

Procurement 2024: BIG Trends and Predictions

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Executive Summary

Chief Procurement Officers and their teams head into 2024 with a continued lack of clarity and a need for caution. While a recession was avoided last year and inflation slowed its pace in most regions, economic and overall market uncertainty remains. In addition, geopolitical unrest in the Middle East and climate conditions in Central America are causing big delays and increased costs in global shipping, forcing many procurement teams to seek alternative sources of supply. While the details fluctuate year to year, procurement's headline remains the same. In 2024, CPOs face a series of new challenges that must be managed while operating with high uncertainty ... AND great opportunities exist for the teams who are best prepared for them.

This new report from Ardent Partners highlights the major trends impacting procurement in 2024 and delivers a series of insightful predictions designed to help procurement teams in all industries and regions focus on and prepare for what is important while remaining proactive and agile.

TREND 2024

Introduction

For more than a decade, Ardent Partners' senior analyst team has gathered in Boston for a multi-day company strategy and planning meeting. The team dedicates itself to reviewing the prior year's research and main findings. The analysts spend hours discussing key learnings from their different market research surveys, as well as the highlights from their briefings and advisory work with technology providers, consultants, and investors. The team also reviews their consulting projects, interviews, inquiries, and interactions with procurement, supply chain, and finance professionals throughout the previous year.

This detailed review helps the team develop a list of BIG trends impacting procurement today as well as a list of BIG predictions for the industry in the year ahead. This report is the culmination of those efforts and is designed to help procurement, supply chain, and finance leaders better prepare for 2024.

THE BIG TRENDS IN PROCUREMENT

Ardent Partners has identified the following list of BIG Trends that will impact the procurement profession in 2024.

BIG Trend #1 – AI Is Everything Everywhere, All at Once

Perhaps only the newly-minted billionaire, Taylor Swift, had a bigger 2023 than the widely acclaimed (but also severely overhyped) technology known as artificial intelligence ("AI"). AI ran a close second to Taylor in regard to overall attention and impact in the year that was. While Taylor was a dominant presence in music, culture, and the NFL, AI was equally dominant in business and technology discussions, with solutions like ChatGPT presenting a renaissance of automation representative of the future impact of AI. Whether or not ChatGPT is an online parlor trick, the underlying technology has extraordinary potential.

More importantly, within the procurement realm, AI has the potential to channel an entirely new level of innovation, enabling procurement professionals and their teams to transform the tactical and



strategic activities of the function (such as contract clause management, approval flow routing, supplier data validation, and fraud prevention), while also tapping into an underutilized repository of procurement information, data, and insights. Pay attention to this technology!

BIG Trend #2 – Savings Remains a Top Priority as the “Year of Efficiency” Continues in 2024

Do you know what makes your CFO happy? Growing the topline. Do you know what makes your CFO even happier? Growing the topline while also shrinking the bottom line. Meta Platforms Inc. (i.e., Facebook) founder & CEO, Mark Zuckerberg, proclaimed 2023 to be the “Year of Efficiency” and then stood back and watched his stock price (and net worth) nearly quadruple as his company grew while cutting expenses. The rest of the market took notice and many followed suit. Expect those efforts emanating from the C-suite to continue in 2024.

CPOs were all over efficiencies in 2022 and 2023 as businesses felt the impact of inflation and the pressure to defend their profit margins. In 2023, high inflation made “identifying cost savings” the top priority for CPOs (46%). The result was a dramatic return to an overall focus on savings within procurement. This year will have more of the same. Sourcing professionals accustomed to driving both innovation and cost reductions from

their suppliers with each successive renewal operate in an entirely new market where prices can and will continue to increase. And, while inflation has been tamed, the thirst for corporate (i.e., supplier) profits remains unquenched; it will be challenging in 2024 to meet savings goals.

BIG Trend #3 – Inflation Has Flattened (In Most Countries)

Congratulations to the procurement and sourcing leaders around the world who survived the 40-year inflationary storm known for its skyrocketing prices. In many regions, but certainly not all, the unprecedented rates of inflation experienced over the last 2+ years shifted to more normal rates. Procurement teams experienced the difficult impact of higher prices. The good news is that central banks around the world indicated the highest inflation rates may be behind us, signaling a win in the banks’ collective fight to reduce them. At the same time, the labor market remains very strong, and many major stock exchanges reached all-time highs.

