



encora

The 2026 AI Procurement Playbook for Technology Sourcing Leaders

How to Navigate the Radically Changed Vendor
Landscape and Transform Your Sourcing Strategy



Executive Summary:

Technology procurement has fundamentally changed. What worked in 2020, RFPs for defined solutions, three-year contracts, and cost-per-seat pricing, is obsolete in the age of AI agents, consumption-based models, and ecosystem partnerships.

Today's technology procurement leaders face a new reality: 73% of vendors now offer AI-enhanced solutions and consumption-based pricing models. Meanwhile, procurement teams are expected to source increasingly complex AI capabilities while managing unprecedented risk and compliance requirements.

This workbook is designed specifically for procurement professionals who feel the ground shifting beneath them. It provides a structured framework to assess both your internal procurement capabilities and your understanding of the external vendor landscape in the AI era.

Through seven critical dimensions, you'll evaluate where you stand today and identify concrete steps to modernize your procurement function. Each section includes a self-assessment to help you gauge your readiness and prioritize improvements.

By the end, you'll have a clear picture of whether your procurement organization is Leading, Adapting, Developing, or Emerging in AI-era procurement maturity.

1.

Understanding the New Vendor Landscape

The market has fundamentally shifted. Yesterday's software vendors are now AI platform providers, and new players emerge weekly. Procurement must develop new muscles for vendor assessment.

The technology vendor ecosystem has transformed beyond recognition. Traditional enterprise vendors have pivoted to AI-first strategies. Startups with powerful models but limited enterprise experience flood the market. Open-source alternatives challenge commercial offerings. Hyperscalers now compete with your existing vendors while also powering them.

As a procurement leader, you need new frameworks to evaluate this landscape. Can the vendor's AI actually deliver the promised ROI? How do you assess model performance claims? What about data residency when models are trained globally? How do you compare a traditional vendor adding AI features versus an AI-native startup?



What's Changed:

- Vendor stability assessment now includes "AI maturity" and "model governance"
- Technical due diligence requires understanding of model architectures and training data
- Reference checks must probe actual AI performance, not just implementation success
- Vendor roadmaps change quarterly, not annually



Procurement Action Items:

- Develop AI-specific vendor scorecards beyond traditional criteria
- Build relationships with AI-native vendors before you need them
- Create a vendor taxonomy: AI-native vs. AI-enhanced vs. AI-washing
- Track which vendors are genuinely innovating vs. repackaging



Key Question:

Can your team effectively evaluate and differentiate between genuine AI capabilities and marketing hype across the rapidly evolving vendor landscape?

Self-Assessment (1-5):

Rate your team's ability to assess the modern AI vendor landscape (1 = using traditional vendor criteria only; 5 = sophisticated AI vendor evaluation framework with technical assessment capabilities)



Mastering New Pricing and Commercial Models

From licenses to consumption and from seats to outcomes, procurement must navigate new commercial structures while protecting value.

The shift to AI has upended traditional software economics. Instead of predictable per-seat licensing, you're now negotiating token-based pricing, API calls, compute hours, and success-based models. A single AI implementation can involve one or more pricing models.

Budget predictability has become a major challenge. How do you forecast API consumption when usage patterns are unknown? How do you compare vendors when one charges per query and another per compute hour? What about hidden costs like data preparation, model fine-tuning, or ongoing monitoring?



New Commercial Realities:

- Consumption can spike 10x overnight with viral adoption
- "Unlimited" plans often have hidden throttles or quality degradation
- Model improvements may require renegotiation mid-contract
- Value-based pricing requires agreeing on success metrics upfront



Procurement Strategies:

- Negotiate consumption bands with volume discounts
- Build cost models for various adoption scenarios
- Include "circuit breakers" for runaway consumption
- Push for transparent pricing calculators and commitment credits
- Consider hybrid models: base platform fee plus consumption



Key Question:

Have you developed sophisticated models to predict, control, and optimize AI consumption costs while maintaining flexibility for scaling?

Self-Assessment (1-5):

Rate your commercial model sophistication (1 = struggling with consumption pricing; 5 = advanced cost modeling with controls and optimization strategies)

3.

Evaluating and Mitigating AI-Specific Risks

AI introduces novel risks that traditional procurement frameworks don't address. From model bias to data leakage, procurement must become the guardian of responsible AI adoption.

Your risk assessment checklist from 2020 is dangerously incomplete for AI procurement. New categories of risk have emerged: model hallucinations affecting business decisions, training data containing your competitive intelligence, vendors using your data to improve models that benefit competitors, regulatory compliance for AI systems that didn't exist two years ago.

The vendor's SOC 2 report tells you nothing about their model governance. Their disaster recovery plan doesn't address model drift. Their security attestations don't cover prompt injection attacks. As a procurement leader, you're now responsible for risks your organization barely understands.



