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Most Procurement AI Investments Are Stalling. Here Is Why — and What to Do.

A global study of 240 senior procurement leaders finds strong appetite for agentic AI, a widening execution gap, and one clear differentiator between organisations seeing results and those still experimenting: leadership that treats AI as a business transformation, not a technology project.

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ABOUT THIS RESEARCH.

- **Objective**
  To benchmark global enterprise procurement leaders on AI readiness, deployment maturity, governance discipline, and measured outcomes — and identify what separates organisations seeing real results from those still in pilots.

- **Revenue Qualification**
  APAC/EMEA: $500M+ annual revenue (or $2B+ for non-HQ organisations). North America: $750M+. Ensures enterprise-scale procurement environments only.

- **Sample & Fieldwork**
  N=240. Europe n=90 (38%), North America n=88 (37%), APAC n=62 (26%). Online questionnaire. Field dates: January 7 – February 4, 2026. Conducted by Foundry (IDG) on behalf of Zycus. Statistical testing at 90% confidence intervals.

- **Audience Profile**
  CPOs, VPs, Directors, Heads of Procurement. 59% Senior (CPO–Director), 41% Mid-Management. 63% primary decision-makers. Industries: Manufacturing (19%), Technology (18%), Retail (16%), Healthcare (10%), Financial Services (9%), Professional Services (8%).

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THE CENTRAL FINDING

Interest in Agentic AI Is Near-Universal. Scaled, Governed Deployment Is Rare.

Procurement leaders are not short of AI ambition. They are short of AI execution. The gap between what organisations want agentic AI to do and what it is actually doing today is the defining challenge of 2026 — and the data from this study makes it measurable.

Respondents project that AI agents will handle 35% of procurement work within two years, up from an average of 11% measured impact today. Eighty-two percent are open to AI negotiating purchases on their behalf. And yet the vast majority of organisations remain stuck between experimentation and limited production use, with full-scale autonomous operations achieved by a small minority.

The barriers are not what most leaders expect. The business case is not in question — only 15% cite unclear ROI as a barrier.

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The technology integration challenge is receding — only 20% flag ERP integration as a primary obstacle. What is actually holding organisations back is a confidence gap: 50% cite security concerns and 47% cite trust in AI decision-making as their top barriers. These are governance problems, not technology problems — and they have a governance solution.

82%

open to AI agents negotiating purchases on their behalf — 6% are already doing it

35%

of procurement work expected to be AI-handled in 2 years vs. 11% average impact today

50%

cite security concerns as their top barrier — not technology, not ROI, not integration

SECTION 1 — WHERE THE MARKET ACTUALLY STANDS

Most Organisations Have Automation. Almost None Have Autonomy.

The distinction matters. Automation reduces the effort required to complete individual steps. Autonomy means those steps are connected, governed, and self-executing end-to-end — with AI making decisions within policy boundaries and escalating only when genuinely needed. Most organisations have the former. Very few have the latter.

Across seven core procurement functions — intake and request routing, sourcing, tail spend management, supplier onboarding, contract management, supplier risk monitoring, and invoice processing — the modal position across the market is “automated workflow with human oversight.” That is a meaningful achievement. It is not autonomy.

The technology environment compounds the challenge. Nearly 40% of organisations operate across multiple disconnected point solutions. Thirty-five percent remain primarily ERP-native. Only 20% have deployed a source-to-pay suite on top of ERP — the architecture most conducive to cross-functional orchestration. Six percent still rely primarily on spreadsheets and email.

FIGURE 1 – AI ADOPTION MATURITY IN PROCUREMENT

STAGE 1	STAGE 2	STAGE 3 – WHERE MOST SIT	STAGE 4 – THE TARGET
No AI Initiatives No active AI programmes – watching and waiting	**Early Pilots** Experimentation underway; limited or no production deployment	**Scaling Across Workflows** Copilots, chatbots, point agents in limited or scaling production use	**Fully Embedded Autonomy** Governed, orchestrated, end-to-end autonomous AI operations
1%	20%	71% of respondents	~9% of respondents*

*** Note on the 9%.** This figure represents respondents who self-reported "fully embedded, autonomous AI operations." Given that only 23% consistently attribute improvements to AI, and fewer than 17% rate themselves fully ready on any governance dimension, the true proportion operating at genuine, governed end-to-end autonomy is likely smaller. The 9% is best read as an aspirational upper bound, not a verified count.

