ProcureCon INSIGHTS

The 2025 ProcureCon
CPO–CIO REPORT

How Procurement and Technology Leaders
Collaborate with Their Departments to Drive
Procurement Transformation

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EXECUTIVE SUMMARY

This report examines the evolving collaboration between Chief Procurement Officers (CPOs) and Chief Information Officers (CIOs), as well as their respective departments. The findings reveal that while collaboration between procurement and information technology (IT) departments is generally effective, there are notable gaps in preparedness for advanced technologies like artificial intelligence (AI).

Specifically, 58% of respondents believe their organizations are only somewhat prepared for future AI implementations. This underscores the need for better data quality, upgraded systems, and integrated platforms to fully leverage AI's potential in procurement.

The report provides readers with insights into how procurement and IT can collaborate more effectively on technology implementation, so they can drive efficiency, cost savings, and ongoing procurement transformation.

> While their collaboration is generally effective, there are notable gaps in preparedness for advanced technologies like AI.

FOREWORD FROM THE PRODUCER

As the procurement landscape continues to evolve, the intersection of technology and procurement leadership has never been more critical. This report highlights the growing collaboration between CPOs and CIOs, underscoring their shared role in driving digital transformation. From leveraging AI and machine learning to enhancing interdepartmental coordination, the findings reveal both progress and challenges in aligning procurement and IT strategies. For procurement leaders, this is a pivotal moment to embrace innovation, strengthen cross-functional partnerships, and prepare for the future of advanced technologies.

Thanks for your interest in ProcureCon—and I hope this report helps you as you navigate your own transformative journey.
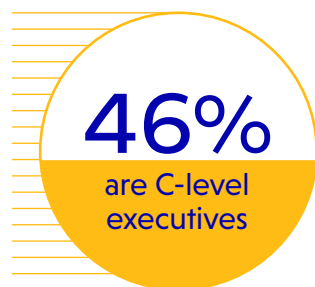
Mike Dunlap
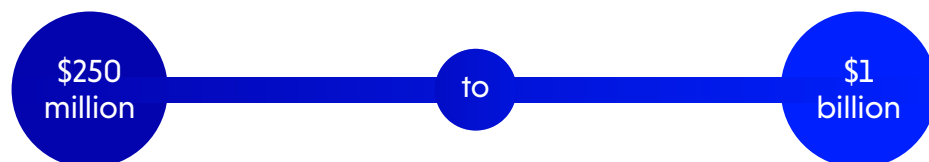Event Director
ProcureCon

ABOUT THE RESPONDENTS

One hundred procurement, supply chain, and risk management leaders from organizations in various industries were surveyed to generate the results featured in this report.

46%
are C-level executives

The respondents represent companies with annual revenues ranging from:

$250 million to **$1 billion**

KEY INSIGHTS

Among the respondents:

45% say the CIO and CPO are equal partners in technology procurement.

58% say their procurement and IT teams coordinate effectively.

34% say implementing AI and ML will be the most significant technology initiative for procurement over the next 12 months.

58% say procurement and IT are only somewhat prepared for future AI implementations.

Most say procurement and IT will face greater challenges on technology alignment (58%) but will host more cross-functional teams (54%) in the next two to three years.

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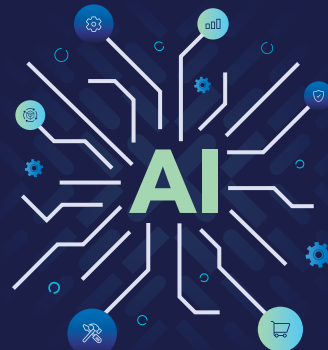
See AI in Action

Top 5 AI Rollout Challenges
Why a Unified Approach is Crucial

Get the List

COLLABORATION BETWEEN CPOS, CIOS, AND THEIR DEPARTMENTS IS MOSTLY EFFECTIVE

Collaboration between Chief Procurement Officers (CPOs) and Chief Information Officers (CIOs) has become increasingly critical as procurement seeks to transform itself with technology. The study reveals that while collaboration between these executive roles and their departments is generally effective, there remain significant opportunities for improvement.

