Procurement's Strategic Elevation to the C-Suite

The Procurement Trends Compass



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Procurement is shifting. What was once a transactional, back-office function is becoming a strategic control point. One that helps determine resilience, growth and risk.

For procurement professionals, this means moving upstream. Influencing strategy earlier, turning supplier insights into business decisions, and showing how the department creates value as well as savings.

For suppliers, this means competing on more than price. The strongest partners will be able to show strategic fit, operational reliability, AI readiness, ESG proof, and the ability to help procurement move faster with less risk.

We wanted to better understand procurement's more integrated and strategic role. So **we spoke to procurement leaders and team members from 10 Fortune 500 companies and multinationals across different sectors**. We asked them about their tensions, expectations, and what "value" means to them today.

> "Procurement is being asked to be less of a transactional organization and more of a seat at the table."
>
> — Procurement Leader, Financial Institution

> "Procurement is becoming more strategic, and we're also becoming more like partners to the businesses."
>
> — Procurement Leader, Pharmaceuticals

This report amplifies the voice of procurement today and identifies four key trends reshaping the function, helping procurement teams and suppliers navigate this new reality together.

Direct Insights from procurement leaders

From February to April 2026, we held 10 conversations with procurement leaders from Fortune 500 companies and multinational organizations.

Participants represented banking, financial services, the public sector, FMCG, pharmaceuticals and health care, industrial equipment and intralogistics, and entertainment across North America, Europe, and the Middle East.

Statistics from desk research

We tested the themes from these conversations through targeted desk research.

We used three AI tools, along with search engines, to identify relevant sources.

Human verification: Our team checked each selected data point against its original source for accuracy and context before including it in the report.

The Procurement Trends Compass

4 Key Trends

Including comprehensive statistics and expert verbatims.