While these factors could increase the risk of higher prices, inflation is unlikely to be a major challenge for sourcing pros in 2024 when compared to the past 2-3 years. The bigger issue remains the unadulterated drive for corporate profits and the general power of many suppliers to push price increases to aggressive levels. The C-

suite's drive for bottom-line results in 2024 will almost assuredly keep your CPO and procurement leadership team focused on delivering more savings this year.

BIG Trend #4 – Today's Cost of Capital Makes Procurement More Important

To combat high inflation rates experienced globally over the past few years, central banks raised interest rates with unprecedented speed. As interest rates climb, the cost of capital rises, impacting the cost of financing for a business (everything from long-term corporate bonds to short-term revolving credit lines). In response to the new economic reality that the cost of capital is real, smart CFOs quickly reassessed their financial strategies and tried to allocate resources more efficiently.

Against this backdrop, the importance of procurement teams, their processes, and associated supplier negotiations took center stage once again. When interest rates surge, managing cash becomes paramount. Procurement's ability to impact cash is direct and potentially consequential (via lower prices paid for goods and services, better-negotiated payment terms, demand management strategies, and many other examples). When a procurement team has visibility into enterprise spend, it can work proactively with stakeholders to identify and execute top-sourcing opportunities. The source-to-settle process remains a linchpin in maintaining healthy supplier relationships and managing suppliers' expectations; navigating these relationships amidst heightened interest rates can be both an art and a science. Ultimately, between driving higher savings rates and impacting cash, procurement's role in battling higher capital costs can, and should, be high on the CFO's radar screen this year.

BIG Trend #5 – Polarization and Politicization

In the early days of the internet, various web and business executives, investors, and promoters spoke at length about how the world wide web would connect people and communities and bring them closer together. It would help make the world smaller and imply a much better place as well. They were not wrong. However, in recent times, the internet has allowed smaller and smaller factions to find their like-minded brethren and build new groups and communities. And, having found "their people," some of these community members can become emboldened to share their ideas and opinions, no matter how large or small their cohort is and no matter how normal or radical their concepts may be. In general this has been a great and positive phenomenon (just ask [the 35 million members of this subreddit](#)).

But, while everyone is entitled to their opinion, the problem inside the U.S. and a growing number of countries around the world is that society is becoming highly polarized and very politicized. Polarization grows when people talk only to those who agree with them. Social media companies, and, in fact, most traditional media companies, benefit financially from polarization (and therefore foster it). After all, anger is the most "viral" and profitable emotion.

In 2024, it seems as though everything (not really) is political or has the potential to become a political issue. In polarized societies, when "your team" feels one way about a subject, the "other team" is compelled to take the exact opposite position. The result is often a lose-lose proposition. Entire societies have been taught to "celebrate their differences," but have largely forgotten how to celebrate their common ground. The U.S. presidential election will accelerate this trend.

The issue for procurement leaders is that polarization leads to instability, creating uncertainty for business. Polarization puts much more pressure on companies and corporate leaders to establish and maintain trust among their customers as well as in the overall marketplace. In 2024, that pressure has a good chance of extending to procurement and the suppliers it has selected. For 15 years, Ardent Partners has pushed CPOs to take bold action. This year, procurement teams should tread a little lightly, and perform more diligence in the sourcing process and be more proactive during the supplier management process to avoid potentially polarizing suppliers (and issues).

BIG Trend #6 – De-Globalization Continues

The long arc of free trade policy is now bent backward by a series of events that accelerated with the election of Donald Trump, with his trade warfare continuing at full speed into 2024. De-globalization results in reduced economic integration and cooperation between nations. In the case of the U.S., this has been driven by a resurgence of nationalist policies, including increased protectionism and a return to traditional, in-country cultural practices.

Putin's invasion of Ukraine has emboldened China. Since then, there have been a series of frequent and highly public displays of tension between the U.S. and China. These two countries remain deeply entangled economically. But they are also economic adversaries and, to a degree, political and philosophical enemies. And then there is Taiwan which remains a major area of conflict, so much so that Warren Buffet recently divested his multi-billion-dollar stake in a Taiwanese chip foundry because of political risk. New U.S. trade restrictions have led to strained global relations. However, the story of deglobalization is not merely about the East vs. West rivalry or the one between Russia vs. Europe. Since COVID-19, there has been

pressure to move supply closer to home and away from China to mitigate risk. This trend will continue in 2024 and is directly tied to the next BIG trend.

