

STATE OF AGILITY

IN PROCUREMENT & SUPPLY

WITH THE FOCUS TOPIC

**AI cannot compensate for
fragmented commercial
systems.**



This study was designed by



Media Partner



EXECUTIVE SUMMARY

AI adoption is accelerating, yet many organizations remain constrained by traditional operating models. While Business Agility, Ecosystem Growth, Resilience, Sustainability, and AI-Driven Transformation rank among the top strategic priorities, 70% of respondents believe their current operating model limits the benefits of AI, and 73% report that adapting it remains difficult or only partially achieved. Respondents estimate their organizations could operate 20–50% faster by fragmentation and removing barriers to shared decisions and accountability. Agility requires adaptive commercial frameworks Organizations may redesign internal teams and processes, but if commercial agreements continue to assume fixed requirements, fixed risk allocation and static governance, adaptability remains constrained. This is where adaptive contracting, relational governance and outcome-based approaches become increasingly important.

EVERY HANDOFF CREATES DELAY, DISTORTION AND LOSS. AI IMPROVES INDIVIDUAL STEPS. ONLY REDESIGN IMPROVES THE SYSTEM.



High-performing organizations are characterized by cross-functional and empowered teams, AI-enabled decision-making, adaptive governance, and platform-based self-service capabilities. However, the most significant bottlenecks remain scope definition, approvals, governance, and budgeting. Encouragingly, organizations are moving beyond isolated AI and Agile pilots toward more systematic transformation. Lean-Agile Procurement, empowered cross-functional teams, short feedback cycles, and commercial platform teams are emerging as leading practices for scaling AI enabled value creation.

FROM EFFICIENCY TO ADAPTABILITY

For thirty years, organizations optimized for efficiency, specialization and control. Today’s environment requires:



INSIDE THE NUMBERS

OPERATING MODEL ADOPTION
96% consider Business Agility strategically important, while 70% believe their current operating model constrains the benefits of AI.

ARTIFICIAL INTELLIGENCE
Organizations report improved analytics, automation, and faster business insights as the primary benefits of AI. Yet most have not adapted their operating model enough to realize these benefits at scale.

REDUCING FRAGMENTATION
93% believe that reducing fragmentation between strategic customers and suppliers is important or very important. Innovation, Goto-Market, R&D, and Sales & Marketing emerge as the areas with the greatest need for cross-company collaboration.

BENEFITS & CHALLENGES
Organizations adopting new operating models report faster decision-making, stronger business alignment, improved customer satisfaction, and shorter time-to-market. However, organizational resistance to change, lack of knowledge, and cultural barriers remain the most significant obstacles to progress.

The message from this year’s study is clear: AI may accelerate work, but only new operating models can accelerate value creation. Organizations that combine AI with cross-functional, data-driven, and ecosystem-oriented ways of working will be best positioned to compete in the Age of AI. The greatest opportunity may not be AI’s ability to automate work, but its ability to coordinate work across increasingly complex organizational and commercial networks.

FOREWORD

For over three decades, Scrum has helped organizations navigate uncertainty — not by predicting the future, but by building the capability to respond to it. What began as a framework for software development has become one of the most powerful ways that teams work together to deliver products to market. And yet, as this report makes clear, we are still only scratching the surface of what’s possible.

The 2026 State of Agility in Procurement & Supply arrives at a pivotal moment. AI is no longer a future consideration. It is here, yet organizations are still at a loss for how to effectively gain strong value at the individual and team level, while investment alone is not delivering the returns that leaders expect. As this report discusses, the problem is not the technology. It is the operating model surrounding it.

This is precisely the challenge Scrum was designed to solve. Scrum works because it forces a fundamental redesign of how people organize, make decisions, and deliver value. It focuses on incremental change and delivery, learning as we go and adapting over time. As AI is evolving so quickly, we need to be able to adapt how we work, how we leverage these new technologies and capabilities quickly, based on what we learn. When organizations ask why AI isn’t delivering at scale, the answer is almost always the same: the system around the technology hasn’t changed. Functional silos, fragmented governance, and sequential processes don’t become agile simply because AI has been inserted into individual steps.

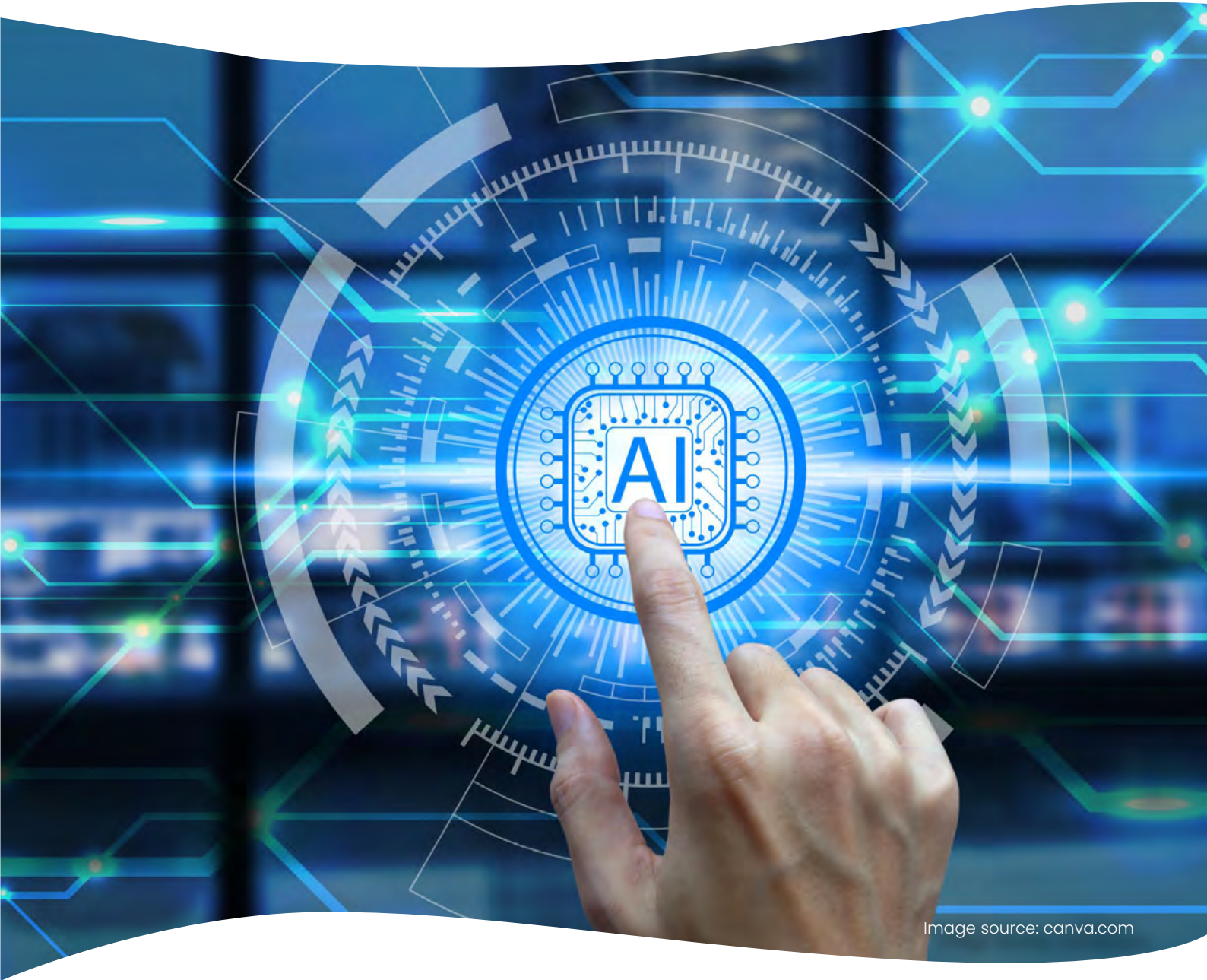


Image source: canva.com

FOREWORD

This report calls for cross-functional empowerment, short feedback loops, reduced fragmentation, and ecosystem-oriented col-laboration. These are not new ideas in the Scrum community, it is what we have been doing for years. It is the foundation of Scrum. The encouraging news is that these patterns are well understood and increasingly proven, not just in software, but now across all functions within an organization.

I believe the agile principles that have transformed product development are equally capable of transforming the commercial systems that surround it. The organizations that will lead in the Age of AI are those with the adaptive models that focus on constant learning and making decisions based on what has been learned over time.

This report shows us where the gap is. Scrum can help close it.



Eric Naiburg
Chief Operating Officer at Scrum.org

THOUGHT LEADERSHIP PARTNERS

This survey would not have been possible without the support of our global thought leadership partners. We're proud to see the collaboration even between competitive alliances to achieve something bigger than us.

