ProcureCon INSIGHTS

THE 2026 ANNUAL PROCURECON CPO REPORT

Emerging Insights About the Evolving Role of the Chief Procurement Officer



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TABLE OF CONTENTS

Executive Summary ____ 2
About the Respondents ____ 3
Key Insights ____ 3
The Expanding Strategic Role of the CPO ____ 5
CPO Priorities and Challenges in 2026 ____ 7
Procurement's Role in Technology Implementation and AI Readiness ____ 10
How the CPO Role will Change in Three Years ____ 13
Conclusion: CPOs Have a Critical Strategic Voice in Every Decision ____ 15
Key Suggestions ____ 16
About the Author ____ 17
About Our Sponsor ____ 17
About Our Contributors ____ 18

EXECUTIVE SUMMARY

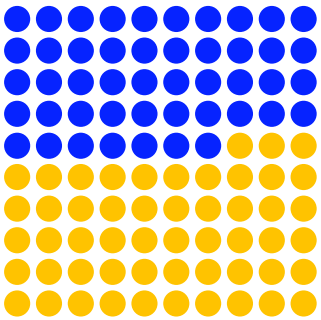
This report examines how chief procurement officers are expanding their strategic influence within organizations. Based on a survey of senior procurement, supply chain, and risk management leaders, respondents report that their CPOs are playing a greater role in high-level decision-making, continuing trends from 2025.

However, there are some key differences when these results are compared to last year's report. Artificial intelligence is playing a larger role in procurement leaders' strategic priorities, just as it is causing disruptions to procurement practices and hiring. Costs are also a much greater concern as organizations continue to search for savings amid rising prices, tariffs, and supply chain disruptions.

Here, readers will discover what's next for CPOs, AI integration, and the role of the procurement function with the business.

ABOUT THE RESPONDENTS

Spend Under Management:



- 47% More than $250 million
- 53% Less than $250 million

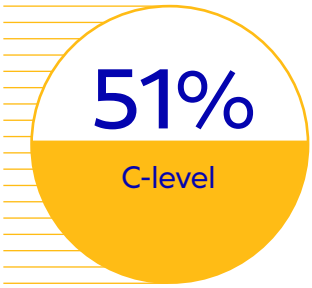
Industries Represented:

- Pharmaceutical
- Manufactured goods
- Telecom, electronics, & high-tech
- Chemicals, plastics, & polymers
- Industrial manufacturing
- Medical devices
- Energy, oil, & gas
- Aerospace & defense
- Automotive
- Consumer products

Roles:

- 42% Supply Chain
- 36% Procurement
- 22% Risk Management

Seniority:



KEY INSIGHTS

89% say their CPO plays a greater role in high-level decision making.

82% expect their CPO's role in decision making to increase.

11% Only 11% describe their CPO as a "core member" of the executive team.

11% Only 11% are "fully ready" to leverage AI.

CPOs' biggest strategic priorities in the next 12 months:

- Enhancing strategic partnerships (55%)
- Implementing AI-driven automation (45%)
- Supporting business growth (42%)

CPOs' biggest challenges in the next 12 months:

- Securing digital and analytical talent (54%)
- Balancing cost reduction with growth (52%)
- Meeting increasing sustainability demands (46%)

The three biggest barriers to AI readiness among those not "fully ready":

- Data privacy, security, and compliance (67%)
- Insufficient data quality and integration (54%)
- Concerns about AI overreach (51%)