Trend 1: The Resilience Obligation

Building operational agility in the age of volatility

Trend 2: The AI-fication Mandate

Scaling AI to stay relevant and visible

Trend 3: The Bottleneck Breakthrough

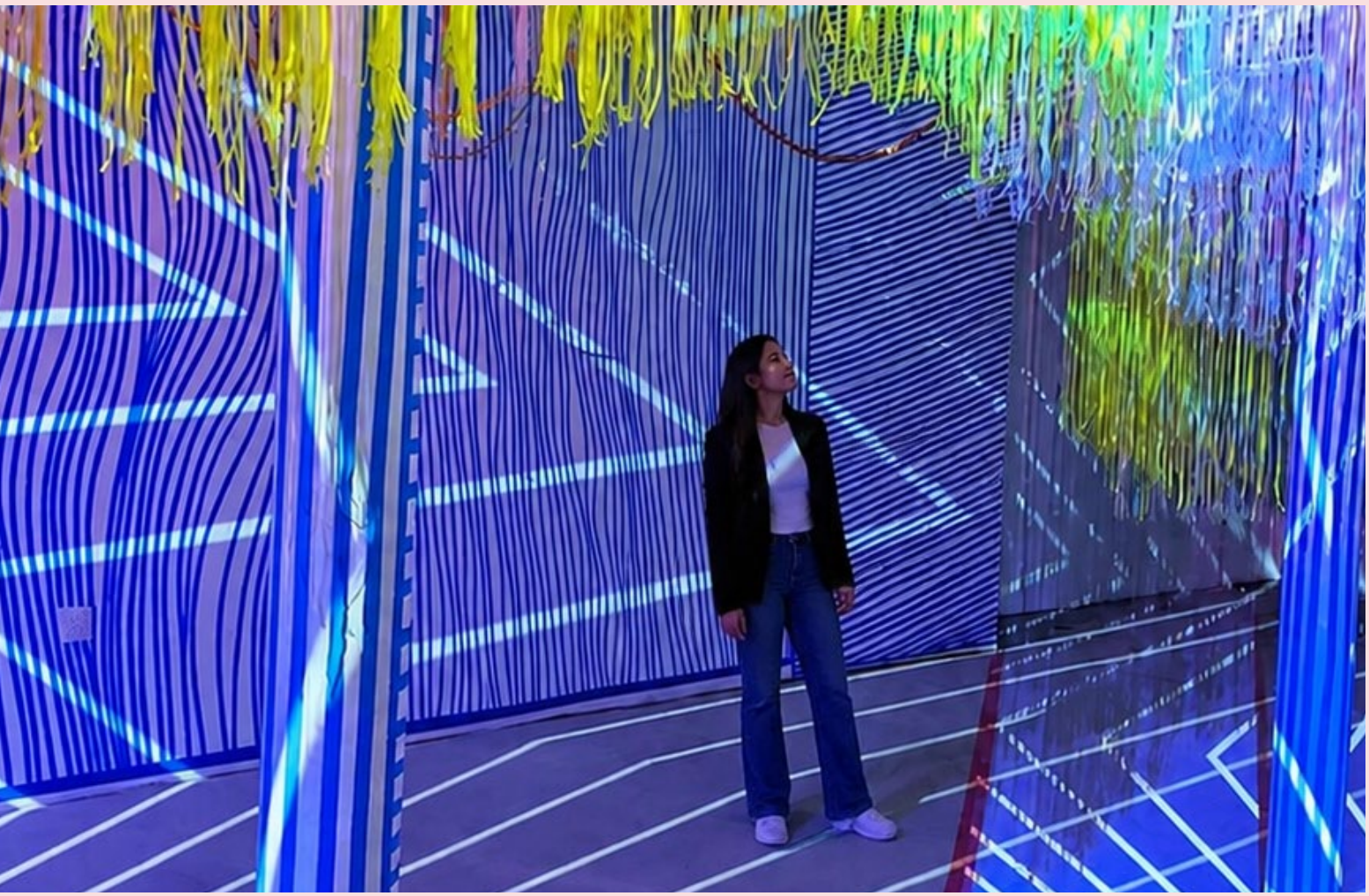
Reframing procurement from system constraint to accelerator

Trend 4: The ESG License to Operate

Despite greenhushing, ESGs are driving success

1. The Resilience Obligation

Building operational agility
in the age of volatility



The pivot to revenue security

In a world shaped by geopolitical friction, continuous disruption, and the permacrisis, procurement has become essential to securing resilience and protecting revenue. 79% of companies planned to increase investment in supply chain risk management during 2026 (Deloitte, 2026).

For procurement teams, resilience is one of the ultimate goals. Through supplier segmentation, scenario planning and diversified ecosystems, they can protect continuity, reduce exposure, and maintain both production and revenue when disruption hits.

For suppliers, this changes the standard of value. Buyers are not only asking what suppliers can provide, but how reliably they can provide it under pressure.

79%

of companies planned to increase investment in supply chain risk management during 2026 (Deloitte, 2026)

“Procurement has definitely matured into a revenue security function.”

— Procurement Leader, Hospitality

Procurement is engaging earlier in demand shaping and raising expectations around transparency and accountability. Looking ahead, KPMG anticipates the department will evolve into a continuous “24/7 risk orchestrator” role, actively anticipating and redistributing risk across the ecosystem.

“We have evolved into category-focused CPOs, with accountability for every dollar spent, and are now engaged earlier in demand shaping.”

— Procurement Leader, Consumer Goods

“Focused commercial agility and risk management to balance.”

— Procurement Leader, Financial Services

More diversity. Less risk.

A “good” supply chain is no longer the cheapest, but the most secure and adaptive. This makes supplier diversity a structural response to risk concentration. 74% of CPOs now prioritize diversified sourcing as their most effective mitigation lever (Deloitte, 2025).

“Diversity isn’t just a ‘nice to have’ social goal; it’s a risk-mitigation strategy. If your entire supply chain looks the same, you’re fragile.”