BIG Trend #7 – Geopolitical Tensions Strain Supply Chains

"If you're having supplier problems, I feel bad for you son, CPOs got 99 problems, the supply chain is one." ~ Ardent's new spin on an old rap lyric.

For two decades, the risks associated with moving supply offshore, such as increased lead times and holding costs, reduced quality control, and poorer supplier communication and visibility, were mitigated by the dramatic cost savings achievable by simply "lifting and shifting" production to low-cost locations. The expansion of global supply chains traded supply security, control, and assurance for lower prices. And the businesses (most) that ignored the risks were left unprepared for major disruptions.

During COVID-19, many paid the price for having key suppliers located halfway around the world. Today, businesses have come through the toughest times, but a new set of global supply chain challenges are emerging, driven by military conflicts in the Middle East (Israel/Gaza) and Central Europe (Russia/Ukraine) and escalating global tensions between the U.S. and China. Many countries, like the U.S., are also experiencing contentious political debates and elections. The world appears mired in uncertainty and the nuances of "globalization" are becoming more complex each year. Procurement's mandate is to be prepared to act if, and when, new sources of supply are needed.

BIG Trend #8 – Business Travel Risk Is at an All-time High

In a post-pandemic society, the return of business travel was a comforting sign to many that the world would and could revert to earlier, simpler times. However, there remains de-stabilization in the geopolitical and economic world order due to a heightened sense of uncertainty coupled with unpredictable actions of bad actors. The harsh reality is that business travel risk is at an all-time high.

Whenever possible, procurement should partner with business travel teams and business travelers to develop, communicate, and enforce stronger travel security protections by utilizing solutions that can centralize the management of business travel, supporting safer trips and more secure activities for all travelers. In cases where procurement is not directly involved with business travel, it can offer resources and support to help the travel team develop new risk management strategies.

BIG Trend #9 – The Growing Impact of “Community” Intelligence

Collective wisdom surpasses individual brilliance. While the events of the last few years pushed more workers/teams to operate remotely, new concepts of community have emerged, driven by the advancements in technology and workforce collaboration, enabling enterprise teams to advance and mature despite their locations. The fast-evolving landscape of supply management technology, networks, and suite platforms enable procurement teams and their trading partners to communicate, collaborate, and execute business transactions. These platforms and business networks foster internal user engagement and allow procurement teams to communicate industry trends, regulatory changes, internal best practices, as well as supplier offerings and capabilities, better

price discovery strategies and reusable sourcing templates and requisition workflows.

While broadly leveraging shared “team” knowledge can empower procurement teams to reach new performance heights, the ability to connect to much larger online networks and/or communities comprised of hundreds or thousands of distinct procurement organizations actively participating and sharing information (e.g., data, metrics, best practices, technology workarounds, etc.) can be game-changing. Typically supported and managed by solution providers, these emerging communities are changing the traditional corporate mindset about what is and what is not proprietary information. The result is that more procurement leaders are sharing (in an anonymized way) many of the “secrets of their success,” enabling other members to improve at a faster pace.

BIG Trend #10 – The Growth of Contingent Workforce Spend

Today’s extended workforce represents a transformative shift from its earliest days as a complex category of corporate spend. A decade ago, the average percentage of non-employee labor (i.e., temps, consultants, contractors, etc.) was roughly 30% of a company’s total workforce. In 2024, that figure has grown to essentially half (49%) of all workers. This means that businesses are spending a significantly larger amount to extend their workforce and remain more financially flexible. The spend has grown in size and strategic impact as outside workers in the gig economy tackle more important and valuable activities and projects. The continued growth of a non-FTE workforce means more spend in this category. HR and business stakeholders can benefit from procurement’s expertise in sourcing and managing such spend.

BIG Trend #11 – The War for Talent Continues to Escalate (CPOs Need a Plan)

Staffing shortages have led to a very real “war for talent.” The stakes for finding, attracting, and hiring the right talent remain high. Record-low unemployment numbers coupled with all-time-high job openings have led to struggles for many companies. This war for talent has emerged with many companies increasingly pressed to staff basic operations. The hard truth is that there is no single solution for global staff shortages that are going to continue for the next few years. Accordingly, CPOs must start developing new recruiting strategies and contemplating different staffing models, including a greater use of contingent workers (see *Trend #10*) to augment their staffs and ensure operational work continues uninterrupted in 2024.