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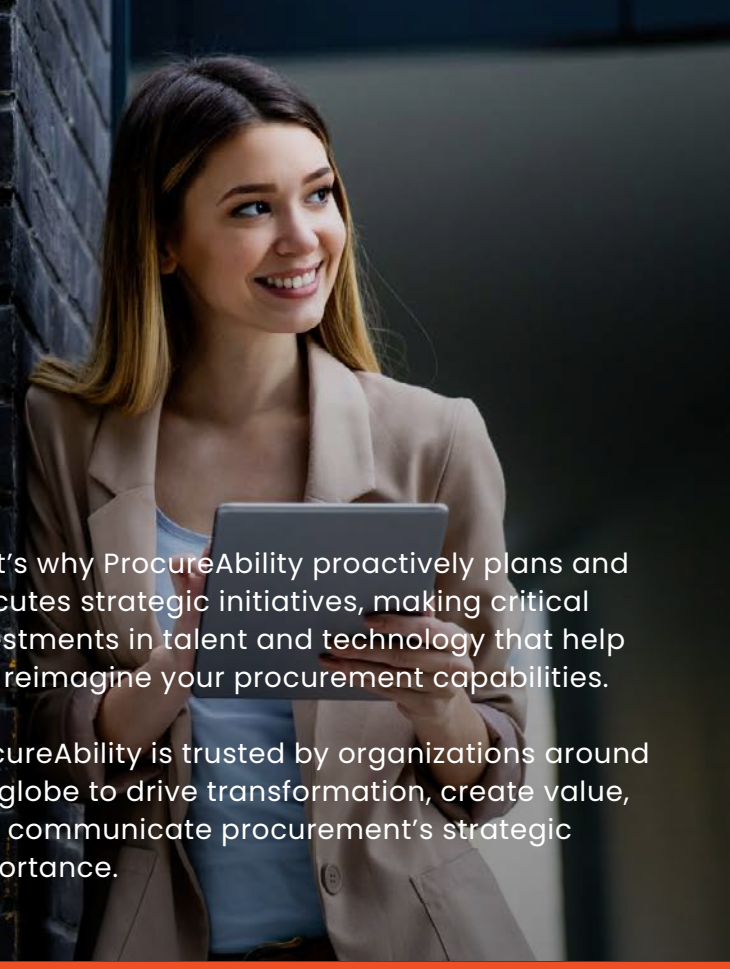

Procurement Reimagined

Your procurement organization faces daily challenges in an ever-evolving and competitive market landscape with finite resources to support day-to-day operational requirements.

That's why ProcureAbility proactively plans and executes strategic initiatives, making critical investments in talent and technology that help you reimagine your procurement capabilities.

ProcureAbility is trusted by organizations around the globe to drive transformation, create value, and communicate procurement's strategic importance.

ADVISORY

Transform your procurement operations with customized assessments, sourcing initiatives, and supplier relationship management to enable strategic growth.

MANAGED SERVICES

A co-designed, scalable, and collaboratively-executed delivery model that seamlessly enhances all aspects of integrated, end-to-end procurement processes.

DIGITAL

Optimize your procurement technology ecosystem through AI-powered spend intelligence, opportunity assessment, and predictive analytics—designed to scale impact across the S2P value chain.

STAFFING AND RECRUITING

The right talent, right now, to build a flexible, resilient, and balanced procurement team with our specialized and experienced resources.

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Great Place To Work. Certified APR 2023-APR 2024 USA

AI Business Excellence Awards — Best Procurement Consulting Firm 2025 and Client Service Excellence 2025

Future of Sourcing Awards — Celebrating Innovators — 2025 Winner

Corporate Livewire GLOBAL AWARDS 2025/26 WINNER

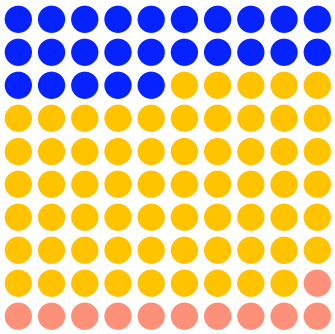
THE EXPANDING STRATEGIC ROLE OF THE CPO

The chief procurement officer role has evolved dramatically in recent years. Survey respondents this year confirm this transformation shows no signs of slowing.

Despite some similarities to trends discovered in last year's study, CPOs are expected to drive some important new changes in 2026.

A striking 89% of respondents indicate their CPO now plays a greater role in high-level decision-making compared to previous years, with 25% describing this increase as "significant." This data suggests procurement has moved firmly beyond its traditional operational boundaries.

In the past 12 months, how has your CPO's role in high-level decision-making evolved?

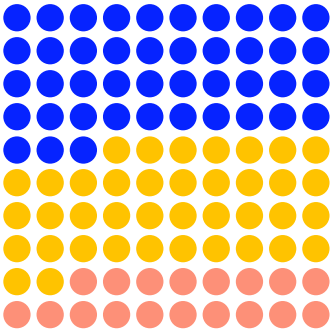


- 25% The CPO plays significantly more of a role in high-level decision-making.
- 64% The CPO plays somewhat more of a role in high-level decision-making.
- 11% The CPO's role in high-level decision-making has remained about the same.
- 0% The CPO plays less of a role in high-level decision-making.

