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# 5 Bold Procurement Predictions for 2030



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# Introduction

At this moment, there is a virtually limitless horizon of technology solutions to accelerate the procurement function within organizations. The sheer volume of tools and services available to help CPOs can seem staggering, as can the efforts needed to adopt them. But one thing is true: the procurement field is swiftly implementing new tools and ways of doing business. The change is transformative, and leaders will need to adapt or be left behind.

ProcureAbility is pleased to publish its Bold Procurement Predictions for 2030 Insights Series to help Chief Procurement Officers make sense of it all, highlighting the new practices likely to become common by decade's end.

## The Methodology

ProcureAbility's approach to developing its predictions took some effort and coordination. ProcureAbility assembled a team of experts to work the problem, develop hypotheses, and offer thoughtful insights on emerging trends. They examined where the field is and where it is going, in the near-term and in the next decade. ProcureAbility tested each hypothesis using qualitative and quantitative methods. They accepted input from an array of respected professionals in the procurement space.

- **Team Formation**

ProcureAbility assembled a working team of experts from a variety of industries and specialties in the supply chain field to provide perspective and input.

- **Topic Definition**

Based on observation of the current state of the field and emerging trends, the team hypothesized what the future state of procurement might look like in coming years.

- **Data Collection**

The team conducted in-depth qualitative and quantitative research to validate their hypotheses.

- **Analysis**

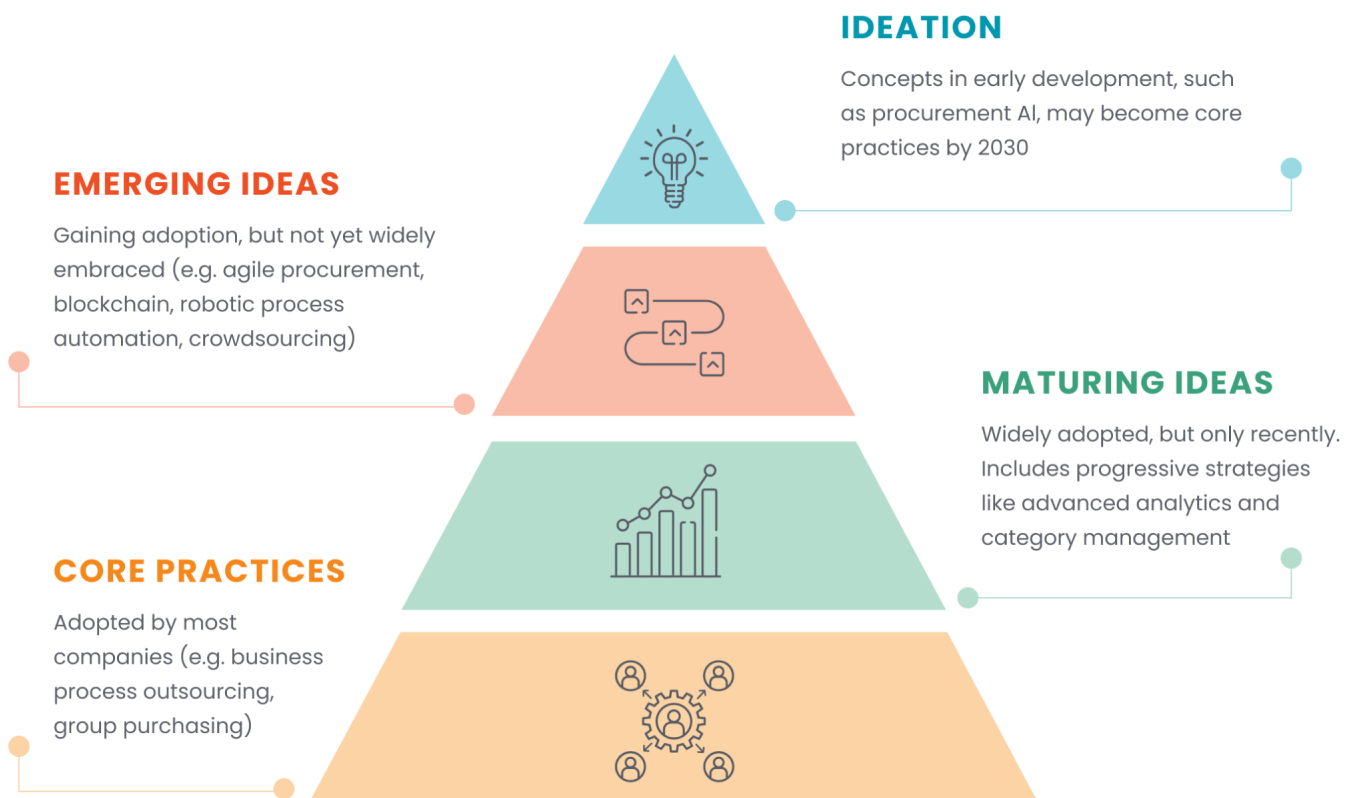
Once the team had a data pool of significant size, they examined the information and drew reasonable conclusions that became the raw 'bold predictions' for the future of procurement.

