

THE TECHNOLOGIES SHAPING THE FUTURE OF PROCUREMENT

Procurement functions are historically paperbound processes saddled with sizable administrative costs, risks, and inefficiencies. For this reason, process automation has been widely embraced.

Now, there is a shift toward intelligent automation. Companies are prioritizing investments in time-saving and risk-minimizing procurement technologies in the wake of economic distress brought by Covid'19. Here are some solutions to keep an eye on:

Granular Supplier Databases

Hidden supply chain risks are a prime concern for procurement leaders, more so post-coronavirus. Fortunately, more extensive supplier databases are supporting companies to improve visibility into their first, second, and third-tier suppliers, encouraging a more holistic understanding of supplier relationships and setting the foundation for additional development of supplier risk profiles.

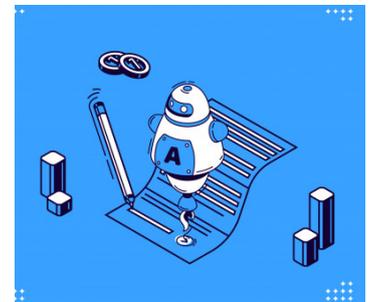


Dynamic Supply Chain Simulations

Analytical supply chain simulations that illustrate operations in specific scenarios have been extensively adopted. Now, dynamic supply chain simulations are taking center stage for their ability to adapt operations to random real-world events, helping procurement teams uncover hidden vulnerabilities in the supply chain and predict risk events.

AI-based invoice automation

Among the most promising iterations of procurement, is AI-based invoice automation software. First up, chatbots which help buyers determine when and what products to order are expected to proliferate in the coming years. Then, predictive analytics and, later, artificial intelligence will inform buyers of and execute orders independently, based on learned information like consumption and weather patterns, thus alleviating some of the challenges associated with inventory management.



E-auctions

E-auctions, or reverse auctions, are an increasingly popular alternative to the conventional request for proposal (RFP) process. In e-auctions, buyers issue requests for quotations while suppliers bid electronically to win contracts based on pricing and performance features. Robotic process automation (RPA) can even be used to prompt suppliers' participation independently of buyers' input, facilitating a fully automated negotiation process that helps buyers and suppliers save time while arriving at a true market price.

Smart contracts

As environmental concerns continue translating into higher demand for digital (versus paper) contracts, the digital tools that enable users to more easily interact with such contracts will grow more capable. Contract management software increasingly contains machine learning tools that scrape contracts for content, mostly searching for specific clauses and conditions to include or improve, thereby automating contract proofing and interpretation.



Excerpts: <https://www.procurementiq.com/blog/technologies-shaping-the-future-of-procurement/>