Looking ahead, organizations expect this strategic evolution to accelerate. In total, 82% of respondents anticipate their CPO's impact on decision-making will continue to rise, while only 18% expect no change. This represents an increase compared to last year's study, in which only 63% expected their CPO's role to increase.

Notably, none of the respondents predict a decline in CPO influence (compared to 1% last year). This growing influence reflects how deeply procurement has become embedded in broader business strategy.

How do you expect your CPO's role in high-level decision-making to change over the next 12 months?



- 43% The CPO will play significantly more of a role in high-level decision-making.
- 39% The CPO will play somewhat more of a role in high-level decision-making.
- 18% The CPO's role in high-level decision-making will remain about the same.
- 0% The CPO will play less of a role in high-level decision-making.

"Titles like CEO, CFO, and CIO are universally understood. Soon, CPO will join them, and not just for managing risk and compliance, but for redefining how enterprises create value and drive innovation."

Conrad Snover, CEO, ProcureAbility



Perhaps most telling is how respondents describe their CPO's current standing within leadership.

While 11% report their CPO serves as a core executive team member with an equal voice in all strategic decisions, the majority (48%) describe their CPO as a regular participant in strategic planning with significant procurement-related input. Though this positioning demonstrates progress, it falls short of the full integration needed for CPOs to become true strategic equals at the executive table.

Nearly all organizations see the influence of the CPO growing. However, only one in ten currently treat their CPO as a true strategic equal.

Procurement leaders must close this gap to move from being consulted on decisions to actually shaping them.

Which of the following best describes your CPO's current level of involvement in executive strategic planning?



PRACTITIONER PERSPECTIVES:
HOW PROCUREMENT HELPS LEAD THE ORGANIZATION

At ProcureCon events, practitioners have confirmed that procurement has moved from being a back-office function to having a strategic seat at the executive table. Leaders report that they now participate in discussions regarding many different aspects of the business beyond spending. These include strategy, technology adoption, and sustainability initiatives, among others.

This expanded influence allows procurement to drive its own objectives with organizational support while building credibility and trust with top management. Making these inroads is often critical for the department, especially when it needs executive backing for transformative changes and investments.

CPO PRIORITIES AND CHALLENGES IN 2026

The respondents reveal a clear picture of where CPOs plan to focus their energy in 2026. However, they also shed light on what keeps them up at night.

Enhancing supplier relationship management and strategic partnerships tops the list of "high" strategic priorities at 55%. This is followed by implementing AI-driven procurement automation (45%) and supporting business growth through strategic sourcing (42%).

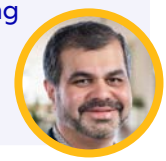
This ranking suggests procurement leaders recognize that technology alone cannot transform their function. They need interpersonal relationships with suppliers to achieve cost reduction, risk reduction, and transformation. Rather than treating suppliers as interchangeable vendors, CPOs increasingly see them as partners who can drive innovation and resilience.

Meanwhile, the focus on AI-driven automation indicates two things. For one, procurement teams want to free themselves from routine tasks to concentrate on higher-value work. Artificial intelligence offers the opportunity to focus more on strategy.

