

AlixPartners



2026 CPO Executive Insights

Resilience: Procurement's Blueprint for the Modern Enterprise

Chief Procurement Officers are being stretched like never before.

They are often asked to deliver more with less while managing unprecedented challenges, including trade policies, supply chain disruptions, and shortages of the correct parts and the right people.

AlixPartners polled around 120 CPOs and procurement leaders in mid-2025 to assess the industry's response. The CPO Executive Insights Report, created in collaboration with Art of Procurement and Lean Six Search, identifies key priorities for procurement leaders and perceived areas of weakness, including the challenges posed by forecasting and cybersecurity.

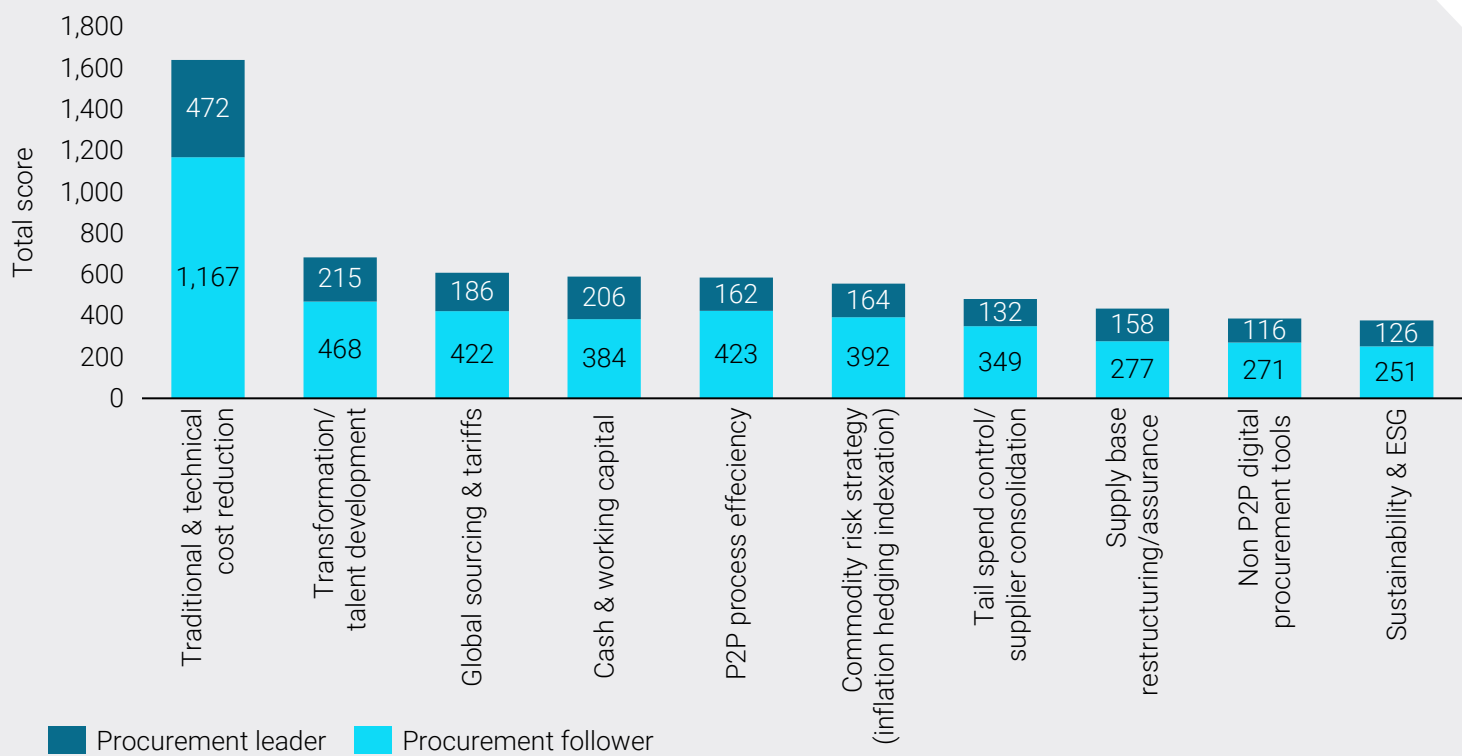
The analysis identified a clear distinction between the top 30th percentile of respondents, based on the financial performance of their companies, which we term procurement leaders. They are distinguished by their management of a larger percentage of their companies' third-party spend, a more proactive stance in strategy definition, and greater business alignment.