- **Validation**

With a working set of predictions in hand, the team surveyed respected Chief Procurement Officers to validate (or invalidate) the predictions and rank them by degree of "boldness".

## Ideating New Procurement Practices

During the formation of the 'Bold Procurement Predictions for 2030 Insights Series', ProcureAbility was focused on procurement teams' maturity levels for accepting new practices and emerging trends. It quickly became clear that procurement organizations are all over the map in terms of the new processes and technologies adopted. Some are still mired in their core practices, while a small group of innovators are ideating new ways to leverage supply chain technology. The focus of ProcureAbility's effort was at the very top of the pyramid below: ideation.





# Advanced Crowdsourcing

People and businesses are more connected than ever before (at least virtually). The Internet and social media have drawn organizations much closer to stakeholders, paving the way for new methods of collaboration. This new paradigm has enabled 'crowdsourcing', a means for large groups of people to collectively mobilize behind common goals. With crowdsourcing, organizations can collect work, funds, information, or opinions from a large number of contributors via the Internet, social channels, and mobile apps.

## The Benefits of Crowdsourcing

For organizations, crowdsourcing offers a range of benefits, beginning with access to innovative ideas and solutions. The fact that crowdsourcing aligns communities to a common purpose means deeper engagement and, in turn, greater brand loyalty. By breaking complex, multi-faceted projects into smaller jobs, crowdsourcing delivers an efficient means to solve time-consuming problems. Crowdsourcing can look inward (e.g., gauging internal performance) or outward (e.g., tracking market trends). It allows people to share knowledge and resources with peers.



If one million individuals were to contribute towards answering a problem via crowdsourcing, there would be a 97.7% likelihood that the crowd would arrive at the correct answer.<sup>1</sup>

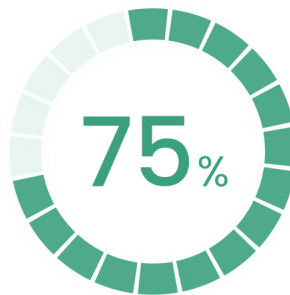
## Crowdsourcing in Procurement

In procurement, crowdsourcing can be employed to receive bids or proposals from a rapidly evolving body of web-savvy suppliers. Chief Procurement Officers (CPOs) are beginning to understand the speed and cost savings to be realized by opening the RfX process to wider audiences.

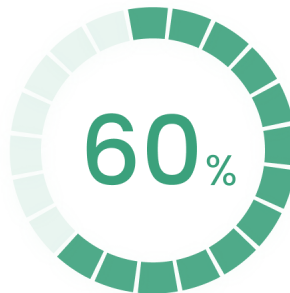
At this early stage, leveraging the power of crowdsourcing takes some effort from procurement teams. With so many contributors, teams are learning how to curate and review all the information coming into the department. Finding the right crowd to source can be difficult, requiring procurement professionals to vet contributors to ensure credibility. More so, crowdsourcing is highly visible. When a procurement department surfaces an online RfX, it can tip off competitors to new products or projects. Yet, despite these barriers, CPOs are seeing early successes with creating more value through aggregated action.

### THE FUTURE OF ADVANCED CROWDSOURCING FOR PROCUREMENT

75% of  
high-performing  
enterprises employ  
crowdsourcing



60% of all  
indirect services  
will be crowdsourced  
by 2030



## The Future of Crowdsourcing

ProcureAbility expects that a professional social network for procurement will emerge, becoming the predominant means of conducting the RFX process. This access to different skills and expertise is where the power resides when applying crowdsourcing to procurement. Buyers can hear from many prospective suppliers. A wider range of bidders produces better and faster market intelligence from suppliers and other buyers. The enhanced visibility of crowdsourcing increases awareness and contributions of smaller vendors who might otherwise be excluded from the process.

Crowdsourcing pays equity dividends, opening avenues to buy from minority-owned and veteran-owned businesses. The bidding process is easier, as crowdsourcing platforms feature modern interfaces that require little training. While the ease-of-use increases participation, procurement teams can pre-vet vendors through a common, shared system and easily involve key stakeholders (e.g., finance, sales, and engineering). Crowdsourcing lowers supplier friction, reduces the time needed for sourcing events, decreases transaction costs, and supports a business model aligned for both suppliers and buyers.

**By 2030**, we expect at least half of all procurement activity will occur within the crowdsource domain and participation of smaller companies will increase by 70%.<sup>2</sup> Crowdsourcing's increased visibility will feed competitive pressures and could drive prices down.