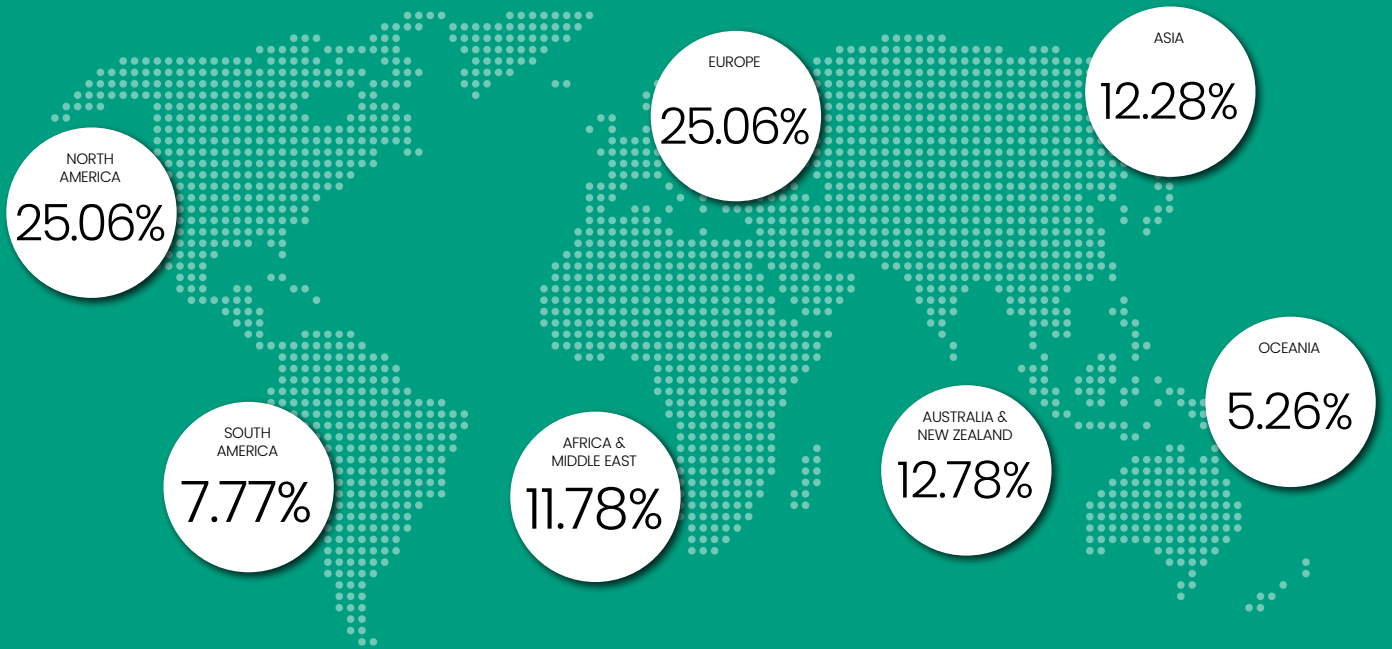


RESPONDENT DEMOGRAPHICS

Participants from across the globe contributed to this study, representing SMEs and large enterprises, multiple industries, and a broad range of commercial roles. As a result, the findings reflect both buyer and supplier perspectives and span the public and private sectors, providing a balanced and representative view of current practices and emerging trends

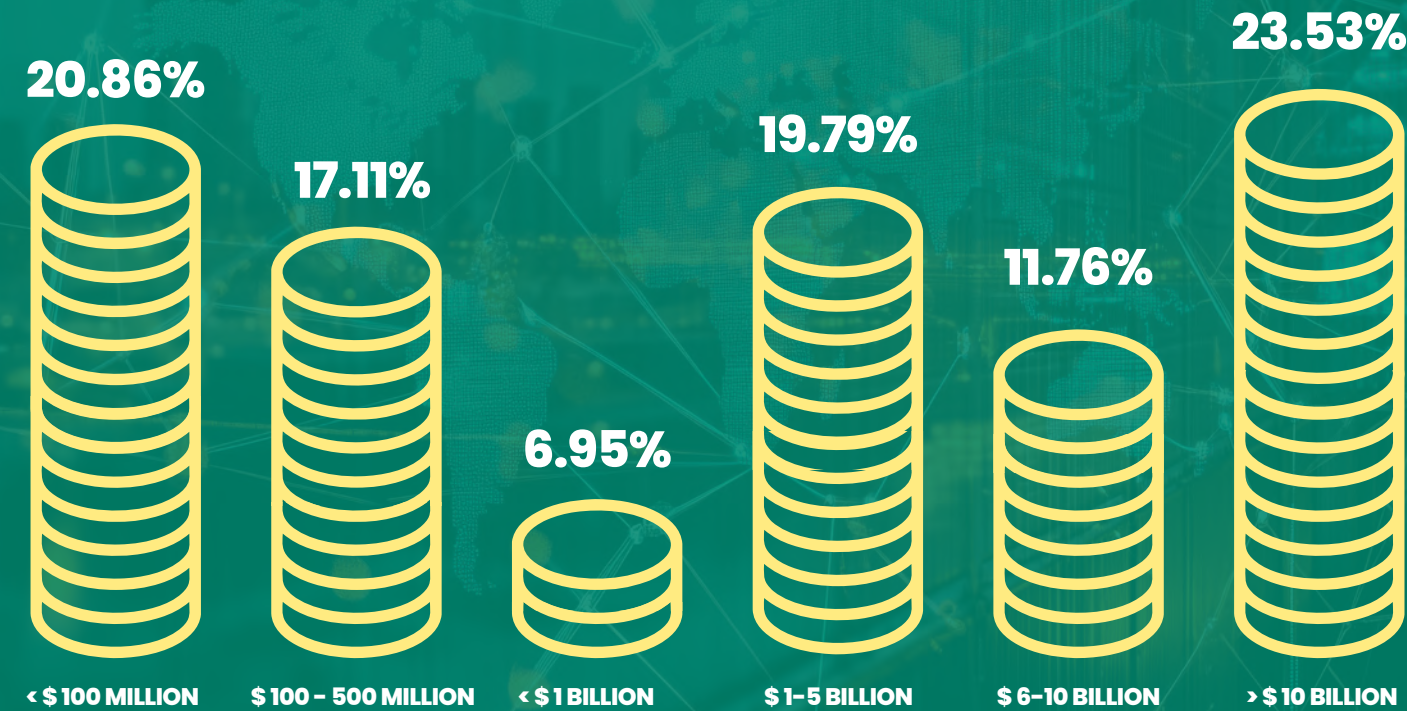
LOCATION OF ORGANIZATION

Respondents were from



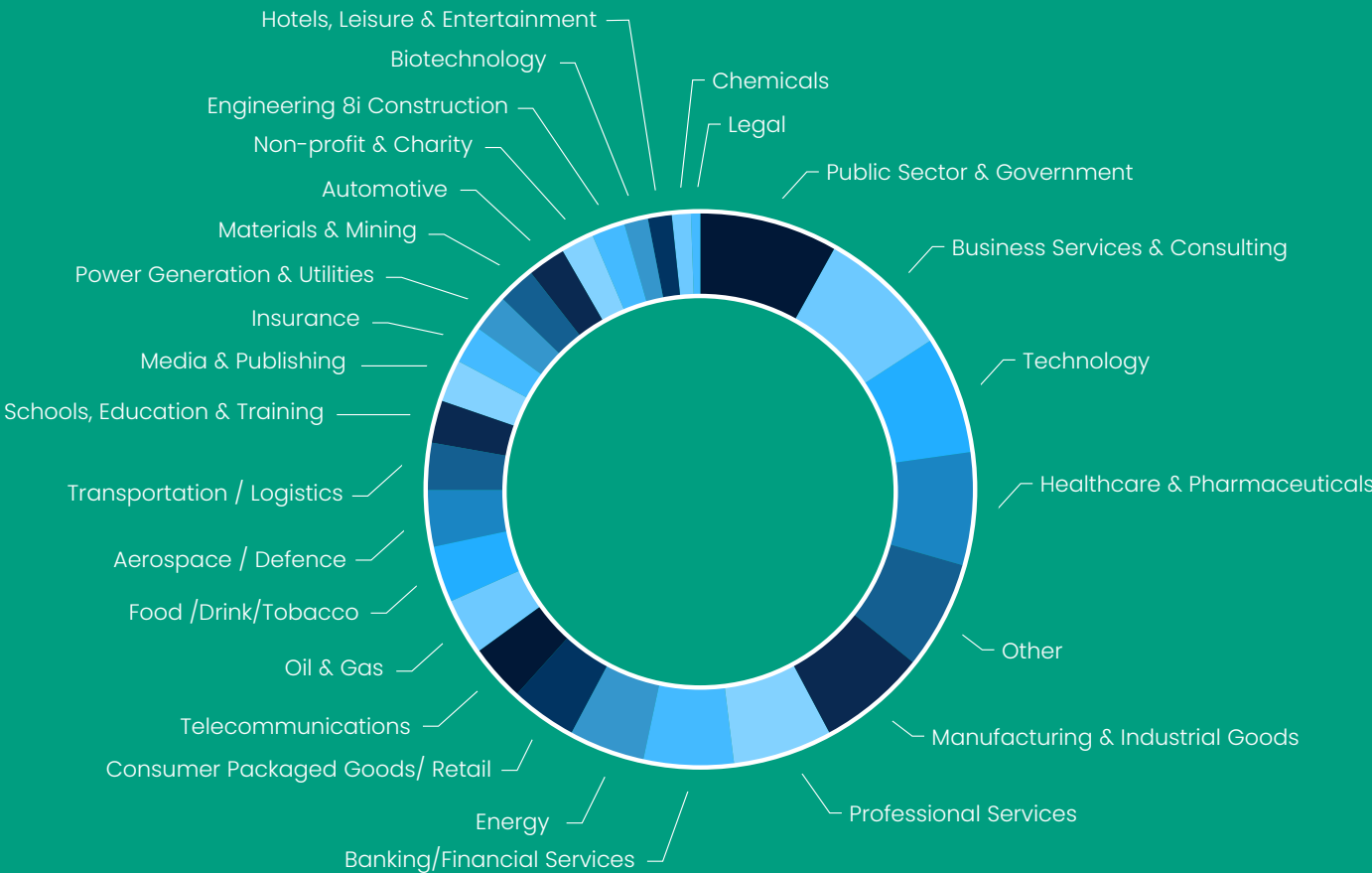
SIZE OF ORGANIZATION

Respondents organization have an annual revenue in USD)



INDUSTRY

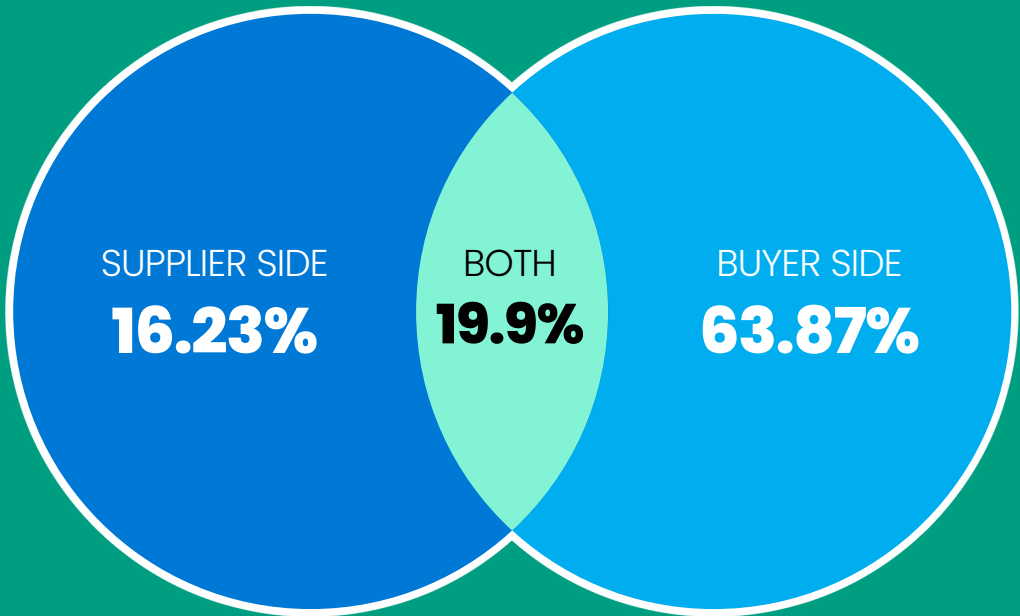
Respondents organization belong to those sectors



The respondents are primarily from the buyer side and represent a broad range of commercial functions, including procurement, supply chain, legal, finance, contract management, and business operations. This provides a comprehensive view of the challenges, priorities, and opportunities shaping today's commercial ecosystem.