Key findings

- Cost reduction is the dominant priority for procurement professionals.
- Traditional approaches such as RFP negotiations and technical cost rationalization are ranked highest. Some 70% of CPOs are targeting an annual cost reduction of 2 to 5%, with top quartile companies aiming for savings of 5 to 6% compared with an overall average of 3.5%.
- Over three-quarters of survey respondents highlight the risk of supply disruptions as the top external factor influencing their strategies.
- Over 70% of CPOs are working towards some reshoring, with half expecting to transfer over 30% of their currently offshored volumes.
- Talent shortages are acute, as companies compete for digital-savvy professionals able to manage evolving roles and technologies.
- Only 5% of organizations have fully deployed AI across procurement processes, and most are still piloting or planning deployments.
- Almost half of CPOs cite digitization as their primary value lever, with ambitious goals to digitize up to 70% of procurement processes by 2027.

Key priorities by leaders and followers



Total score: based on number of participants ranking concern as highest priority (10 points) or lowest priority (1 point).

Collaborate for success

Strategic objectives must be aligned with the broader business mission, clearly articulated, and internalized by every member of the procurement team.

CPOs can't drive meaningful impact alone.

The procurement team must, for example, partner with IT to enable digital transformation, and with HR to support talent development. An alliance with the legal team is required to streamline contract processing, and with the finance team for results tracking and forward-looking budget management. When these functional relationships are combined with the trust and support of leadership, transactional and strategic impact can be delivered.

Driving business alignment requires more than just delivering and tracking savings. Broader performance measures are often poorly defined or tracked, representing an opportunity for many CPOs.

Alignment requires a more balanced scorecard that considers supplier performance, ROI per FTE, and procure-to-pay lead times, as well as the percentage of touchless orders. Broader metrics will help CPOs understand how well the function is supporting the business in processing its needs and the efficacy of teams' efforts.

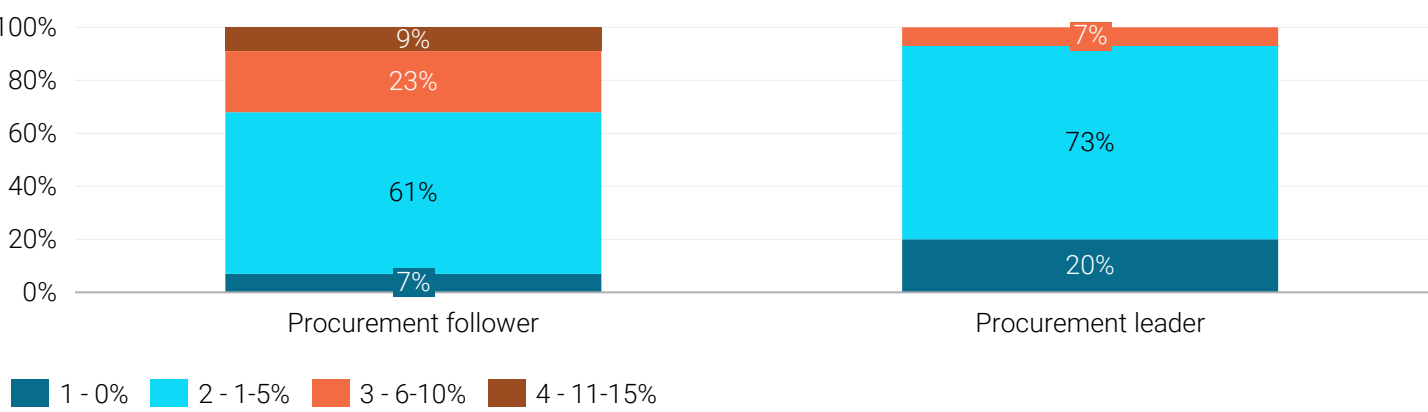
Effective supplier performance management is a crucial means to demonstrate alignment with overall business interests. This goes beyond one-dimensional cost management and addresses broader value creation and protection, innovation, and speed to market.