Leadership Dynamics in Technology Procurement and Digital Transformation

What roles do your CIO and CPO or equivalents currently play in technology procurement, if any?

The CIO takes the lead, and the CPO plays no role.
0%

The CIO takes the lead, and the CPO assists.
29%

The CIO and CPO are equal partners.
45%

The CPO takes the lead, and the CIO assists.
26%

The CPO takes the lead, and the CIO plays no role.
0%

Specifically, 45% of respondents indicate their CPO and CIO (or equivalent leaders) function as equal partners in technology procurement decisions. However, a substantial minority (29%) report that their CIO takes the primary leadership role while the CPO serves in a supporting capacity.

This distribution suggests that while many organizations have achieved balanced leadership in procurement technology decisions, there remains a significant contingent where IT leaders maintain greater influence. This leadership imbalance could potentially limit procurement's ability to ensure that technology solutions are fully optimized for procurement-specific needs and strategic goals.

Organizations with equal leadership models are likely better positioned to implement technologies that balance technical requirements with procurement functionality and business value metrics.

Who takes the lead in driving procurement's digital transformation at your organization?

- 27% The CPO or equivalent
- 40% Both the CPO and CIO or equivalents
- 33% The CIO or equivalent
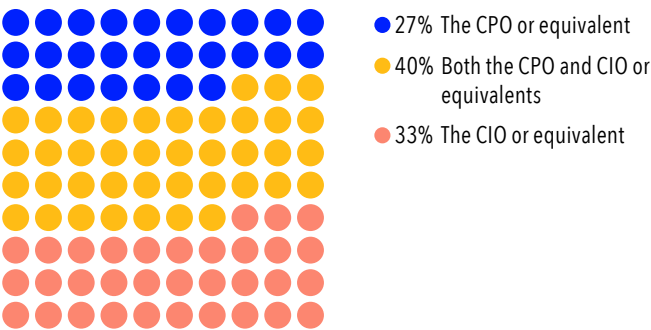
When it comes to driving procurement's digital transformation initiatives, 40% of respondents report that their CPO and CIO share equal leadership responsibilities. However, about one third (33%) indicate that the CIO or equivalent technology leader takes the primary role in guiding procurement's digital evolution.

This finding highlights a potential point of tension in organizations: While procurement transformation directly impacts procurement operations, technology leaders often maintain significant control over transformation initiatives. For organizations seeking to maximize the value of digital procurement, this suggests a need to carefully examine leadership structures to ensure procurement expertise is adequately represented in transformation planning.

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Frequency of Departmental Collaboration

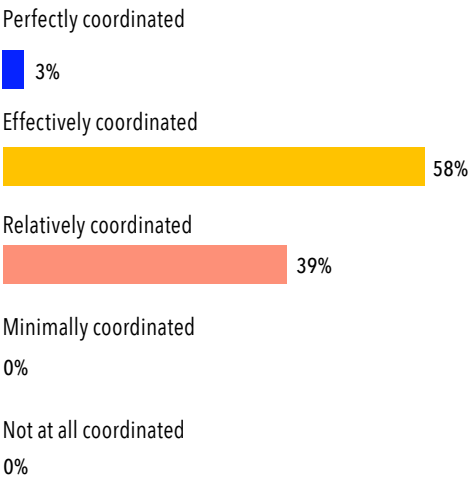**How often do your procurement and IT teams collaborate on procurement objectives?**

Always–They work side-by-side on all procurement objectives.

7%

Regularly–They collaborate on several shared objectives.

54%

Occasionally–They sometimes collaborate when their objectives overlap.