SOURCE: FOUNDRY/ZYCUS SURVEY, N=240, Q5. BASE: ALL RESPONDENTS.

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SECTION 2 — THE USE CASE THAT COULD CHANGE EVERYTHING

AI Negotiation: The Breakthrough Most Leaders Want and Few Have Committed To.

When asked which procurement functions are most suitable for agentic AI today, leaders point to high-volume targets: spend analytics and classification (49%), AP and invoice automation (44%), and supplier risk monitoring (42%). These are the right starting points – high transaction volume, clear inputs and outputs, well-defined success metrics.

But the finding that most clearly signals where the market is heading is not about any of them. Fifty-four percent of senior procurement leaders are "very interested" in using AI agents to negotiate purchases on their behalf – and a further 28% are moderately interested. Combined, 82% are open to AI influencing commercial outcomes. Senior decision-makers run higher still, at 62% very interested.

This matters because negotiation is where procurement's financial value is most directly created. Every percentage point of savings in an

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AI-assisted supplier negotiation is measurable, attributable, and boardroom-relevant. It is also the use case that most vividly illustrates what the shift from "automating tasks" to "producing outcomes" actually means in practice.

Figure 2

Use Cases Most Suitable For Agentic Ai Today

SOURCE:FOUNDRY/ZYCUS SURVEY, N=240, Q7. MULTIPLE RESPONSES PERMITTED.

> "We have shifted from manual tail-spend firefighting to strategic, large-scale negotiations — **speeding up decisions, maximising savings, and enabling our procurement team** to focus on higher-priority tasks."
>
> — **JASWINDER SAINI** · VP & HEAD OF SUPPLY CHAIN

SECTION 3 — THE REAL BARRIER: GOVERNANCE, NOT TECHNOLOGY

Organisations Are Deploying AI Faster Than They Are Building the Governance Infrastructure to Sustain It.

The survey probes readiness across five dimensions critical to scaling agentic AI. The results reveal a consistent pattern: most organisations are moderately or very ready on most dimensions, but fully ready on almost none. Only 10% say they are fully ready on governance and compliance — the dimension most directly connected to the security and trust concerns that rank as the study's two leading barriers.

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This is the core paradox of the autonomous procurement gap: the thing most limiting AI scale is not investment or capability. It is the absence of governance infrastructure that would make leaders comfortable granting more autonomy.

FIGURE 3 — READINESS TO SCALE AGENTIC AI ACROSS FIVE DIMENSIONS

Data Quality & Availability

55%

VERY / FULLY READY

Integration Readiness (ERP/S2P)

46%

VERY / FULLY READY

Governance & Compliance

47%

VERY / FULLY READY

Operating Model & Escalation

47%

VERY / FULLY READY

Change Mgmt & Training

47%

VERY / FULLY READY

SOURCE: FOUNDRY/ZYCUS SURVEY, N=240, Q11. «VERY READY» + «FULLY READY» COMBINED.

What Governance Looks Like in Practice.

A separate set of questions probes whether specific governance mechanisms are actually in place. The results are more encouraging at the operational level — 86% say they actively monitor AI performance and risk, 82% have defined human escalation paths for exceptions. But the most important number is at the bottom: only 66% of respondents say that stakeholders trust AI outputs enough to act on them without re-verifying. An AI system that generates good outputs but requires humans to double-check every one is not delivering autonomy — it is delivering a more expensive form of the manual process it was meant to replace.

86%

Actively monitor AI performance and risk in procurement

82%

Have defined human escalation paths for AI exceptions

78%

Have clear policies for where AI can and cannot make decisions

66%

Stakeholders trust AI outputs enough to act without re-verifying — the critical gap

SOURCE: FOUNDRY/ZYCUS SURVEY, N=240, Q12. «SOMEWHAT AGREE» + «STRONGLY AGREE» COMBINED.

