



SOFTWARE | STRATEGY | MANAGED SERVICES

PROCUREMENT IN THE AGE OF AI

an introduction to strategies, use cases and real-world AI implementations

GEP presentation

Guido Boulogne— Senior Solution Design Manager

AGENDA



GEP

INTRO

A futuristic, glowing blue profile of a human head with intricate circuitry and mechanical components visible inside and around it, set against a dark background with faint hexagonal patterns.

GEP

STATE OF AI

A futuristic, glowing blue profile of a human head with various icons like gears, a lightbulb, a laptop, and a padlock floating around it, symbolizing different aspects of AI.

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AI USE CASES

A hand holding a smartphone, with a complex network of glowing blue icons and arrows floating around it, representing various AI use cases.

GEP

DATA CHALLENGES

A close-up view of server racks in a data center, with glowing blue light trails and digital data patterns overlaid on the scene.

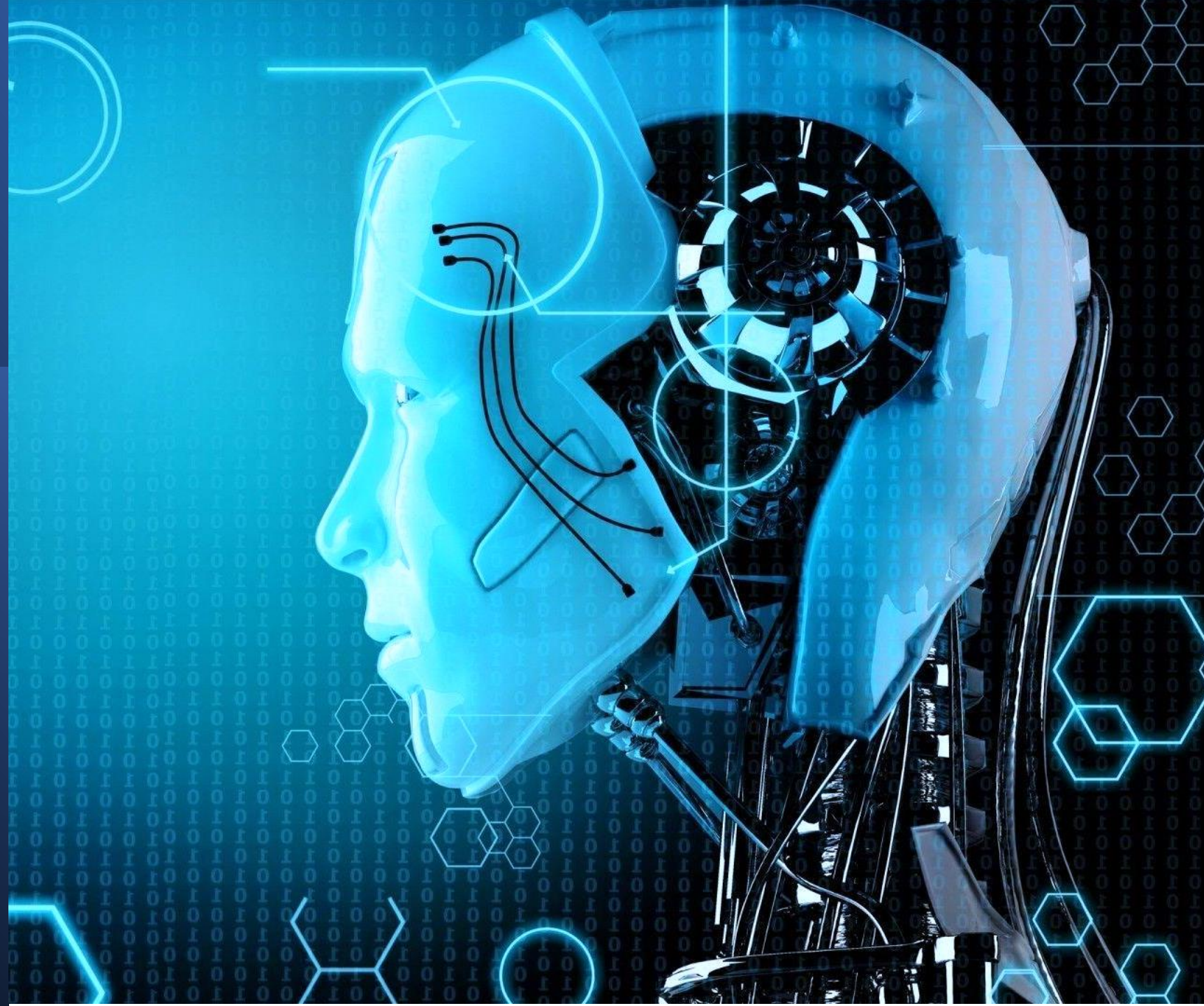
GEP

WRAP-UP

A futuristic data dashboard with various charts, graphs, and numerical values, including a circular gauge and a line graph, all in a glowing blue color scheme.



INTRO





"AI Strengthens Defenses Against Cyber Threats"

"AI Expertise Becomes Top Job Requirement" Demand for AI expertise skyrockets across sectors seeking innovation.

"Self-Driving Cars Powered by AI Make Roads Safer"

"Artificial Intelligence Predicts Illness Before It Starts" AI algorithms forecast health issues, offering a new era in preventative medicine

"AI Tailors Your Shopping Experience" AI-driven personalization transforms retail, enhancing customer satisfaction and loyalty.

"Artificial Intelligence Doubles Farm Yields"

"Artificial Intelligence Adapts to How Students Learn"

"Most New Financial Tools Will Be AI-Driven" From predictive analytics to fraud detection, AI is the new backbone of fintech innovation.

FROM PARLIAMENT TO BOARDROOMS AI HAS TAKEN CENTRE STAGE

GEN AI WILL SHATTER AND RECONSTRUCT EVERY COMPANY AND INDUSTRY

– Forrester Research



MANUFACTURING
Predictive maintenance, quality control, supply chain optimisation



CPG
Demand forecasting, product customisation, supply chain management



FOOD & BEVERAGE
Supply chain optimisation, food safety monitoring, consumer behavior analysis



BANKING & FINANCE
Fraud detection, algorithmic trading, customer service automation



RETAIL
Personalised shopping experiences, inventory management, customer service chatbots