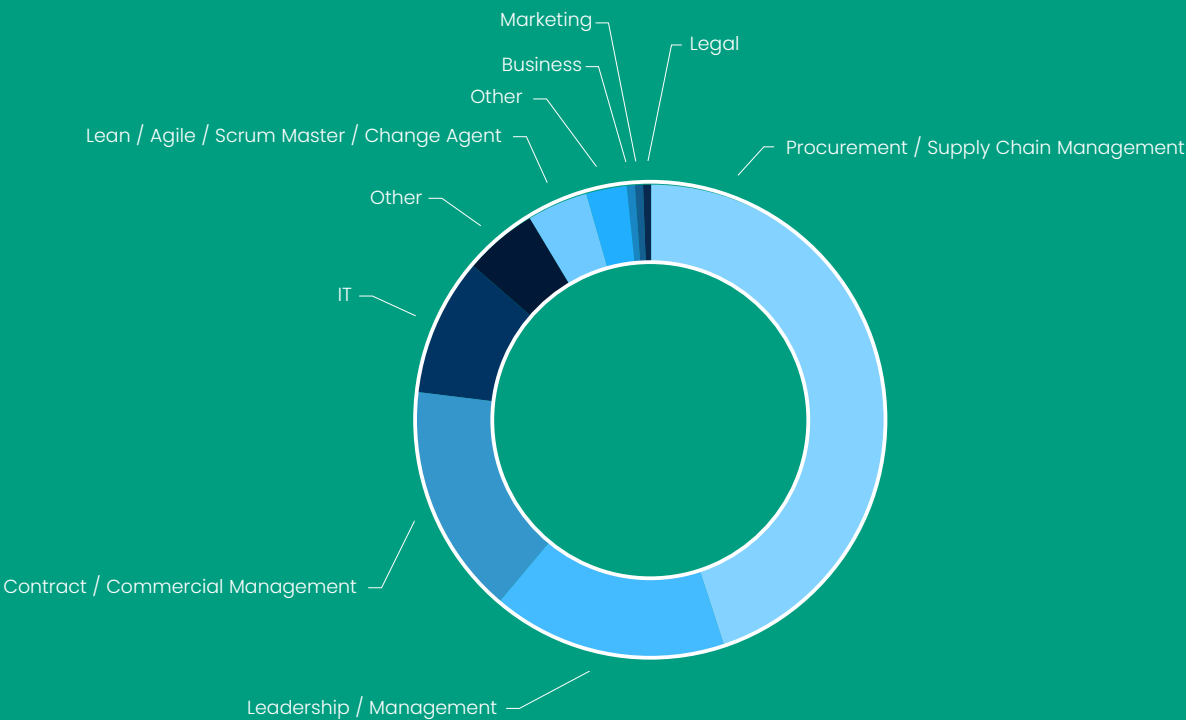
BUYER & SUPPLIER ROLE

The respondents came from the supplier- as well from the buyer side



FUNCTION

The respondents came from the following roles & functions



TOP COMMERCIAL PRIORITIES

In contrast to previous years—where cost optimization dominated the agenda in procurement and supply—respondents now report a radical shift in commercial priorities, with a surprising level of alignment across industries. The majority identified “Business Agility & Adaptability” as their top priority, closely followed by “Innovation & Business Model Evolution” and “Cost Optimization & Profitability.” While AI is undoubtedly a hot topic, it has not yet emerged as a clear commercial priority.

TOP 3 STRATEGIC PRIORITIES BY INDUSTRY

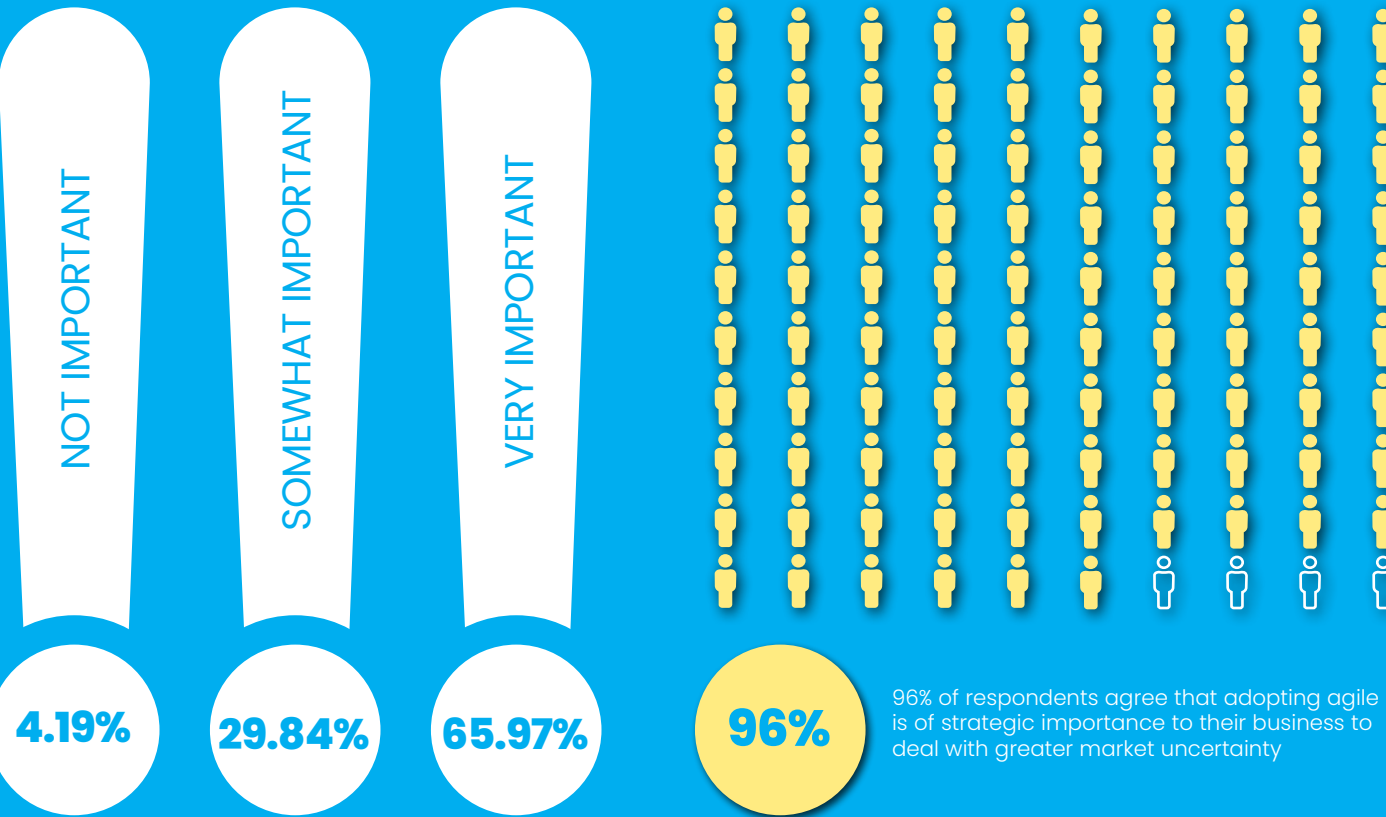
Across industries, respondents ranked the following as priorities in their commercial processes, alongside digitalization: training and recruiting, and agile transformation of their commercial functions.