## The Next Phase of Crowdsourcing

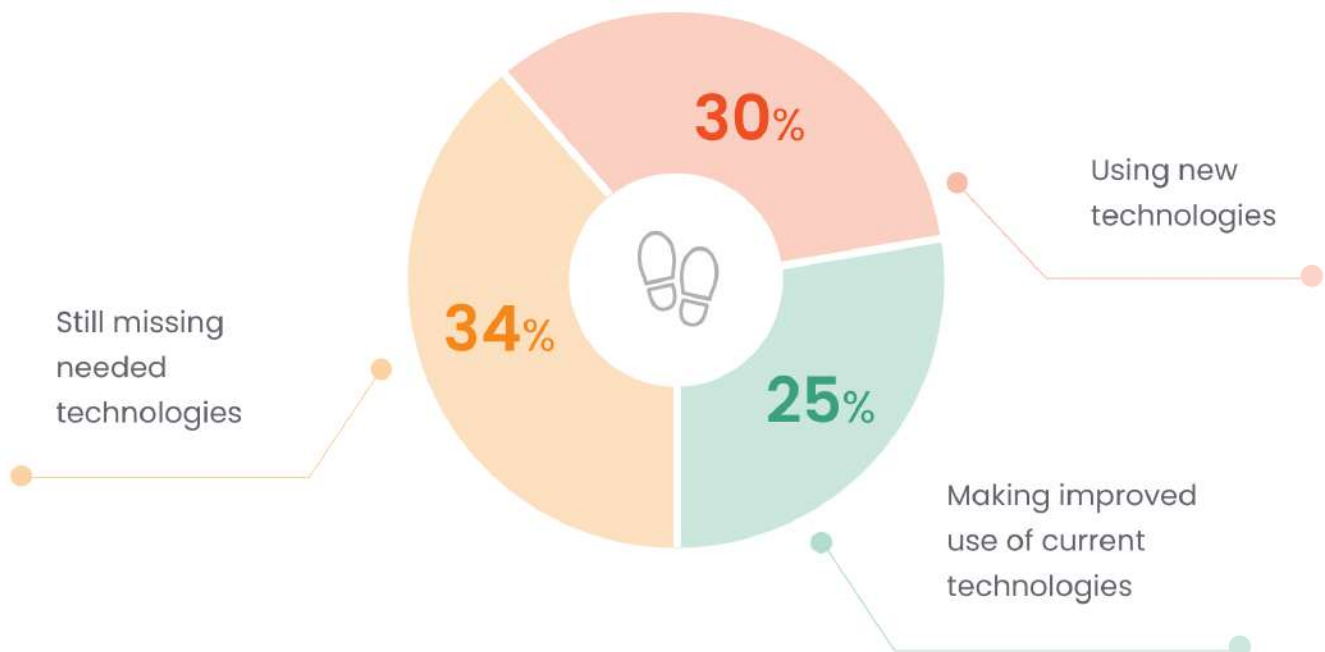
Advanced crowdsourcing has become more feasible as technology has evolved, and the procurement industry continues to test and adopt best practices. Procurement professionals can prepare for the inevitable changes in the field by reviewing current sourcing practices; keeping up with developments in mainstream sourcing; and considering what adjustments can be implemented in their practice and make updates when they make sense.

By carefully examining processes and making thoughtful changes now, leaders can be ready when procurement crowdsourcing truly hits its stride by the end of the decade.

# Procurement Technology Acceleration

In this edition, ProcureAbility continues its 'Bold Procurement Predictions' Insights Series—the product of extensive research and input from a think tank of experts in the supply chain field—with a look at the rapid technology acceleration expected in the procurement practice by decade's end. Chief Procurement Officer's are already reevaluating processes, with nearly one in four reporting that digital transformation is a strategic initiative in 2022. The majority of mid- to large-size organizations report using e-procurement and e-sourcing software. We predict use will grow exponentially in the coming years. Artificial intelligence, machine learning (ML), and predictive analytics will impact human efforts for most administrative tasks. These seismic shifts in procurement technology will have a significant impact on how teams conduct business. Here are a few of the emerging technologies we expect to gain mainstream acceptance by 2030:

## PROCUREMENT TEAMS ARE EXPANDING THEIR TECH FOOTPRINT





## Interactive RFX and Purchasing

Extended reality (xR) is a term used to describe a group of immersive technologies including virtual reality (a full environmental simulation) and augmented reality (in which virtual elements are overlaid onto the user's viewpoint). The extended-reality market will triple in value by 2028, according to one estimate.

Extended Reality is quickly becoming a useful tool in the Education, Entertainment, Gaming, Industrial Training, Automotive, Construction, and Healthcare industries. Virtual reality is expected to allow bidders the ability to present their proposals and associated materials live during auctions. Virtual delivery will take the place of site inspections, presentations, and even written bids.



## Wearables and Intelligent Assistants

Some consumer technologies will cross over into the professional realm, and the impact will undeniably be felt in procurement circles. Consider the ease with which you order goods from your smart speaker—"Hey, Assistant, order me paper towels!"—and the delivery arrives on your doorstep a few hours later. Apply that same convenience as developers create intelligent assistant apps for corporate procurement needs.

Soon, a remote employee will say, "Hey, Assistant, order me a new keyboard for work!". The new hardware from the corporate catalog will arrive, with corporate billing handled on the backend. We predict that wearable devices such as smart watches and smart jewelry, too, have more features available to procurement. Most purchasing processes and status updates will be handled, on demand, with a few words or taps to your wrist.