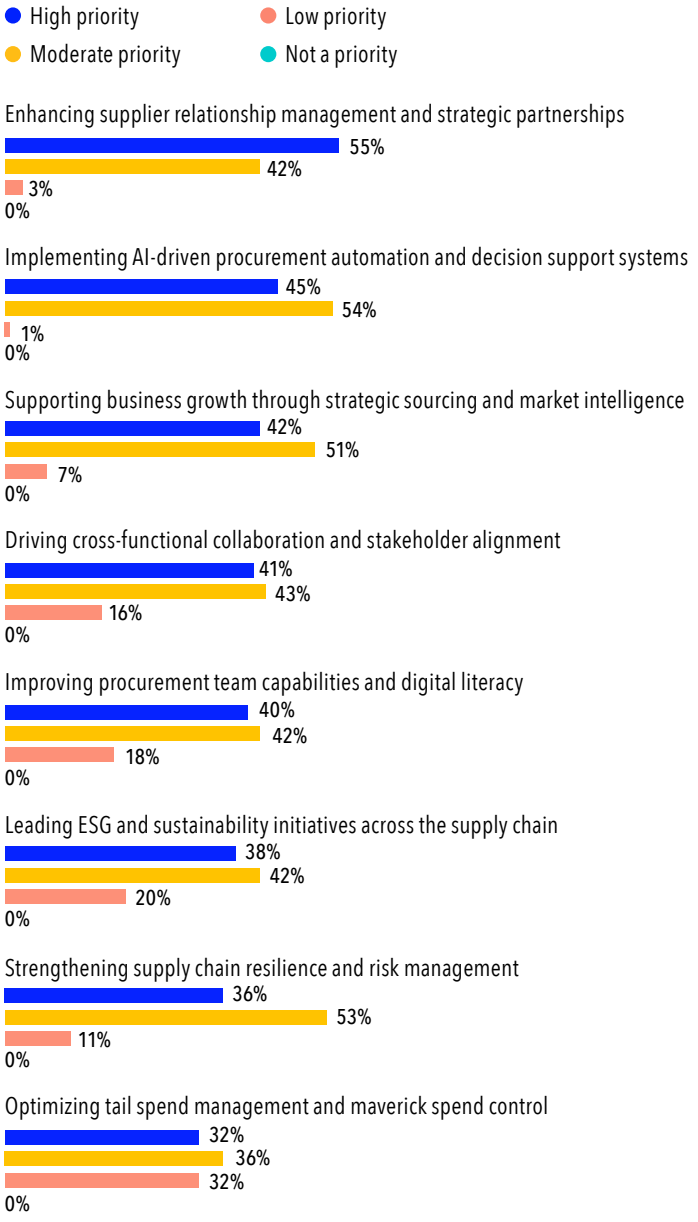
Second, procurement leaders recognize the transformative potential of AI, as well as how imperative it has become to develop AI-powered programs. Most companies are now competing based on AI implementation and readiness.

"While procurement is currently undergoing a transformation led by AI, the function remains a people business. The investments organizations make in nurturing supplier, partner, and customer relationships continue to be vital in unlocking long-term value."

Darshan Deshmukh, President, ProcureAbility



How much of a priority will the following efforts be for your CPO in the next 12 months?

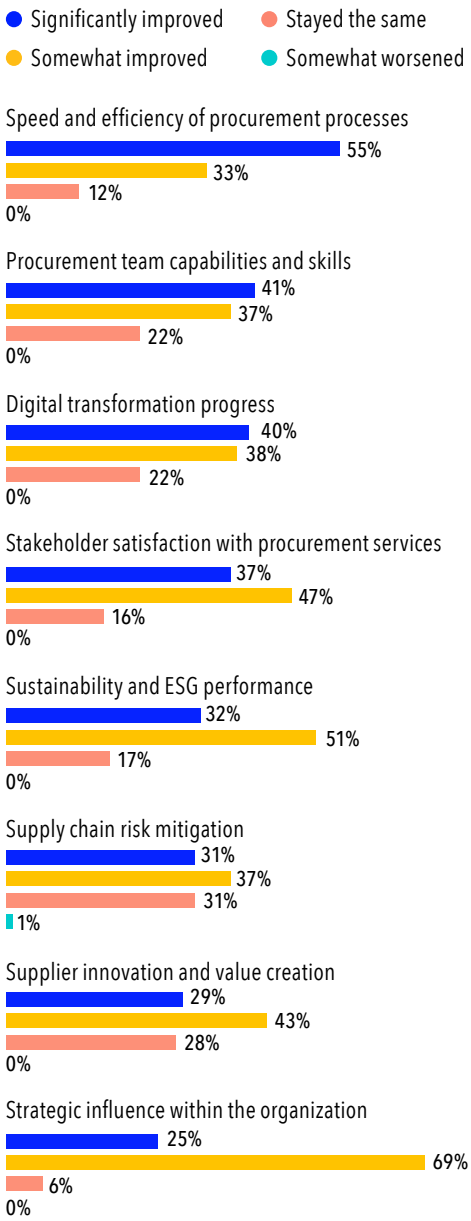


These priorities appear to be delivering results.

A majority of respondents (55%) indicate that the speed and efficiency of procurement processes have significantly improved due to their CPO and procurement team's efforts. This improvement creates a foundation for tackling more ambitious goals, such as enhancing the department's overall capabilities, making further progress on digital transformation, and improving stakeholder satisfaction.

