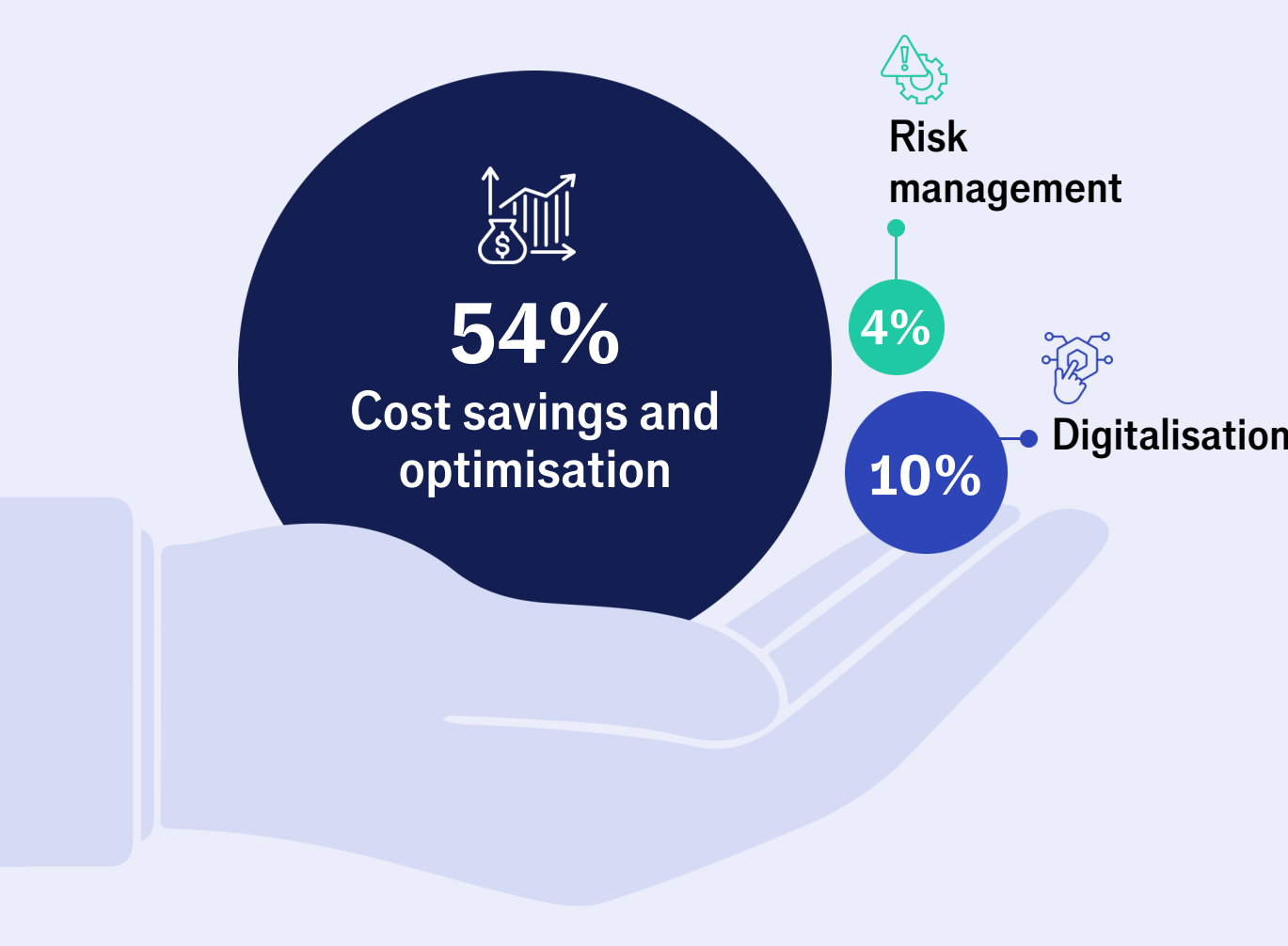
The latest iteration of Economist Enterprise's research takes the pulse of the C-suite on procurement's evolving role, tracking its transformation over the past five years. The findings are anchored in a survey of 2,648 C-suite executives:



Cost control is procurement's gold standard

The covid-19 pandemic saw the mandate of the procurement function expand significantly, but in 2026, executives once again judge procurement primarily on its ability to contain costs.