2024 BIG Trends:

- AI Is Everything Everywhere, All at Once
- Savings Remains a Top Priority as the “Year of Efficiency” Continues in 2024
- Inflation Has Flattened (In Most Countries)
- Today’s Cost of Capital Makes Procurement More Important
- Polarization and Politicization
- De-Globalization Continues
- Geopolitical Tensions Strain Supply Chains
- Business Travel Risk Is at an All-time High
- The Growing Impact of “Community” Intelligence
- The Growth of Contingent Workforce Spend
- The War for Talent Continues to Escalate (CPOs Need a Plan)



Predictions for 2024

Prediction #1 – The Global Economy Stays Strong (No Recession)

Multiple surveys published at the end of 2022 showed that 100% of the responding economists predicted there would be a recession in 2023. While economists exist largely to make weather professionals (and now weather apps) look more insightful and accurate, this was a huge miss. A year later, the economy looks much stronger to the so-called “experts” because it is, in fact, stronger. [Author’s note: In the [Procurement 2023: BIG Trends and Prediction](#) report that published in February 2023, Ardent Partners predicted that the United States would avoid a recession in 2023.]

Steep inflation has been curbed in most regions, and despite a high level of geopolitical conflict and tension, businesses continue to operate well while unemployment rates remain low. 2024 is also an election year in the United States, with many risks linked to the election process and who, ultimately, is elected. But, election-year recessions are improbable events, and the final weeks of 2023 reflected a strong stock market and unbridled optimism for the year ahead.

The ongoing threat of a U.S. recession will recede (at least until after the election in November), due

to resilient employment, lower inflation, and general economic results bolstered by strategic fiscal policies, increased consumer confidence, and robust trade. Other regions will be buoyed by the U.S. economy, although some may falter in H2.

In 2024, a more stable economic landscape will allow procurement leaders to pivot towards more strategic planning and make larger long-term investments in technology and growth initiatives designed to improve operations and results. CPOs are encouraged to get these projects booked in 2024 because 2025 will be another story.

Prediction #2 – A Fully-Automated Procurement Operation Becomes the CFO’s Imperative

Any CFO worth their weight noted the impact the “year of efficiency” had on the stock prices of the Big Tech companies that grew revenues while simultaneously lowering expenses last year. Many of these tech behemoths were able to slice corporate largess without impacting sales/performance and gain billions in market value as a result. Mimicking these accomplishments has become a major goal for many CFOs in 2024.

When well-deployed and well-adopted, supply management solutions have a long track record of

ARTIFICIAL INTELLIGENCE

driving procurement efficiencies and delivering next-generation value by transforming procurement into a strategic and effective operation — one that leads to more savings and value as well as better decision-making. It is only natural that CFOs will look to the procurement department to drive more value this year. And, with the emerging promise of AI within procurement, many CFOs will champion the need for full automation across the source-to-settle process, making it a business imperative in 2024.

Prediction #3 – The CPO’s Digital Strategy Will Define the Organization for the Next Decade

Nearly a decade ago, Ardent Partners predicted that data would begin to unlock new doors in different ways for procurement teams. This opportunity (and technologies that support it) has progressed dramatically since then. Today, the world is very different, and the importance of big data has reached a tipping point. The expanded usage and broad commercialization of AI tools have unlocked countless new possibilities for utilizing analytical engines to drive tactical operations and impact strategic decisions.

While still emerging, the growth and impact of AI tools for procurement over the next few years will be extraordinary. Chief Procurement Officers (CPOs) must recognize the crucial role that intelligence can and will play in shaping procurement strategy and execution and go all-in

on big data intelligence. Doing so starts with a plan — a CPO’s Agenda — based upon a digital foundation that incorporates robust analytics. The resulting streams of data-driven intelligence will be the fundamental drivers that push procurement and supply chain departments to the next level of performance. When it comes to the development and execution of a digital strategy, CPOs cannot afford to sit on the sidelines.

Prediction #4 – AI Becomes a Procurement Reality

AI is poised to revolutionize procurement in 2024, streamlining processes, improving decision-making, and unlocking unprecedented efficiency, allowing procurement teams to develop new and better insights into the underlying drivers of value. Two years ago, solution providers were talking about their future AI plans and roadmap. Today, they are talking about the new AI features in their solutions driving customer results.