## Machine-Learning Contracting Process

We expect that ML has the potential to replace the often-cumbersome process of cleansing and exchanging vast pools of data, virtually eliminating human error. The power of ML resides in the speed that it can access information, analyze trends, and forecast future states. By 2030, standard terms and conditions will be controlled and updated by ML based on algorithms learned from best practices and prior contract negotiations.



## 3D Prototype Printing

We anticipate that 3D printing will become an industrial staple in the next decade. Proposal submissions will be three-dimensional and fully rendered, rather than being printed on a physical or digital page. Furthermore, these prototypes will have to go through an accelerated review and approval cycle so buyers can provide feedback with quicker turnarounds between prototyping and implementation.



## Automated Negotiation Systems

We believe that, by decade's end, negotiation will be automated using real-time data to predict the best tactics. Predictive analytics, fed by data collected from previous decisions, will be leveraged to take human emotion (and error) out of negotiation. Advanced automated negotiation systems will analyze negotiation inputs, incorporate real-time data, pull from past experiences, and then recommend strategies for any given scenario.

## What Now?

IT executives must quickly begin investing in the technologies and systems that will educate their staff for the new standards sure to be widespread within ten years. Test and evaluate the innovative technologies so procurement experts may become familiar with them and how they will fit into an organization. Create an internal culture that encourages testing and adopting innovation. Today's technology implementation that is well-thought out, deliberate, and sensible can lead to a streamlined procurement process by 2030.



## BOLD PROCUREMENT PREDICTION #3:

# Cognitive Computing

Cognitive computing is a catchall term for a group of systems comprising of artificial intelligence, expert systems, machine learning, robotic processing automation (RPA), and neural networks. The goal is to develop programs that mimic the way a human brain absorbs and processes information. In practice, a cognitive computing system is:

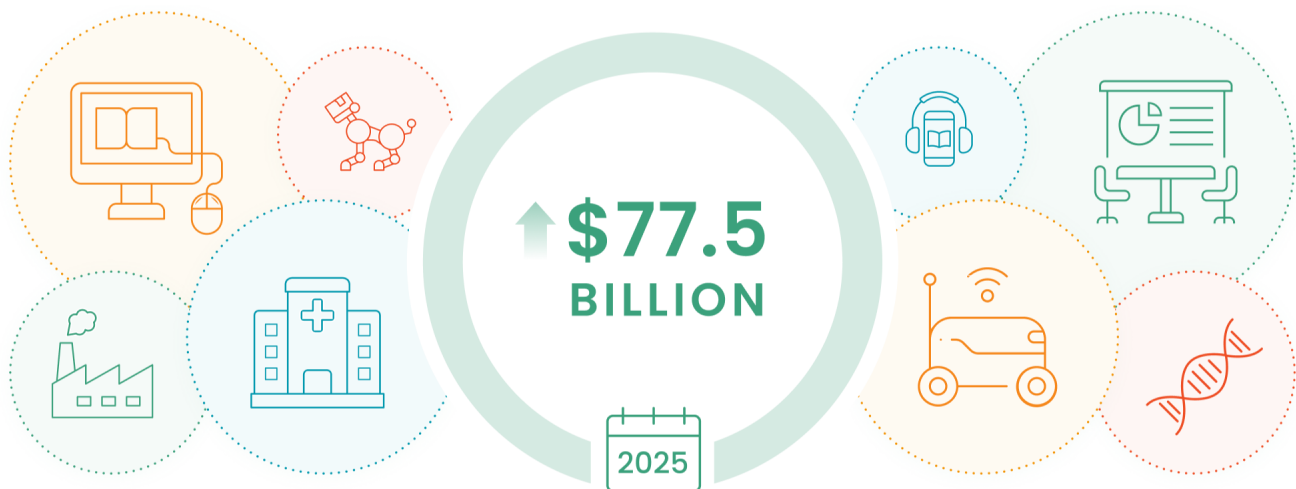
Adaptive—Learns and evolves

Interactive—Communicates across systems

Iterative—Solves ambiguous problems

Stateful—Invokes suitable information for the application at the time

Contextual—Identifies and extracts contextual elements



The market for this technology is expected to grow to \$77.5 billion by 2025.<sup>3</sup> In fact, applications based on cognitive computing will expand across consumer, business, healthcare, industrial, and education markets. The procurement field will be no exception.

## Our Prediction

- **Intake**

AI will anticipate requests before they are submitted based on user patterns, stock levels, historic spend, contract/PO expiration, and other predictive analytics, to make proactive and anticipatory procurement decisions.