Survey respondents identified increasing supplier cost pressures as the largest barrier to achieving savings goals, exacerbated by poor forecasting tools.

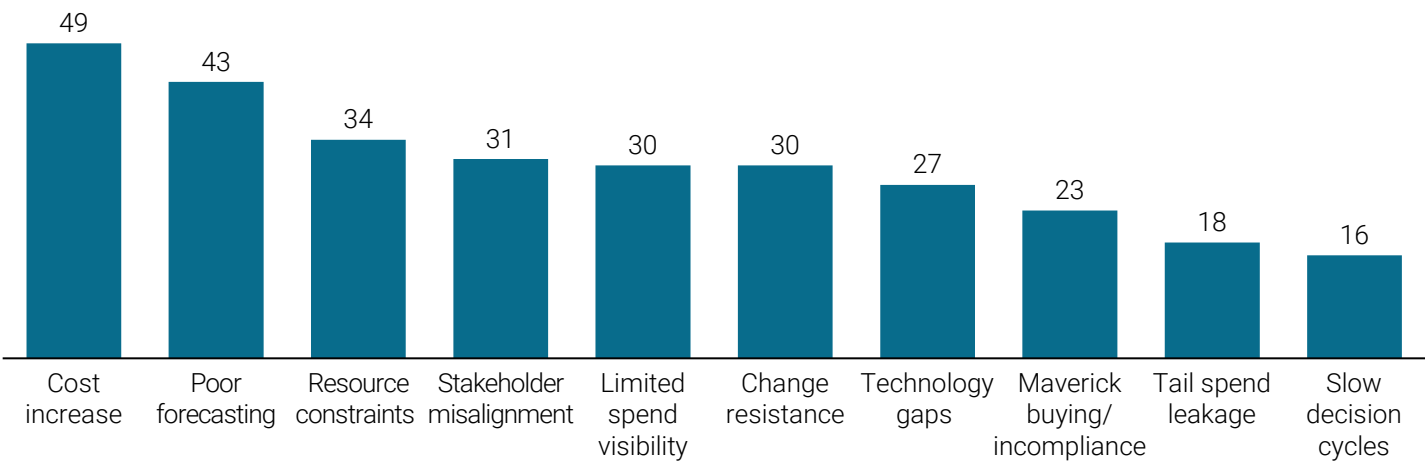
Procurement executives said they prioritized traditional or technical cost reduction measures alongside the transformation tools and talent required to achieve these goals.

The survey findings highlight the need to address the operating model to tackle cost challenges. Enhancing the capabilities of people, process, and tools, properly executed, increases the influence of the procurement function and its ability to drive financial impact.

Cost Increase Percent Accepted



What are the three greatest challenges you must overcome to achieve your savings goals? (Count of participants)



Leading procurement teams outperform their peers and industry averages in terms of COGS as a percentage of revenue, SG&A as a percentage of revenue, and overall profit. These companies have the highest percentage of spend under management per FTE and demonstrate more mature digital strategies.

The survey revealed a correlation between AI implementation maturity and anticipated cost savings as captured by EBITDA. Organizations with advanced AI implementation were able to deliver a P&L impact of 4.7% on average compared with 3.6% in less mature organizations. Whilst the maturity of AI deployment in any given company is not the sole contributor to EBITDA, it certainly is a correlation worthy of note.