This year’s newest releases of supply management solutions will have embedded AI capabilities with the potential to unleash a new era of productivity for procurement. Many of the leading solution providers have begun to integrate AI within their core solutions. By the end of 2024, new AI innovations will begin to significantly change all facets of supply management technology, with a real revolution likely to start in the next 12 to 18 months.

Prediction #5 – CPOs Will Match AI Usage with Strong Governance

Through the normal technology upgrade cycle, procurement teams that have automated some or all of their core processes will have an opportunity to test, pilot, and use AI within their current technology stack. The number of potential use cases for AI in procurement is already quite large. This has the potential to overwhelm procurement departments. And while most of the initial uses for AI in procurement this year will be smaller and tactical in nature, governance is essential when dealing with such a broad-based and rapidly-advancing technology.

At the enterprise level, most IT departments should already be working on AI governance (in the mid-market, IT may be a resource, but CPOs should be prepared to establish their own policies). IT will serve as a resource for procurement departments wanting to establish robust protocols and standards on how AI will be used, by whom, and to what extent within the procurement operation. The guidelines and frameworks emerging from these exercises should be adaptable in their design with the goal of empowering teams to harness the full potential of AI technologies. Concurrently, those guidelines should establish the proper checks and controls to avoid major issues, particularly in the areas of data access, usage, and privacy as well as the checks and balances needed to validate AI-driven results.

Prediction #6 – 2024 will be the Year of Intake & Orchestration (Not Ivalua)

A once-staid industry, the procurement technology market has experienced a rousing level of innovation over the past few years, with many new technologies hitting the market designed to enhance or expand the capabilities of the standard source-to-settle solution. Frankly, the level of investment and innovation is impressive, and it

makes the overall market much more interesting and exciting to cover. Two technologies that are poised to make an impact in the procurement space this year are:

- **Intake Management (IM):** IM solutions provide a single-entry point for end-users that automate keeping track of the unique procurement systems and processes used for different types of requisitions and other activities. IM solutions guide end-users through different workflows that are designed to capture the relevant information and requirements needed to generate a requisition (or other actions). The solutions then route the requisition to the relevant solution or approver(s) needed to generate the request. This means end-users only work in a single platform. And, as a result, do not require training on (or licensed to use) the underlying procurement technology driving the transaction. After capturing the correct information, IM solutions can then automatically drive the desired process, ensuring that the proper policies and procedures are followed.

- **Procurement Process Orchestration (PPO):** PPO solutions, on the other hand, are focused on executing the request created during the intake process. PPO solutions coordinate and transfer the necessary information between the different systems required. PPO solutions must be integrated with the necessary applications to execute the proper process.

Prediction #7 – P2P Teams Invest Aggressively in Fraud Prevention Technology

The global pandemic emboldened fraudsters at a frightening pace and Ardent Partners' 2023 research showed that fraud attempts targeting the procure-to-pay process (and invoicing and payments specifically) hit an all-time high. Fraud has become a serious, lasting threat. The current risk landscape demands a proactive stance against



sophisticated fraud tactics. As a result, P2P teams will be leading the charge in greater numbers to combat fraud with new technology investments in 2024 and beyond. The entire P2P journey, from procurement to payment, is susceptible to various forms of fraudulent activities, including invoice manipulation, fictitious vendor schemes, and unauthorized access to payment channels.

Investing in robust fraud prevention technology helps safeguard against financial losses while helping to maintain the integrity of the entire P2P ecosystem. Implementing advanced technologies, such as machine learning algorithms and anomaly detection systems, helps detect irregularities and patterns indicative of fraudulent activities in real time that would not be identified by manual inspection.

Beyond avoiding financial losses, successful fraud prevention builds trust with suppliers, enhances regulatory compliance, and safeguards the reputation of the organization. The investment in cutting-edge fraud prevention technology is a critical component of a robust risk management strategy, as it strengthens the resilience and credibility of P2P processes in the face of a rising tide of fraudulent threats. It should also be noted that a move to P2P automation can be a significant deterrent to fraud as it greatly increases the control over the order, invoice, and payment processes.