39%

Rarely–They collaborate only when necessary.
0%

Never–The departments are virtually siloed.
0%
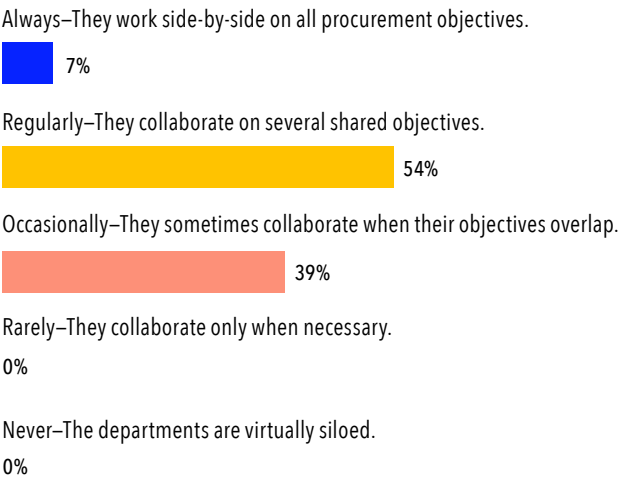
A slight majority of respondents (54%) report their procurement and IT teams collaborate regularly on procurement objectives, meaning they work together on several shared initiatives. However, a substantial 39% report that collaboration occurs only occasionally, typically when department objectives overlap.

Regular, intentional collaboration between procurement and IT results in more strategic technology implementations, improved system adoption, and better alignment with business needs. Organizations reporting only occasional collaboration may be missing opportunities to leverage technology for procurement innovation and may face greater challenges with system implementation and adoption.

How would you rate the effectiveness of the coordination between your procurement and IT teams?

Perfectly coordinated

3%

Effectively coordinated

58%

Relatively coordinated

39%

Minimally coordinated
0%

Not at all coordinated
0%

While a majority of respondents (58%) believe their procurement and IT teams are effectively coordinated, a significant proportion (39%) characterize them as only relatively coordinated. Some organizations could more effectively align these departments by integrating their workflows and creating more connections between the two, both formally and informally.

Effective coordination is essential for successful technology implementations, data integration initiatives, and procurement automation projects. The significant percentage reporting only relative coordination indicates potential inefficiencies in project execution, resource allocation, and strategic alignment.

Organizations with stronger coordination mechanisms likely experience fewer implementation delays, better system adoption, and more successful procurement technology outcomes.

While this data suggests that collaboration is mostly effective, the amount of departments that still struggle to collaborate is significant. As procurement technology initiatives become increasingly complex, particularly with the introduction of AI and machine learning capabilities, strong CPO-CIO collaboration will become even more critical. As we will learn, leaders in these departments believe organizations should establish more formal coordination mechanisms, joint planning processes, and clear governance structures to maximize the value of their procurement technology investments.

"Our alignment under IT has given us greater access to technology and new opportunities, especially for showcasing the abilities of the younger generation. This shift has challenged the status quo in procurement and allowed us to better integrate IT into our processes. For example, we now use generative AI and the latest tools to ensure we work with quality data, improving both input and output."

— Greg Cone, Talent Acquisition and Category Manager, Professional Services, Crowley Maritime, Panel: "Getting Everyone on The Same Page," ProcureCon Indirect East 2024
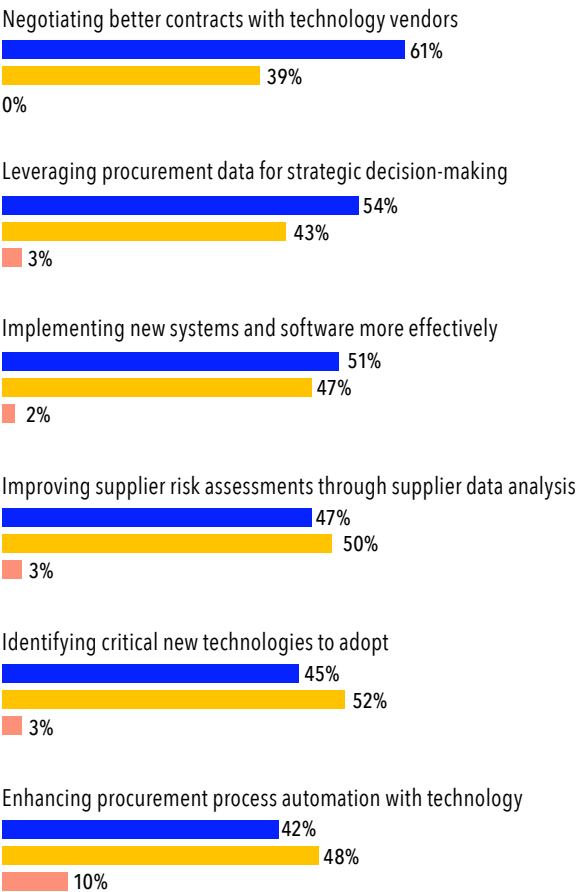
INTERDEPARTMENTAL COLLABORATION ON TECHNOLOGY DRIVES PROGRESS