In another important finding, 69% of the respondents say procurement's strategic influence within the organization has "somewhat improved." Although this progress may be slow, this significant majority suggests that previous leadership efforts have paid off.

Considering the efforts of your CPO and your procurement team, have the following performance indicators improved, worsened, or stayed the same over the past 12 months?



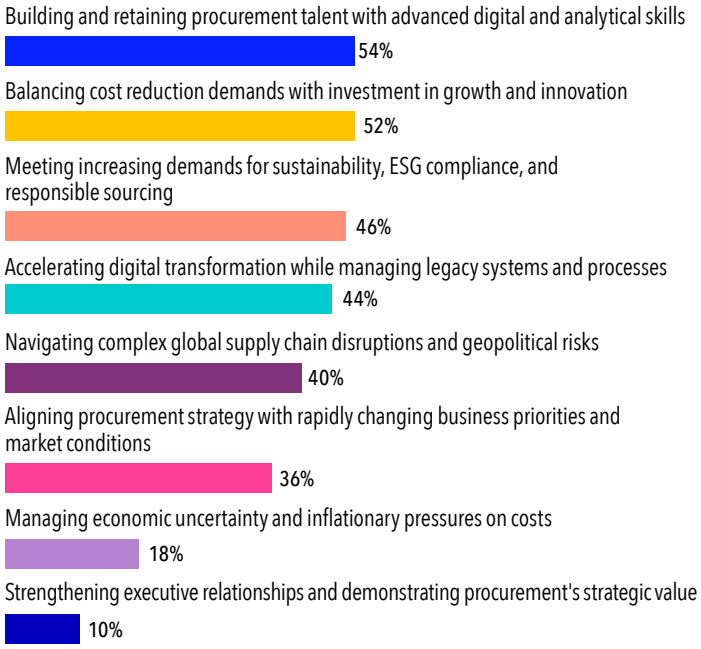
However, significant obstacles loom on the horizon. The three biggest challenges facing CPOs over the next 12 months include securing talent with advanced digital and analytical skills (54%), balancing cost reduction demands with investment in growth and innovation (52%), and meeting increasing demands for sustainability, ESG compliance, and responsible sourcing (46%).

These results are a shift compared to last year's study, in which respondents claimed digital transformation and reducing supply chain risk were the biggest challenges.

The talent challenge stands out because it creates a potential bottleneck: Organizations cannot implement sophisticated AI systems or build strategic supplier partnerships without people who possess the right skills to execute these initiatives.

Cost reduction has also moved to the forefront this year amid price increases, tariffs, shifts in supply networks, and other stressors.

What are the three biggest challenges facing your CPO over the next 12 months?



PRACTITIONER PERSPECTIVES:
HOW PROCUREMENT OVERCAME CHALLENGES IN 2025

At ProcureCon events, procurement leaders said overcoming challenges in 2025 required adaptability and cross-functional collaboration.

Practitioners have told ProcureCon Insights that breaking down data silos, addressing budget constraints, and aligning departmental priorities were critical hurdles. To address these issues, they partnered closely with finance and IT departments to enable better outcomes.

Procurement professionals report that investing in integrated technology platforms and establishing formal governance mechanisms also helped them address coordination gaps. Practitioners consistently advised embracing change management strategies and fostering cultures of innovation to navigate the increasingly complex procurement landscape.

PROCUREMENT'S ROLE IN TECHNOLOGY IMPLEMENTATION AND AI READINESS

The respondents' plans for technology investment reveal how procurement leaders intend to modernize their operations. Integrated cloud-based procurement platforms lead among the top two planned investments at 43%, followed by automated sourcing and negotiation platforms and supplier risk management solutions, each at 39%.

This investment pattern suggests organizations want connected systems that provide visibility across procurement activities while automating repetitive processes and protecting against supply disruptions. The interest in cloud-based platforms reflects a broader push toward consolidation. Many procurement teams still operate with fragmented tools that don't communicate with each other, creating data silos and manual workarounds.