Prediction #8 – More Companies Will Move Supply Out of China

The challenges facing CPOs today are numerous and significant; for many, those challenges start and end with their supply chain. The global pandemic exposed vulnerabilities in many supply chains, highlighting the need for greater resilience and agility. The well-documented supply chain disruptions that arose during the pandemic led to shortages of critical materials, delayed shipments, and increased costs, causing a substantial financial impact on businesses in all industries and geographies. The hangover from the pandemic has lingered, but now, businesses are starting to respond by reevaluating their supply chains.

Ardent Partners predicts that in 2024, a large number of CPOs will undertake a strategic reassessment of their current supply chains that are designed to make them less risky, more resilient, and broadly sustainable. The result of these CPO-led projects will be an inevitable (and quite large) exodus of supply away from China. There have already been several high-profile instances of world-class corporations moving supply out of China and into new regions, such as Apple's recent entry into India.

Many factors will contribute to this larger macro-level shift, with East-West geopolitical/trade tensions foremost among them. The continued development and growth of the countries in the Eurasian belt just west of China is another factor.

Cost and security concerns will also lead some groups to nearshore and re-shore some supply. When supply chain shifts are recommended, procurement will need to work with finance and business stakeholders to achieve a balance between the short-term switching costs and the long-term benefits from the transition.

Prediction #9 – China Will Ease Its Trade Policies

As China's economic growth continues to decelerate throughout 2024, Xi Jinping and other political leaders will face mounting pressure to sustain employment levels and maintain stability. Meanwhile, Western companies are likely to intensify efforts to shift production and sourcing away from China, seeking to mitigate risks associated with overreliance on a single country. The resulting loss of investment and jobs presents a clear economic risk that Beijing cannot afford to ignore. The prospect of a diminished role in global supply chains would undermine China's long-term economic prospects and international influence, prompting policymakers to reassess their stance on trade relations with the West. As the economic impact of the supply shift on China grows, Chinese leaders may even be forced to address key concerns raised by Western nations, such as intellectual property rights protection, market access, and fair labor and trade practices. Any initial shift in policies (and overall tone) by Chinese leadership will be small but may be a positive step toward reestablishing a stable and predictable foundation for global trade that is beneficial to China and the West.

Prediction #10 – Supply Chain Disruptions Will Persist

Supply chain disruptions have become an increasingly prevalent concern. It should come as no surprise that Ardent Partners predicts these challenges will continue apace in 2024, driven by

three “Ws” — weather, war, and western diversification. Weather extremes, exacerbated by climate change, will persist in disrupting transportation routes, damaging infrastructure, and affecting production capabilities —the drought impacting the Panama Canal is a perfect example. Meanwhile, wars in the Middle East and Eastern Europe continue to pose ongoing risks to supply chain stability; the Red Sea attacks impacting the Suez Canal is another striking example. Finally, the diversification away from a reliance on Chinese manufacturing (see *Prediction #8*) will also create issues. While diversification may enhance resilience in the long term, the transitional phase may be fraught with challenges, including sourcing disruptions, capacity constraints, and logistical complexities.

Prediction #11 – Smart Sourcing Will Save the Day in 2024

In 2024, smart sourcing will be critical to procurement's performance in the face of reduced (but still real) inflationary pressures, supply chain disruptions, and suppliers' general drive to increase margins. Smart sourcing involves leveraging data-driven insights, market intelligence, and strategic supplier relationships to optimize procurement decisions. It also involves eSourcing technology.

By analyzing historical spend and market trends, procurement teams can identify cost-saving opportunities, negotiate favorable pricing agreements, and proactively address supplier price increases. To combat higher prices, procurement teams will also spend more time exploring alternative sourcing options that can reduce the business' exposure to price volatility while meeting acceptable quality and risk levels.

Prediction #12 – The U.S. Election Will Be High Stakes for CPOs

It is a presidential election year in the United States. Every election year, the talking head pundits on each 24-hour news channel will literally say “this is the most important election of our lifetimes” — they are saying that to improve their ratings. It may or may not be true. But, given the highly-polarized state of the United States in 2024 (see *Trend #5*), the outcome in November could have a significant impact on business, supply chains, and the CPO — and not just U.S.-based CPOs. Putting politics aside, there are a series of issues that will change based on who (and what party) wins the election. Here are a few:

The U.S. presidential election will impact NATO and its future. Will NATO continue to exist? How will the United States’ military and financial support to Ukraine be impacted? If support for Ukraine ends or decreases, what will that mean for the outcome of the Russo-Ukrainian War? Will an empowered Putin place other independent countries (i.e., Poland or the Baltics) at risk? How do these potential changes impact the supply chain today? The U.S. trade policy toward China will be different depending on who is elected president. These and other issues like them must be considered when making sourcing decisions in 2024.