PHARMA
Drug discovery, clinical trials analysis, personalised medicine



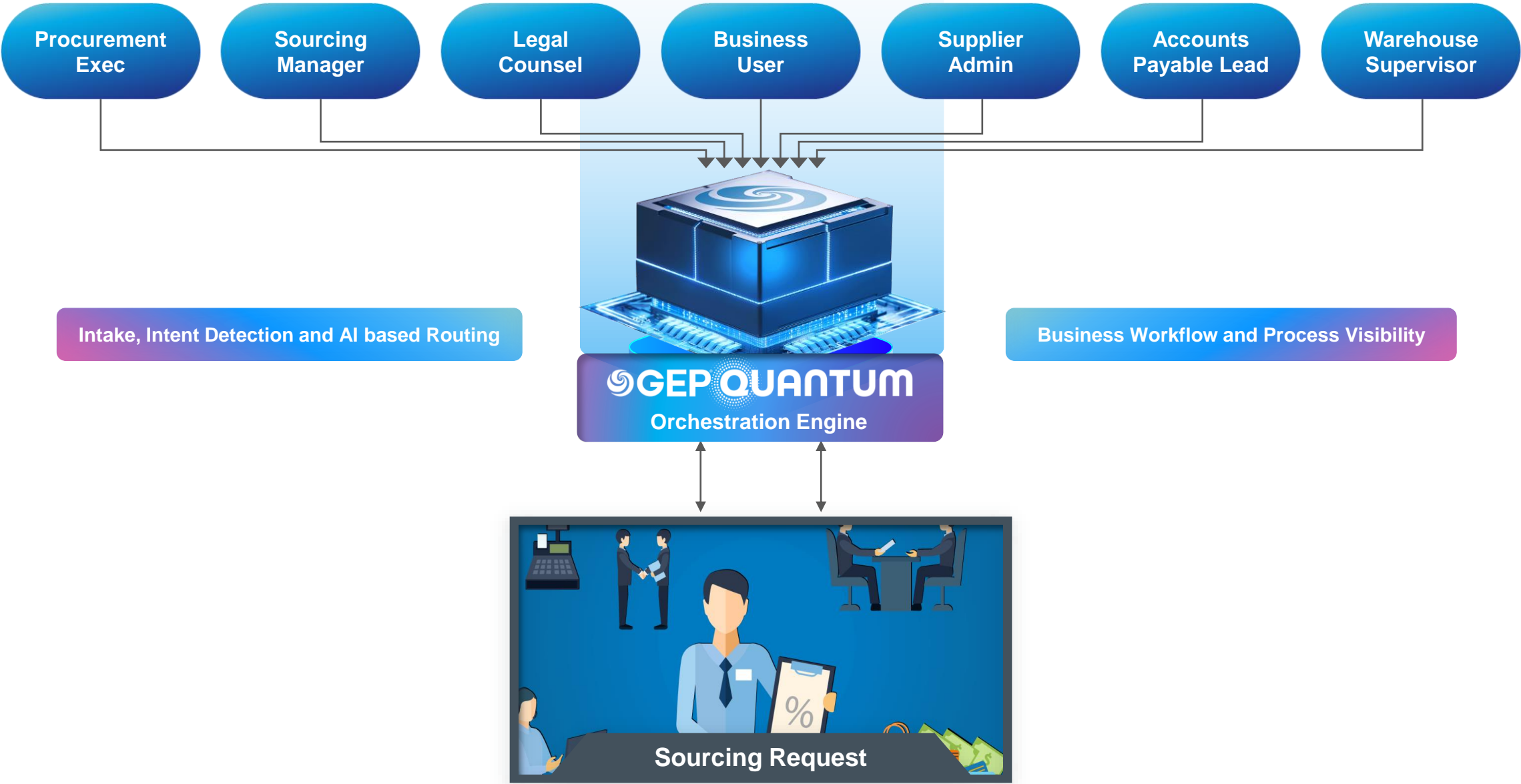
AUTOMOTIVE
Autonomous vehicles, manufacturing automation, predictive maintenance

