

The CPO agenda for 2026

[Operations and Performance](#) / Article

November 28, 2025

In a fragmented global landscape, procurement leaders can chart a way forward by following five signposts in the year ahead.

Global volatility is the new normal. The world economy is marked by fragmented trade systems, rising protectionism, and diverging regional growth paths. Supply networks are being redrawn, industrial policy is rewriting competitive rules, and technology—especially AI—is redefining how organizations operate and make decisions.

For procurement, this environment demands more than cost control: it requires strategic foresight, adaptability, and innovation. Against this backdrop, five themes will dominate the CPO agenda for 2026.

1. Create a competitive advantage through digitalization and AI

AI is one of the most powerful tools for sharpening procurement's competitive edge. In 2026, the focus will shift from exploration to disciplined implementation, embedding AI where it can create a measurable impact.

Build AI into every category strategy. AI can bring structure, speed, and sharper insights to category management. Every category manager will need to understand how demand changes as well as how the sourcing and supplier-driven solutions evolve. For example, in marketing and IT, the optimization potential is already evident. It's time for procurement to discuss how to use AI to improve efficiency and lower costs.

Implement disruptive digital solutions that lead to cost savings, resilience, speed, innovation, and sustainability. While many applications are still maturing, hundreds of AI tools are already delivering a measurable impact across the procurement value chain. Automated data processing, spend classification, and market analysis can create faster transparency and superior insights. Kearney's [Rapid.AI assessment](#) shows how structured analytics and automation can unlock double-digit savings in indirect categories, such as marketing. At the same time, next-generation platforms are scaling fast: contract analytics tools such as Icertis and Evisort cut review cycles from weeks to minutes, while forecasting and planning solutions such as Blue Yonder use machine learning to predict demand, optimize orders, and align sourcing with business needs.

Protect data and IP ownership when deploying AI tools. With AI, contract structures must explicitly address ownership of knowledge created when data or expertise is shared with external tools or partners. Without clear provisions, companies risk losing control of IP, know-how, and strategic insights. CPOs will need to work hand in hand with the legal department to build contractual safeguards that protect ownership and to ensure confidentiality to avoid knowledge drain.

2. Navigate trade shifts, and build resilient supply chains

Global trade dynamics are undergoing a structural transformation. What began as temporary disruptions from tariffs and geopolitical tensions has evolved into a new era of regionalization, industrial policy, and resilience-driven sourcing. For CPOs, these developments are redefining global supply strategies and elevating procurement's role in steering enterprise resilience and competitiveness.

Adapt sourcing strategies to changing tariff regimes. The global tariff landscape will continue to evolve as governments deploy industrial policies and regional trade barriers to protect domestic industries. According to Kearney's [Transatlantic trade under pressure](#) analysis, more than half of European exporters face new US import tariffs, while North America's reindustrialization incentives are accelerating a \$10 trillion wave of investments in nearshoring and reshoring. Procurement must systematically monitor tariff changes and integrate them into category and sourcing strategies. Scenario planning and cost-to-serve modeling can help organizations anticipate exposure and identify opportunities for alternative sourcing across regions.

Embed tariff intelligence into strategic planning and decision-making. Trade and tariff risks are no longer isolated concerns—they are shaping structural decisions across the value chain. Leading procurement organizations are embedding tariff intelligence into both short- and long-term strategic planning to inform supplier selection, footprint optimization, and make-versus-buy decisions. Integrating data from customs, logistics, and regulatory sources enables faster and more informed responses to shifts

in trade policy. Tools such as Kearney's [Tariff Impact Model](#) or other AI-based trade-risk analytics platforms can provide real-time insights on tariff exposure and regulatory changes, helping procurement proactively mitigate risk and protect margins.

Run stress tests for geopolitical, climate, cyber, and other supply-side shocks. Geopolitical fragmentation, climate-driven disruptions, and cyber vulnerabilities will continue to test global supply networks. Leading companies conduct regular supply chain stress tests to identify weaknesses and assess recovery capabilities across critical categories and regions. Embedding resilience KPIs into supplier scorecards and performance reviews can link risk preparedness directly to procurement effectiveness. Digital twins and predictive simulations can enhance visibility, enabling organizations to transform uncertainty into foresight and strengthen their ability to respond swiftly to future shocks.

3. Optimize procurement operating models

Procurement operating models will consolidate around a balanced mix of internal expertise, AI-enabled automation, and business process outsourcing (BPO). The objective is a scalable, outcome-focused setup that improves speed, transparency, and control while concentrating scarce talent on high-impact, market-facing tasks.

Ensure clear positioning and responsibilities of procurement. To translate procurement's strategic value into measurable outcomes, position the function more prominently in the enterprise structure. Executive-level sponsorship and a clear reporting line (for example, to the COO or CFO) place procurement in core decision forums for product, supply, and investment choices. The enterprise-wide role is defined end to end. A RACI across business units, centers of excellence, and providers codifies who leads, who decides, and who executes.

Divide tasks toward procurement's own capacity, AI-driven and BPO-led. Reshape work systematically along a "make-automate-outsource" logic. Keep capability-critical and high stakeholder-interaction activities in-house to protect know-how and stakeholder proximity. Automate repeatable tasks with GenAI and advanced analytics to stabilize quality and cycle times. Route transactional volumes to specialist BPO partners to flex capacity and improve unit economics. In addition, the resulting division of labor—own capacity, AI-driven and BPO-led—can anchor governance, roles, and delivery footprints in measurable value creation.