In 2022 and 2023, CPOs prioritized ESG programs above many others. Will continued investment and focus in ESG make sense after the election? Finally, Ardent Partners predicts that there will be economic consequences no matter who wins; the stock market and supply markets will be impacted. The return of inflation and the risk of recession in 2025 increases greatly, no matter who wins.

2024 Predictions:

- The Global Economy Stays Strong
- A Fully-Automated Procurement Operation Becomes the CFO’s Imperative
- The CPO’s Digital Strategy Will Define the Organization for the Next Decade
- AI Becomes a Procurement Reality
- CPOs Will Match AI Usage with Strong Governance
- 2024 Will be the Year of Intake & Orchestration
- P2P Teams Will Invest Aggressively in Fraud Prevention Technology
- More Companies Will Move Supply Out of China
- China Will Ease Its Trade Policies
- Supply Chain Disruptions Will Persist
- Smart Sourcing Will Save the Day in 2024
- The U.S. Election Will Be High Stakes for CPOs
- Buyer Beware: “Fake News” and Disinformation Invades Supply Markets



Prediction #13 – Buyer Beware: “Fake News” and Disinformation Invades Supply Markets

Fake news and disinformation campaigns have been very effective in creating confusion and affecting political opinions on social media. These tools have the potential to do exactly the same thing within supply markets by manipulating perceptions, distorting facts, and sowing distrust among stakeholders. They are being used today and that use will grow exponentially over the next 3 years. Here are a few examples of how they could be used:

- 1. False Reports on Supplier Performance:** Malicious actors could spread false information about suppliers' performance, quality standards, or ethical practices through fake news articles, fabricated reviews, or misleading social media posts. This misinformation could lead to unwarranted concerns or doubts among buyers, impacting their decisions and disrupting supply chains.
- 2. Market Speculation:** Fake news and disinformation campaigns can artificially inflate or deflate market perceptions by spreading rumors or false reports about supply and demand dynamics, commodity prices, or geopolitical events. This misinformation may trigger panic buying, stockpiling, or speculative trading activities, leading to price volatility and market distortions.
- 3. Counterfeit Products:** Disinformation campaigns could promote counterfeit or

substandard products as genuine, misleading buyers about their authenticity, safety, or performance. This can undermine consumer trust, compromise product integrity, and create liability risks for businesses throughout the supply chain.

- 4. Manipulation of Regulations:** Fake news and disinformation can be used to influence public opinion and policymakers, shaping regulatory agendas or trade policies in favor of certain industries or stakeholders. By spreading misinformation about the environmental or health impacts of specific products or practices, malicious actors may seek to sway regulatory decisions or hinder market access for competitors.
- 5. Cyberattacks and Data Manipulation:** Disinformation campaigns may be coupled with cyberattacks or data manipulation tactics to compromise supply chain integrity or disrupt critical infrastructure. By spreading false alerts about security breaches, product recalls, or supply chain disruptions, cybercriminals can create chaos and undermine confidence.

Combatting fake news and disinformation in supply markets requires a multi-faceted approach involving enhanced transparency, critical thinking, fact-checking mechanisms, and collaborative efforts among stakeholders. Procurement teams can play a pivotal role in mitigating the impact of misinformation by fostering trusted relationships with suppliers, conducting thorough due diligence, and staying vigilant against potential threats to supply chain integrity and reputation.



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With 25 years in the industry and 15 years leading the charge at Ardent Partners, Andrew Bartolini is a globally-recognized expert in sourcing, procurement, supply management, and accounts payable.

As the Chief Research Officer at Ardent Partners, Andrew oversees all research and client programs including the annual State of the Market and Metrics that Matter eBook Series', Technology Advisor Reports, Ardent's monthly webinar series, as well as its in-person and virtual CPO Rising Summits.

Andrew is also the publisher of CPO Rising, the news and research site for Chief Procurement Officers and other procurement leaders (www.cporising.com) and the host of the industry's exciting new podcast, [Procurement Rising](#).