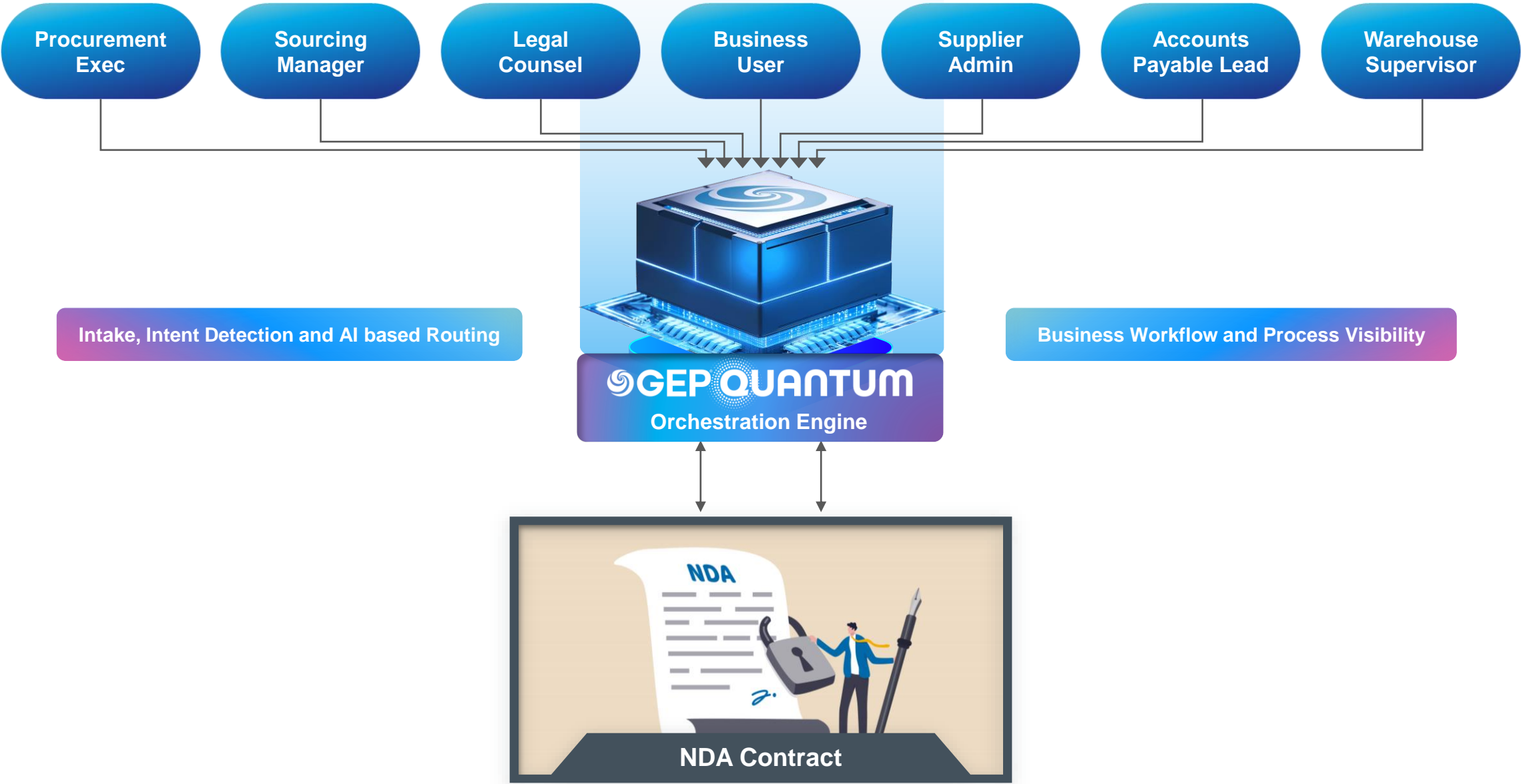


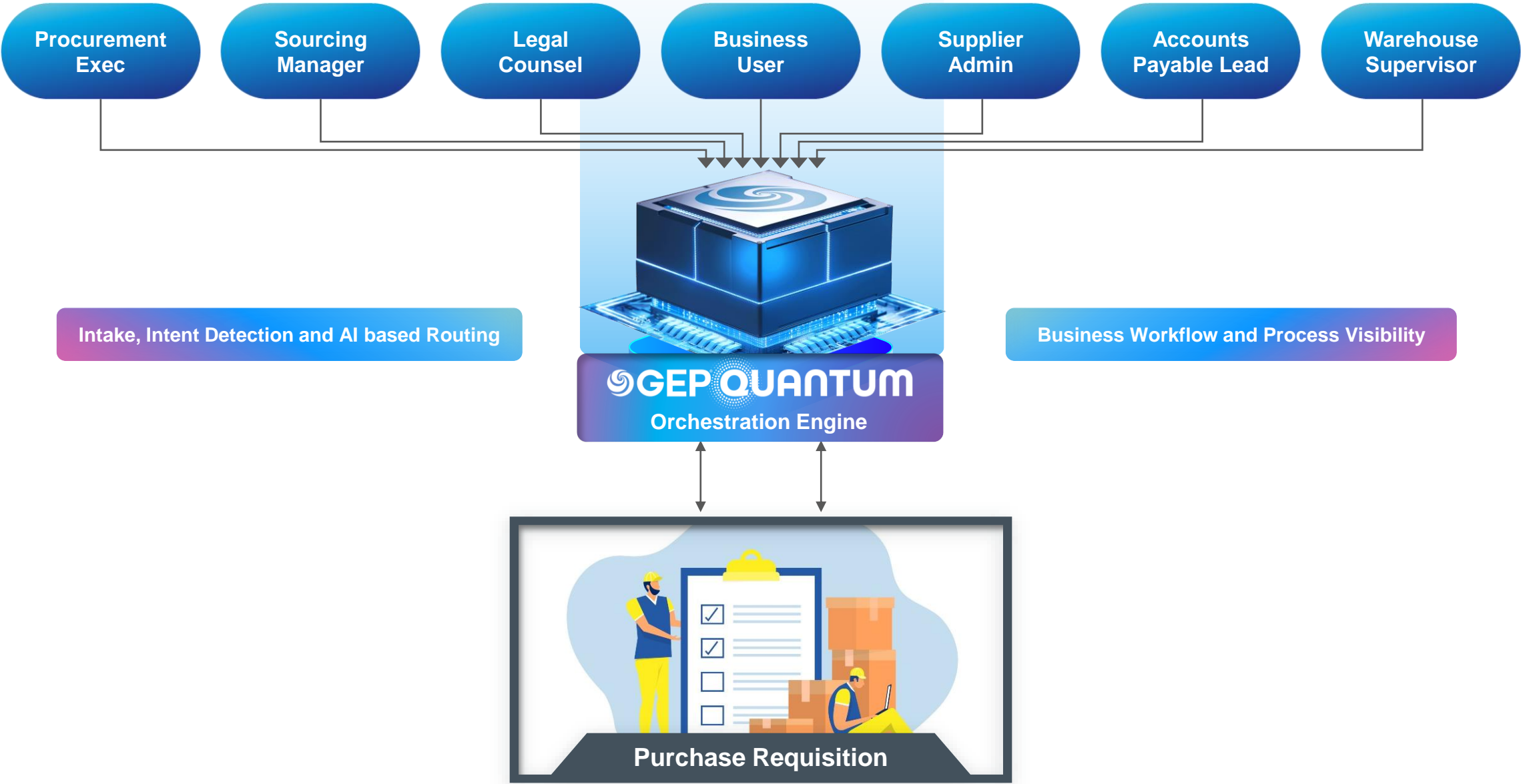
ENERGY & UTILITIES
Grid management, energy consumption optimisation

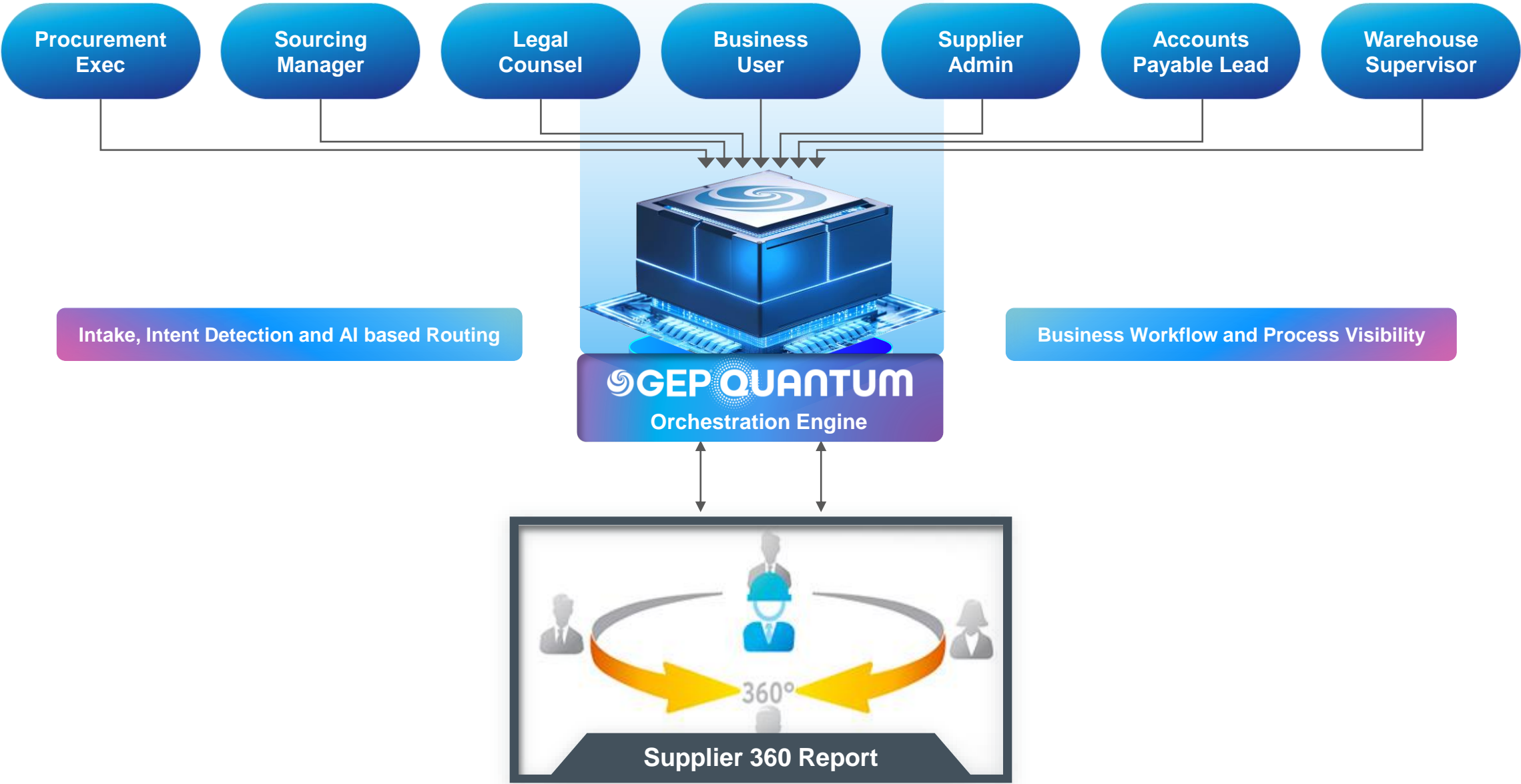


OIL & GAS
Exploration data analysis, predictive maintenance, operational optimisation