— Procurement Leader, Industrial Manufacturing

74%

of CPOs prioritize diversified sourcing as No. 1 mitigation lever (Deloitte, 2025)

This is an opportunity for agile SMBs. By using local anchoring and operational flexibility, they can help organizations bypass global disruptions and reduce systemic exposure.

For procurement professionals, the opportunity is to treat diverse suppliers as part of resilience architecture, not as a separate program. For suppliers, it means leading with capability, then making diversity part of the wider value story.

“Diversity gets you the meeting; performance keeps the contract.”

— Procurement Leader, Industrial Manufacturing

“The fact that you are a woman-owned business is the icing on the cake, okay? Come in with your core capabilities, showcasing what you can do well, and you can win the business. And then ‘Hey, by the way, my company is managed, operated, and owned by women.’ Bingo!”

— Procurement Leader, Pharmaceuticals

Strategic scaling and radical capacity honesty

The main reason buyers hesitate to sign with smaller businesses is a fear of "operational fragility." They worry that a smaller partner won't be able to scale or sustain service during a crisis (Deloitte, 2025).

"The hesitation is rarely about innovation... it is driven by operational resilience—specifically the ability to scale and sustain service continuity."

— Procurement Leader, Consumer Goods

24/7

risk orchestrator — procurement's anticipated future role (KPMG)

To overcome this, procurement needs to identify suppliers who can make their resilience visible, structured and tangible, with transparency at its core. Contingency plans, partnerships and scaling strategies are as important as the product or service itself.

For suppliers, this means being specific about where they can scale, where they need partners, and where their limits are. Honesty is becoming a stronger trust signal than overpromising.

"We always encourage these joint ventures or collaborations between small suppliers to make them stronger and more capable."

— Procurement Leader, Pharmaceuticals

In this landscape, trust comes from honesty and proven capacity. The strongest suppliers are those who can clearly define their limits and demonstrate how they'll hold the line when it matters most.

"Suppliers must move away from 'overselling' and instead provide transparent data on their volume limits.

We value a supplier who says "No" to a volume they can't handle more than a supplier who fails to deliver."

— Procurement Leader, Hygiene & Health

What does this mean...

...for procurement professionals

Procurement is shifting from cost control to a strategic resilience engine.

The teams that thrive will make decisions grounded in capacity, continuity and supplier diversification, and reward partners who can prove reliability before disruption hits.

...for suppliers

As procurement becomes about revenue security, suppliers need to be secure and transparent in who they are, what they can do, and how they can prove it.

The opportunity is to show resilience before they are asked for it: clear capacity limits, credible contingency plans, relevant partnerships, and evidence that they can protect the buyer when conditions change.

2. The AI-fication Mandate

Scaling AI to stay relevant and visible



The productivity force multiplier

Every company we spoke to has used some form of AI in procurement, and identified AI as a top priority for driving productivity. The key is to know where AI can accelerate analysis, category insight and supplier discovery, while focusing human judgment on risk, relationships and commercial trade-offs.

Yet AI maturity is uneven. According to the ProcureCon CPO Report 2026, only 11% of procurement organizations describe themselves as fully ready to leverage AI, while 65% are mostly ready, and 24% are in capability-building phases.

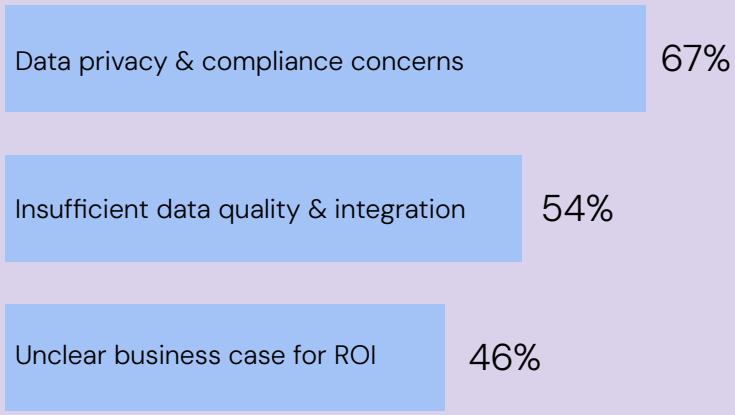
11%

of procurement organizations describe themselves as fully AI-ready

(ProcureCon CPO Report, 2026)