Primary value procurement delivers to the organisation



When economic conditions tighten, procurement teams are pulled back to their traditional role: delivering cost savings. But the function is still expected to deliver on the wider strategic role it accrued during and after the pandemic—from managing risks to diversifying supply chains and driving innovation.

AI now shapes procurement's agenda but confidence in delivery is uneven

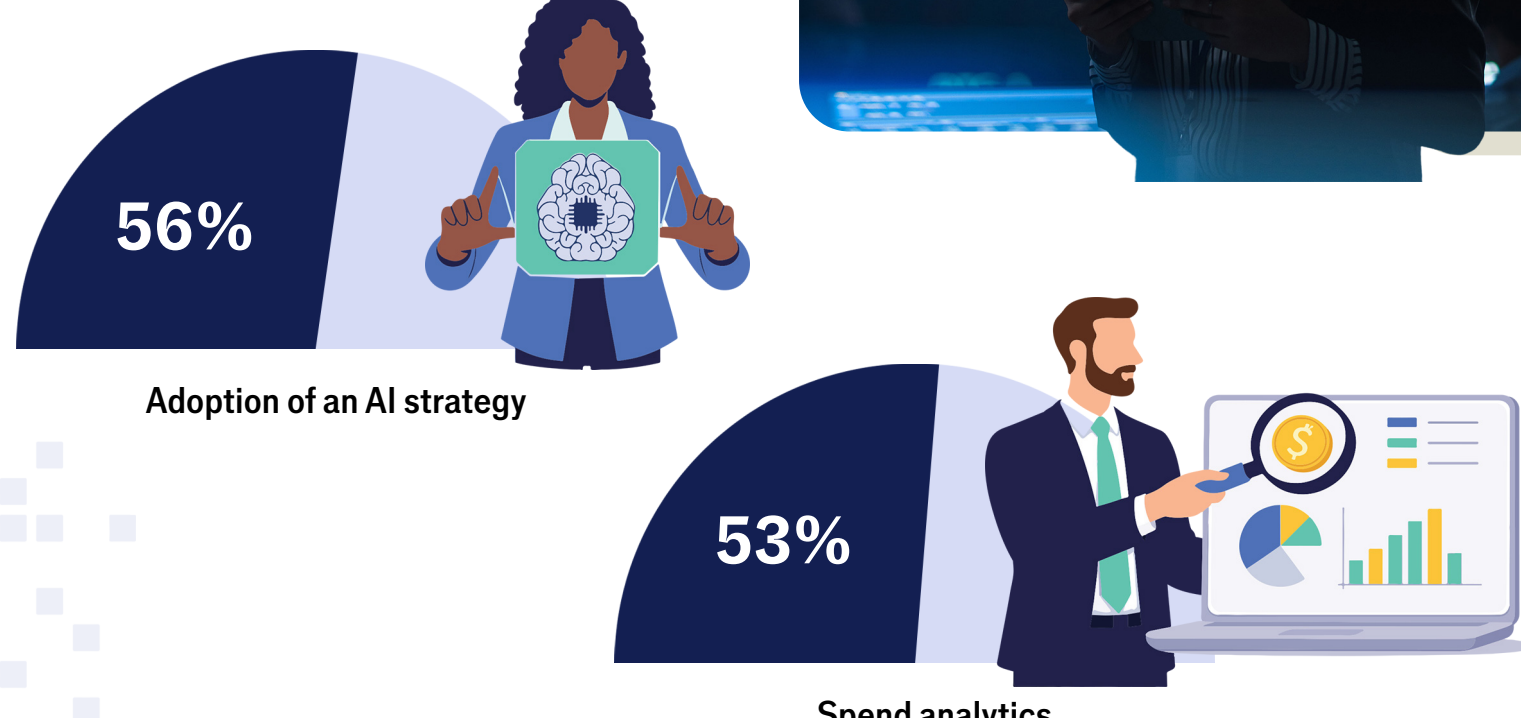
Executives increasingly see procurement as a data-led function, with digital transformation topping procurement's short-term priorities.