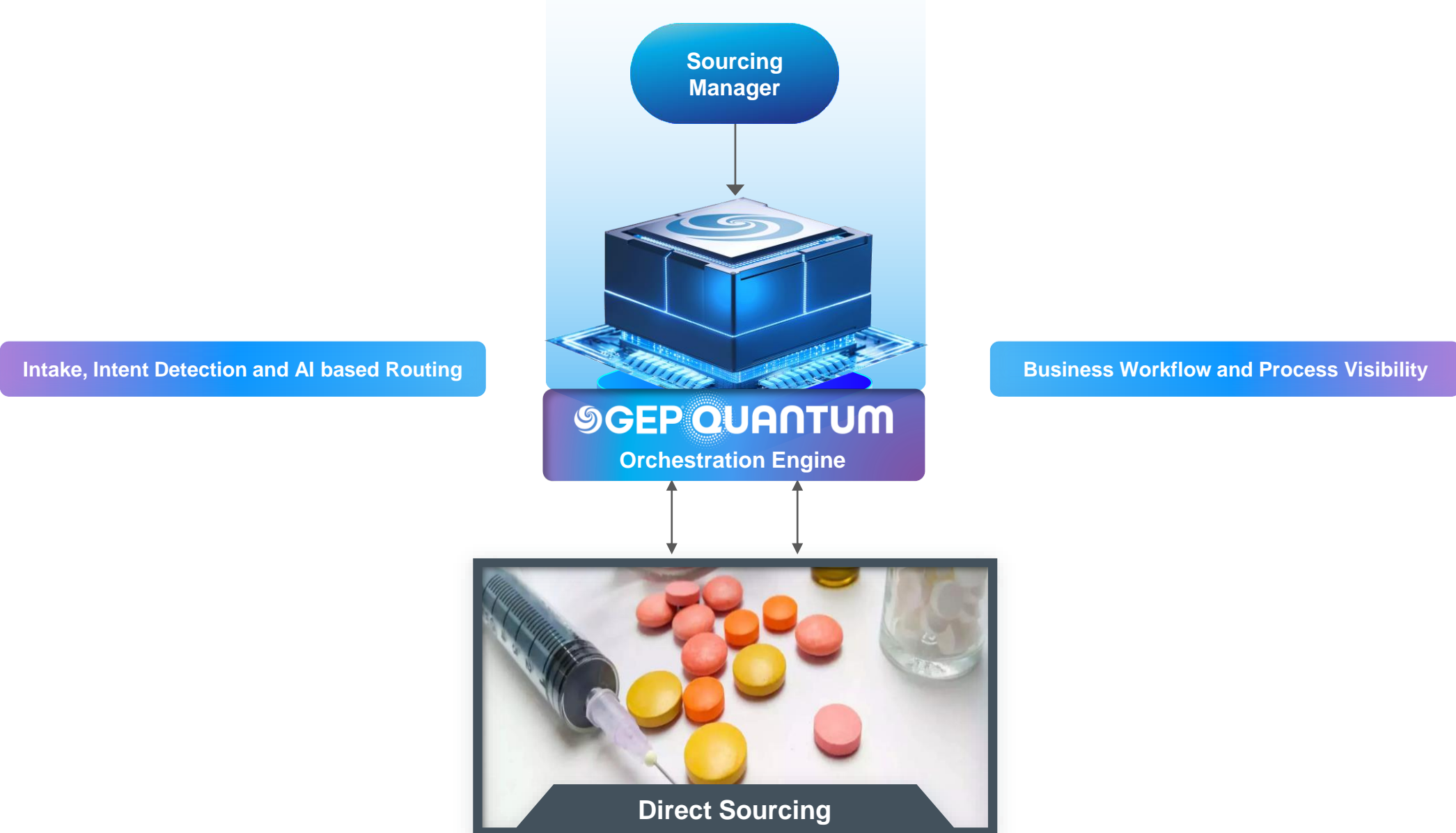


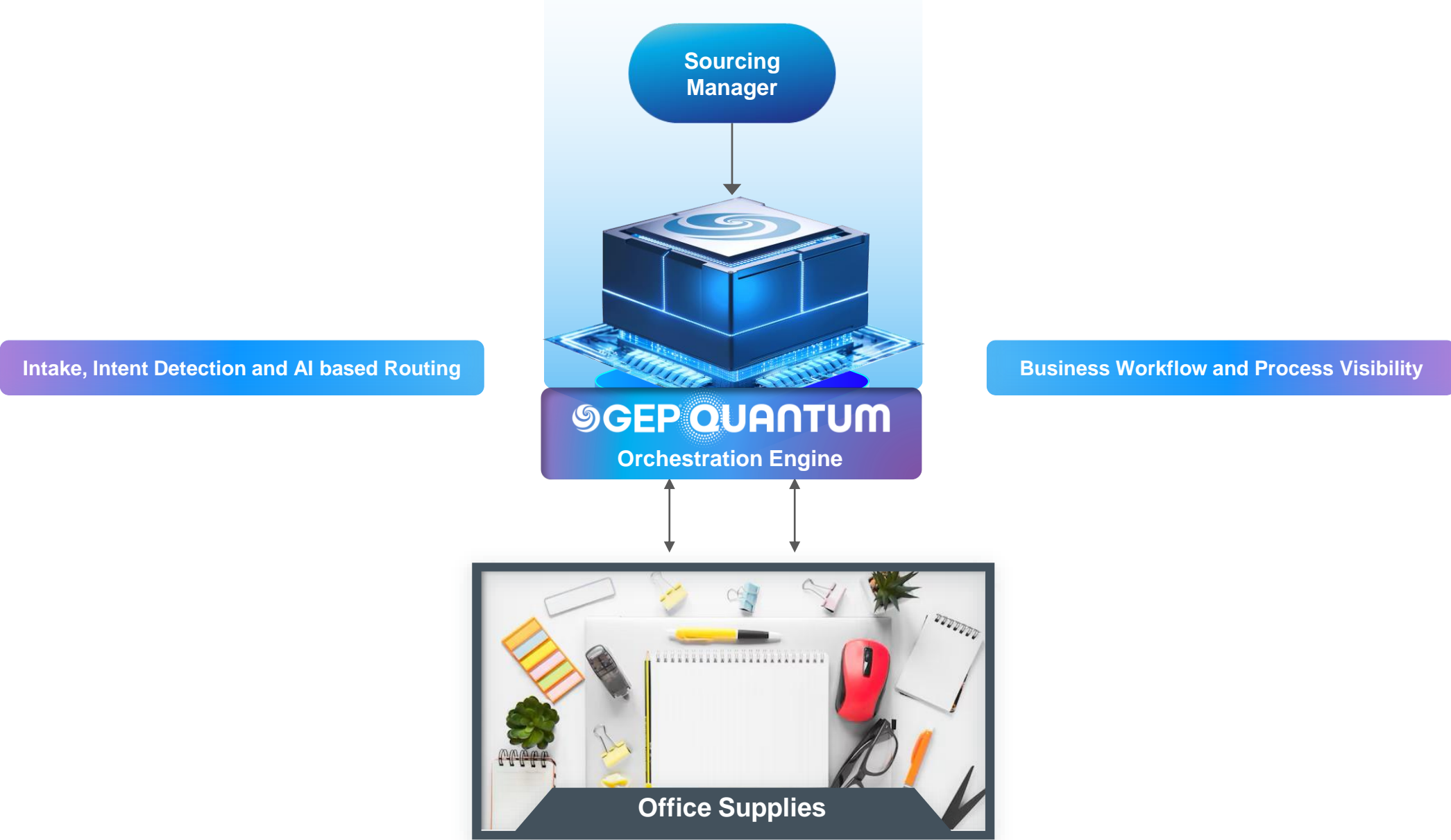


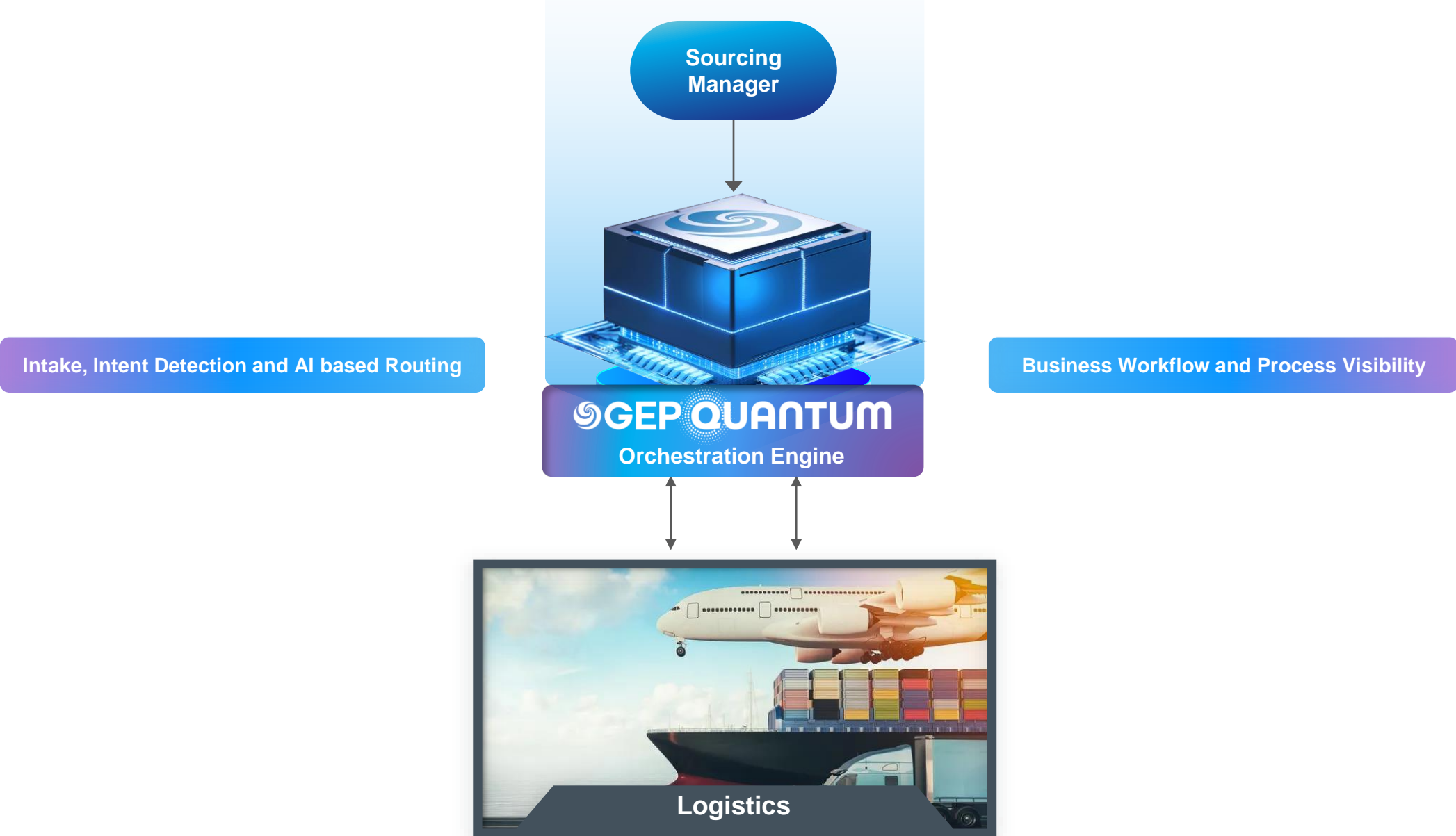


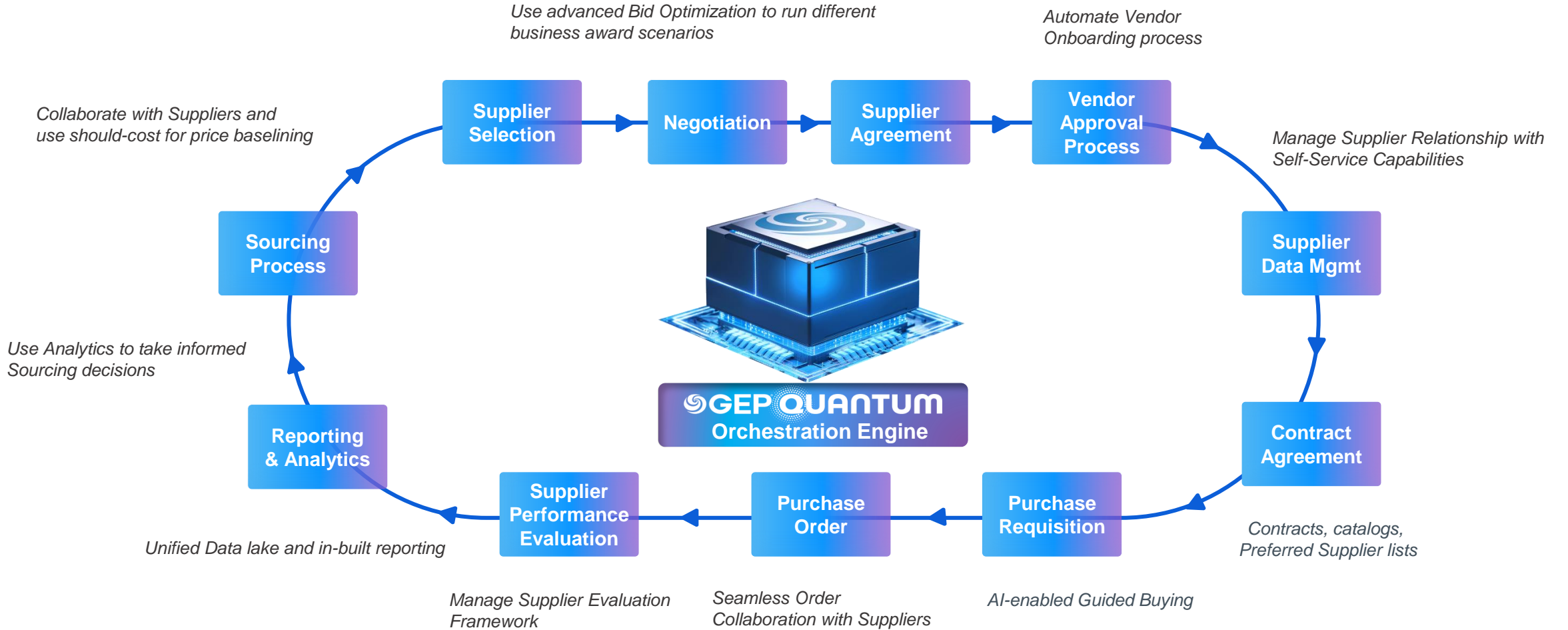












STATE OF AI



PAST

PRESENT

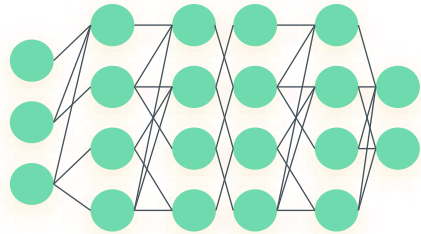
FUTURE

Traditional AI

