# Agentic AI transforms procurement amid global supply chain volatility



Global supply chains are currently navigating an unprecedented level of volatility due to rapidly shifting trade policies, geopolitical conflicts, and fluctuating tariffs. Businesses are facing significant pressure to adapt swiftly to these changes to maintain supply chain resilience. A key development in addressing these challenges is the increasing use of agentic artificial intelligence (AI) in supply chain decision-making, particularly within procurement functions.

According to Supply & Demand Chain Executive, the pace of change in trade regulations and tariffs has created immediate and complex financial and operational impacts across global procurement teams that manage extensive supplier contracts. Traditional methods of procurement are proving too slow and cumbersome to respond effectively to such a dynamic political and economic environment. Agentic AI, however, offers the capability to evaluate real-time market conditions and to adjust procurement strategies almost instantaneously. It can renegotiate supplier agreements within minutes rather than extending over days, weeks, or even months, providing businesses with critical speed and flexibility necessary to mitigate potential losses or disruptions.

One notable benefit of agentic AI is its ability to cover the full scope of a company’s stock-keeping units (SKUs) and vendors, including those suppliers typically outside the standard negotiation focus. This comprehensive approach can unlock substantial capital savings. For example, in the pharmaceutical sector, where companies may source critical drugs exclusively from countries like China, the savings gleaned from broader procurement negotiations could offset the additional costs incurred from tariffs. This financial cushioning allows companies more time and strategic space to restructure supply chains without immediate negative impacts.

In multinational corporations dealing with hundreds of thousands of vendors, the manual management of changing regulations has become impractical. Agentic AI scales procurement operations by automating supplier negotiations, pricing adjustments, and compliance checks throughout the entire supply network. Unlike generative AI, which can produce unpredictable or erroneous outputs, agentic AI functions within defined parameters aligned with corporate goals. This ensures negotiation processes are reliable and secure, eliminating the risk of unauthorised decisions or purchases, and providing procurement teams with the confidence to act swiftly and decisively.

Beyond reacting to change, agentic AI proactively optimises supply chain operations. When new tariffs or trade restrictions are introduced, AI systems can rapidly evaluate their impact on sourcing strategies, identify alternative suppliers, and initiate contract renegotiations at scale. This capability helps businesses sustain cost efficiencies and maintain compliance with evolving trade laws, drastically reducing the time needed to respond from weeks to real-time decision-making.

The publication highlights that companies failing to adopt advanced AI-driven procurement risk losing ground in an increasingly competitive and complex landscape. While some vendors offer AI solutions, many are limited to generative AI or basic automation functions that do not adequately address the scale and complexity of global supply chain challenges. Agentic AI is described as transformative, capable of integrating with existing procurement platforms to deliver immediate financial benefits without requiring wholesale system replacements. Legacy procurement technologies may soon be relegated to mere data repositories, while AI-enabled systems are set to become the standard for future operations.

In light of continuing geopolitical shifts, trade wars, and economic uncertainties, the role of AI in procurement is expected to grow in significance. The Supply & Demand Chain Executive concludes that while AI will not replace procurement professionals, those who incorporate agentic AI into their strategies are poised to outperform those who do not, signalling a fundamental change in the future landscape of global supply chain management.

Source: [Noah Wire Services](https://www.noahwire.com)

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