Top barriers to AI adoption

ProcureCon CPO Report, 2026



The main barriers are structural: data privacy and compliance concerns (67%), insufficient data quality and integration (54%), and an unclear business case for ROI (46%).

+8%

projected workload increase vs -0.9% headcount decline

(Hackett Group, 2026)

Behind all this is a widening productivity gap. Workloads are projected to increase by 8% in 2026, while staffing headcounts simultaneously decline by 0.9% (The Hackett Group's 2026 Procurement Agenda and Key Issues Study). AI is becoming the only viable response to scale efficiency without scaling teams.

"AI is my teammate. It allows me to act like a team of five when it's just me."

— Procurement Leader, Industrial Manufacturing

"Small businesses... can have armies of AIs working for them doing the work of people that they don't have the financial capital to employ."

— Procurement Leader, Pharmaceuticals

Beyond productivity, AI is also guiding categorization, forecasting and supplier selection - embedding itself at the core of procurement judgment.

"The AI will tell you: 'Okay, based on what you said, this is the category, this is the commodity that you're going to need,' so that triggers the right process.

We also deploy certain forecasting tools internally only, but that gives us a good basis or idea of the trend of our spend from a category perspective... but again it's only directional."

— Procurement Leader, Pharmaceuticals

The upskilling mandate

65%

of procurement organizations describe themselves as mostly ready; 24% are still in capability-building phases

(ProcureCon CPO Report, 2026)

More companies are expecting AI literacy from their people. But balance is everything. Teams should define where AI is trusted, where human review is necessary, and how buyers will evaluate AI-enabled supplier claims with confidence.

For suppliers, AI literacy is also becoming part of market readiness. It can help smaller teams expand capacity, improve proposal quality and become easier to find, but only if it's applied in a way buyers can trust.

"We had a mandate: everyone has a silver certification in AI, so all procurement. So it's gonna impact the sourcing decisions and also what our suppliers are proposing. Suppliers that are gonna be utilizing and leveraging AI in a smart way, so their proposals are gonna become more efficient."

— Procurement Leader, Pharmaceuticals

"By 2026, leading organizations will treat planning, sourcing, contracting, and fulfillment as a single, interconnected decision loop. This convergence reflects a broader recognition that value chains must operate as integrated systems rather than handoffs between functions."

— Ardent Partners' recent webinar, Procurement 2026: BIG Trends and Predictions

The visibility transformation

The AI shift introduces a new and immediate risk of digital erasure. Procurement teams are increasingly relying on AI to identify, filter, and shortlist suppliers. If suppliers' certifications, capabilities, and services aren't structured, searchable, and machine-readable, they effectively disappear from the decision-making process.

"If the vendors do not make themselves visible, they will not appear in the search."

— Procurement Leader, Entertainment & Media

What does this mean...

...for procurement professionals

The winning procurement teams will be digitally fluent and commercially critical. They'll be savvy enough to use AI to expand capacity, and disciplined enough to challenge outputs, protect data, and keep strategic judgment human.

...for suppliers

If suppliers are not digitally legible, they risk being digitized out. Suppliers need structured websites, clear capability language, searchable certifications, and AI-ready proof points, so automated discovery tools can understand what they do and human buyers can trust what they find.