	#1	#2	#3
AEROSPACE / DEFENCE	OTHER	REDUCING FRAGMENTATION / NEW OPERATING MODEL	BUSINESS AGILITY & ADAPTABILITY
AUTOMOTIVE	SUSTAINABILITY & ESG COMPLIANCE	WORKFORCE TRANSFORMATION & TALENT STRATEGY	WORKFORCE TRANSFORMATION & TALENT STRATEGY
BANKING / INSURANCE / FINANCIAL SVCS	SUSTAINABILITY & ESG COMPLIANCE	BUSINESS AGILITY & ADAPTABILITY	COST OPTIMIZATION & PROFITABILITY
BUSINESS SERVICES & CONSULTING	PARTNER ECOSYSTEM & COLLABORATIVE GROWTH	BUSINESS AGILITY & ADAPTABILITY	INNOVATION & BUSINESS MODEL EVOLUTION
CHEMICALS	SUPPLY CHAIN RESILIENCE & AGILITY	SUSTAINABILITY & ESG COMPLIANCE	AI-DRIVEN BUSINESS TRANSFORMATION
CONSUMER PACKAGED GOODS / RETAIL	PARTNER ECOSYSTEM & COLLABORATIVE GROWTH	AI-DRIVEN BUSINESS TRANSFORMATION	COST OPTIMIZATION & PROFITABILITY
ENGINEERING & CONSTRUCTION	OTHER	TRAINING EMPLOYEES TO BE READY FOR THE NEXT CHALLENGES	INNOVATION & BUSINESS MODEL EVOLUTION
FOOD / DRINK / TOBACCO	COST OPTIMIZATION & PROFITABILITY	SUPPLY CHAIN RESILIENCE & AGILITY	REDUCING FRAGMENTATION
HEALTH CARE	PARTNER ECOSYSTEM & COLLABORATIVE GROWTH	BUSINESS AGILITY & ADAPTABILITY	INNOVATION & BUSINESS MODEL EVOLUTION
HOTELS, LEISURE & ENTERTAINMENT	SUSTAINABILITY & ESG COMPLIANCE	SUPPLY CHAIN RESILIENCE & AGILITY	AI-DRIVEN BUSINESS TRANSFORMATION
LEGAL	TRAINING EMPLOYEES TO BE READY FOR THE NEXT CHALLENGES	REDUCING FRAGMENTATION/ NEW OPERATING MODEL	AI-DRIVEN BUSINESS TRANSFORMATION
MANUFACTURING & INDUSTRIAL GOODS	SUSTAINABILITY & ESG COMPLIANCE	SUPPLY CHAIN RESILIENCE & AGILITY	PARTNER ECOSYSTEM & COLLABORATIVE GROWTH
MATERIALS & MINING	OTHER	SUSTAINABILITY & ESG COMPLIANCE	PARTNER ECOSYSTEM & COLLABORATIVE GROWTH
MEDIA & PUBLISHING	AI-DRIVEN BUSINESS TRANSFORMATION	COST OPTIMIZATION & PROFITABILITY	REDUCING FRAGMENTATION
NON-PROFIT & CHARITY	TRAINING EMPLOYEES TO BE READY FOR THE NEXT CHALLENGES	INNOVATION & BUSINESS MODEL EVOLUTION	SUSTAINABILITY & ESG COMPLIANCE
OIL & GAS	SUSTAINABILITY & ESG COMPLIANCE	SUPPLY CHAIN RESILIENCE & AGILITY	WORKFORCE TRANSFORMATION & TALENT STRATEGY
PHARMACEUTICAL / BIOTECHNOLOGY	WORKFORCE TRANSFORMATION & TALENT STRATEGY	REDUCING FRAGMENTATION / NEW OPERATING MODEL	SUPPLY CHAIN RESILIENCE & AGILITY
POWER GENERATION & UTILITIES	WORKFORCE TRANSFORMATION & TALENT STRATEGY	OTHER	REDUCING FRAGMENTATION
PUBLIC SECTOR & GOVERNMENT	OTHER	SUSTAINABILITY & ESG COMPLIANCE	TRAINING EMPLOYEES TO BE READY FOR THE NEXT CHALLENGES
SCHOOLS, EDUCATION & TRAINING	TRAINING EMPLOYEES TO BE READY FOR THE NEXT CHALLENGES	SUSTAINABILITY & ESG COMPLIANCE	AI-DRIVEN BUSINESS TRANSFORMATION
TECHNOLOGY	INNOVATION & BUSINESS MODEL EVOLUTION	AI-DRIVEN BUSINESS TRANSFORMATION	WORKFORCE TRANSFORMATION & TALENT STRATEGY
TELECOMMUNICATIONS	TRAINING EMPLOYEES TO BE READY FOR THE NEXT CHALLENGES	OTHER	BUSINESS AGILITY & ADAPTABILITY
TRANSPORTATION / LOGISTICS	WORKFORCE TRANSFORMATION & TALENT STRATEGY	SUPPLY CHAIN RESILIENCE & AGILITY	OTHER

REASONS FOR ADOPTING A NEW OPERATING MODEL

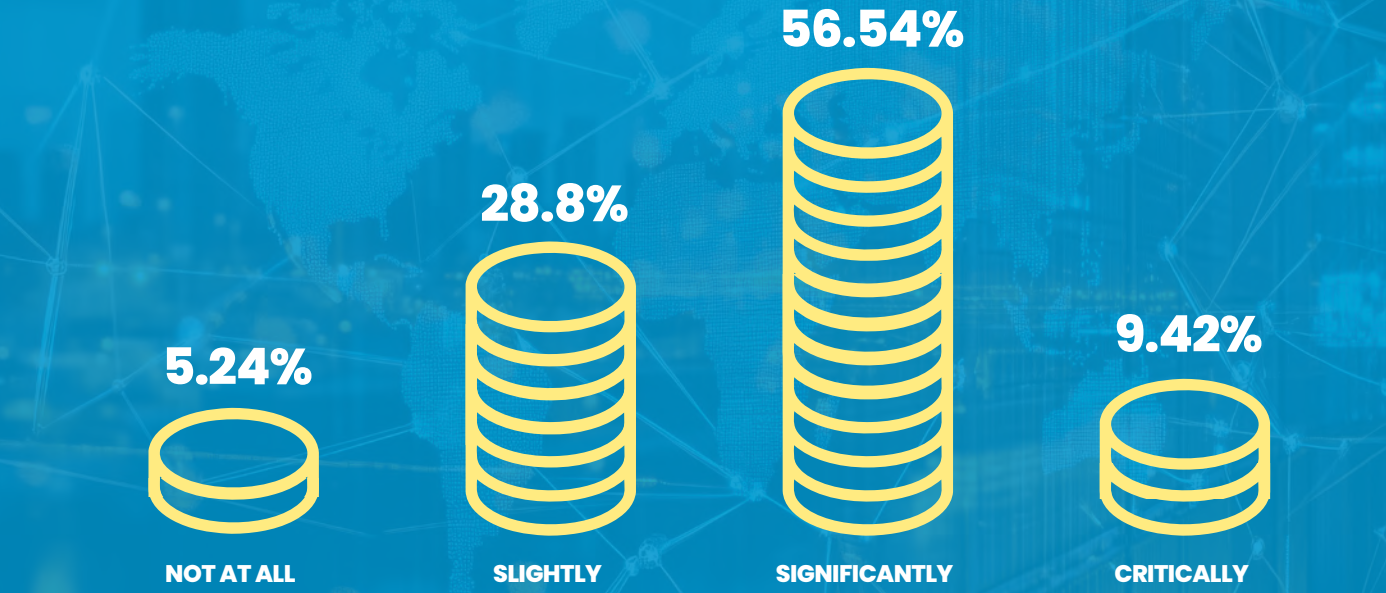
Both procurement and supply-side respondents agree that Agile adoption has become a top executive priority. The pressure to manage shifting priorities has intensified, with a growing need to reduce time to market and navigate the complexity of today’s multi-dimensional market uncertainty. Additionally, both buyers and suppliers report that cost reduction has once again moved into sharper focus.

STRATEGIC IMPORTANCE OF BUSINESS AGILITY



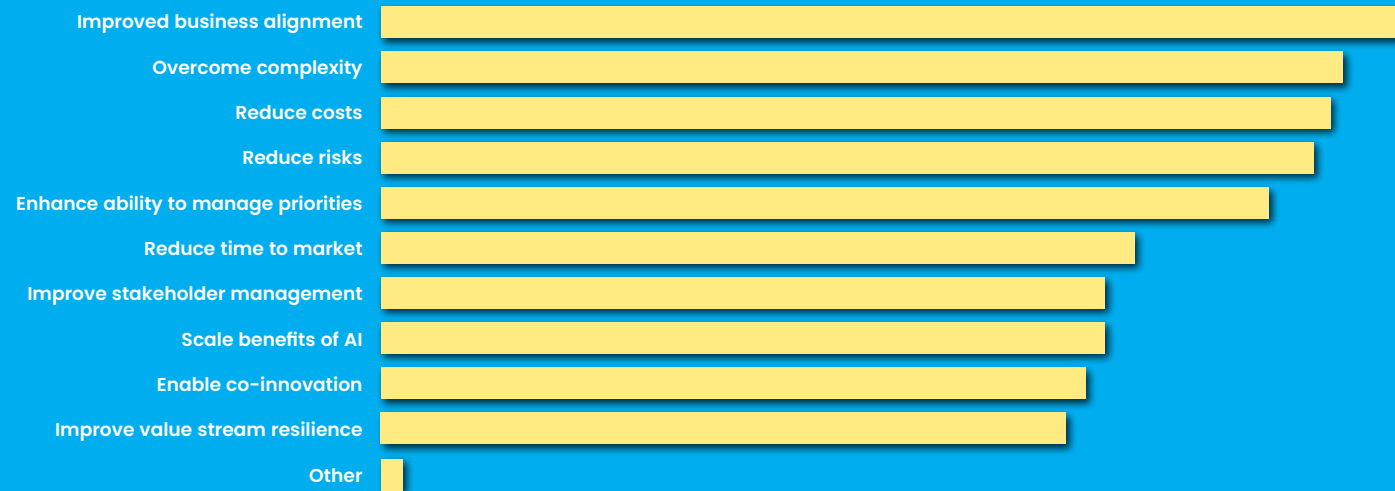
FUNCTIONAL ORGANIZATION LIMITS VALUE CREATION

94% of respondents report that the existence of functional silos limit and / or delay value creation in their organization.



REASONS FOR ADOPTING A MORE AGILE OPERATING MODEL

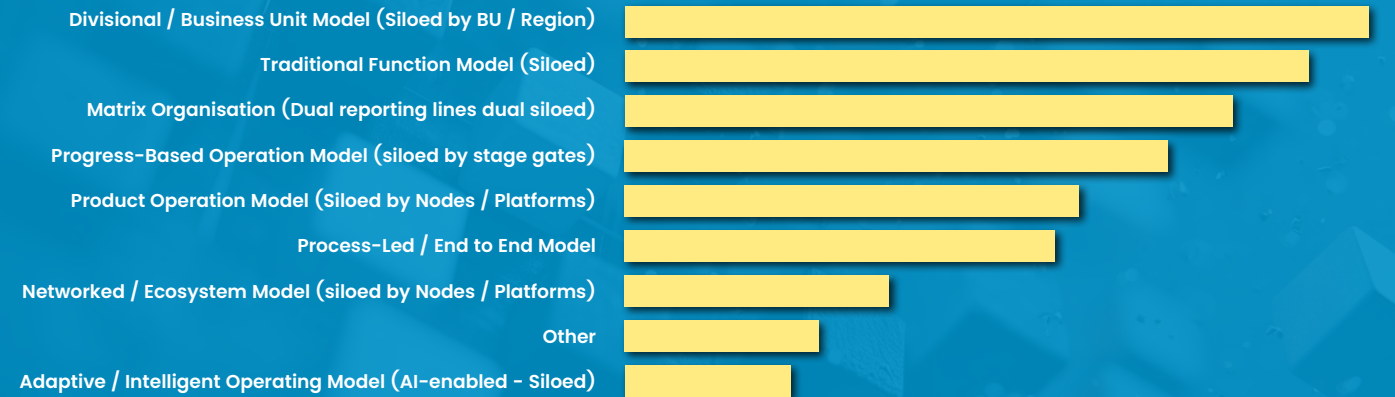
It is widely recognized that the barriers you have identified can only be addressed through the adoption of a new operating model, designed to streamline business decision-making. The top 3 reasons for adopting a more agile operating model are to improve business alignment, to overcome complexity and reduce costs.