- **Rfx Administration**

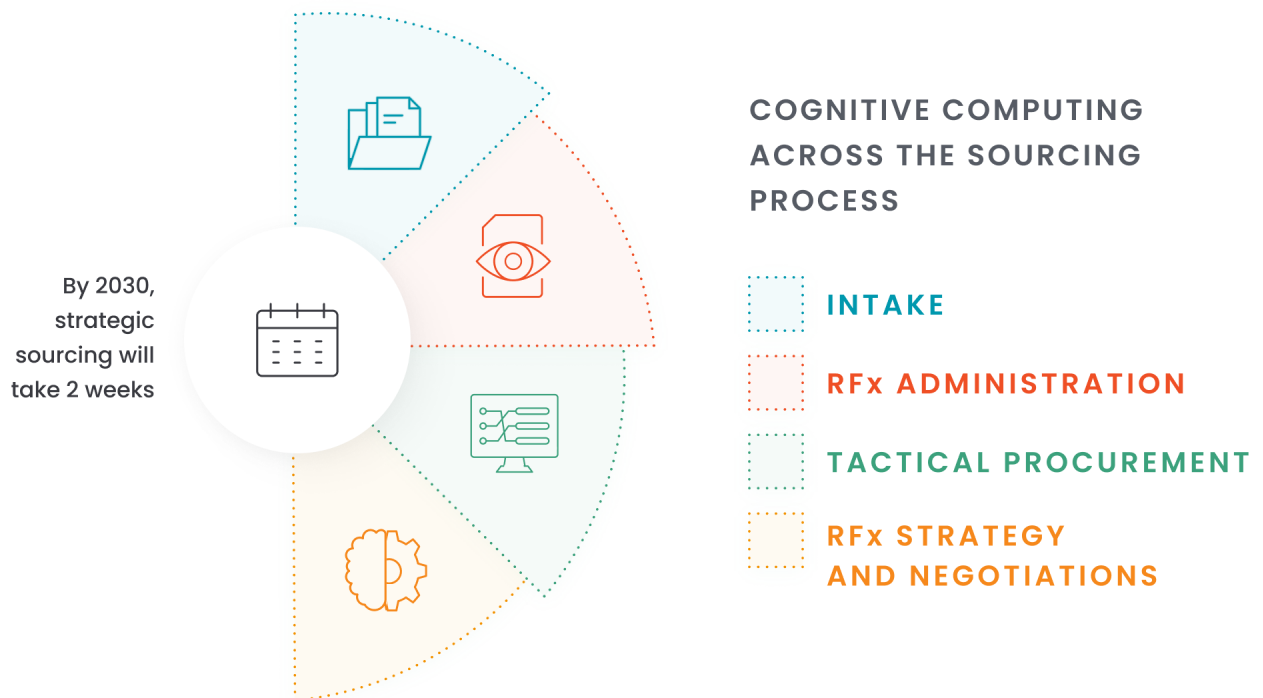
Intelligent systems can administer the bulk of the strategic sourcing process, from intake through contract execution.

- **Tactical Procurement**

AI will automate tactical execution including the creation, routing, and execution of POs through RPA.

- **Rfx Strategy and Negotiations**

Cognitive systems will complement the human effort in sourcing strategies and negotiations analyzing past results to recommend options.



## Streamlined Sourcing

With cognitive systems at work in the practice, procurement teams can see some significant workflow improvements. Artificial intelligence will help procurement teams get ahead of a client's business needs. Machine learning will sort through vast databases and cross-reference what was sourced in the past, how frequently, at what volume, and what end use behavior looked like. Intelligent systems can use this data to automatically trigger future intake inquiries at the optimal times.

Cognitive computing will yield efficiency gains. We expect most administrative tasks to be automated (intake, strategy recommendations, RFP development and administration, evaluation and scoring, and scenario analysis). Teams will need to pivot to more strategic skill sets, such as relationship development. Impressively, cognitive computing will even help generate new sourcing strategies. By 2030, expect artificial intelligence to become a dispassionate aid to human efforts when executing negotiations and developing future strategy blueprints.

### What Now?

We understand that cognitive computing will affect workflows and long-accepted process. ProcureAbility recommends that organizations conduct an assessment of their sourcing processes, develop plans to utilize next-gen technology systems, and then begin exploring areas to apply artificial intelligence and machine learning technologies.

# Hyper Cybersecurity

In this edition of the 'Bold Procurement Predictions for 2030' Insights series, ProcureAbility examines a problem that has been plaguing companies for years and will only get more challenging. Digital security and the threat of data breaches are not the sole province of information technology professionals. Cyber-attacks frequently originate from outside the company's firewall. Many breaches are due to inadequate protections when allowing vendors and third parties access to portions of the network.

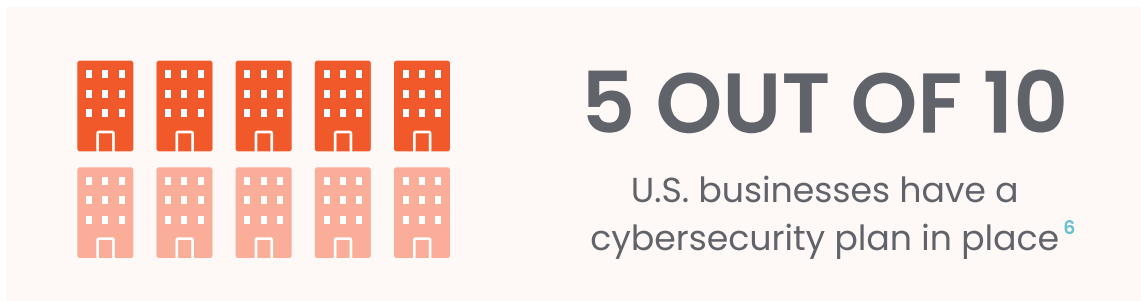
**44%** of executives report that the increased use of suppliers and partners expose the company to more security threats.<sup>4</sup>

That places the onus for (at least part of) data security efforts squarely on the Chief Procurement Officer.