3. The Bottleneck Breakthrough

Reframing procurement from system constraint to accelerator



A stronger strategic reputation

Procurement has often been perceived as slowing execution by both employees and suppliers, but that perception is evolving. Increasingly, it is being recognized less as a control gate and more as an accelerator — helping reduce rework, sharpen requirements, and bring supplier-market intelligence into decisions earlier.

The delays that seem to complicate decision-making are often caused by risk prevention. The perceived obstacles between business needs and supplier opportunities can actually be the mechanisms that overcome bottlenecks later on. And externally, suppliers often see it as a gatekeeper to bypass. They could achieve better results by treating it as a system to engage with.

"I would challenge the perception that procurement slows things down. When engaged early, procurement accelerates outcomes by reducing rework, mitigating risk, and ensuring the right requirements are addressed from the outset."

— Procurement Leader, Consumer Goods

"All routes go back to procurement."

— Procurement Leader, Financial Services

Early

engagement is the #1 factor in reducing rework, risk, and misalignment (interviews)

It seems the real bottleneck is misalignment with procurement, which is often caused by late engagement, poorly defined needs, rushed decisions, supplier mismatches and contract rework.

When procurement is engaged early, the department can reduce rework, anticipate risks, align stakeholders and create the conditions for faster, cleaner execution. Its role is not to delay decisions but to structure them correctly in the first place.

For suppliers, the same logic applies from the outside. Engaging procurement early, respectfully and with relevance is often the fastest route to the right opportunity.

Relationships: the heart of procurement

In an increasingly automated procurement environment, relationships are becoming a more decisive layer of value than ever. AI may filter, structure and accelerate parts of the workflow, especially the first layers of procurement, but human interaction will continue to shape trust, confidence and long-term partnership.

"AI is going to be an enhancement to the workflow, not necessarily an elimination of the human being. So eventually it will continue to evolve, and things may change, but definitely the human interactions will remain there."

— Procurement Leader, Pharmaceuticals

62%

of procurement orgs affected by resource overload

(CPO Outlook 2025 Survey)

And with 62% of procurement organizations affected by resource overload (CPO Outlook 2025 Survey, EBG | Network), many can expect operational blind spots.

For suppliers, this is where strategic empathy becomes a competitive advantage. By understanding how procurement works, respecting its rhythm, asking the right questions, and following up with discipline, suppliers can become a helpful extension of the buyer's team. They can be seen as partners who understand procurement's constraints, anticipate buyer needs, and simplify their day-to-day reality.

"We will never disclose what we have in the pipeline, we don't publicize. How you build the relationship, that's the journey, where you are given opportunities."

— Procurement Leader, Financial Services

This is a relationship that's about closeness, not shortcuts. Trying to bypass procurement to reach senior executives is often seen as a breach of trust and can lead to immediate disqualification. Whereas businesses that show up as human, adaptive and solution-oriented partners are increasingly prioritized over more distant, less adaptable global players.

"Everyone thinks inclusive procurement is a hurdle that you have to jump over, that slows down the 'real work.' I want to flip that. It's a safety net. It's finding the partners who are actually agile enough to move when the big guys can't."

— Procurement Leader, Industrial Manufacturing

Today, the winning businesses aren't the ones that push the hardest. They're the ones that understand where they fit in, how they can create value, and when the timing is right.

Buying cycle and relationships

For procurement professionals, one of the big changes is from managing transactions to orchestrating trust across a longer buying cycle. Clear intake routes, transparent timelines and purposeful supplier engagement can turn procurement from a perceived blocker into a trusted guide.

For suppliers, the same cycle requires patience. The right opportunity may not exist today, but the right relationship can help them be considered when it does.

“Suppliers don’t really understand the cycle. If they come in hungry to seek an opportunity where that opportunity doesn’t exist because that’s already in contract, and they disengage and leave… Then, too bad, too sad for them, because they’re missing out on building a relationship.”

— Procurement Leader, Healthcare

The right approach is to understand the system: where the opportunity could emerge, how suppliers can position themselves, and what kind of follow-up is appropriate.