The skills gap

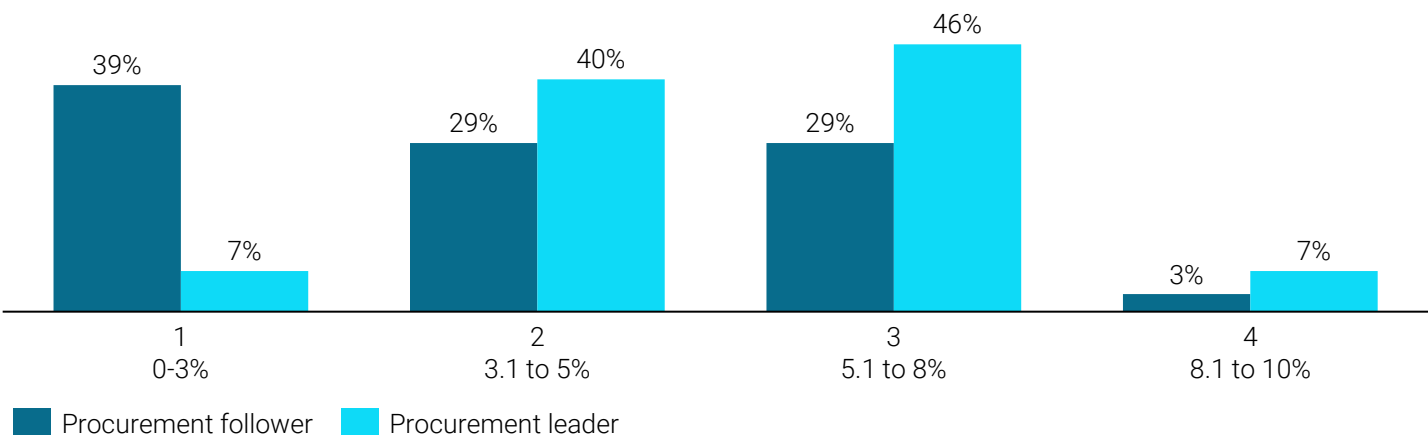
A business is more likely to recognize procurement’s impact and importance when CPOs focus on traditional or technical cost reduction and the required talent and skills. Some teams have already made this connection.

The top priority is cost takeout, using traditional cost reduction levers such as RFPs and negotiation and technical measures that include cost modeling, specification rationalization, and value engineering. Talent ranked second and is clearly a critical enabler.

Procurement’s ability to bring spend under management could be considered evidence of strong performance and help build a case for further investment. Some 70% of surveyed CPOs manage more than 60% of available spend, while a fifth oversee less than half of their company’s total third-party spend.

The gap between leaders and followers is stark, with 70% of the former managing more than 80% of spend. Only around 15% of followers can make the same claim. With reduced spending, the opportunity to drive impact and value decreases.

Cost reduction target (% of participants)



Talent strategy and operating model design were the areas least aligned with overall business strategy yet arguably have the biggest impact on overall outcomes.

The procurement function requires active investment in broad-based leadership programs, such as internships, graduate study programs, job rotation, and fast-track management development.

Skills, including project management and strategic prioritization, enable the procurement function to increase ROI per FTE; however, there is more room than ever for specialization.



Finding category managers that can ‘do it all’ is like hunting for unicorns. Not all category managers need to be great negotiators. For example, you really only need a few of those, but almost everyone will need to be somewhat analytically savvy.

AARON ADDICOAT
DIRECTOR, SOURCING & PROCUREMENT TRANSFORMATION PRACTICE
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The AI evolution

Procurement executives are overwhelmingly optimistic about the transformative impact of technology, especially AI tools, automation, and digitization. The most common themes center on leveraging digital tools to streamline processes, enhance analytics, and elevate procurement’s strategic value.

Spend analytics is currently the principal digital tool used across all procurement teams. Leaders emphasized eSourcing and cost optimization, while followers prioritize PO processing and contract lifecycle management. This suggests a focus on transactional management inefficiencies and opportunities versus value creation aligned to cost reduction goals.

Contract management, autonomous buying, and administrative task execution are the top three technology categories where AI is currently being deployed in procurement.

Contract assessment is widely expected to be the leading area for AI impact over the next 12 months, potentially signaling a shift toward smarter risk management and compliance, which could reduce legal exposure and accelerate deal cycles.

Leaders are applying AI to higher-value activities like market and risk analysis, while followers are focused on transactional efficiencies (autonomous buying), suggesting a potential maturity gap. Maximizing the benefits of AI requires procurement to use it to identify and access value that was not previously possible versus simply using it to streamline existing tasks.

Procurement leaders are much further along the road towards being fully deployed with AI, as opposed to the planning or piloting stage.

Only 5%

of CPOs said AI is actively deployed at their company.