## The State of Data Security

Security experts define a cyberattack as an attempt to gain access to a computer network. The intent is almost always malicious. Cybercriminals can pursue any number of objectives: information theft, sabotage, espionage, and financial gain. Hackers are growing more sophisticated at exploiting vulnerabilities and can gain access to networks through phishing emails, malicious website access, file downloads (via the Web and email), second-stage downloads, and command-and-control communications.

## THE DIGITAL SECURITY THREATS ARE INCREASING



With businesses reporting more than **800 cyberattacks** in the first half of 2022 alone, and the average long-term cost of a data breach exceeding **\$8.6 million**, it's not a problem that leaders can ignore.<sup>7</sup>

### Sourcing for Security

The vast majority—82%—of technology leaders believe their supply chains are vulnerable to hackers. Procurement can expect to take on new responsibilities for the company's data security as cybersecurity monitoring gains prominence. Evaluation (and re-evaluation) of vendors' cybersecurity posture will become part of the sourcing process. New roles will emerge; some businesses may appoint cybersecurity category leads with duties spanning information technology and procurement.

## Tighter Supplier Pools

To mitigate security risks, ProcureAbility predicts that firms will consolidate supplier pools. By 2030, many businesses will choose to work with fewer suppliers, bundling products or services. The remaining vendors will be expected to meet rigid requirements for data security. To ensure ongoing compliance, closer partnerships will evolve between sourcing, legal, and cybersecurity teams to continuously evaluate existing contracts and templates and refresh cybersecurity terms as warranted.

## More Spend for Security

Across businesses of all types, investment in cybersecurity mitigation will surge as attacks become more frequent and sophisticated. ProcureAbility predicts that cybersecurity spend will increase by 30 percent by 2030. Finding optimal products, talent, and services in this category will be a top priority. We expect that cybersecurity monitoring and prevention services will become a top ten spend category and a crucial partnership for businesses. This will be true for large enterprises and small organizations alike. While strong cybersecurity measures have traditionally been reserved for large businesses, criminals have naturally gravitated toward smaller, less security-savvy organizations that they consider easier targets.

### What Now?

Cybersecurity is an ongoing arms race between technically sophisticated criminals and the security professionals charged to protect network infrastructure. Supply chain functions, due to their close dealings with vendors and suppliers (who may not have rigorous data security standards) will find they will need to adopt new practices to protect the company. Procurement practices should expect to develop cybersecurity-related category expertise.

**ProcureAbility recommends** that organizations conduct detailed cybersecurity risk assessments for all vendors (either internally or through a third party), evaluate vendors' security compliance, and develop plans to implement stringent security measures. After all, the weakest link in your data security chain could be your most trusted supplier.



## BOLD PROCUREMENT PREDICTION #5:

# Virtual Organizational Design

Before we examine our final bold prediction in this series, let us review where we have been.

These are ProcureAbility's Bold Procurement Predictions for 2030 to date:



### Advanced Crowdsourcing

By 2030, we expect at least half of all procurement activity will occur within the crowdsourcing domain and participation of smaller companies will increase by 70 percent. Crowdsourcing's increased visibility will feed competitive pressures, driving prices down.



### Procurement Technology Acceleration

Virtual delivery will replace site visits, presentations, and written proposals. 3D-printed prototypes will be standard operating procedure. We predict that virtual assistants will be available to order items from the corporate catalog with the same convenience we see from smart speakers today. By 2030, standard terms and conditions will be controlled and updated by machine learning, and A.I. will recommend negotiation tactics.



### Cognitive Computing

By 2030, thanks to cognitive computing, strategic sourcing will take no longer than two weeks. Nearly every aspect of sourcing will utilize some form of machine learning or robotic processing automation.