Generative AI

AI Agents

Era marked by Deep Learning, Big Data and Supervised learning



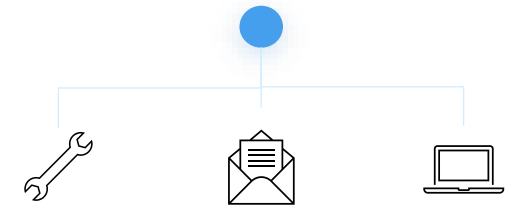
Use cases include spend classification, supplier parenting, spend forecasting and guided buying recommender.

Era of ChatGPT, Copilots and Large Language Models



Use cases include contract summarizer, conversational reporting, and purchasing assistant for business.

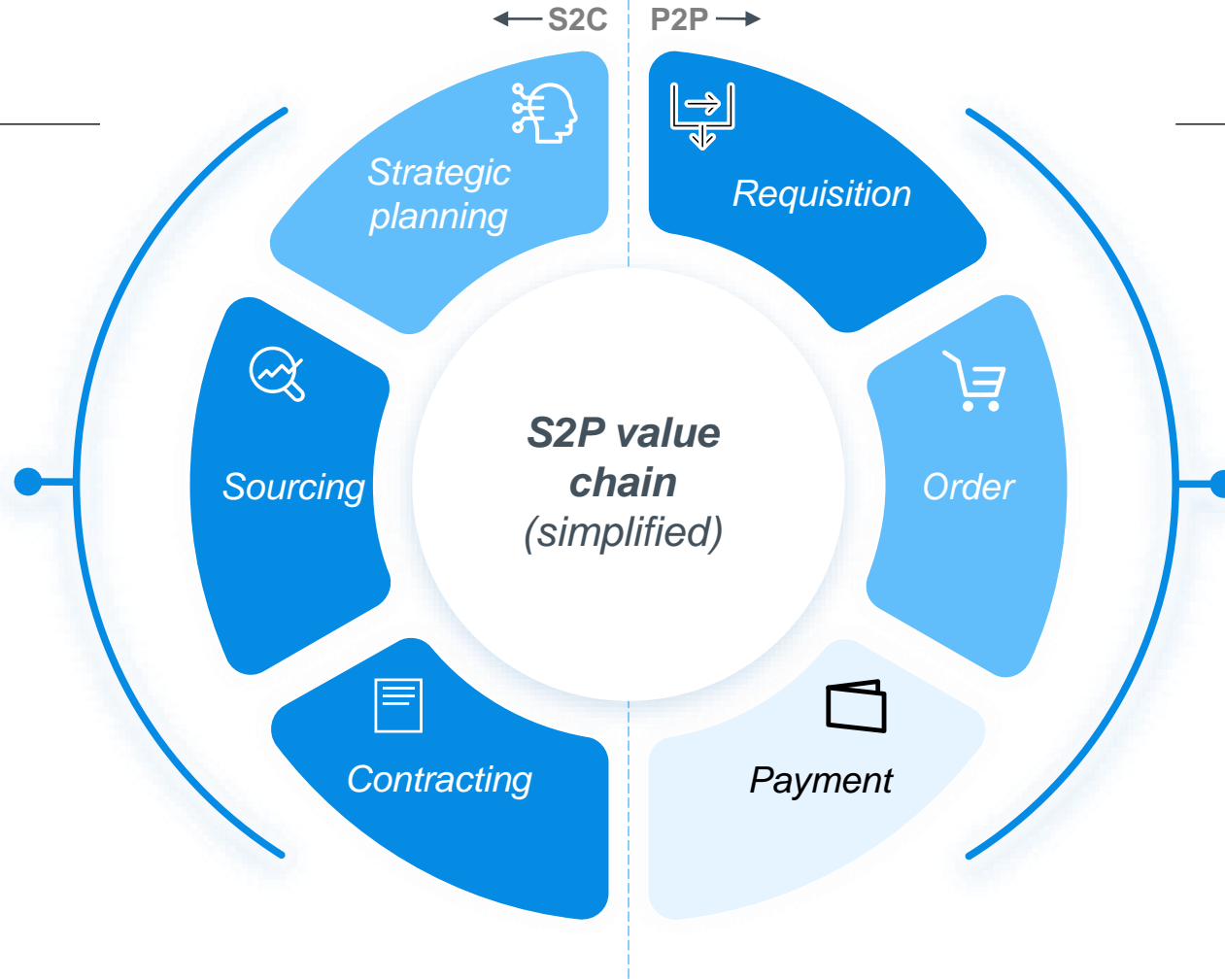
Era of AIs working together and executing tasks.



Use cases include negotiation assistant, autonomous sourcing and auto RFx.