Critical AI Risk Categories:

- Model Risk: Accuracy degradation, hallucinations, bias in outputs
- Data Risk: Training data provenance, competitive data leakage, privacy violations
- Operational Risk: Vendor lock-in at the model level, API stability, latency issues
- Regulatory Risk: Evolving AI regulations, cross-border data flows, audit requirements
- Reputational Risk: AI failures becoming public, discrimination claims, ethical concerns



Risk Mitigation Tactics:

- Require model cards and transparency reports
- Negotiate data isolation and deletion rights
- Include performance SLAs with degradation penalties
- Build exit strategies for model migration
- Require bias testing and audit rights



Key Question:

Do you have comprehensive frameworks to identify, evaluate, and contractually mitigate AI-specific risks that didn't exist in traditional software procurement?

Self-Assessment (1-5):

Rate your AI risk management capability (1 = using traditional IT risk frameworks; 5 = comprehensive AI risk assessment with specific contractual protections)

4.

Building Strategic Vendor Ecosystems

Success in AI requires orchestrating ecosystems, not just selecting point solutions. Procurement must shift from transactional buying to strategic partnership development.

The days of buying standalone solutions are over. Your AI-powered CRM needs to integrate with your data platform, which connects to your ML ops infrastructure, which depends on your cloud provider's AI services.

This interconnectedness demands a new procurement approach. You're not just buying products; you're assembling ecosystems. Vendors must be evaluated not just on their individual capabilities but on their ability to play well with others. API compatibility, data portability, and partnership willingness become critical selection criteria.



Ecosystem Considerations:

- How vendor lock-in compounds across connected systems
- Whether vendors have pre-built integrations with your stack
- The risk of vendors competing with their own partners
- How to maintain leverage when vendors know you're committed to their ecosystem



Strategic Approaches:

- Map vendor interdependencies before procurement
- Negotiate enterprise-wide agreements spanning multiple products
- Include integration SLAs in contracts
- Build relationships between your vendors' partnership teams
- Consider system integrators as orchestration partners



Key Question:

Are you strategically building complementary vendor ecosystems with strong interoperability, or simply accumulating disconnected point solutions?

Self-Assessment (1-5):

Rate your ecosystem approach (1 = buying isolated solutions; 5 = orchestrating strategic vendor ecosystems with planned interdependencies)

5.

Transforming Internal Procurement Processes with AI

While procuring AI for the business, procurement must also transform itself.

The irony isn't lost on anyone: procurement teams buying AI for the organization while using decades-old processes themselves. But forward-thinking procurement organizations are using AI to revolutionize their own operations. AI agents now screen vendors, analyze contracts, predict price increases, and identify savings opportunities.

This isn't about replacing procurement professionals; it's about augmenting them to handle the exploding complexity of the AI vendor landscape. When AI can read 100 vendor contracts in minutes, procurement can focus on strategic relationship building and complex negotiations.



AI-Powered Procurement Use Cases:

- Automated vendor discovery and initial screening
- Contract analysis and risk identification
- Spend analysis and optimization recommendations
- Market intelligence and pricing benchmarks
- RFP automation and response evaluation
- Supplier performance monitoring



Implementation Priorities:

- Start with contract intelligence tools
- Deploy spend analytics AI for visibility
- Use AI for vendor research and market intelligence
- Automate routine procurement tasks
- Build AI-assisted negotiation playbooks



Key Question:

Is your procurement function leveraging AI internally to increase efficiency, improve decision-making, and manage the growing complexity of technology sourcing?

Self-Assessment (1-5):

Rate your internal AI adoption (1 = no AI in procurement processes; 5 = AI-augmented procurement with automated workflows and intelligence)

6.

Developing New Procurement Competencies

The skills that made you successful in traditional IT procurement won't suffice. Teams need new capabilities spanning technology, commercial, and partnership dimensions.

Your team that excelled at negotiating ERP contracts may be lost evaluating large language models. The procurement professional who mastered software licensing struggles with token economics. The vendor manager comfortable with quarterly business reviews is unprepared for the pace of AI evolution.

This skills gap is urgent and widening. Procurement teams need enough technical fluency to engage with AI vendors meaningfully. They need commercial creativity to structure novel deal types. They need consultative skills to guide internal stakeholders through unprecedented complexity.



Critical New Competencies:

- Technical: Understanding AI/ML concepts, model architectures, data requirements
- Commercial: Modeling consumption economics, value-based pricing, outcome metrics
- Risk: AI ethics, model governance, algorithmic bias, regulatory compliance
- Strategic: Ecosystem thinking, partnership orchestration, innovation scouting
- Consultative: Advising stakeholders on AI readiness, vendor selection, implementation approaches



Development Strategies:

- Partner with IT for technical education
- Bring in AI procurement specialists
- Create vendor education programs
- Join procurement AI communities
- Develop internal AI procurement playbooks



Key Question:

Does your team have the technical fluency, commercial creativity, and strategic thinking needed to effectively procure and govern AI solutions?