### Hyper Cybersecurity

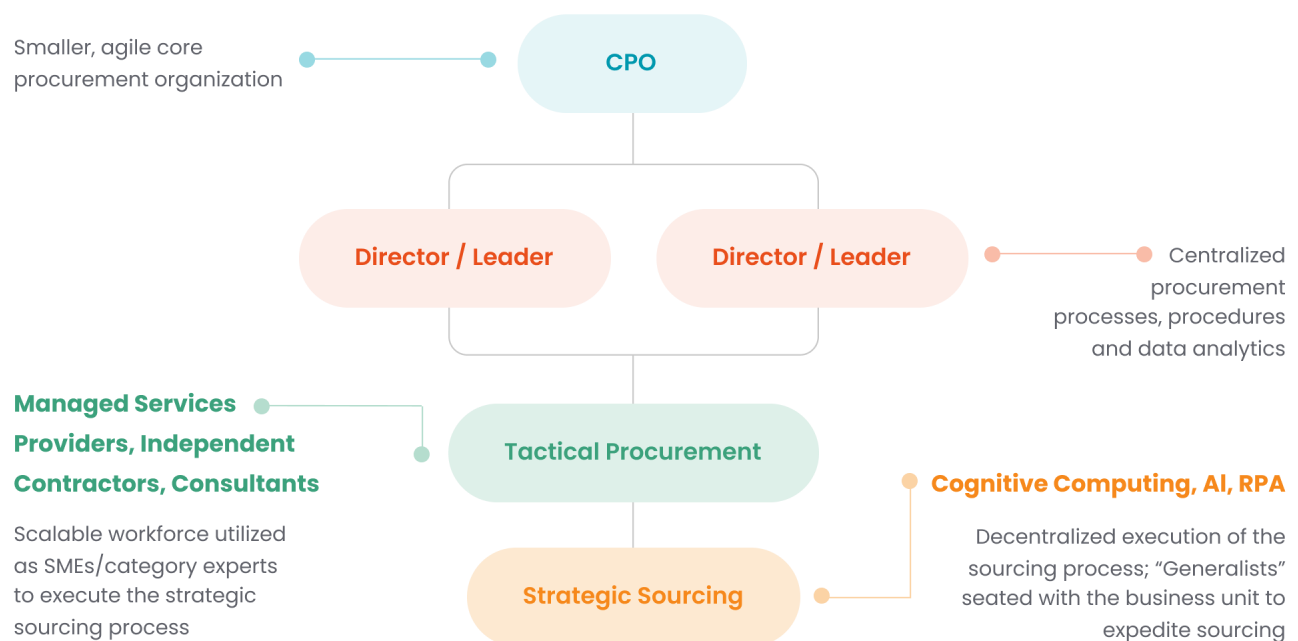
ProcureAbility predicts that cybersecurity spend will increase by 30 percent and that monitoring and prevention services will become a top category. Firms will work with fewer suppliers who will need to meet rigid data security requirements.

These innovations underpin ProcureAbility's final Bold Procurement Prediction for 2030:

**By the end of this decade, we believe there will be a widespread shift towards center-led procurement.**

While leading procurement organizations have been moving toward this model for some time, we predict that by 2030 the center-led procurement model will have evolved to an entirely new level.<sup>8</sup> Procurement organizations will consist of a core business unit, while 90 percent of operational sourcing roles will be automated or outsourced to contractors.

### CHANGE MANAGEMENT MODEL



## Automation and Center-led Procurement

Artificial intelligence and advanced automation will be key drivers in the march toward center-led procurement. Studies suggest that, by the middle of this decade, one-third of all highly skilled work will be impacted by smart machines or non-specialists (assisted by cognitive computing).<sup>9</sup>

ProcureAbility predicts that automation will serve as a great complement to human workforces. Far from the “machines will take our jobs” trope, we expect that automation, as a procurement tool, will improve cost savings, quality, and compliance: Lead times, downtime, and service interruptions will plummet.