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SECTION 4 — WHAT AI IS DELIVERING — AND WHAT IS STILL UNPROVEN

The Value Is Real. The Measurement Discipline to Prove It Is Not.

Among organisations already deploying AI or automation in procurement, the outcomes are broad and consistent: 61% cite cost savings, 51% report cycle-time reduction, 47% have freed employee capacity, and 45% each show improved compliance and risk reduction. The average measured improvement is 11% — significant in procurement terms, where single-percentage-point gains translate to material financial impact at enterprise scale.

The forward projection is striking. Respondents expect AI agents to handle an average of 35% of procurement work within two years. Among the largest organisations ($5B+ revenue), 22% project AI will manage more than half of their procurement workload in that window.

11%

Average measured improvement delivered by procurement AI today — across cost, cycle time, compliance, and risk

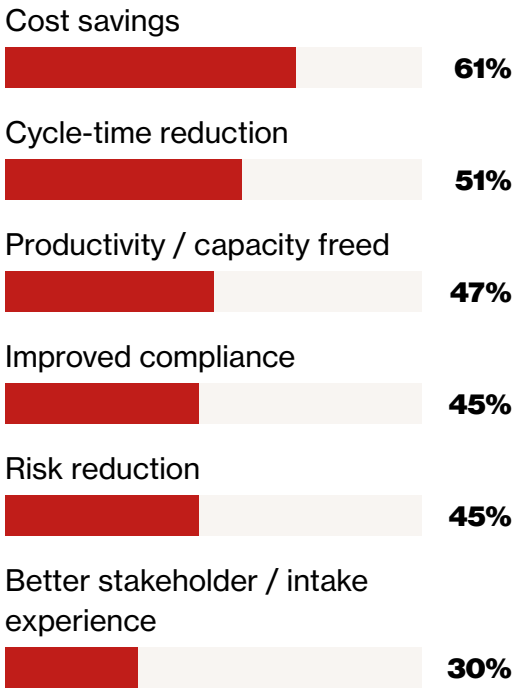
35%

Average AI workload share expected within 2 years — a tripling of current penetration, backed by committed roadmaps

SOURCE: FOUNDRY/ZYCUS SURVEY, N=240, Q11. «VERY READY» + «FULLY READY» COMBINED.

Figure 4

REALISED OUTCOMES FROM PROCUREMENT AI/AUTOMATION



SOURCE: FOUNDRY/ZYCUS SURVEY, N=240, Q14. MULTIPLE RESPONSES PERMITTED.

The Measurement Gap That Matters Most

Despite these gains, measurement discipline lags deployment ambition in a way that will become a strategic liability. The weakest link: only 23% consistently attribute improvements specifically to AI interventions rather than broader automation. That attribution gap makes it difficult to know which AI investments are working, impossible to build internal confidence in AI decision-making, and hard to justify scaling budgets based on evidence rather than optimism.

MEASUREMENT PRACTICE	CONSISTENTLY TRUE	MOSTLY TRUE	SOMETIMES / RARELY
Establish baselines before AI deployment	25%	46%	29%
Validate savings (not just estimates)	28%	41%	31%
Track cycle time and productivity consistently	28%	49%	23%
Attribute improvements specifically to AI← weakest	23%	45%	25%

SOURCE: FOUNDRY/ZYCUS SURVEY, N=240, Q13.

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SECTION 5 — WHAT IS ACTUALLY HOLDING ORGANISATIONS BACK

The Barriers Are Confidence Gaps, Not Capability Gaps.

Security concerns (50%) and trust in AI decisions (47%) are the two leading barriers — consistent across every segment of the study, regardless of region, company size, or seniority level. Neither is primarily a technology problem. Both are the result of deploying AI in environments where decision logic is insufficiently transparent, actions are not fully traceable, and stakeholders have limited visibility into how outcomes were reached.