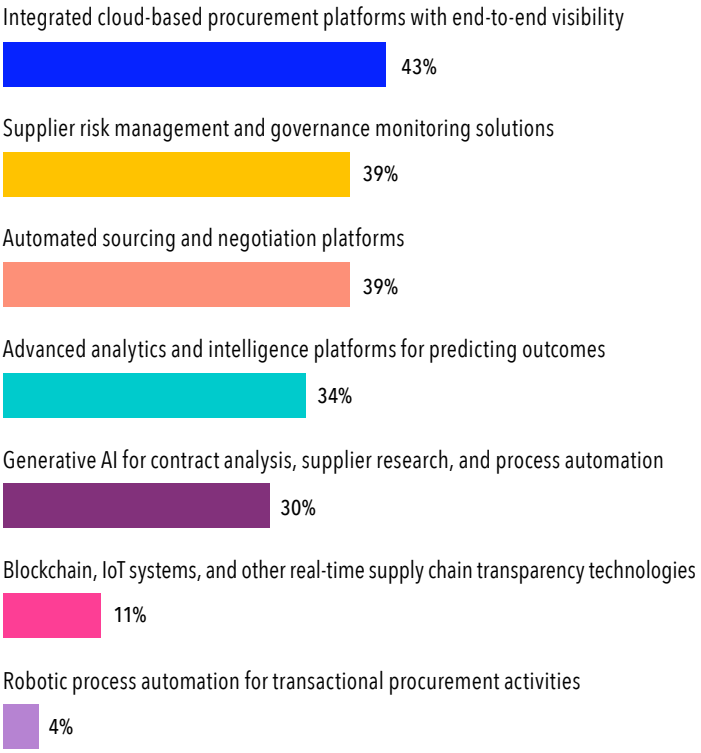
Unified platforms promise to eliminate these inefficiencies while providing the analytics capabilities that modern procurement requires.

"Procurement teams aren't just upgrading systems—they're laying the digital foundation for next gen procurement. By investing in the right People-Process-Technology infrastructure, they're positioning themselves to scale innovation, harness AI, and redefine how value is delivered across the enterprise."

Darshan Deshmukh, President, ProcureAbility



Which of the following technologies will be most critical for your CPO's success over the next 12 months?



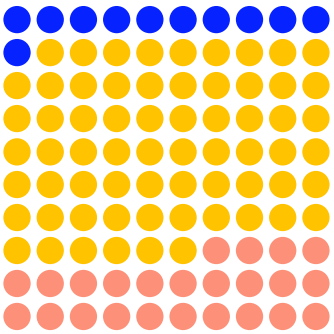


Despite the enthusiasm for technology, organizations admit that they are still not entirely ready for AI implementation. Most of the respondents (69%) say AI initiatives in procurement are funded as part of the organization's broader digital transformation investments. Only 24% say they have a dedicated AI budget.

Furthermore, most organizations rate themselves as only "mostly" or "somewhat" ready for AI adoption in procurement, with 65% currently piloting AI initiatives and 24% building capabilities or evaluating opportunities.

Only 11% say they are "fully ready" to leverage AI and ML in procurement operations. They are already implementing AI solutions, and they have had a measurable impact.

How would you rate your CPO's readiness to leverage artificial intelligence and machine learning in procurement operations?



- 11% Fully ready: We're already implementing AI solutions with measurable impact.
- 65% Mostly ready: We have clear AI strategy and are piloting solutions.
- 24% Somewhat ready: We are building capabilities and evaluating AI opportunities.
- 0% Not very ready: We have limited AI knowledge and no clear implementation plan.
- 0% Not ready at all: We currently have no AI strategy or capabilities in place.

Among organizations not yet fully implementing AI, respondents identify three major barriers: data privacy, security, and compliance concerns (67%); insufficient data quality and cross-system integration (54%); and resistance to change rooted in concerns about AI replacing human judgment (51%).

Organizations must prioritize data quality, which is fundamental to AI success. AI systems require clean, consistent data to deliver actionable insights, yet many procurement organizations operate with fragmented data scattered across incompatible systems. Data integration and quality must be resolved before AI can deliver meaningful value.

Since you indicated your CPO is not fully ready to leverage AI, which of the following factors are the biggest barriers?