### AUTOMATION: DISRUPTION AND OPPORTUNITY

**Automation  
has the  
potential to**

raise the United States  
GPD by 5% within the next  
5 years<sup>10</sup>

#### AUTOMATION

**25%**

of the jobs in 2030  
do not exist yet<sup>11</sup>

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#### MORE JOBS

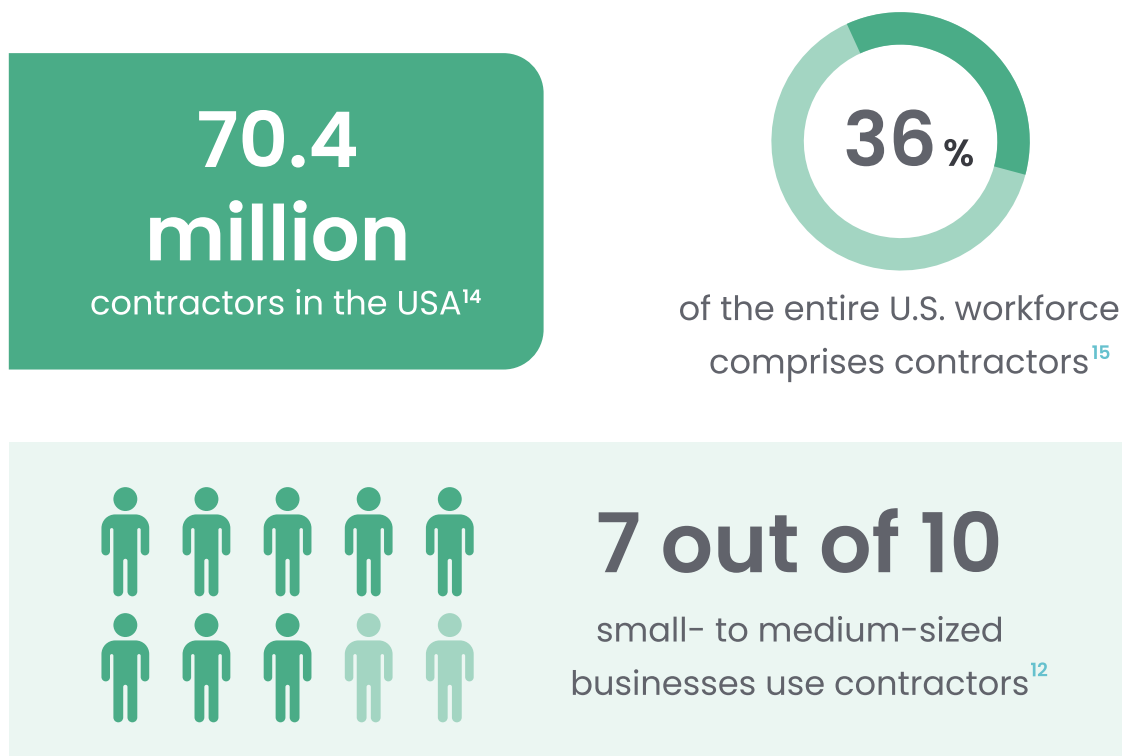
**85%**

of US jobs are experiencing  
disruption due to automation<sup>9</sup>

## The Gig Economy and Center-led Procurement

By 2030, core procurement organization will be expected to centralize processes, manage data analytics, and drive business strategy. To facilitate this pivot, firms will contract category experts and consultants to handle specialized tasks. This trend has been in play for years with contingent, temporary, and contract labor poised to become the majority of the workforce by 2027.<sup>12</sup> With benefits accounting for 32% of employee costs,<sup>13</sup> organizations using contractors can realize serious savings while enjoying a greater degree of scalability, flexing up or down as the business demands.

### INDEPENDENT CONTRACTING ON THE RISE



## What Now?

ProcureAbility recommends that procurement firms assess their organizations' current designs and determine what changes will be required to build more responsive, adaptable sourcing teams. Develop a plan to optimize automation and restructure staff, seeding contracted generalists in the department as necessary. By the end of the decade, procurement organizations will be smaller and more agile, with a heavy focus on relationship building and business strategy.

## 2030 is Closer than You Think

This study uncovered that we are experiencing something of a perfect storm in terms of business upheaval. Technology, economic changes, and societal shifts are all driving new methods for running a successful supply chain operation. While no one has a crystal ball, we believe these predictions reflect a reasonable expectation for where procurement is headed. Change is never easy, but by carefully examining your current processes and taking steps to prepare your organization for what's coming, you will be well-positioned to be the leading example of the modern procurement operation in 2030.

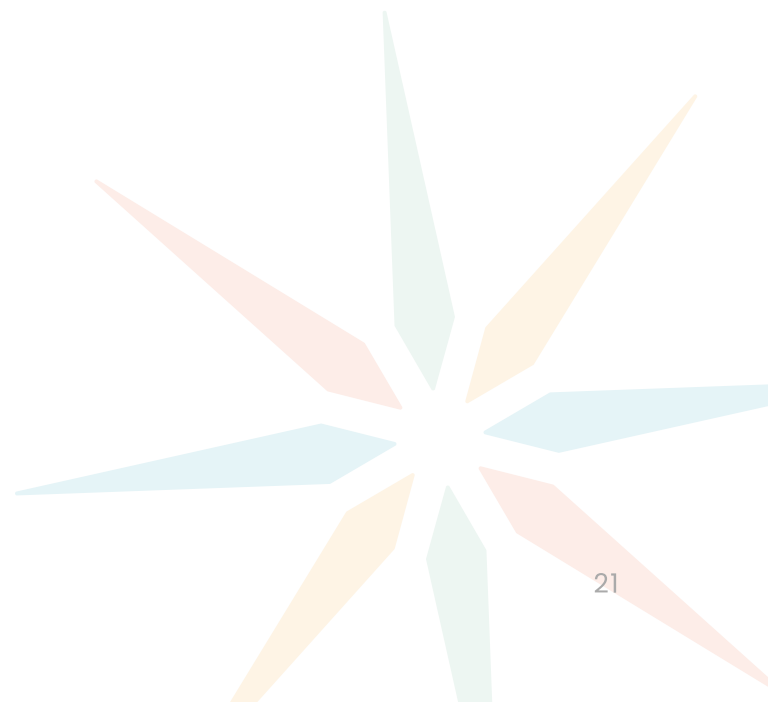
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# Sources

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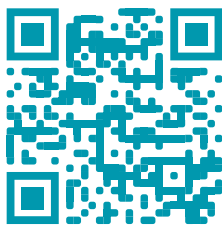




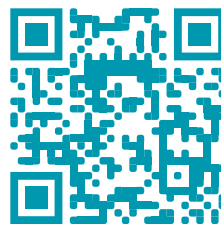


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We combine leading-edge methodologies, analytics, market intelligence, and industry benchmarks with our uniquely flexible and customizable service delivery model. The Fortune 1000 trusts ProcureAbility to transform their procurement operations, drive growth, and reimagine what's possible.



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