Top short-term strategic priorities for procurement



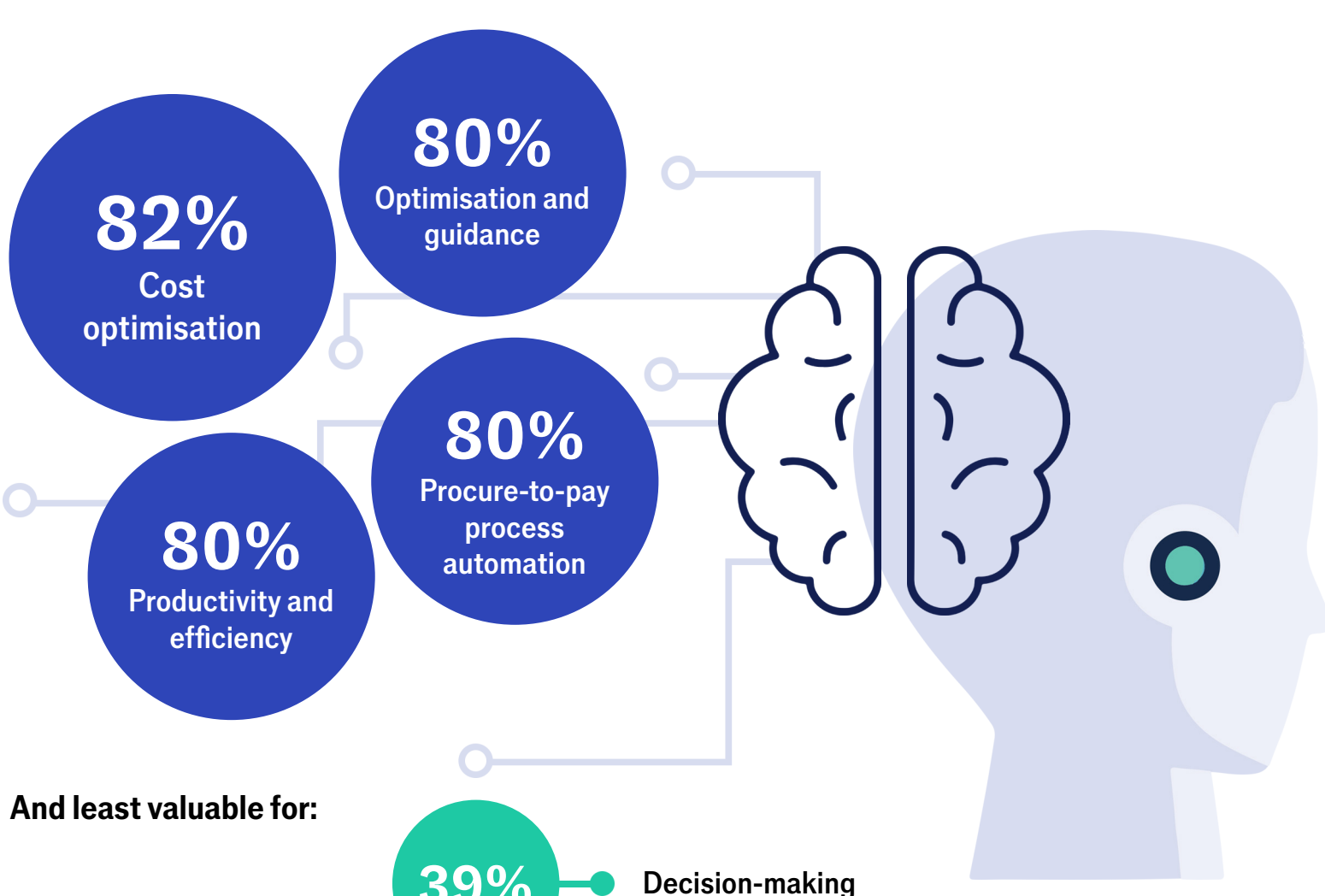
AI sits at the centre of this shift. The adoption of AI strategies and spend analytics are driving digital transformation, and agentic AI is emerging as the technology most likely to shape procurement's future.

Top drivers of digital transformation in procurement



AI is already delivering gains in repetitive, process-heavy areas of procurement.

Executives find AI most valuable in procurement for:



But AI adoption has so far yielded mixed results and faces technical obstacles.