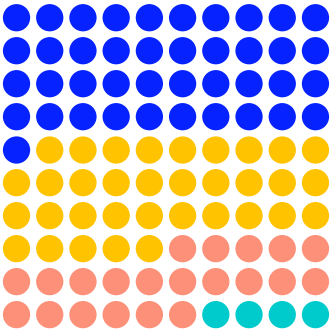
"Many organizations are still facing barriers to embracing AI. While these can feel daunting, the real opportunity lies in tackling them systematically—because every obstacle overcome isn't just progress, it's a step toward reshaping procurement's future and defining the leaders of tomorrow."

Conrad Snover, CEO, ProcureAbility



When asked what dominates leadership discussions about AI's role in procurement, respondents point to **operational efficiency and cost reduction (41%) and risk management and compliance** (34%). These focus areas suggest executives still view AI primarily through a cost and risk lens rather than as a tool for strategic innovation.

When AI is discussed in procurement leadership meetings, which lens dominates the conversation? Choose the best option.



- 41% Operational efficiency / cost reduction
- 34% Risk management / compliance
- 21% Competitive advantage / differentiation
- 4% Sustainability / ESG impact
- 0% There is no clear focus of the discussion.
- 0% Other (please specify)

PRACTITIONER PERSPECTIVES:
ARTIFICIAL INTELLIGENCE AND PROCUREMENT TRANSFORMATION

At ProcureCon events, practitioners say implementing AI requires a planned, stepwise approach and that organizations will run risks if they charge forward unprepared. Nonetheless, AI delivers tangible benefits, including improved risk management, enhanced supplier relationships, and increased transparency.

Successful AI adoption requires equal attention to technology implementation and cultural transformation. While AI automates routine tasks, procurement remains a relationship business that requires human judgment for negotiations and strategic decision-making.

HOW THE CPO ROLE WILL CHANGE IN THREE YEARS

Our research identified four critical themes shaping the CPO role over the next three years: CPOs will continue their growth as strategic partners, take on more of a leadership role on sustainability, act as arbiters for AI governance among suppliers, and, most notably, become "storytellers" for the business.

The CPO's Role as a Strategic Partner Will Continue to Grow

Many confirm what the study suggests and what has been established as a trend over the past few years. They envision CPOs evolving from transactional operators into strategic architects who shape organizational direction.

As one respondent puts it, the role will shift "from operational management to strategic leadership."

The respondents believe CPOs will become enterprise-wide integrators. They describe future CPOs collaborating more closely with almost every other section of the business to drive organizational goals.

"CPOs will be enterprise-wide strategists, leading the collaboration of procurement, marketing, and R&D for market responsiveness," says a respondent. This cross-functional orientation represents a departure from procurement's historically siloed position.

CPOs Will Serve as Interdepartmental Leaders on Sustainability

Sustainability is another defining dimension of the future CPO role. Respondents predict CPOs will "increasingly serve as a bridge between CFO's and sustainability officers" and become "active participants in circular economic efforts."

Several mention that procurement and sustainability leadership will blur, with CPOs taking responsibility for tracking emissions across supplier tiers and influencing corporate sustainability narratives for investors and regulators.

CPOs Will Drive AI Governance Standards Among Suppliers

Technology governance also features prominently in respondents' predictions. Future CPOs will bear responsibility for "embedding AI governance and transparency principles into supplier evaluation processes" and "steering AI toward responsible and commercially desirable outcomes."

As one respondent notes, "data ethics will become the signature responsibility of CPOs."

CPOs Will Become "Business Storytellers"

Perhaps most striking is the respondents' expectations for CPOs' influence, specifically when it comes to storytelling. Multiple respondents describe future CPOs as "business storytellers" who will translate procurement insights into compelling narratives for boardrooms and external stakeholders.

Success will depend on "narrative and influencing capabilities," with CPOs playing a defining role in shaping external perceptions of corporate credibility.





PROCURECON IN 2025:
EXAMPLES OF PROCUREMENT LEADERS IN ACTION

Procurement leaders have shared transformative success stories that demonstrate the function's strategic impact and validate the critical role of the CPO. Many of these examples align with respondents' beliefs about the future of the role.

One procurement leader transformed struggling processes by identifying internal champions, engaging stakeholders early, and implementing technology that improved policy compliance and stakeholder buy-in.

Another practitioner, operating in the facilities management sector, described how a procurement leader centralized operations across global facilities. Their efforts helped to drive the standardization of disparate spending practices within the organization, leading to cost savings.

This procurement leader even spearheaded facilities expansions, completing office buildouts ahead of schedule while maintaining full spend visibility.