Collaboration between procurement and IT departments typically results in better technology integration and adoption. However, the survey findings reveal mixed progress resulting from these interdepartmental partnerships. While some procurement and technology initiatives have seen substantial improvement through collaborative efforts, others continue to pose challenges.

Procurement Priorities Receiving a Boost

How much improvement have you witnessed over the past 12 months among the following initiatives thanks to collaboration between procurement and IT?

● Significant improvement ● Some improvement ● No improvement

Negotiating better contracts with technology vendors
61%
39%
0%

Leveraging procurement data for strategic decision-making
54%
43%
3%

Implementing new systems and software more effectively
51%
47%
2%

Improving supplier risk assessments through supplier data analysis
47%
50%
3%

Identifying critical new technologies to adopt
45%
52%
3%

Enhancing procurement process automation with technology
42%
48%
10%

Thanks to collaboration between procurement and IT departments, most respondents have witnessed significant improvement in initiatives relating to procurement strategy and data utilization over the past 12 months. Specifically, 61% report significant improvement in negotiating better contracts with technology vendors, 54% in leveraging procurement data for strategic decision-making, and 51% in implementing new systems and software more effectively.

These results demonstrate that when procurement and IT work together effectively, they can deliver substantial value in areas requiring both technical expertise and commercial knowledge.

Despite the positive results in some areas, approximately half of respondents have only seen some improvement in several critical technology initiatives. These include identifying critical new technologies to adopt (52%), improving supplier risk assessments through supplier data analysis (50%), and enhancing procurement process automation with technology (48%).

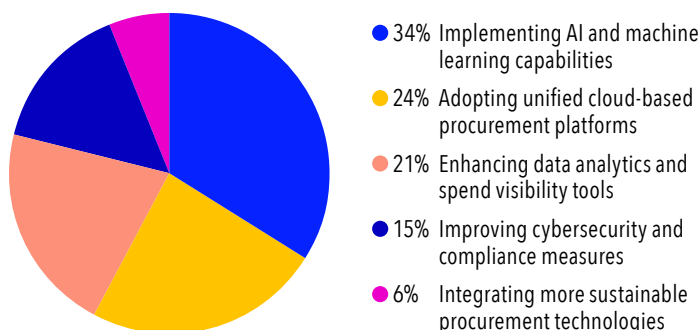These findings highlight areas where the procurement-IT partnership has not yet reached its full potential. The more limited progress in identifying new technologies suggests a potential gap in how these departments work together to vet and engage with solution providers.

For procurement and IT leaders, this represents an opportunity to establish more structured approaches to technology scouting and evaluation.

Technology Implementation's Future Impact on Procurement

Looking ahead, AI and machine learning will be dominant priorities for procurement organizations.

Which of the following technology initiatives will be most significant for your procurement function in the next 12 months?