The relatively low ranking of unclear ROI (15%) deserves attention. Most procurement leaders are not questioning whether agentic AI creates value. They have seen enough to be convinced. What they lack is the execution confidence to expand it: assurance that AI systems operate within defined policy boundaries, that exceptions are escalated appropriately, and that a human can explain what the AI did and why.

Figure 5

Top Barriers To Broader Agentic Ai Adoption

SOURCE: FOUNDRY/ZYCUS SURVEY, N=240, Q16. MULTIPLE RESPONSES PERMITTED.

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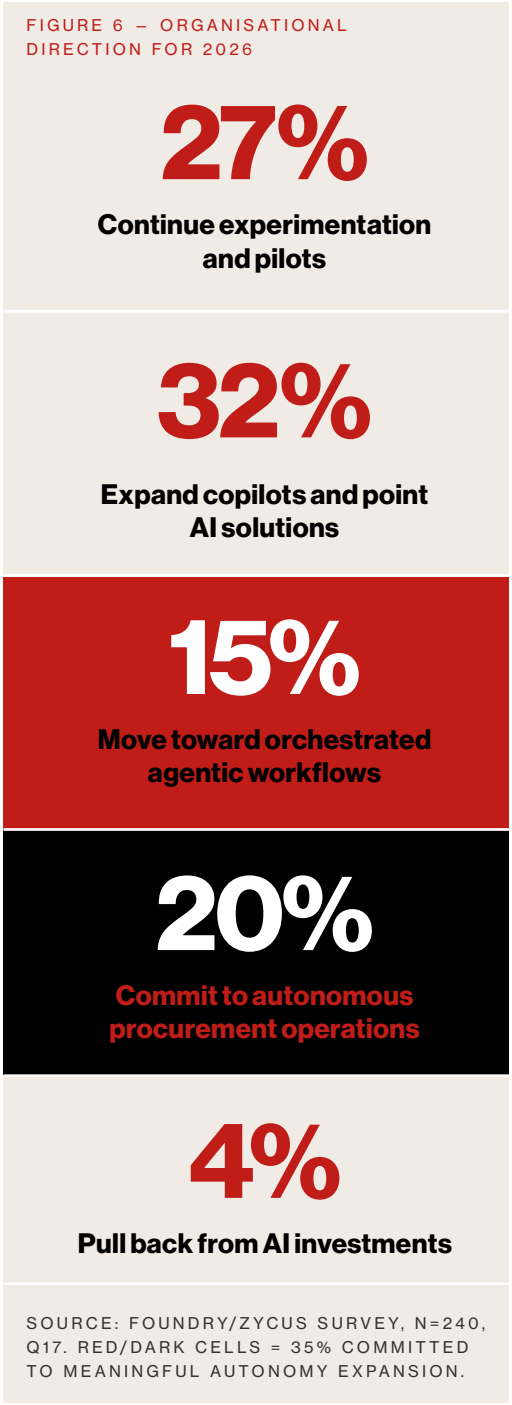
SECTION 6 — WHERE THE MARKET IS HEADING

A Third of the Market Is Committing to Orchestrated Autonomy. The Rest Must Decide How Fast to Follow.

Pullback from AI is rare — only 4% plan to reduce AI investment. But the speed and quality of execution will separate the organisations that lock in competitive advantage in the next 24 months from those spending that time catching up.

The largest single group (32%) plans to expand copilots and point AI solutions — delivering incremental value, but risking compounding fragmentation. Twenty-seven percent will continue experimentation. But a combined 35% are committed to either moving toward orchestrated agentic workflows (15%) or committing to fully autonomous procurement operations (20%). That 35% is setting the competitive benchmark — every month they operate at higher autonomy is a month the rest of the market is not.

FIGURE 6 – ORGANISATIONAL DIRECTION FOR 2026



SOURCE: FOUNDRY/ZYCUS SURVEY, N=240, Q17. RED/DARK CELLS = 35% COMMITTED TO MEANINGFUL AUTONOMY EXPANSION.

