

# View points from a Practitioner

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## **Artificial Intelligence In Procurement:**

Artificial intelligence is a new developing discipline, its potential is wide ranging and still to be fully defined, but already we can see the dramatic impact it can have on data processing and procurement in supply chain.

**Sourcing:** Artificial intelligence, bears sourcing patterns, and behaviors, that will be able to connect with the best suppliers more quickly, and efficiently, it can reserve the skills, required, for the supplier selection, negotiation, and value assessment.

Before sourcing begins, the standard spend analysis report can now produce demand breakdown, common cost analysis, and supplier analysis. Armed with knowledge with about suppliers, current market conditions, procurement should then be able to run real time reports during any event such as to real down by product service carrier, cross supplier, comparison with variance and outward analysis, and ensure that the data driven strategy on the decision, that procurement is getting the absolute deal from the sourcing process in supply chain.

**Savings:** Negotiations can be over turned with automation technology, and be able to assess every order, invoicing thus bringing in saving in procurement, in supply chain.

**Contracts and Supplier management:** Artificial intelligence will let know the supplier without any difficulty, the number, and bring in good prospect in time consumption in locating potential contracts with supplier in procurement in supply chain management.

**Order process:** Artificial intelligence will guide and

permit to order, process, requisition which later becomes a order, and fulfill the delivery on a single click, but in the most exceptional cases a preference and professional attention is needed.

**Spend Analysis** in procurement: Artificial intelligence will be able to assess and extract the real insights of spend data, as it actually learns, and self corrects to maintain continuous accuracy in spend analysis in procurement supply chain.

**Risk management**-Many procurement organization with more expanding analytics has the critical problems, of risk management in procurement process in supply chain, as artificial intelligence based analytics offers clean, and accurately classified data, with available to procurement organization without significant costs. Analytics with data can be added on the spend data to go beyond integrated market price.

Artificial intelligence in procurement is transforming industries, and the leap of change is fast tracking in supply chain. Artificial intelligence, in procurement can trade commodities, and even outperform team of experts in supply chain. The pace is becoming fast because artificial intelligence in procurement has a lead time of years to turn out to be in use as it turns competitive with challenges, but if it surpasses human expertise ability in every areas, its acceptance rate increases, and so does its capacity to absorb, as the data is taken in, it becomes necessary to absorb more data in procurement in supply chain. The gap between artificial intelligence, in procurement, and human expertise have grown tremendously, and even more significant level has been reached, with the first mover

lead to make sure firms reach their tipping level of achieving superior act with artificial intelligence procurement over human beings. Nevertheless there is a proactive rush ahead of the supply chain, as a business is trying to know before the arena in the field which artificial intelligence procurement solution will offer best value to procurement in supply chain. It is vital to separate the excitement from the reality, and understand how artificial intelligence technique of stream lining the procurement in supply chain.

Artificial intelligence in procurement has the sustainability, and in achieving higher results in supply chain, and the liability of benefitting in the early stages: Artificial intelligence can vastly improve procurement process, and the significant trend in technology presentation is the competition to create more sophistication in machine learning process. Machine learning is the capability of computers to self teach, and advance from the experience without having to be overtly (without any concealment of secrecy) to the programs. Being on human neural (a computer system modeled in the human and nervous system) learning these, the individual computers take the loads of examples, and apply layers to create on itself, and virtually interpret the solution without any human interference which can be helpful in procurement in supply chain.

With mobile centric and technologically motivated movement for artificial intelligence in procurement, we can compare how artificial intelligence can substantially improve the way procurement experts procure, pick orders, and handle products, and services. In practice artificial intelligence in procurement would be able to forecast, and comprehend procurement requirement even before the experts could think of a way: example A strategic decision tool, being a recommendation engine, that the right to buy, at the right price of a commodity, that is required, and recommend action based on the market conditions or factors, and with the help of external data will help procurement in supply chain. The recommendation should be based on the cost model concept.

Enhancing strategic procurement with artificial intelligence-Data analytic, current procurement procedure are creating more and more data, partly because they combine various systems, including contract management, electronic catalogue, e-procurement, Enterprise Resource Planning, Supplier Relationship Management. Many firms do not make use of data full in potential, while some do not make use of it at any times. Artificial intelligence procurement solution can aid: 1. Automate repetitive taste that occur. 2. Disclose concealed potential in procurement. 3. Gain smart insights to resolve several issues to support procurement in supply chain. 4. Submit recommendation in procurement in supply chain. Artificial intelligence in procurement also assists in preparing large amounts of data for intelligent analytics, and action using virtual assistant.

Conversational interface is a hybrid that interacts in with user, combining chat, voice, or any other natural language, with user interface elements, like button, magic menu videos. Artificial intelligence can be used to listen to customers or suppliers queries, and respond appropriately, and live video calls, which will have unique auto learning, feature that will help improving answer accuracy, with the introduction of video call centers, catalogues. Conversational interface known as chat bots to incorporate both voice, and written dialogues, that can inhale chatting, with real human voice. As an alternative the clicking icons(images) and selecting syntax,(selecting data from data base) specific instructions in the communication part becomes hassle free, and straight forward with artificial intelligence procurement, and the inside of chat bots , can also accomplish difficult tasks, and take the verdicts freely in procurement in supply chain.

Supply chain analysts and specialists are now tooling into apply chat bots into supply chain management activities. Chat bots are just another blip (refers to the dots drawn on early warning radars based on plan position indicating display) on the large scope radar of artificial intelligence technology, chat box is a computer program, which conducts a conversation via auditory textual methods such as a program, and are

often designed to convincingly simulate, how human would behave as conversation partner. Chat bots can distribute that information faster than human beings, and chat bots could swiftly communicate internally facilitate messages set between customers for supplier queries being answered more efficiently in procurement in supply chain.

Artificial intelligence procurement are using chat bots to create the potential of turning voice assistant, technology into a simulated service functionality, that will entirely revolutionize the procurement experience.

**Automation:** Artificial intelligence is an adapt to automation, and even more complex, as more tasks are adhered into procurement in supply chain, and artificial intelligence will help to bring more purchasing under direct control, by facilitating the creation of requisition, from the data, that may be contained in e-mail, also data entered in requisition, entry speech recognition, is also poised to change the requisition , and approval process, also use of image recognition, technology, in which an option to send pictures, of an item which is ordered or re-ordered, thus simplifying the requisition process, and making spend analysis to actively manage. All technology can look for cost or price strategy discrepancies, unusual order, quantities, frequency of supplies, compare data to orders placed, and invoices, and will also be able to detect errors or discrepancy, and also predict purchase on non-performing procedures.

### **Benefits of artificial intelligence in procurement:**

**Data classification** for procurement documents, invoices, orders, purchase orders, and master data of suppliers of materials, that will be spend on transparency, and with a valid baseline also with high level of automation, and this is in turn with good pricing, and spend mechanization.

**Predict and Simulate:** Artificial intelligence neural network can be used in planning and simulation to forecast spend volume or simulate the effects of fluctuating materials prices, or exchanges rates for planning and simulation in procurement in supply chain.

**Consistency and Compliance:** Analysis of different prices of materials, attribute in the documents which can be processed, ideally for the price in invoice, orders, procurement information records, and contracts negotiated in procurement in supply chain. The task here is to detect price variance, and therefore if any lost savings, and authorized additional payments are to be made in procurement in supply chain.

**Process Mining:** Analyzing of the actual procurement process, to detect weakness, and starting point's process, improvements and automation. Some of the process includes procurement to buy through channelizing, and are procured to stock items, and the objective is to monitor service level agreements, and calculate the process on reports and Key Performance Indicators.