- 34% Implementing AI and machine learning capabilities
- 24% Adopting unified cloud-based procurement platforms
- 21% Enhancing data analytics and spend visibility tools
- 15% Improving cybersecurity and compliance measures
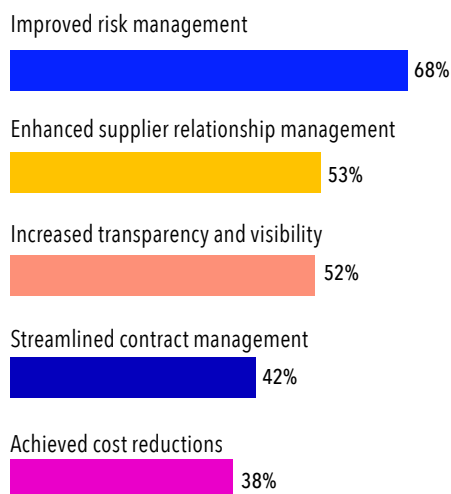- 6% Integrating more sustainable procurement technologies

More than one-third (34%) of respondents indicate that implementing AI and machine learning capabilities will be one of the two most significant technology initiatives for their procurement function over the next 12 months. Additionally, 24% identify adopting unified cloud-based procurement platforms as one of their two most significant upcoming technology initiatives.

These priorities reflect the ongoing digital transformation in procurement, with organizations increasingly looking to advanced technologies to drive efficiency and value. The emphasis on AI and machine learning suggests procurement leaders recognize the potential of these technologies to transform traditional processes and deliver new capabilities.

Procurement and IT leaders must build joint expertise in these advanced technologies and develop implementation roadmaps that leverage both departments' strengths to achieve success in this area.

Preparing Procurement for the Expanding Role of AI

In which of the following has the use of AI impacted your procurement operations?

Improved risk management

68%

Enhanced supplier relationship management

53%

Increased transparency and visibility

52%

Streamlined contract management

42%

Achieved cost reductions

38%

We don't currently use AI in our procurement operations.
0%

No significant impact yet
0%

The survey also provides insight into how AI is already transforming procurement operations across several dimensions. Most respondents report that their use of AI has improved risk management (68%), enhanced supplier relationship management (53%), and increased transparency and visibility (52%).

These findings validate the business case for AI investments in procurement. They also demonstrate that when properly implemented, these technologies can deliver meaningful business value.

Improvements to risk management are likely the result of AI's ability to analyze vast amounts of supplier data and identify potential disruptions before they impact operations. Enhanced supplier relationship management may stem from better insights into supplier performance and more proactive engagement based on data-driven insights.

For procurement and IT leaders, these results provide evidence to support continued investment in AI capabilities while highlighting specific use cases that deliver demonstrable value.

In your view how prepared are your procurement and IT departments for future implementations or expansions of AI in the procurement function?

- 9% Very prepared
- 58% Somewhat prepared
- 28% Not very prepared
- 5% Not prepared at all
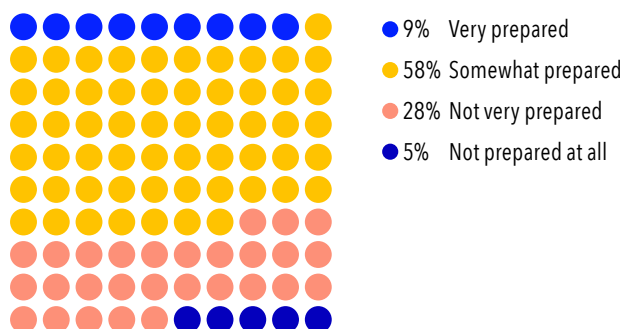
Despite the recognized value of AI, leaders have significant concerns about organizational readiness for future AI implementations in procurement. A majority (58%) of respondents say their procurement and IT departments are only somewhat prepared for future implementations or expansions of AI in procurement functions. More concerning, 28% report being not very prepared and 5% are not prepared at all.

This could be caused by issues with data quality, system integration, technical skills, or change management capabilities. Procurement and IT leaders must ensure that foundational elements, such as basic data governance and analytics capabilities, are in place before integrating and leveraging AI.