Respondents acknowledge that while investments in AI continue to grow, many organizations remain anchored in traditional operating models. They believe these outdated structures, siloed processes, and governance mechanisms will significantly limit their ability to scale the benefits of AI – reinforcing the view that technology alone cannot overcome operating model constraints.

CURRENT OPERATING MODEL

The majority of respondents reported working still in very traditional operating models such as divisional, functional, or matrix organizations. Just very few consider themselves as AI-enabled and adaptive.



CURRENT OPERATING MODEL CONSTRAINS THE BENEFITS OF AI

The majority of respondents think that their current operating model constrain the benefits of AI.

Thinking about AI specifically, to what extent do you believe that your current operating model will constrain the benefits that could be achieved.

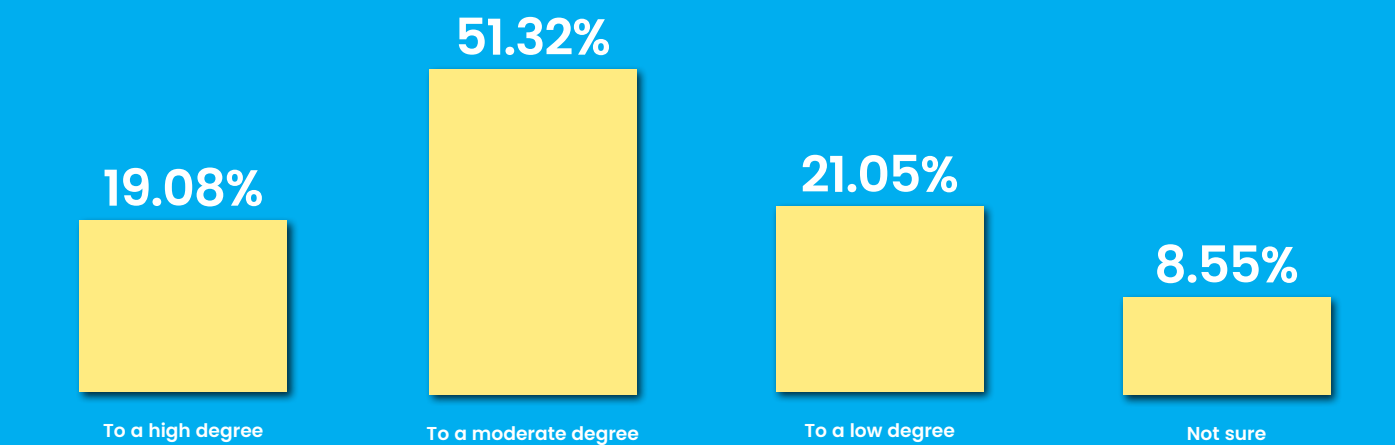
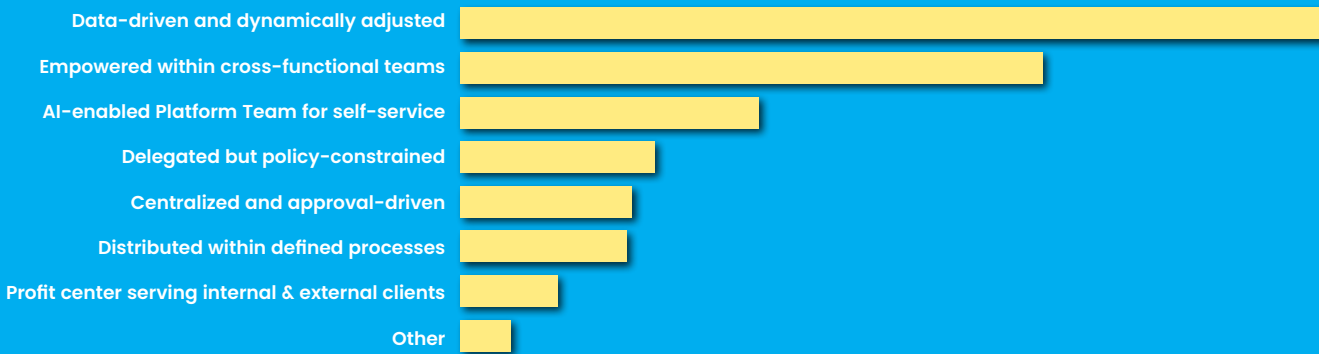


Image source: Adobe Stock

While respondents overwhelmingly aspire to data-driven, AI-enabled, and cross-functional operating models, the reality remains that many organizations are still constrained by unclear scope definition, excessive approvals, conflicting functional objectives, limited end-to-end transparency, and constantly changing requirements. As a result, organizational speed is often determined less by technology and more by the effectiveness of the operating model itself.

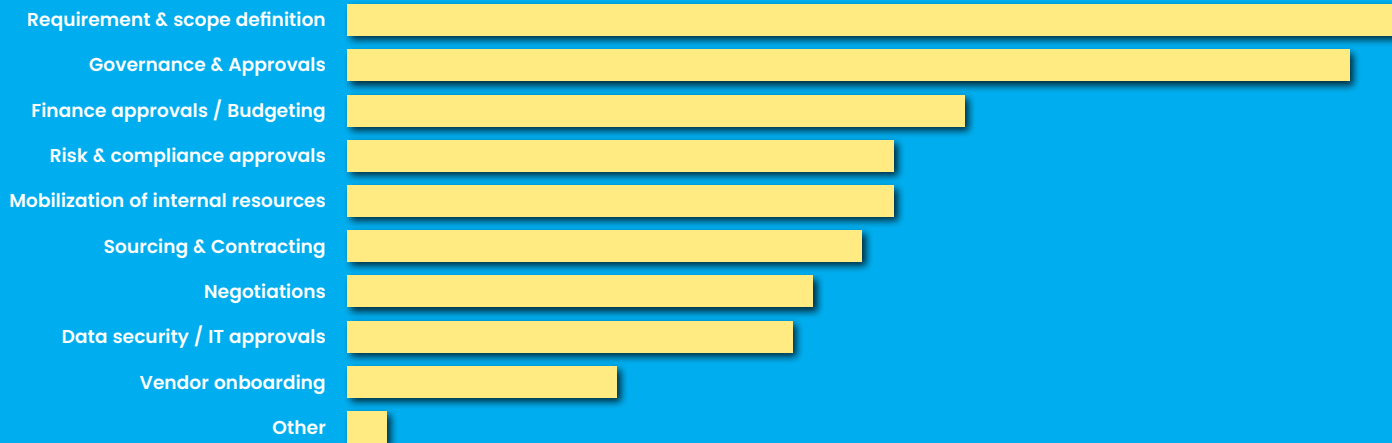
HIGH-PERFORMING OPERATING MODEL FOR COMMERCE

A commercial operating model is how an organization arranges people, processes, governance, technology and measures so it can design, agree and deliver its commercial outcomes in the market. The respondents reported Data-driven, empowered cross-functional teams and AI-enabled platform teams as the high-performing operating model for commerce.



SLOW DOWNS

Respondents indicate that the biggest sources of delay are not execution-related, but occur earlier in the process. Scope definition, governance and approvals, and budgeting emerge as the three most common bottlenecks slowing down client requests, initiatives, and projects.



ROOT CAUSES OF SLOW DOWNS

Respondents reported as the top 3 root causes contributing to this slowdown conflicting objectives, limited transparency and changing requirements.

WHAT WOULD YOU CONSIDER THE ROOT CONTRIBUTION TO THIS SLOWDOWN?

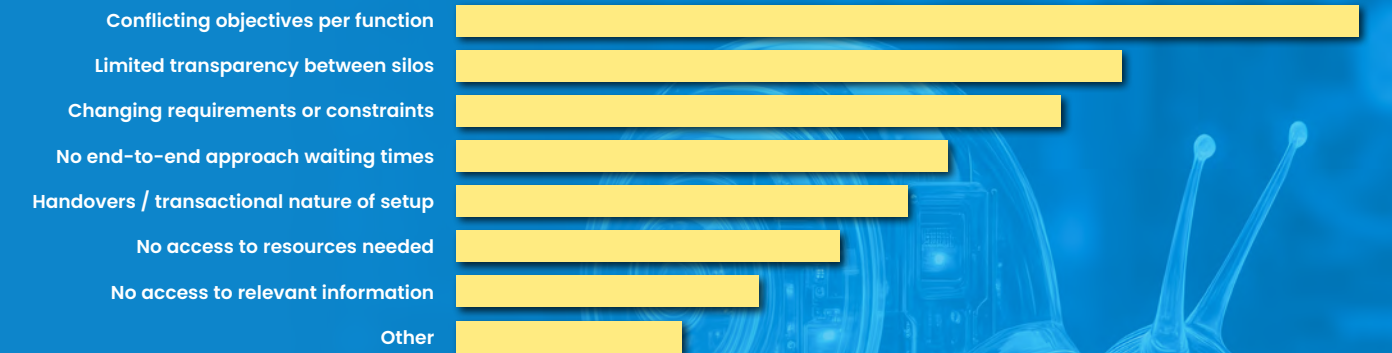
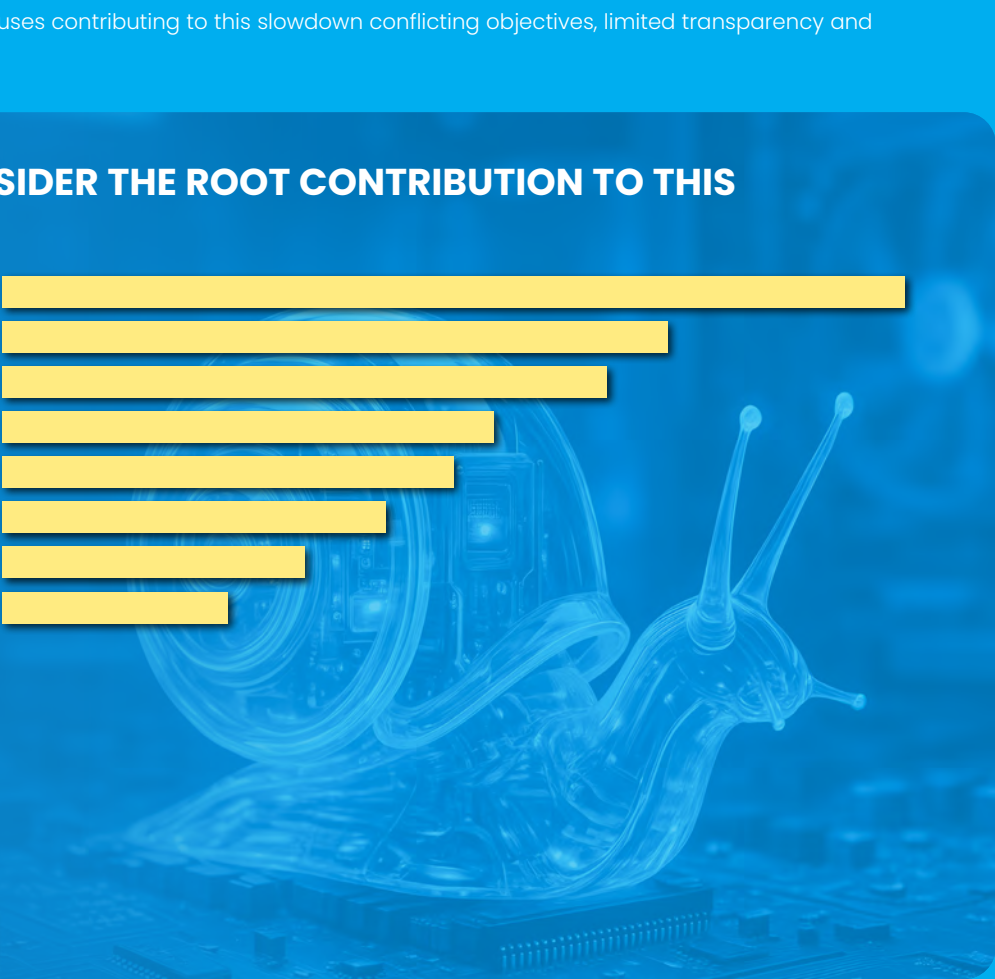