60%

are in the planning or testing/ deploying phase.



Nearly a quarter of companies have not started implementing AI.

Two-thirds of respondents have a dedicated AI budget, with 44% earmarking around 6% of total spending, suggesting a pilot-stage level of commitment. Another fifth of respondents are far more advanced, planning to spend up to double that level.

“ Senior executives and procurement leaders are looking to leverage AI and data analytics to quickly identify risks and exposure through enabling capabilities like multi-tier supply chain analysis to create resilient supply chains.

AMIT MAHAJAN
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There is strong optimism associated with the ability to automate tactical work, deploy new ERP systems, and leverage digital tools to streamline operations. In addition, increased use of data and analytics improves the quality of outcomes - by informing smarter, faster decisions and supporting strategy development. All of these have the potential to elevate and increase procurement's impact.

This must be done with an awareness of AI's inherent flaws; procurement needs to know when, where, and, most importantly, how to use it to drive real, tangible impact. This requires the right training, coaching, and change management effort, something AI can assist with as well.

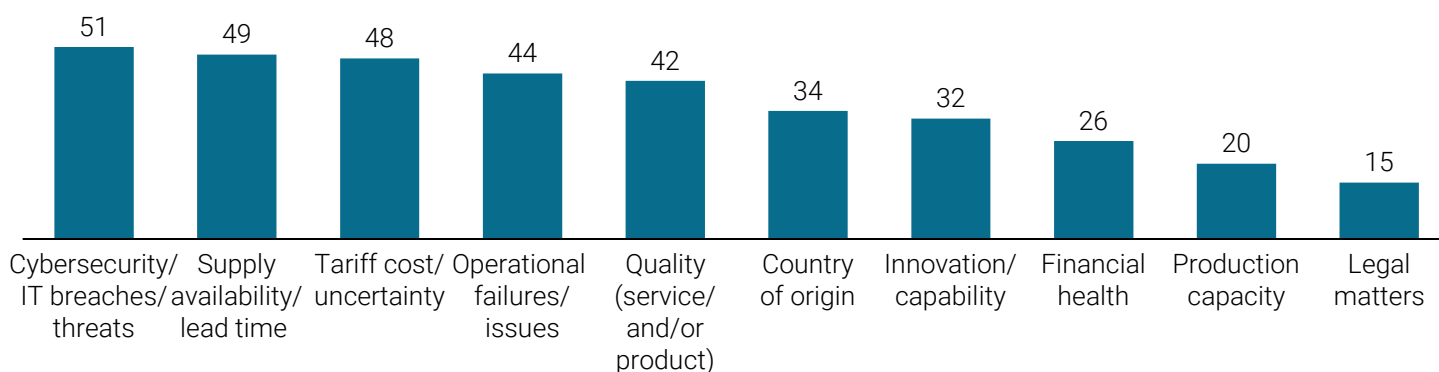
Embedding resilience

Procurement executives are unsurprisingly most troubled by external volatility. Concerns over geopolitical instability, tariffs, macroeconomic disruptions, and unpredictable market forces make planning difficult.

Across the board, executives fear that traditional playbooks may no longer suffice and that, without the right tools, talent, and agility, their organizations could be exposed to significant risk and disruption.

Teams that apply more advanced levers can be better prepared for disruption and less reactive, taking greater agency and ownership over their destiny.

What are the biggest supplier-related risks your company faces? (Count of participants)



Cyber risk is the biggest concern according to the poll, surpassing concerns about supply availability and tariffs. This is consistent with other global surveys, and according to a recent [report](#), the average cost of a cyber risk event for an S&P 500 company is almost \$4 million and rising.

Another [study](#) found that approximately 85% of major supply chain incidents - which include cybersecurity breaches - originate from Tier 2–4 suppliers. Knowing your multi-tier supply chain, and having an appropriate supplier onboarding program that includes a robust TPRM process and controls the supply base, is no longer an option; it's a critical, core capability. This is particularly important at a time when many are increasing the number of suppliers being onboarded in response to localization initiatives.