Respondents whose companies are struggling with AI preparedness identify several specific needs to improve readiness, such as the following:

- Exploring emerging AI advancements that address procurement challenges without disrupting existing systems

- Regularly assessing AI-driven procurement initiatives to allow for policy adjustments and maintain accountability

- Ensuring leadership oversight of AI integration while setting benchmarks and monitoring impact

- Improving data collection processes to ensure AI models have accurate and high-quality information

- Upgrading legacy systems to cloud-enabled platforms to increase agility

These insights provide practical steps for improving organizational readiness for AI adoption. They also suggest the need for procurement and IT to conduct a joint assessment of current capabilities and develop improvement plans that address both technical and operational requirements.

"We've known for years that analytical skills are increasingly important as we collect more data. It's vital to process that data into something useful, not just endless spreadsheets. AI adds pressure. However, current AI output isn't precise enough to take over yet. We still need to ensure its input is accurate and its output is practical, which remains the main challenge."

— Doug Cutrell, Director, Category Sourcing – Americas, Philips Healthcare, Panel: "Destination 2030: Shaping the Core of Future Procurement Teams," ProcureCon Indirect East 2024

PROCUREMENT AND IT WILL SEE GREATER CHALLENGES, BUT ALSO ENHANCED COLLABORATION

Looking to the future, leaders are exploring what improvements might strengthen partnerships between procurement and IT so they can continue to drive improvements to both technology acquisition and procurement processes.

Procurement's Contributions to Digital Transformation

How does your procurement team contribute to digital transformation initiatives led by the IT organization?

Advising on cost-saving strategies
38%

Assisting in vendor negotiations
35%

Leading sourcing efforts for new technologies
23%

Participating in cross-functional digital teams
4%

Not involved
0%

Procurement teams already contribute significantly to digital transformation initiatives led by IT departments, with more than one-third of respondents highlighting procurement's role in advising on cost-saving strategies (38%) and assisting in vendor negotiations (35%). This suggests that procurement's supply chain knowledge and negotiation experience often complement IT's technical knowledge in technology-focused projects.

For procurement leaders, this represents an opportunity to further develop specialized expertise in technology sourcing and to position their teams as strategic partners in digital transformation rather than merely tactical purchasing agents. IT leaders, meanwhile, could benefit more by systematically engaging procurement earlier in technology planning cycles to maximize these contributions.

Opportunities for Improvements in Collaboration

Looking ahead to the next two to three years, leaders anticipate both challenges and opportunities in the procurement-IT relationship.

What areas could improve the collaboration between procurement and IT?

Integrated technology and data-sharing platforms
65%

Enhanced communication and alignment on project goals
52%

Streamlined procurement processes for IT purchases
33%

Joint strategic planning and decision-making
31%

Regular collaboration meetings or working groups
19%

When asked about areas that could improve collaboration between procurement and IT, respondents say integrated technology and data-sharing platforms (65%) and enhanced communication and alignment on project goals (52%) are their two highest priorities.

The strong emphasis on integrated platforms highlights a recognized need for technological enablement of collaboration, rather than relying solely on interpersonal connections or organizational structures. The significance of this finding cannot be overstated, as it suggests that many organizations still struggle with siloed systems that impede effective cross-functional work between procurement and IT.

The substantial support for enhanced communication and goal alignment reveals that even with shared systems, human factors remain critical to successful collaboration. This points to a need for more structured governance mechanisms, joint planning sessions, and clearly defined shared objectives between procurement and IT teams.

Finally, respondents believe the two departments will become more closely aligned over the years but that their challenges will become more complex.

How do you see your relationship between procurement and IT evolving in the next 2-3 years?

