PRACTICAL PROCUREMENT
Added Value Sourcing

SERIES 8 OF 9 · PROCUREMENT & SUPPLY CHAIN OUTLOOK 2026

Procurement AI Business Case Template

Speaking the language of finance to secure the investment your function deserves

A practical tool from the Practical Procurement resource library.

Use it standalone, or alongside the nine domains of the Collaborative Procurement Operating Model.

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THE VOICE PROBLEM

53% of CPOs cite budget constraints as their biggest obstacle to deploying AI. Yet procurement sits on data that directly influences cost, risk, and capital efficiency. The problem is not the data — it is the language. This template helps you translate your AI agenda into the financial language that moves capital.

SECTION 1: EXECUTIVE SUMMARY (COMPLETE LAST)

Field	Your answer
Initiative name	
Total investment required	$
Payback period	
Primary financial benefit	
Risk reduction outcome	

SECTION 2: THE FINANCIAL IMPACT

Financial benefit category	Current state ($)	Projected state ($)	Annual gain ($)
Gross margin improvement (cost savings)			
Working capital reduction			
Risk-adjusted cost avoidance			
Labour efficiency (hours to value-add)			
Compliance cost reduction			

SECTION 3: RETURN ON INVESTED CAPITAL (ROIC)

Metric	Your calculation
Total investment (Year 1)	$
Ongoing annual cost (Year 2+)	$
Total 3-year cost	$
Total 3-year benefit	$
Net 3-year value	$
ROIC (%)	%

Metric	Your calculation
Payback period (months)	months

SECTION 4: RISK OF INACTION

Risk of inaction	Estimated financial exposure
Continued manual process error rate x average error cost	$__ per year
Competitor advantage from AI-enabled speed (market share risk)	Qualitative / $__
Regulatory non-compliance exposure (fines, delays)	$__ per incident
Supply disruption cost (probability x impact, unmitigated)	$__ expected value

SECTION 5: THE THREE-STEP PITCH

1	Partner with finance first: validate all numbers with your CFO or FP&A; team before the board presentation. The credibility of your numbers is your credibility.
2	Describe outcomes, not features: “this reduces working capital by $X” not “this automates purchase orders.” Boards buy outcomes.
3	Frame as a portfolio investment: position the AI programme alongside other capital allocation decisions — compare ROIC to your organisation's hurdle rate.

KEY PRINCIPLE

Leaders who can tell the story in the language of finance will not need to shout to be heard. They will be heard because they are finally speaking the same language as the people who decide where capital flows.

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Practical Procurement®
Insights drawn from the GEP Procurement & Supply Chain Outlook Report 2026