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Series 4: How Digital Transformation will shape The Future of Procurement?

Machine learning is an application of artificial intelligence which enables the systems to learn and improve from historic experience without being explicitly programmed. Being aware of the importance of Knowledge redundancy, it can revolutionize the way we procure. As promised in [our earlier newsletter](#), we are sharing the insights about the impact of **Machine Learning** in procurement domain.

How does Machine Learning Works?

Machine learning makes it possible to discover patterns in supply chain data by relying on algorithms that quickly pinpoint the most influential factors to a supply networks' success, while constantly learning in the process. Here is the difference ML will bring in your procurement process:

No More Repetitive Jobs

Machine learning will take over repetitive tasks like manually classifying purchased products, freeing up staff so they can focus on more nuanced, complex activity like negotiating with suppliers or investigating maverick spend. Emotional intelligence, excellent judgement and the ability to build strong relationships will be more important than ever.

Improved Decision Making

It can provide recommendations when you are making difficult decisions about the best products to buy. It can speed up your work by digesting thousands of lines of data and producing easy-to-digest figures, helping you make faster, more accurate judgements.

Improved Supplier Quality Management and Compliance

On average, a typical company relies on external suppliers for over 80% of the components that are assembled into a given product. Supplier quality, compliance and the need for track-and-trace hierarchies are essential in regulated industries including Aerospace and Defense, Food & Beverage, and Medical Products. Machine learning applications are being introduced that can independently define product hierarchies and streamline track-and-trace reporting, saving thousands of manual hours a year a typical manufacturer invests in these areas.

How to prepare for the implementation of Machine Learning in your Procurement Chain?

- Forming the Quality database through which ML will spot patterns in the large volumes of data generated through purchasing and then forecasts future trends.
- Skill Development. A procurement professional learn How to analyze data and make the most out of it!

Excerpts from: <https://www.cips.org/en-SG/supply-management/opinion/2018/november/how-to-survive-the-public-sector-shift-to-ai/>