

What's possible with AI in procurement

Evidence current to mid-2026.

A clear breakdown of where AI does and does not fit across the core tasks of a procurement team. A practical starting point, not the last word.

Where AI is mature: strong fit today

Proven and available today. AI does the bulk of the work and the buyer reviews it.

Function	The job today	With AI
Spend analysis and classification	Pull spend from every system, code it to category and supplier, hunt for savings and tail spend	AI classifies spend, normalises suppliers and surfaces savings leads; the category manager checks the categories and decides which savings are real
RFx and sourcing documents	Turn a business need into a request for information (RFI), request for proposal (RFP) or request for quotation (RFQ) with specs, criteria and a scoring guide	AI drafts the documents and rubric from the brief; the procurement manager owns the requirements, weightings and probity
Category and market research	Scan the market, build supplier longlists, gather should-cost context, draft the strategy	AI assembles the scan and drafts the strategy; the category manager verifies the facts and that the suppliers are real
Contract and document summarising	Read long contracts and statements of work, pull key terms, dates and obligations into a register	AI extracts the terms and builds the register; the contracts manager checks each one against the source
Procurement reporting and savings tracking	Pull spend, savings and compliance figures into the board and category packs, write the commentary	AI assembles the pack and drafts commentary; the procurement manager traces every number and owns the savings claim

Where AI is emerging: consider piloting with a human gate

Promising but not yet proven at this scale. AI assists and your team stays in the loop, so trial it on a contained scope first.

Function	The job today	With AI
Supplier discovery and shortlisting	Search for suppliers who can meet the need, build a longlist, narrow to a shortlist	AI searches and drafts the longlist; the buyer verifies each supplier is genuine and decides the shortlist
Supplier due diligence and risk screening	Check financial health, sanctions, adverse media and modern-slavery risk before you commit	AI gathers and summarises the signals; the procurement manager owns the risk call and keeps the evidence
Contract drafting and clause review	Draft from a template, redline against your playbook, flag the risky clauses	AI drafts and flags deviations; the contracts manager or a lawyer owns the redline and signs
Tender and bid evaluation	Read every bid, score against the criteria, build the recommendation	AI summarises and tabulates the bids; the evaluation panel scores, decides the award and owns the probity record -- AI-ranked shortlists are an input, not the decision
Negotiation preparation	Build the should-cost model, benchmarks, the best alternative to a negotiated agreement (BATNA) and talking points	AI drafts the prep and the should-cost; the procurement manager runs the negotiation and owns the concessions
Purchase requisitions and guided buying	Raise and code requisitions, route approvals, steer buyers to the right supplier and catalogue	AI turns a plain request into a coded requisition and routes it; the buyer keeps approvals and exceptions

Function	The job today	With AI
Invoice and three-way matching	Match each invoice to its purchase order (PO) and receipt, clear the clean ones, chase the exceptions	AI matches and clears the routine lines; the finance manager owns new vendors, bank-detail changes and large payments -- these are live fraud vectors, not just matching exceptions

Where AI is not ready or suitable today: keep with people

These stay with people, either because the tooling is not reliable enough or because controls and compliance rule it out.

- **Final supplier selection and the relationship.** Who wins the work, and who owns the relationship, is a judgement call with commercial and reputational weight. AI can inform the shortlist, not make the choice.
- **The live negotiation and the commitment.** The conversation, the concessions, and signing up to a price, a volume or a contract carry authority and liability. AI prepares you; the procurement manager negotiates and commits.
- **Modern-slavery attestation and human-rights calls.** The Modern Slavery Statement, the due-diligence sign-off and any remediation are accountable judgements under the Act. AI can assemble the evidence, never make the attestation.
- **Supplier financial-viability and go-or-no-go calls.** Deciding a supplier is safe to depend on needs context the model lacks, and a confident wrong call is expensive. The judgement stays with the procurement manager.
- **Autonomous payment and unattended agents.** Releasing money, or letting an agent act without a human gate, is where fraud bites: AI-generated invoices and business email compromise (BEC) attacks are a growing risk for Australian businesses. The finance manager approves and releases; any new supplier or changed bank detail needs a direct verbal confirmation before payment is made.

Worth weighing: for any of these, the upfront setup (loading your taxonomy, playbook, approved suppliers and templates) is a one-off cost paid once. Once it is in place, the ongoing job on the strong-fit tasks is mostly review and sign-off -- which means the procurement manager and contracts manager can spend more time on negotiations, supplier relationships and the strategic calls that actually move price and risk.