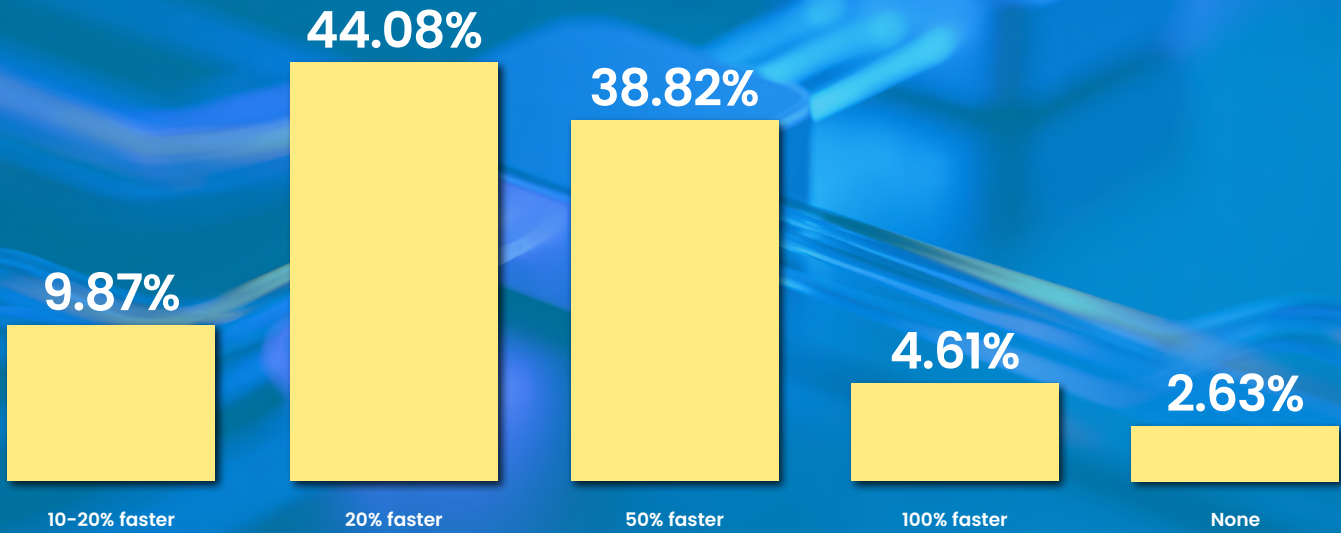
Image source: Adobe Stock



Respondents believe their organizations could operate significantly faster by reducing fragmentation. The findings suggest that scaling the benefits of AI requires more than technology investments alone – it requires cross-functional, data-driven, and AI-enabled operating models that enable shared decisions, end-to-end transparency, and rapid adaptation.

IMPROVED LEAD TIME

When we talk about “reducing fragmentation,” we mean removing the organizational barriers that slow down shared decisions and accountability. According to the survey, most respondents believe their organizations could move 20–50% faster if these barriers were removed—highlighting that operating models, not technology, are often the real bottleneck.



TARGET OPERATING MODEL

Top 3 definitions of how respondents would describe their target operating model.

- #1 Cross-Functional & Empowered**
Teams work across functions with shared goals, shared decision-making, clear accountability, delegated authority, fewer approvals, and reduced fragmentation.
Keywords: empowered teams, end-to-end collaboration, transparency, and faster decision-making
- #2 AI-Enabled & Data-Driven**
Decisions are supported by AI, integrated systems, shared data, automation, and digital platforms.
Keywords: real-time visibility, common data sources, automated workflows, AI-assisted processes, and improved operational efficiency
- #3 Agile, Adaptive & Simplified**
Organizations are flexible, adaptable, responsive to change, and operate with streamlined governance, simplified processes, fewer bottlenecks, and continuous improvement.
Keywords: agility, adaptability, simplification, responsiveness, and policy-based governance

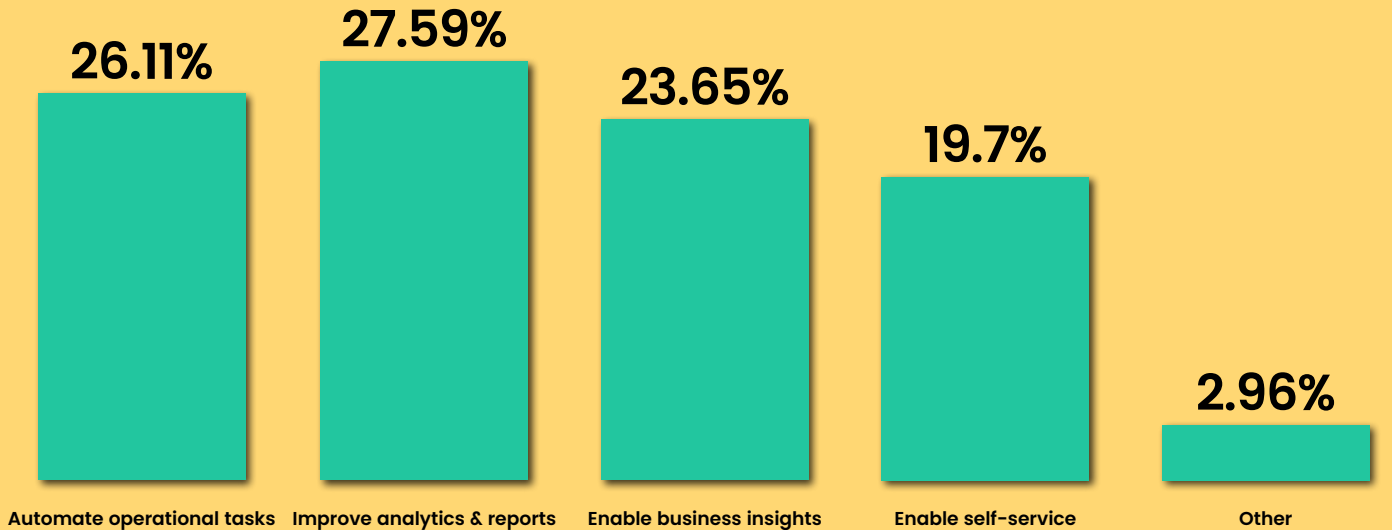
In this section – our focus topic for the year – we examine how organizations are adapting their operating models to scale the benefits of AI, recognizing that AI cannot fully deliver its promise when constrained by outdated structures, siloed processes, and traditional governance models.

WITH THE FOCUS TOPIC
AI can't fix a broken
Operating Model

Image source: Martyn Oakley, Ledger Series Media

PROGRESS IN ADOPTING NEW OPERATING MODELS AND AI

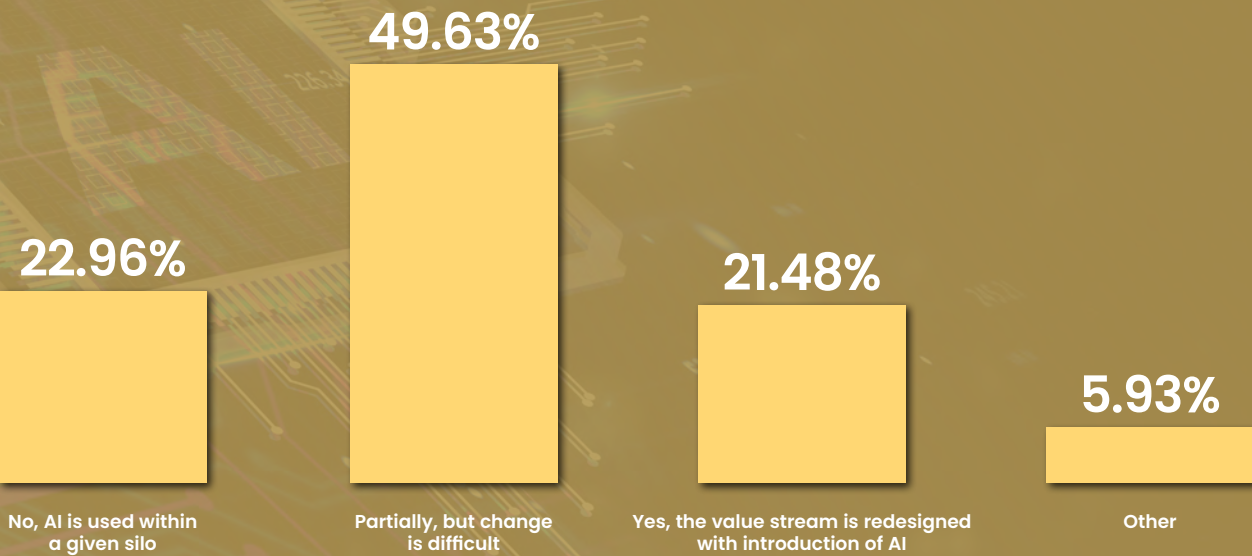
Respondents report that the primary benefits of AI and technology investments are improved analytics and reporting, automation of operational tasks, and faster business insights. Notably, these benefits focus on enhancing existing ways of working, highlighting the opportunity for organizations to combine AI investments with operating model transformation to unlock greater business impact



73% of respondents who have adopted AI report that adapting their operating model to scale its benefits remains difficult or only partially implemented. Comparing AI and operating model adoption with team-level work modes reveals a significant gap: most organizations continue to optimize within organizational boundaries, while relatively few have extended transformation across customers, suppliers, and end-to-end value streams. The findings suggest that scaling AI successfully requires not only technology adoption, but also a shift toward more integrated, cross-functional, and ecosystem-oriented operating models.