Greater challenges aligning on technology needs and procurement processes/policies

58%

More cross-functional teams working on joint initiatives

54%

More siloed operations as IT drives more independent purchasing decisions

39%

Closer collaboration with IT as a strategic partner

37%

Expanded role of procurement in IT vendor selection and management

12%

No significant change

0%

Specifically, a majority (58%) foresee greater challenges in aligning on technology needs and procurement processes, while a similar proportion (54%) expect more cross-functional teams working on joint initiatives.

The accelerating pace of technological change and the increasing complexity of procurement technology are driving these two departments together, particularly because of AI and machine learning, as highlighted in the previous section. Technology options will continue to proliferate, and procurement processes will become more digitally enabled. That means finding common ground on priorities, approaches, and implementation strategies may become more difficult.

Nonetheless, enhanced cross-functional collaboration is a practical response to these increasing challenges. Leaders recognize that complex problems will require more integrated organizational structures to be addressed effectively.

These findings have significant implications for how organizations should structure and govern procurement-IT relationships moving forward. Beyond technology and process improvements, organizations may need to rethink talent development to ensure both procurement and IT professionals have the cross-functional skills needed to work effectively in increasingly integrated environments.

"A good tip is to be upfront with the supplier and explore creative solutions. For example, propose a partnership where they provide value and demonstrate results in the first year. Based on the return on investment, you could agree to a three-year contract, with payments starting in the second year. This kind of approach can help gain leadership buy-in."

— Tiffanie Vo-Jones, Global Procurement Director, Indirect and PMO, Diversey, Panel: "Adopting Next-Gen Solutions for Effective Procurement Spend Management," ProcureCon Indirect East 2024

CONCLUSION: CPO AND CIO ROLES ARE MORE INTERLINKED THAN EVER

The survey findings demonstrate that CPO and CIO roles have become more interlinked than ever before, reflecting the increasing digitalization of procurement functions and the critical role technology plays in procurement transformation. As organizations increasingly implement AI, machine learning, and cloud-based platforms, the partnership between procurement and IT leadership has evolved from occasional collaboration to a strategic alliance, with many organizations reporting that these leaders serve as equal partners in driving technology procurement and digital transformation initiatives.

However, challenges remain in aligning on technology needs, coordinating effectively between departments, and preparing adequately for advanced technology implementations, particularly AI.

Looking forward, this interconnection between procurement and IT functions will only deepen as technology becomes further embedded in procurement operations. Organizations that can effectively manage this relationship through integrated platforms, enhanced communication, and cross-functional teamwork will gain a competitive advantage thanks to gains in efficiency and cost savings.

Procurement and IT leaders must now focus on strengthening this critical partnership by addressing preparedness gaps, establishing more formalized collaboration frameworks, and ensuring both functions contribute their unique expertise to joint initiatives.

KEY SUGGESTIONS

- **Establish formal governance mechanisms for joint procurement-IT initiatives.** Clear decision-making frameworks and accountability structures ensure technology projects deliver value while respecting both technical requirements and procurement objectives.

- **Develop specialized expertise in technology sourcing within your procurement team.** Procurement professionals with deeper technical knowledge can more effectively partner with IT on evaluating, selecting, and implementing technology solutions.

- **Create cross-functional teams for major technology initiatives, especially AI implementation.** Dedicated teams with representation from both procurement and IT can navigate complex implementations more effectively and ensure solutions meet both functional and technical requirements.

- **Establish integrated technology and data-sharing platforms between procurement and IT departments.** Shared systems facilitate seamless information exchange and collaborative workflows that break down traditional departmental silos.

ABOUT THE AUTHOR

ProcureCon INSIGHTS

ProcureCon Insights, the industry research and digital publishing arm of ProcureCon, delivers cutting-edge data and analysis on trends, challenges, and opportunities in the procurement and supply chain management sectors. Through comprehensive research reports, webinars, and thought leadership initiatives, we empower senior-level procurement leaders to make informed strategic decisions and stay ahead in the rapidly evolving procurement landscape.

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THE 2025 PROCURECON CPO–CIO REPORT

How Procurement and Technology Leaders Collaborate with Their Departments to Drive Procurement Transformation

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