Advisor to corporate executives and leading solution providers alike, Andrew is a sought-after presenter, having lectured and presented more than 700 times in ten different countries. Over the past decade, Andrew has benchmarked thousands of enterprises across all facets of their sourcing, procurement, supply management, and accounts payable operations and his research has been part of the Supply Chain Management curriculum at several US universities.

He actively covers the technology marketplace as well as trends in sourcing, procurement, supply management, and accounts payable and has been published or quoted in leading business publications including The Wall Street Journal, Business Week, Investor's Business Daily, Forbes, and Fortune, as well as the major trade publications focused on accounts payable and supply management.

Prior to becoming an industry analyst, Andrew developed, packaged, deployed, and used supply management solutions on behalf of enterprises in the Global 2000 while working for several prominent spend management solution providers. Additionally, his experience in strategic sourcing (where he managed sourcing projects totaling more than \$500 million in aggregate client spend), business process transformation, and software implementation provides a "real-world" context for his research and writing.)

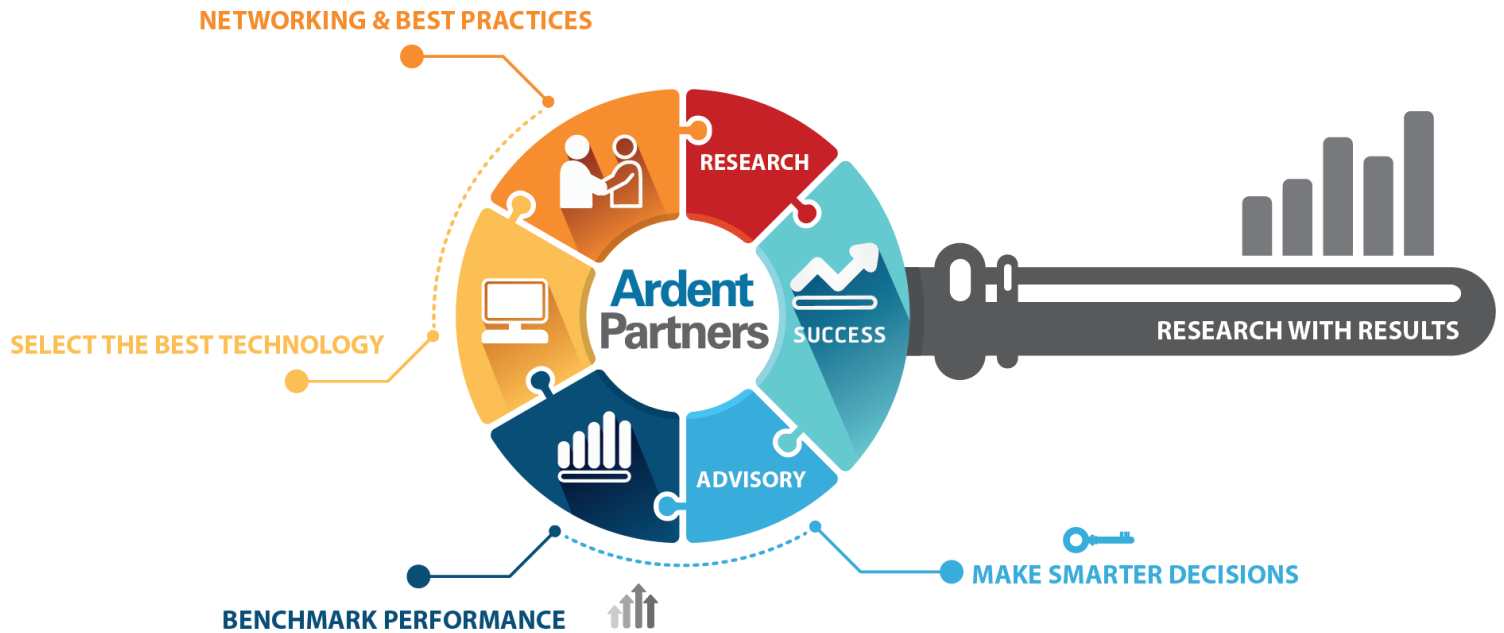
Andrew's post-MBA work started in management consulting and investment banking where he structured, managed, and advised on large capital market transactions. Andrew began his professional career running a homeless family shelter in Los Angeles. He welcomes your comments at abartolini@ardentpartners.com or 617.752.1620.

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