**“If you position your approach like ‘Can I have 10 minutes of your time to really make sure that I understand where I can position myself… then that is a good approach.
We will welcome that.”**

— Procurement Leader, Pharmaceuticals

In this sense, procurement rewards patience, consistency and relevance. Timing matters. Follow-up matters. But understanding the buyer’s internal reality matters most.

Choosing your battles

Another common mistake for suppliers is chasing visibility over relevance. Too many suppliers still focus on high-profile corporate targets because of the symbolic value of the logo, rather than focusing on companies where they can genuinely create value.

"They chase 'Corporate Celebrities.'... They spend all their marketing budget trying to get a meeting with Amazon, Google or Apple... They want that logo on their website. But they ignore companies like us—the ones actually building the infrastructure."

— Procurement Leader, Industrial Manufacturing



Bypassing procurement to reach executives = instant disqualification (interviews)

Strategic focus is becoming essential. Suppliers need to identify where there is a real match between what they offer and what the company needs. Procurement does not reward generic ambition. It rewards relevance, fit and business value.

"They shouldn't keep chasing companies where they have no real chance. They should really focus on where they believe they have a chance. Where there's a proper match between what they can offer and what the company needs."

— Procurement Leader, Entertainment & Media

In 2026, the most effective suppliers will not be the ones trying to bypass procurement or chase every possible lead. They'll be the ones that understand procurement as a system accelerator, engage early, build trust over time, and focus their efforts where they can create concrete value.

What does this mean...

...for procurement professionals

Procurement can drive its new reputation and relationships by encouraging smarter approaches from suppliers. By clearly explaining the system, they can help suppliers show up at the right time. And through process discipline and relational intelligence, they can help stakeholders and suppliers better fit in and prove their worth.

...for suppliers

Procurement should not be seen as a bottleneck to avoid, but as the structure through which stronger client relationships are built. Suppliers that understand the cycle, ask better questions, respect the process and focus on relevant opportunities will be easier to trust, easier to evaluate and easier to bring into the business.

4. The ESG License to Operate

Despite greenhushing,
ESGs are driving success



Return on sustainability investment

In our Brandbuch 2026 Trends, the section “The Green Profit” shows that while the EU has scaled back its ESG rules, the green era is just getting started.

92% of CFOs plan to significantly increase sustainability investments in 2026, despite financial pressures (Kearney, 2025). This means CSOs (Chief Sustainability Officers) and CFOs are effectively working towards the same goal, because sustainability investments are no longer “special projects” protected by ethical mandates. They are growth levers, subjected to the same rigorous ROI standards as any other asset.

For procurement professionals, ESG is becoming a commercial discipline. For suppliers, it’s becoming a condition of competitiveness. Both sides now need proof that sustainability can strengthen value, not slow it down.

92%

of CFOs plan to significantly increase sustainability investments (Kearney, 2025)



Mandatory metrics

ESG credentials have moved beyond brand narratives, and are now codified into processes, tools and contracts. 70% of companies will include ESG metrics as mandatory components of their procurement scorecards in 2026 (Gartner, 2025).

70%

of companies include ESG as mandatory procurement scorecard criteria in 2026

(Gartner, 2025)

"We already had ESG requirements as part of the selection process for quite some years... It's really like they have to pass our ESG requirement."

— Procurement Leader, Hygiene & Health

"We focus on strengthening supply continuity, data and compliance foundations, and embedding sustainability, climate, and social risk management into everyday purchasing decisions."

— Procurement Leader, Consumer Goods

"Sustainability has also been growing, like increasingly growing on... for our requirements as well. We have been embedding sustainability into our procurement processes, from the RFP to contracting, to contract management, to onboarding."