Top barriers to adopting or scaling AI

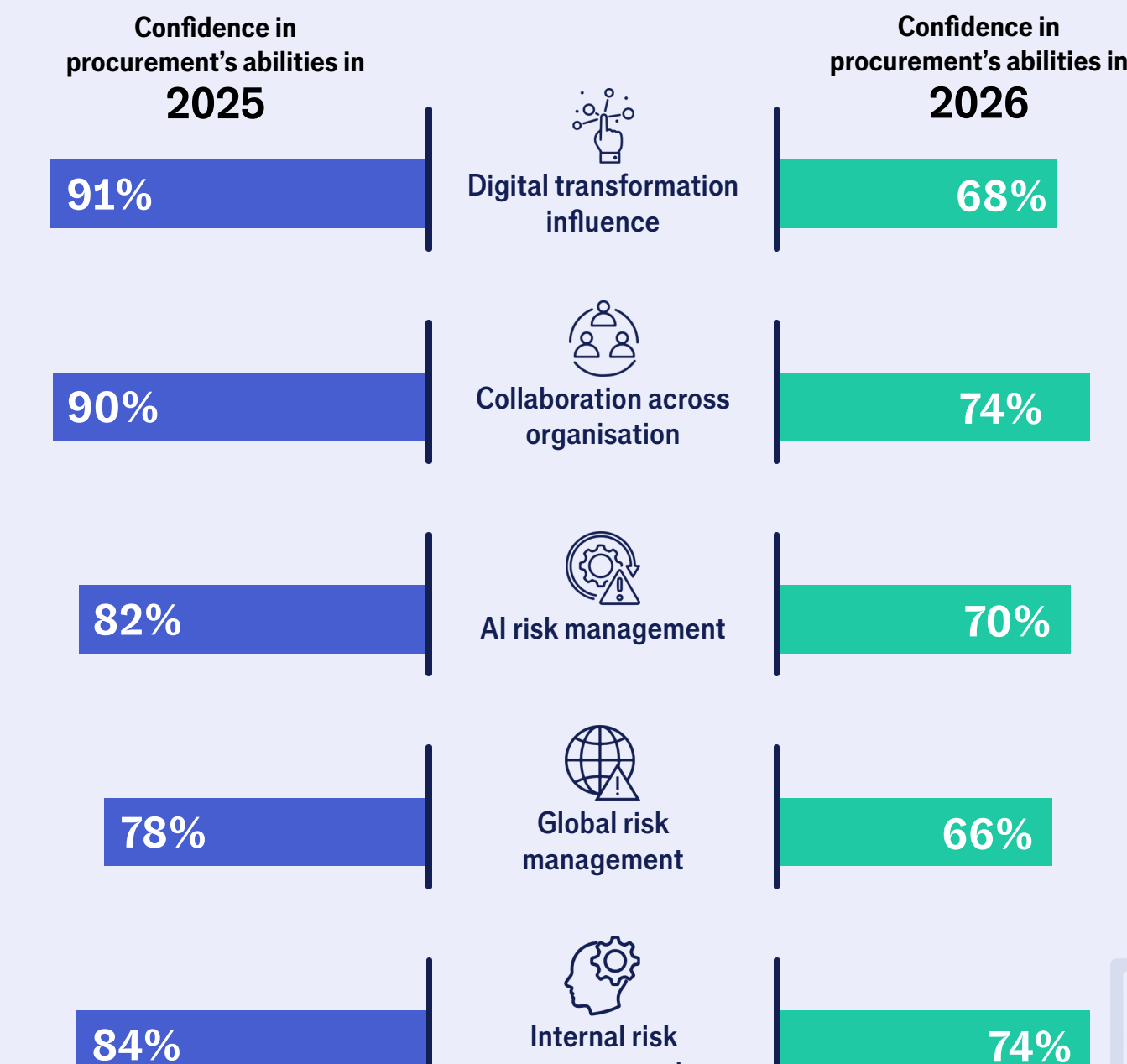


Concerns also extend to understanding AI's risks. More than a quarter of CPOs and CIOs do not agree that procurement can effectively assess and manage the risks of using AI, pointing to a need for better training and more experience in applying AI to procurement tasks.

As demands rise, confidence in procurement is falling

Procurement remains central to the business, but as the function accrues an ever-wider range of responsibilities, belief in its ability to deliver is weakening.

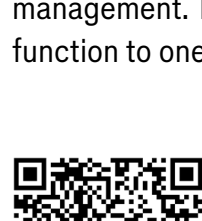
Confidence in procurement's role in digital transformation, collaboration and risk management have all dropped since 2025, suggesting that the function's broader mandate is becoming harder to sustain.



Caught between two roles

Procurement is no longer just a savings function. But it has yet to prove it can deliver against the wider set of responsibilities with which it has been entrusted.

In 2026 procurement teams balance two goals: enforcing cost discipline and taking on a strategic role in risk management. The organisations that do well will be those that strike this balance while transitioning the function to one that is guided by data and built on AI.



Find out more about how procurement is changing—and what it means for your organisation—in our [full analysis](#).