Self-Assessment (1-5):

Rate your team's AI-era capabilities (1 = traditional procurement skills only; 5 = comprehensive AI procurement competencies across the team)

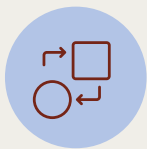


Measuring Value and ROI in the AI Era

Procurement must develop new frameworks for value measurement that capture both direct returns and transformational impacts.

How do you measure the ROI of a technology that might transform your business model? Traditional procurement metrics often fail to capture AI's true impact. An AI investment might increase costs while unlocking entirely new revenue streams.

The challenge compounds because AI value often emerges unpredictably. The chatbot you bought for customer service might revolutionize your sales process. The document processing AI might reveal insights that reshape your strategy. Procurement must develop sophisticated value frameworks that capture this complexity.



New Value Dimensions:

- Innovation Velocity: Time to market, product development speed
- Revenue Enablement: New products, markets, or business models
- Competitive Advantage: Unique capabilities, market differentiation
- Risk Reduction: Compliance improvement, error reduction, fraud prevention
- Knowledge Multiplication: Institutional learning, decision enhancement



Measurement Approaches:

- Define value metrics before procurement
- Build staged value realization models
- Track both hard and soft benefits
- Create value scorecards by use case
- Include option value for future capabilities



Key Question:

Have you developed sophisticated frameworks to measure AI value beyond traditional ROI, capturing both quantifiable returns and strategic transformation?

Self-Assessment (1-5):

Rate your team's AI-era capabilities (1 = traditional procurement skills only; 5 = comprehensive AI procurement competencies across the team)

Self assessment

Score yourself between 1-5 across each of the following parameters.

	Your Score
Self-Assessment (1-5): Rate your team's ability to assess the modern AI vendor landscape (1 = using traditional vendor criteria only; 5 = sophisticated AI vendor evaluation framework with technical assessment capabilities)	
Self-Assessment (1-5): Rate your commercial model sophistication (1 = struggling with consumption pricing; 5 = advanced cost modeling with controls and optimization strategies)	
Self-Assessment (1-5): Rate your AI risk management capability (1 = using traditional IT risk frameworks; 5 = comprehensive AI risk assessment with specific contractual protections)	
Self-Assessment (1-5): Rate your ecosystem approach (1 = buying isolated solutions; 5 = orchestrating strategic vendor ecosystems with planned interdependencies)	
Self-Assessment (1-5): Rate your internal AI adoption (1 = no AI in procurement processes; 5 = AI-augmented procurement with automated workflows and intelligence)	
Self-Assessment (1-5): Rate your team's AI-era capabilities (1 = traditional procurement skills only; 5 = comprehensive AI procurement competencies across the team)	
Self-Assessment (1-5): Rate your team's AI-era capabilities (1 = traditional procurement skills only; 5 = comprehensive AI procurement competencies across the team)	

Scoring Your AI-Era Procurement Readiness

Score	Maturity Level	Interpretation
☐ 28-35	Leading	You've successfully transformed procurement for the AI era. Your team effectively navigates the new vendor landscape, manages complex risks, and drives strategic value. You're a competitive advantage for your organization.
☐ 21-27	Adapting	You recognize the changes and are making progress. Key capabilities are developing, but gaps remain. Focus on the lowest-scoring areas and accelerate capability building.
☐ 14-20	Developing	You're beginning the journey but haven't yet built the muscles for AI-era procurement. Significant investment in people, processes, and frameworks is needed. Consider bringing in specialized expertise.
☐ 7-13	Emerging	Traditional procurement approaches still dominate. The gap between your capabilities and market requirements is widening. Urgent transformation is needed to avoid becoming a bottleneck to AI adoption.

Your Next Steps

For Emerging (7-13):

1. Conduct an AI vendor landscape mapping exercise
2. Bring in AI procurement expertise through hiring or consulting
3. Partner with IT to build technical fluency
4. Start with one AI procurement pilot to build experience

For Developing (14-20):

1. Formalize AI procurement frameworks and playbooks
2. Invest in team training on AI concepts and commercial models
3. Implement AI tools within procurement itself
4. Build strategic relationships with key AI vendors

For Adapting (21-27):

1. Address your lowest-scoring dimensions first
2. Refine value measurement frameworks
3. Advance from point solutions to ecosystem orchestration
4. Share learnings across the broader organization

For Leading (28-35):

1. Become a center of excellence for the organization
2. Influence vendor product roadmaps through strategic partnerships
3. Pioneer new commercial models and risk frameworks
4. Contribute to industry standards and best practices

Procurement is being rewritten in real time. Use this playbook and assessment to understand your maturity, close critical gaps, and position your organization to lead with confidence in an AI-driven landscape.

To learn more, contact us:

Phone Number: +1 (480) 991 3635

Email Address: letstalk@encora.com

encora

www.encora.com