As digital transformation and AI adoption accelerate across procurement, integrating cybersecurity from the start is not just good practice, it is essential to realizing the full strategic benefits of these technologies. With the right approach to cybersecurity, organizations can confidently leverage automation, analytics, and partnerships to drive enduring value.

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PARTNER AND MANAGING DIRECTOR, GLOBAL LEADER OF CYBER
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Three-quarters of the surveyed CPOs agree or strongly agree that they are effective at mitigating supply chain disruptions, a positive sign that is likely the result of years of volatile markets and geopolitical turmoil.

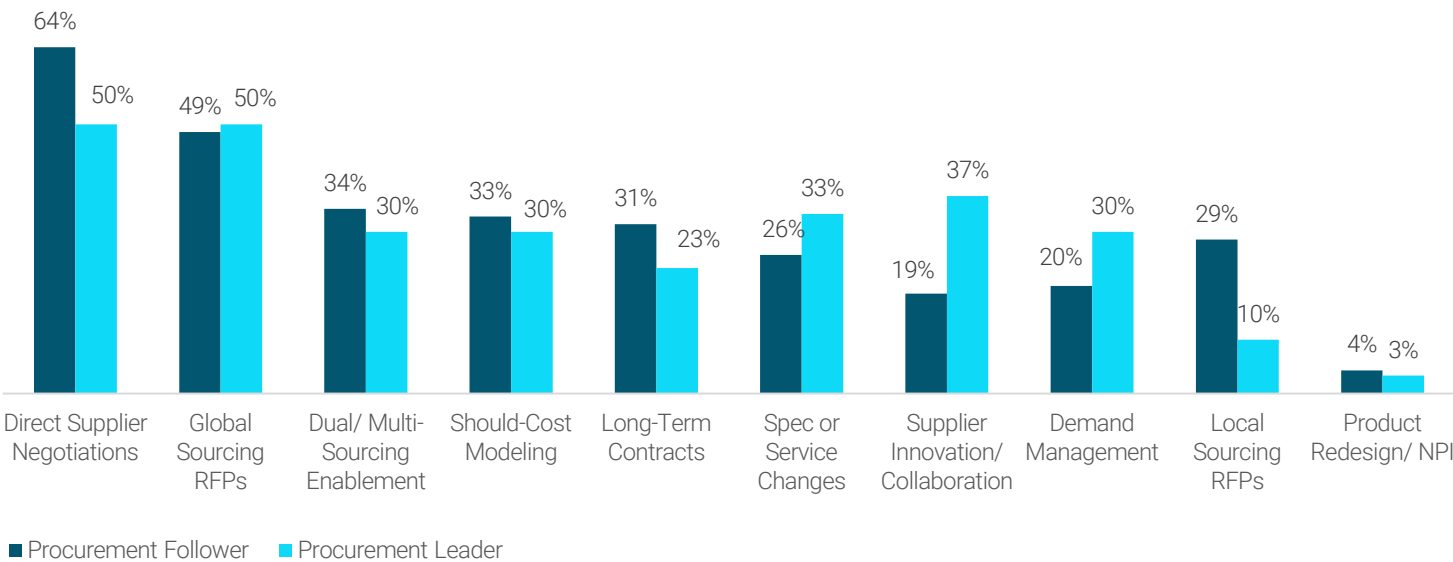
There is a risk in being overly confident, however organizations could easily misjudge their ability to manage risk and disruption, leaving them exposed and at a disadvantage.

The most popular levers to mitigate cost increases, according to respondents, are direct supplier negotiation and traditional RFPs. Top-quartile performers are significantly more likely to utilize advanced techniques, including specification changes, supplier innovation, and demand management.

Leaders generally apply a wider set of levers and lean more heavily into technical cost reduction. For most procurement organizations, technical cost reduction, such as specification changes, product redesign, and supplier innovation, remains an under-explored opportunity. This may be due to capability or capacity gaps, time pressures, or challenges in stakeholder alignment.

Practices like standardizing parts and identifying specification simplifications have the potential to drive significant cost reduction. AlixPartners' proprietary GTO tool can rapidly examine a company's SKU portfolio and provide recommendations for meaningful cost reduction, even during a period of high inflation.

What top strategies are you employing with your supply base to mitigate cost increases?