In other cases, procurement leaders reduced cycle times and expanded purchases under management through process redesign and improved orchestration. These improvements transformed procurement's organizational reputation from a cost center to a strategic partner.

CONCLUSION: CPOS HAVE A CRITICAL STRATEGIC VOICE IN EVERY DECISION

This study confirms established CPO trends while revealing important new developments. Respondents identify emerging dimensions of the CPO role and offer insights into where the position is heading over the next three years.

Procurement is transforming from a cost and compliance function into a strategic business discipline. While this shift was identified in earlier research, CPOs are now assuming an even more expansive role than previously anticipated. Not only will they bring new efficiencies to the business, but they will shape corporate strategy, drive sustainability commitments, and govern emerging technologies, including AI.

What distinguishes these findings is the strong alignment between current momentum and future expectations. Organizations already see their CPOs gaining strategic influence, and they expect this trajectory to continue.

The challenges identified, such as talent acquisition, technology readiness, and sustainability pressures, are significant. However, they are addressable with deliberate investment and focus.

CPOs face both an opportunity and an imperative. Those who cultivate strategic supplier relationships, implement AI thoughtfully, and align procurement outcomes with enterprise value will define the next generation of the role.





KEY SUGGESTIONS

Identify the ways procurement adds strategic value to position it as a strategic partner: Procurement and CPO influence is growing, but getting a "seat at the table" requires active positioning and the demonstration of business value.

Prioritize building talent pipelines with digital and analytical capabilities: The ability to execute on AI initiatives, strategic supplier partnerships, and digital transformation depends entirely on having skilled team members.

Develop your narrative and storytelling capabilities for the boardroom and beyond: Future CPO success will depend on translating procurement insights into compelling business stories that resonate with executives, investors, and external stakeholders.

Address data quality, integration, and governance challenges before scaling AI investments: AI systems require clean, consistent data to deliver meaningful results, and many procurement organizations struggle with fragmented tools and data silos.

ABOUT THE AUTHOR

ProcureCon INSIGHTS

ProcureCon Insights, the industry research and digital publishing arm of ProcureCon, delivers cutting-edge data and analysis on trends, challenges, and opportunities in the procurement and supply chain management sectors. Through comprehensive research reports, webinars, and thought leadership initiatives, we empower senior-level procurement leaders to make informed strategic decisions and stay ahead in the rapidly evolving procurement landscape.

Our deep industry intelligence not only informs procurement leaders but also connects innovative solution providers with key decision-makers, fostering a dynamic ecosystem that drives the future of procurement and sourcing in the business world.

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We combine leading methodologies, analytics, market intelligence, and industry benchmarks with our uniquely flexible and customizable service delivery model. Global organizations of all sizes trust ProcureAbility to transform their procurement operations, drive growth, and reimagine what's possible.

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ABOUT OUR CONTRIBUTORS



Conrad Snover
CEO
ProcureAbility

Conrad Snover is CEO of ProcureAbility, where he focuses on client success, employee engagement and culture, and product innovation. Conrad is focused on helping clients optimize their supply chain function through Strategy Design, Procurement Transformation, Category Management, Strategic Sourcing, Supplier Development, and Organizational Sustainability.

Conrad has consulted with numerous Fortune 1000 companies in a variety of industries including utilities, oil and gas, technology, banking and insurance, hospitality, and healthcare. He is a frequently requested presenter at national supply chain conferences, and holds a bachelor's degree in business from the University of Washington.



Darshan Deshmukh
President
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Darshan Deshmukh, President of ProcureAbility, has extensive global operations and delivery experience in the managed services and advisory fields. He has deep expertise in building global programs focused on procurement, strategic sourcing, category management, and supply chain/procurement transformation.

Prior to joining ProcureAbility, Darshan spent most of his career building large-scale, global delivery operations. He spent a decade in a series of global leadership positions in IBM's Integrated Supply Chain organization and then joined Denali Sourcing Services as operations leader and was instrumental in establishing and growing the company's global delivery capability. Darshan has worked with global clients in high-tech, financial services, manufacturing, retail, utilities, and healthcare/pharma.

Darshan holds an undergraduate degree in Mechanical Engineering, a graduate degree in supply chain from Penn State, and an MBA from MIT Sloan School of Management.