Source-to-contract

LLMs* are acting as specialized **assistants** empowering procurement to do more with less. Value is in higher **cost reduction, insights and productivity.**



Procure-to-pay

LLMs* are acting as **automation catalysis** to enable a new era of **user-friendly self-service.** Value is in improved **OpEx, compliance and user experience.**

Legend | Impact of Generative AI

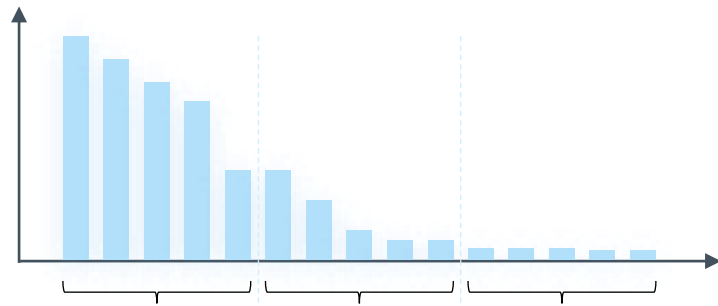


*Large Language Models

SOURCE TO CONTRACT

From managing spend
↓
To managing risk

Illustrative example



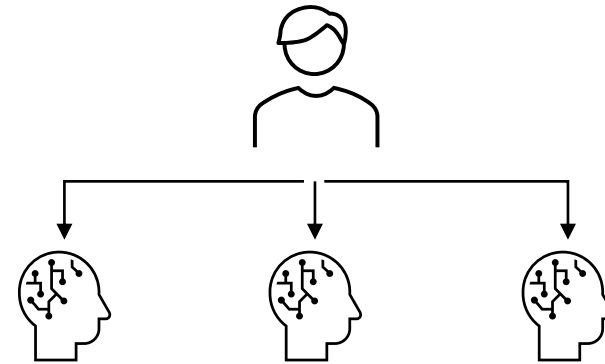
For strategic spend, AI will act as an advisor

Mixed approach

For tail spend, AI will be more autonomous

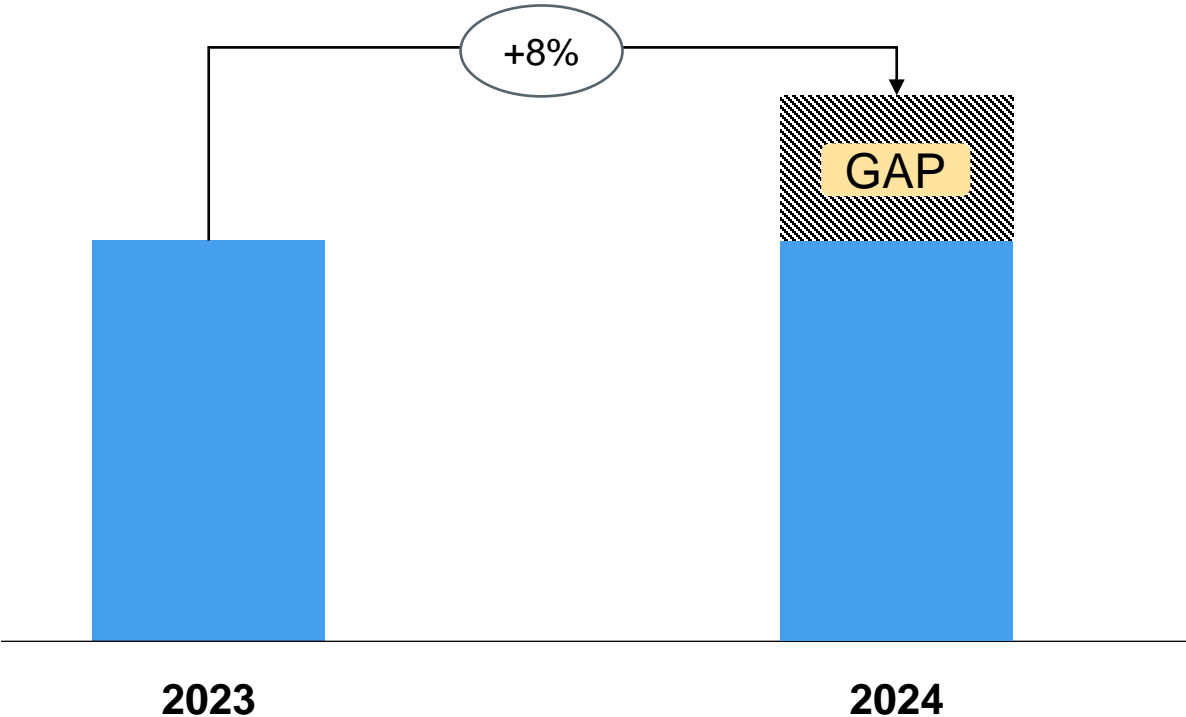
PROCURE TO PAY

From automation
↓
To orchestration



AI Agents will be able to help agents process requests, collaborate with suppliers and manage payments

Projected change for total procurement workload in 2024 versus 2023



Source: The Hackett Group 2024 Procurement Agenda and Key Issues Study

Key considerations

Procurement workload is expected to increase with little increase in head count and operating budget

This creates the need for **doing more with less.**

There is a high expectation for Artificial Intelligence to help close the gap.

AI USE CASES



Source-to-contract



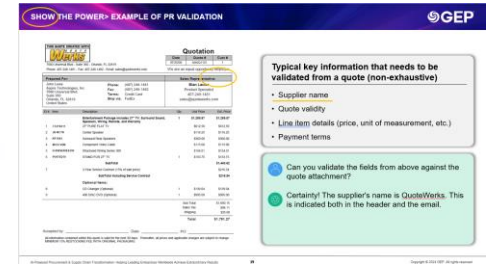
AI ENABLED RFX AUTHORIZING



AI POWERED CONTRACT AUTHORIZING & REVIEW



Procure-to-pay



AI QUOTE-PR VALIDATION

Legend | Impact of Generative AI

- High
- Medium
- Low







7680 Universal Blvd - Suite 360 - Orlando, FL 32819
 Phone: 407-248-1481 - Fax: 407-248-1482 - Email: sales@quotewerks.com

Quotation

| Date | Quote # | Cust # |
|----------|----------|--------|
| 01/23/24 | AAAQ1121 | 1 |

We are an equal opportunity employer

| Prepared For: | Sales Representative: |
|---|--|
| John Lewe Aspire Technologies, Inc. 7680 Universal Blvd. Suite 360 Orlando, FL 32819 United States | Bian Laufer Product Specialist 407-248-1481 sales@quotewerks.com |

| ID # | Item | Description | Qty | Unit Price | Ext. Price |
|------|---------------|--|----------|-------------------|-------------------|
| | | Entertainment Package includes 27" TV, Surround Sound, Speakers, Wiring, Remote, and Warranty | 1 | \$1,289.87 | \$1,289.87 |
| 1 | CT27SX11 | 27" PURE FLAT TV | | \$612.50 | \$612.50 |
| 2 | JB-NCTR | Center Speaker | | \$116.25 | \$116.25 |
| 3 | KP-RS3 | Surround Rear Speakers | | \$360.00 | \$360.00 |
| 4 | MV3CV8M | Component Video Cable | | \$115.00 | \$115.00 |
| 5 | H-SWSERIES300 | Structured Wiring Series 300 | | \$154.01 | \$154.01 |
| 6 | PVSTD270 | STAND FOR 27" TV | 1 | \$153.75 | \$153.75 |
| | | SubTotal | | | \$1,443.62 |
| 7 | | 3-Year Service Contract (15% of sale price) | | | \$216.54 |
| | | SubTotal Including Service Contract | | | \$216.54 |
| | | Optional Items: | | | |
| 8 | | CD Changer (Optional) | 1 | \$139.04 | \$139.04 |
| 9 | | 400 DISC DVD (Optional) | 1 | \$995.00 | \$995.00 |
| | | Sub Total | | | \$1,660.16 |
| | | Sales Tax | | | \$96.11 |
| | | Shipping | | | \$35.00 |
| | | Total | | | \$1,791.27 |

Accepted by: _____ Date: _____ PO: _____

All information contained within this quote is valid for the next 30 days. Thereafter, all prices and applicable charges are subject to change.
 MINIMUM 15% RESTOCKING FEE WITH ORIGINAL PACKAGING.