— Procurement Leader, Pharmaceuticals

This shift is now embedded in procurement priorities, despite the rise of greenhushing. 91% of CPOs have aligned procurement strategies with broader sustainability targets (EY, 2025), making ESG data a key part of how value is defined and suppliers are selected. Consequently, 46% of CPOs mention ESG compliance demands as a challenge (ProcureCon CPO Report 2026).

The embedded penalty

ESGs are now built into contractual requirements. Being “diverse” or “sustainable” is no longer a narrative. It’s a condition for participation.

“When you submit a response to RFP, about 10% of our decision goes to sustainability criteria. So if you are not having those embedded, you’re losing 10% to a large business already. It’s really a license to operate. And the trend is going upwards.”

— Procurement Leader, Pharmaceuticals

“Suppliers are part of our ESG strategy, considered in our code of conduct, and our procedure gives them preference during the evaluation.”

— Procurement Leader, Banking

From commitment to compliance

Procurement teams should prepare for ESG metrics to be documented, comparable and contractually enforceable. This is an opportunity to build clear evidence expectations early, so suppliers know what proof matters before an RFP begins.

91%

of CPOs have aligned procurement strategy with sustainability targets
(EY, 2025)

For suppliers, this means their identity, values, and commitments need to be backed by auditable evidence. EcoVadis scores, science-based targets, and measurable impact indicators are becoming standard checkpoints in procurement processes.

At the same time, expectations are tightening. While ESG requirements are rising, buyers are increasingly unwilling to absorb a “green premium.” Sustainability must now be delivered at price parity, or justified through clear Total Cost of Ownership benefits.

This means ESGs are no longer an added layer of value, but a part of the core economic equation.

What does this mean...

...for procurement professionals

ESG promises are now more than a manifesto. They're operating requirements. This means proof, comparability and total value should be central to supplier evaluation, so sustainability strengthens competitiveness rather than slowing decisions.

...for suppliers

In 2026, ESG credentials won't set suppliers apart. They'll allow them to compete. Suppliers need to turn sustainability, inclusion, and impact into documented evidence that procurement can compare, defend, and contract against.

Conclusion

Go From Cost-Cutting to Resilience-Building

In these chaotic times, the CEO's priority is to strengthen and stabilize the business. And who better to help them do that than procurement? By helping build a diversified and resilient network of suppliers and partners, they can help the business react quickly to new challenges and situations.

For procurement professionals, this is the next level of the function. Where internal and external stakeholders have a more constructive understanding of the department. Where everyone can work together in a more productive way. And where the business can take on new and unexpected strategic opportunities.

For suppliers, this is a call to trade reactive noise for proactive foresight. They need to move away from overselling and toward radical capacity honesty. They should stand firm on human connection as their ultimate competitive edge in an automated world, while ensuring their infrastructure is AI-ready and ESG-auditable.

In 2026, procurement can become the team that helps the business see risk earlier, choose partners more intelligently, and turn uncertainty into structured action. And suppliers should become the partners who make that work easier: visible, reliable, relevant and ready to prove their value.

Refocus Procurement Trends

The Resilience Obligation

74% of CPOs identify finding alternative supply sources as their most effective risk mitigation strategy.

Refocus: Procurement shifts from cost control to a strategic resilience engine, where diversified ecosystems, transparent capacity, and proven reliability drive revenue protection.

The AI-fication Mandate

Only 11% of procurement organizations are fully ready to leverage AI.

Refocus: AI disruption is in progress... becoming the core operational capability for procurement and suppliers, reshaping productivity, decision-making, and visibility.

The Bottleneck Breakthrough

82% of CPOs expect greater influence over enterprise decision-making in 2026.

Refocus: Today procurement demands smarter approaches, where early engagement, relational intelligence, and strategic alignment unlock speed, trust, and performance.

The ESG License to Operate

70% of large companies include ESG metrics in their procurement scorecards.

Refocus: Sustainability has shifted from narrative to non-negotiable operational standard, where measurable impact, compliance, and ROI-driven performance define competitiveness.

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