ADOPTION OF STRUCTURES INTRODUCING AI

The respondents reported the following key strategies to overcome uncertainty in supply chain management.



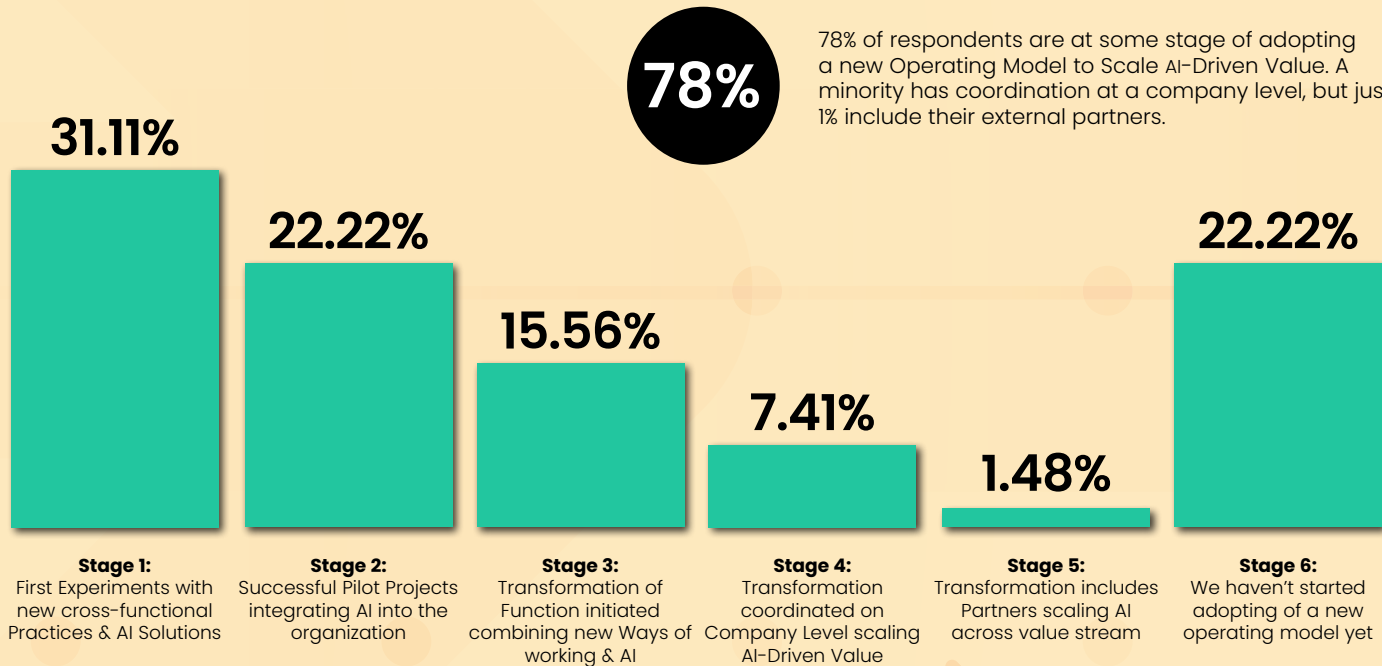
TEAM WORK MODE

The findings reveal that most organizations still focus on internal alignment and objectives within individual teams or business units. In contrast, only a minority report having objectives aligned across their end-to-end supply chain and customer ecosystem, highlighting a significant opportunity to improve cross-company collaboration and value creation.



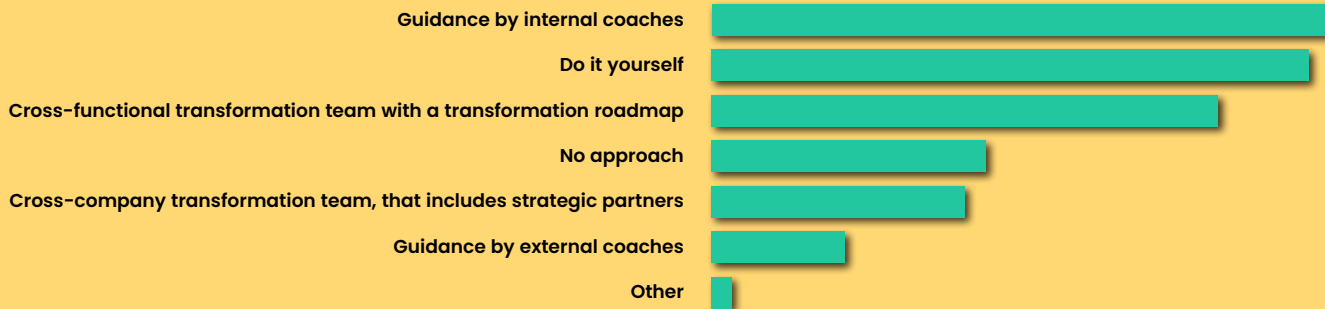
Since the last report, organizations have moved beyond isolated AI pilots toward more systematic combined adoption of AI and new operating models. While cross-functional teams, data-driven decisions, and AI-enabled capabilities are becoming more common, transformation remains largely focused within organizational boundaries, with limited involvement of strategic customers and suppliers. Although transformation efforts have become more mature and internally driven, many respondents still cite insufficient executive sponsorship, competing priorities, and traditional governance as key barriers. As a result, the full benefits of Agile, AI, and ecosystem collaboration remain difficult to achieve at scale.

MATURITY LEVEL OF NEW OPERATING MODEL ADOPTION



ADOPTION APPROACH TO BECOME MORE AGILE OPERATING MODEL

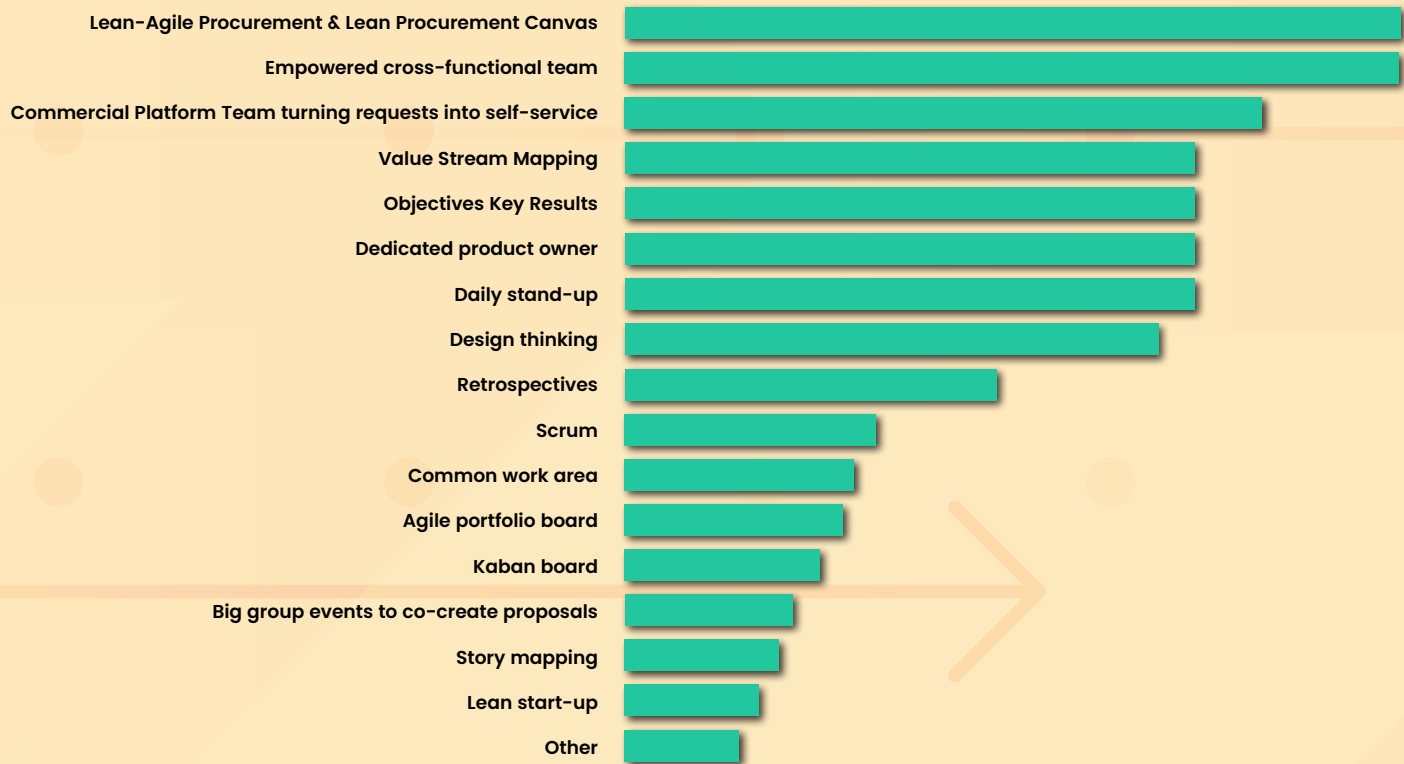
In spite of the strategic importance of adopting a more agile operating model, just 20% have established a cross-functional transformation team to lead the transformation top down.



Respondents increasingly associate high-performing operating models with Lean-Agile Procurement, empowered cross-functional teams, short feedback cycles, and platform-based self-service capabilities. At the same time, 93% believe that reducing fragmentation with strategic customers and suppliers is important or very important, highlighting a clear shift from internal optimization toward cross-company collaboration and ecosystem-driven value creation.