> "We truly believe that **agentic AI can revolutionize the way we work** and the way we interact with our stakeholders and the way we do business."
>
> — **HERVÉ LE FAOU** · CHIEF PROCUREMENT OFFICER, THE HEINEKEN COMPANY

EDITORIAL PERSPECTIVE · OUTSIDE THE SURVEY DATA

What the Organisations Seeing Results Actually Do Differently

The survey data tells you where the market is. It does not tell you what separates the organisations moving ahead from those standing still. One differentiator stands out above all others: **leadership ownership.**

AI adoption succeeds when leadership owns it. It stalls when it is delegated.

The organisations seeing real results share a recognisable operating posture. They:

– Set clear, outcome-specific targets – not "deploy AI" but "reduce tail-spend cycle time by 40%" or "automate 60% of intake routing"
– Track outcomes, not activity – not how many pilots are running, but what measurable procurement improvement AI has produced
– Review progress at leadership level on a regular cadence
– AI performance is a leadership agenda item, not an IT status update
– Treat AI as a business transformation, not a technology project – which means procurement leaders own the mandate, not IT

The practical implication for any CPO or CIO reading this: **stop waiting for the perfect use case.** Pick one flow that matters – something that touches a meaningful portion of your team's work. Then demand three things of it:

– It must be autonomous – not AI-assisted, not AI-recommended, but AI-executing within defined parameters
– It must deliver measurable outcomes – with baselines set before deployment and attribution tracked rigorously
– You must own it personally – not as a sponsor, but as the accountable leader who reviews results and removes obstacles

The organisations that lead this transition will not be the ones that experimented the most. They will be the ones that **built on the right foundation – governed, orchestrated, outcome-focused – and committed early.**

EDITORIAL PERSPECTIVE BASED ON OBSERVED MARKET PATTERNS. NOT DERIVED FROM SURVEY DATA.

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SECTION 7 — FROM INTAKE TO OUTCOME: THE ARCHITECTURE THAT CLOSES THE GAP

The Gap Is a Governance and Orchestration Problem — Which Means It Has a Solution.

The data defines the problem precisely. Organisations are not failing to adopt AI — they are adopting it in fragmented, function-specific deployments that solve local problems without adding up to end-to-end transformation. The procurement journey — from the moment a request enters the system at intake to the point a supplier delivers and an invoice is settled — spans multiple systems, multiple decision points, and multiple stakeholders. Optimising individual steps without governing the full chain leaves the largest gains in speed, savings, compliance, and risk unrealised.

The shift required is architectural: from task automation to workflow orchestration. A governed orchestration layer connects what is currently fragmented — intake to sourcing, sourcing to contracting, contracting to purchasing, purchasing to invoice settlement — with AI agents operating within policy boundaries and escalating to humans only when genuinely needed.

The platform architecture required has four non-negotiable requirements. It must work across existing ERP and point solution environments without requiring wholesale replacement. It must support human-in-the-loop design natively. It must embed governance and auditability at the execution layer. And it must allow procurement teams to configure agent behaviour without engineering dependency.

Zycus enables procurement teams to close these governance and integration gaps through a no-code, secure orchestration layer for source-to-pay processes — moving procurement automation from individual task completion to coordinated, policy-aware, end-to-end execution, with compliance built in and human teams redirected toward the strategy, negotiation, and supplier performance work where their judgment creates the most value.

Key Finding: What would make agentic AI a genuine game-changer? Respondents name four outcomes that no single tool delivers in isolation: increased productivity and freed strategic capacity (40%), measurable cost savings (37%), better risk detection and mitigation (32%), and faster cycle times from intake to outcome (30%). The combination of all four is what governed, end-to-end orchestration delivers — and what procurement leaders are measured on.

61%

of AI-deploying organisations report realised cost savings — the most common proven outcome

66%

say stakeholders trust AI outputs enough to act without re-verifying — the real trust gap to close

23%

consistently attribute improvements to AI specifically — the measurement gap that limits scale

Closing the gap between Agentic AI ambition and Execution

The next challenge for procurement leaders is not adopting AI — it's scaling it with governance, measurable impact, and enterprise-wide execution. Zycus helps procurement teams move from fragmented pilots to governed workflows, intelligent automation, and measurable business outcomes.

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