“Applying design for value levers offers a huge opportunity for procurement to address cost but also reduce risk and manage various other challenges.

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SOURCING & PROCUREMENT TRANSFORMATION PRACTICE
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Leveraging disruption

The report's findings inform a playbook for procurement professionals to leverage the disruption and create a competitive advantage.

- 1 Develop a more balanced scorecard that extends beyond savings to include metrics such as process lead-time, automation, and FTE ROI. The goal is to track efficiency and support increased business engagement
- 2 Evaluate the potential for pulling more advanced cost management levers, such as design for value, and align the value proposition with the broader business up front to identify and access harder to reach opportunities
- 3 Create a full-spectrum talent development program that includes job swapping, job shadowing, and fast tracks for top talent. Rethink the required characteristics, skills, and capabilities required within our new digital reality
- 4 Regularly re-evaluate procurement's operating model, determining the most effective way to allocate finite resources against constantly evolving priorities
- 5 Encourage the team to use AI every day, and set up learning groups to challenge teams to share what's working, what's not, and how best to continue to benefit from ever-evolving capabilities



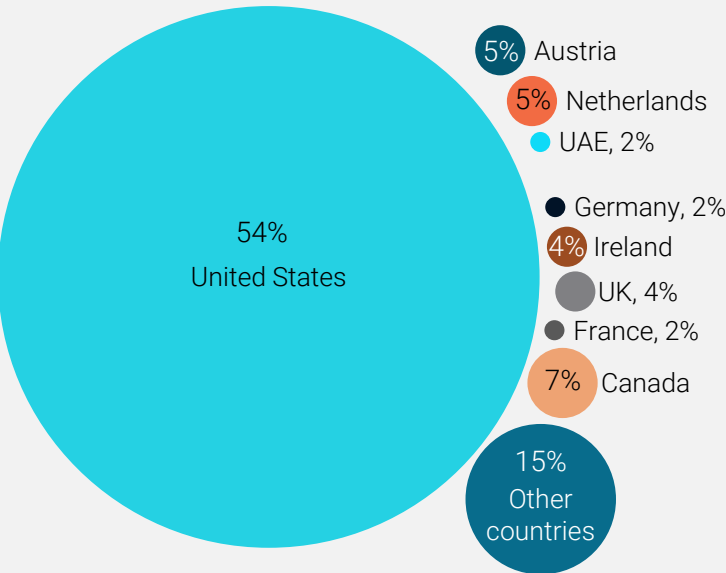
Demographics

The 2025 Global CPO Survey captures insights from **~120 CPOs** across **11 countries/regions** and **11 industries**.

The geographical and industry spread demonstrates global representation with a key focus on major economies.

Industry	%
 Consumer Products	22%
 Technology, Media & Telecommunications	16%
 Energy & Process Industries	14%
 Automotive & Industrial	14%
 Healthcare & Life Science	13%
 Financial Services	8%
 Retail	5%
 Aerospace & Defense	3%
 Shipping and Logistics	2%
 Government & Public Sectors	2%
 Restaurant, Hospitality, Travel & Leisure	1%

CPO Region



Note: 'Other countries' includes Singapore, Turkey, Switzerland, Hong Kong, Romania, Colombia, Spain, Morocco, Trinidad and Tobago, Belgium, Italy, Poland, Kazakhstan, Australia, and Luxembourg.

Survey Methodology

As discussed throughout the report, we segmented survey participants into procurement leaders and followers. We selected five key questions from the survey that act as measures of Procurement maturity. We then weighted and scored responses to these 5 key questions to identify the 30th percentile, that we then termed procurement leaders.

About Art of Procurement

Art of Procurement is the only always-on source for peer-driven insight, unbiased procuretech intelligence, and executive-level collaboration for modern procurement teams. Through a library of more than 1,000 practitioner-led resources, the world's most-listened-to procurement podcast, the ProcureTech100 intelligence platform, and curated in-person executive experiences, we equip leaders to make confident, informed decisions that accelerate business impact. Our work spans market insight, technology guidance, and digitization support, giving procurement teams a trusted partner to navigate complexity and turn ambition into action.

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ABOUT US

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges—circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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