PRACTICES IN NEW OPERATING MODEL

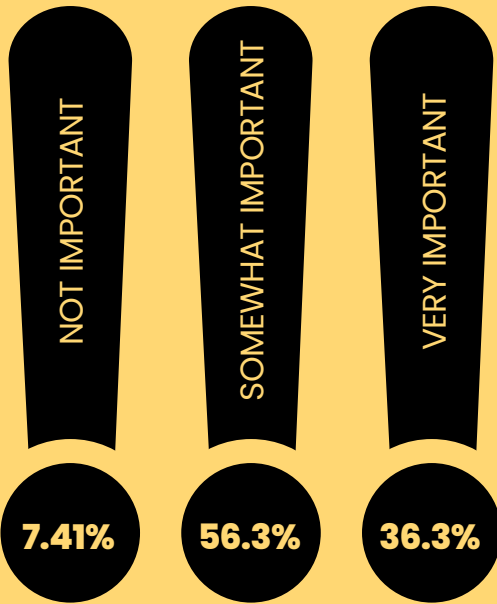
The top three practices respondents associate with their new operating models are Lean-Agile Procurement, empowered cross-functional teams, and short iterations with frequent feedback loops. Interestingly, the concept of a commercial platform team that transforms traditional requests into self-service capabilities has immediately emerged as the fourth most adopted practice. This suggests that organizations are increasingly looking beyond functional optimization and toward scalable operating models that combine empowerment, agility, and platform-based enablement.



IMPORTANCE OF REDUCING FRAGMENTATION WITH CUSTOMERS OR SUPPLIERS

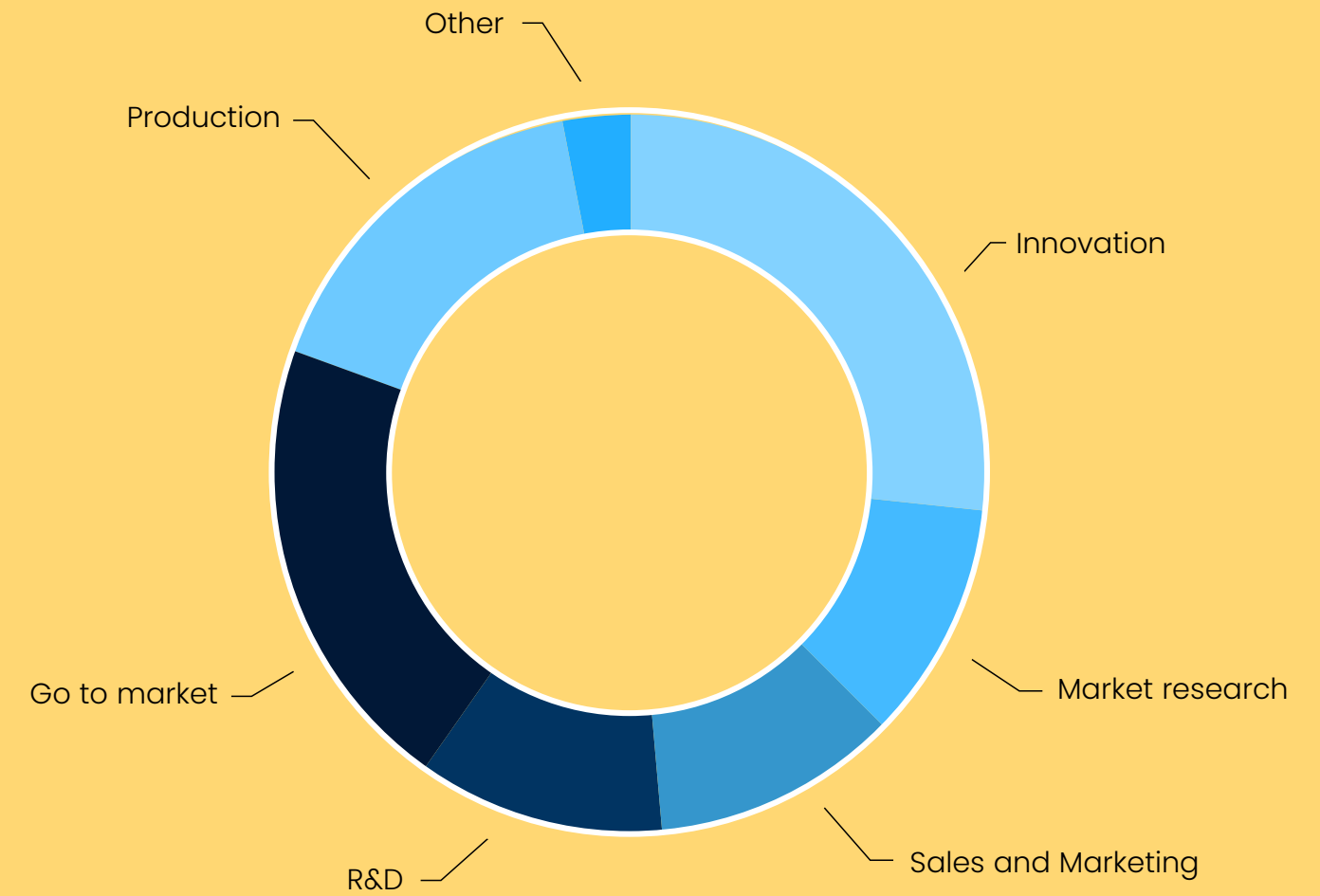
An overwhelming 93% of respondents reported that breaking down silos with strategic customers and suppliers is important or very important, highlighting the growing recognition that competitive advantage increasingly depends on cross-company collaboration rather than internal optimization alone.

This reflects a broader shift away from transactional buyer-supplier relationships toward networked value creation, where innovation, resilience and responsiveness depend upon shared visibility and joint decision-making.



SCENARIOS FOR REDUCING FRAGMENTATION

Respondents identified several business contexts where breaking down silos with strategic customers and suppliers is particularly important. Consistent with previous years' findings, the top three scenarios are innovation and go-to-market activities, followed closely by R&D and Sales & Marketing. This suggests that organizations see the greatest value in cross-company collaboration where speed, learning, and customer responsiveness directly influence competitive advantage.



Respondents report that adopting a new operating model delivers significant benefits across all participants in the value chain. The transformation typically starts with **faster decisions**, **stronger alignment around business objectives**, and **higher customer satisfaction**, creating the foundation for greater agility, collaboration, and long-term business performance.

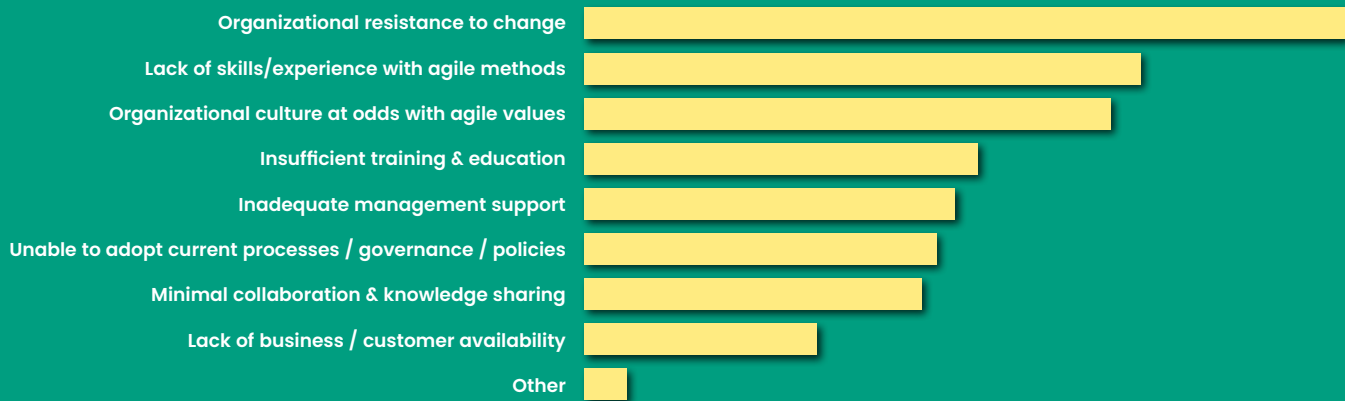
BENEFITS ADOPTING A NEW OPERATING MODEL

Respondents reported significant improvements that have resulted from their adoption of agile working practices in procurement/sales.



CHALLENGES ADOPTING A NEW OPERATING MODEL

Similar to last year, the top three barriers to adopting a new operating model remain unchanged: organizational resistance to change, lack of knowledge, and cultural challenges.



The survey reveals a growing recognition that organizational performance is no longer determined primarily by individual functions, technologies, or even individual firms.

Performance increasingly depends on the effectiveness of commercial ecosystems.

Organizations understand this reality. They recognize the need for greater agility, faster decision-making, stronger collaboration and improved use of AI. Yet most transformation efforts remain focused within organizational boundaries, while the greatest sources of value and delay increasingly exist between organizations.

This creates a paradox. Companies are investing heavily in technologies designed for adaptability while retaining operating models, governance structures and commercial frameworks designed for predictability.

The next generation of competitive advantage will not come from AI alone. It will come from organizations that combine AI with adaptive operating models, simplified governance, transparent data, and collaborative commercial relationships. The challenge is therefore not technological transformation. It is systemic transformation.

Future Directions

To unlock the full value of AI and thrive in an increasingly uncertain environment, organizations should focus on three priorities:

- **Redesign the Operating Model for the Age of AI**
Move beyond fragmentation between functions toward cross-functional, data-driven, and empowered ways of working that enable faster decisions and adaptability.
- **Scale Collaboration Beyond Organizational Boundaries**
Integrate strategic customers, suppliers, and partners into decision-making, innovation, and delivery processes to accelerate value creation across the ecosystem.
- **Combine AI Adoption with Governance Transformation**
Complement technology investments with simplified governance, platform-based enablement, and shared accountability to remove bottlenecks and scale business impact.

The message from this year's study is clear: AI may accelerate work, but only modern operating models can accelerate value creation. Organizations that successfully combine AI with adaptive, collaborative, and ecosystem-oriented ways of working will be best positioned to lead in the Age of AI. The greatest opportunity may not be AI's ability to automate work, but its ability to coordinate work across increasingly complex organizational and commercial networks.

More

To find out more about the creators of this annual report visit the websites:





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