Assess the possibilities of sourcing alliances. Evaluate selected categories for joint or alliance-based sourcing to pool volume, widen market access, and accelerate innovation. Screen potential partners for complementary demand profiles and risk exposure; governance covers antitrust compliance, data sharing, and decision rights. Alliance formats range from project-based cooperation to longer-term consortia with standardized specifications and shared supplier development. Where applicable, directed-buy or joint commercial models can translate market knowledge into tangible top-line and cost benefits while preserving supply resilience.

4. Accelerate growth through supplier-driven innovation

Procurement is positioned to become a true engine of innovation and business growth. Amid accelerating technological change, sustainability pressures, and shifting trade dynamics, the ability to orchestrate innovation across the supplier ecosystem can create a powerful competitive advantage. To unlock this potential, procurement must not only enable but also actively drive supplier-led innovation—shaping the agenda, connecting external capabilities with internal needs, and translating ideas into tangible business impact. Companies that manage supplier innovation systematically achieve higher margins, faster time-to-market, and stronger resilience.

Segment suppliers by performance and strategic potential to define tailored relationship models.

Leading organizations segment their supply base by performance, innovation capacity, and strategic relevance to focus resources where they create the greatest impact. This enables the design of tailored relationship model—from transactional to strategic partnerships—with clear roles, shared objectives, and mutual accountability. By embedding resilience and continuous improvement into these models, procurement transforms supplier management into a lever for sustained agility and competitiveness.

Lead innovation through market knowledge. Procurement’s deep market and supplier insights position the function as a strategic driver of both innovation and optimization. By systematically capturing market signals, benchmarking performance, and identifying emerging technologies, procurement can anticipate shifts and guide the organization’s innovation road map. Leading companies are institutionalizing this capability through dedicated start-up screening hubs and innovation platforms that connect internal business challenges with external solution providers. This enables procurement to move from passive observer to active orchestrator of innovation—shaping product development, enhancing cost efficiency, and securing long-term competitive advantage.

Activate category know-how through scouting and collaboration. Turning category expertise into innovation impact requires structured external engagement. Advanced procurement functions deploy continuous market scans, supplier scouting programs, and dedicated innovation events such as supplier innovation days to identify breakthrough technologies and emerging suppliers. Collaboration with start-ups and academic or tech ecosystems expands the innovation funnel and brings fresh perspectives to long-standing challenges. This systematic, data-driven approach ensures that supplier collaboration is not coincidental but institutionalized and that procurement becomes the catalyst for cross-functional co-innovation.

5. Transform talent and culture

In a rapidly transforming procurement landscape, technology alone doesn’t create a competitive advantage. People do. The shift toward data-driven, AI-enabled procurement demands a workforce that is digitally fluent, strategically minded, and culturally adaptable. CPOs must therefore invest in new skills, redefined roles, and a culture that embraces change to translate digital ambition into lasting business impact.

Reskill teams in AI, data, and digital sourcing. The skills that defined procurement excellence yesterday won’t be enough for tomorrow. Forward-thinking CPOs will embed digital fluency across their organizations, equipping teams with confidence in analytics, automation, and AI-driven decision-making. Reskilling should enhance, not replace, category expertise, enabling procurement professionals to combine human judgment with data-backed precision. Early investments in these hybrid capabilities will create a durable performance edge.

Redesign roles toward AI-augmented procurement. Automation is reshaping how work gets done, shifting procurement from transactional execution to strategic orchestration. CPOs must redefine governance, decision rights, and incentives to enable human-machine collaboration at scale. By embedding digital accountability into roles, freeing capacity from routine tasks, and elevating category managers into strategic partners, procurement can move from support function to enterprise value driver.

Foster a culture of curiosity, engagement, and pragmatism. No digital transformation succeeds without cultural transformation. Leading CPOs champion a culture of curiosity and continuous learning, encouraging teams to experiment with new approaches and embrace technology. At the same time, accountability and pragmatism are essential to turn innovation into measurable outcomes.

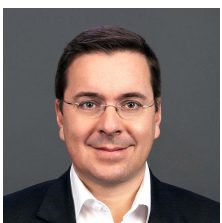
Procurement at a crossroads

In 2026, procurement will stand at a pivotal inflection point. The combined forces of geopolitical fragmentation, rapid technological advancement, and accelerating innovation cycles will require CPOs to operate with greater strategic authority than ever before. The organizations that lead will be those that embed AI into core processes, build resilient and adaptive supply networks, redesign operating models for speed and scalability, and convert supplier ecosystems into engines of innovation. Above all, success will depend on investing in the people and culture that can translate digital tools and market intelligence into decisive business outcomes.

For CPOs, the mandate is clear: elevate procurement from an enabling function to a strategic force multiplier—shaping a competitive advantage, strengthening enterprise resilience, and fueling growth in an increasingly complex world.

The authors wish to thank Jan-Philipp Berghold, Simon Brück, Felix Keck, and Johannes Pistorius for their valuable contributions to this article.

Authors



Michael F. Strohmer

Partner



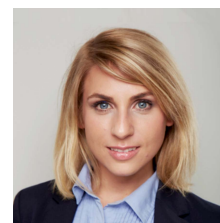
Imran Dassu

Partner



Yves Thill

Partner



Charlotte Winkelmayr

Partner

About Kearney

For 100 years, Kearney has been a leading management consulting firm and trusted partner to three-quarters of the Fortune Global 500 and governments around the world. With a presence across more than

40 countries, our people make us who we are. We work impact first, tackling your toughest challenges with original thinking and a commitment to making change happen together. By your side, we deliver—value, results, impact.

For more information, permission to reprint or translate this work, and all other correspondence, please email insight@kearney.com. A.T. Kearney Korea LLC is a separate and independent legal entity operating under the Kearney name in Korea. A.T. Kearney operates in India as A.T. Kearney Limited (Branch Office), a branch office of A.T. Kearney Limited, a company organized under the laws of England and Wales.