Typical information that needs to be validated from a quote (non-exhaustive)

- Supplier name
- Quote validity
- Payment terms



Can you validate the fields from above against the quote attachment?



Certainty! The supplier's name is QuoteWerks. This is indicated both in the header and the email address.



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| John Lewe Aspire Technologies, Inc. 7680 Universal Blvd. Suite 360 Orlando, FL 32819 United States | Bian Laufer Product Specialist 407-248-1481 sales@quotewerks.com |
| Phone: (407) 248-1481 Fax: (407) 248-1482 Terms: Credit Card Ship via: FedEx | |

| ID # | Item | Description | Qty | Unit Price | Ext. Price |
|------|---------------|--|----------|-------------------|-------------------|
| | | Entertainment Package includes 27" TV, Surround Sound, Speakers, Wiring, Remote, and Warranty | 1 | \$1,289.87 | \$1,289.87 |
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- Payment terms



What is the validity of this quote?



The header quote date is 23rd of January 2024. However, text below indicates a 30 day validity window, making the quote valid until 23rd of February 2024



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Quotation

| Date | Quote # | Cust # |
|----------|----------|--------|
| 01/23/24 | AAAQ1121 | 1 |

We are an equal opportunity employer

[quote change request] AAAQ1121

Message Insert Format text Draw Options

Send

To sales@quotewerks.com Bcc

Cc

[quote change request] AAAQ1121 Draft saved at 9:56 PM

Price Quotation Example.pdf 33 KB

Dear sales team of Werks,

I am writing to request a change to the quote AAAQ1121 submitted on 25th of July 2008. As stated in the 2nd page of the attachment, there is an amendment clarifying the payment terms to 60 days end of month.

Please respond to this email with 'Request accepted' along with the updated attachment to confirm the change.

In case of any questions, please reach out to help@companyABC.com

Kind regards,

Total \$1,791.27

Accepted by: _____ Date: _____ PO: _____

All information contained within this quote is valid for the next 30 days. Thereafter, all prices and applicable charges are subject to change.
MINIMUM 15% RESTOCKING FEE WITH ORIGINAL PACKAGING.

Typical information that needs to be validated from a quote (non-exhaustive)

- Supplier name
- Quote validity
- Payment terms



What are the payment terms?



It appears there are no payment terms mentioned. The company policy recommends 60 day end of month. I drafted an email to be shared with supplier. Do you want me to send it?






DATA CHALLENGES

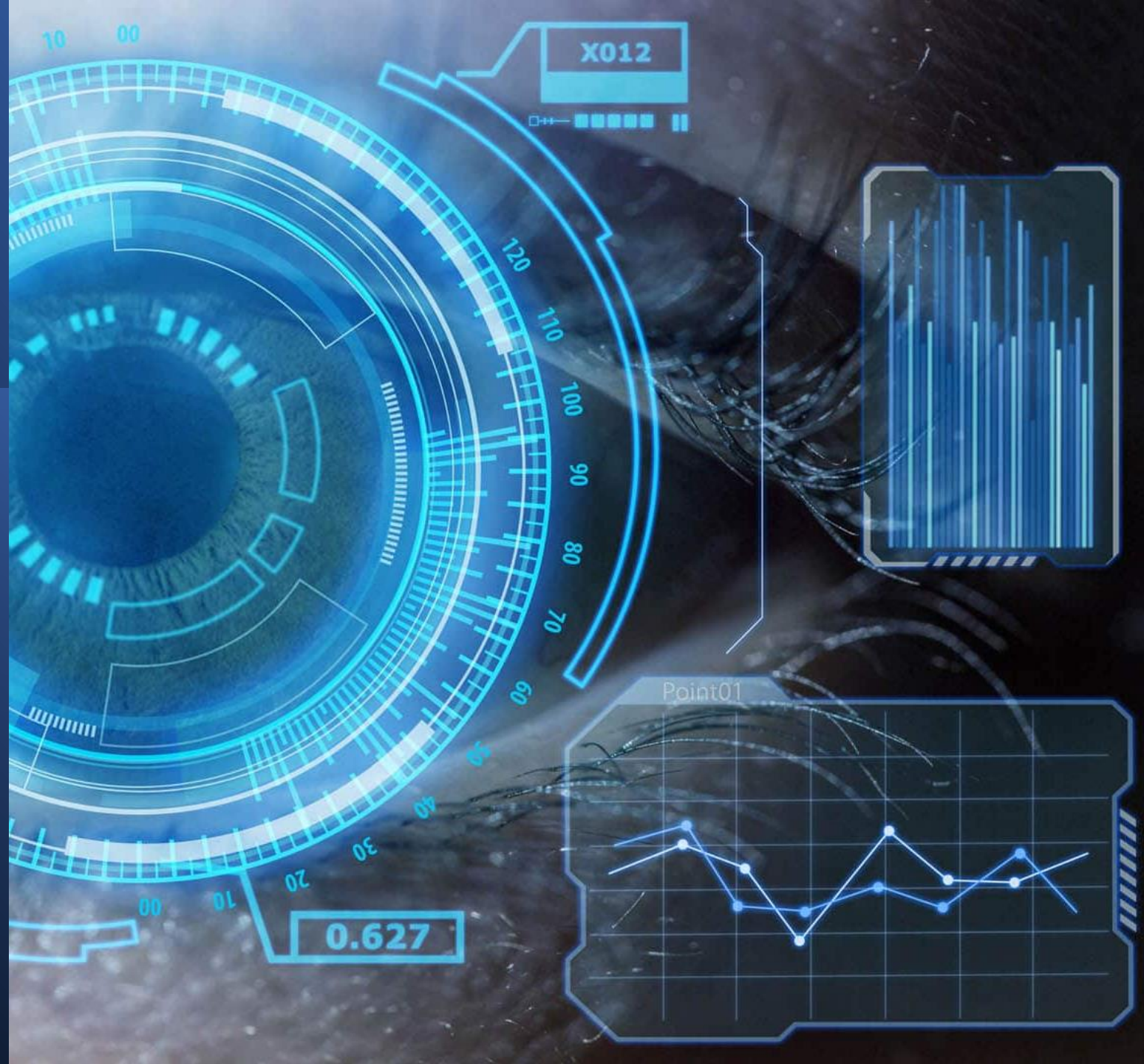


Can we even talk about AI when there is poor or no data available?

YES!

| Data maturity scenario | Sub-scenario | Key AI insight | Examples |
|---|--|------------------|---|
|  No data is available | 1 Data exists, but not structured | STRUCTURE | Contract Q&A / metadata extractor |
| | 2 Data does not exist | SOURCE | Supplier discovery based on web page data |
|  Data available but poor quality | 3 Data exists, but is not correct | CLEAN | Spend classification |
| | 4 Data exists, but is not complete | ENRICH | Catalogue specification enrichment |
|  Good data available | 5 Data exists, and is of good quality | MANAGE | Negotiation Assistant |

WRAP-UP



**Get in touch at our
GEP booth**

A19