

We accelerated time-to-contract while improving bid quality and market validation.

Sourcing

Microsoft's Procurement team in our Finance organization manages over \$20B in annual, indirect spend across 14K suppliers. Historically, fragmented workflows across intake, sourcing, contracting, and savings tracking led to long cycle times and limited visibility into tail spend. Now, AI, analytics, and automation are embedded across the full sourcing lifecycle, automating the busywork while surfacing robust insights for decision-making for category managers and finance leaders.

Agents and automation in sourcing

Our internal Finance and Finance IT teams have leveraged Microsoft tools to build custom AI solutions within the Microsoft ecosystem, tailored to our underlying systems and data. These solutions enable Sourcing teams to re-architect procurement workflows end-to-end from intake and sourcing decisions through contracting, pricing, and enterprise-wide spend visibility.

Self-Sourcing Agent

The **Self-Sourcing Agent** consolidates existing sourcing platform capabilities into a single, conversational, AI-guided experience for lower-complexity sourcing. The solution streamlines compliant sourcing end-to-end: it guides project scoping, enables request-for-bid execution, and supports award decisions while delivering intelligent supplier recommendations to strengthen market validation and preferred supplier utilization. By reducing embedding policy guardrails in the flow of work, it accelerates time-to-contract and unlocks 50% cost savings across low-complexity projects that were historically managed through one-off supplier selection and manual processes.

Main development tool:

 Azure AI Foundry


Learn more:

aka.ms/SelfSourcingAgent

Supplier Q&A Solution

Once a competitive bid is underway, the bottleneck often shifts to managing supplier questions and ensuring consistent, auditable answers. During competitive bids, sourcing managers previously spent an average of 9 hours manually aggregating supplier questions and answering them, a process prone to delays and data integrity risk. Our **Supplier Q&A Solution** automates this exchange with real-time, autonomous collaboration between suppliers and business owners, saving 4K hours annually while producing higher-quality bids.

Main development tool:

 M365 Copilot

Learn more:

aka.ms/SupplierQA

Agents and automation in sourcing

Intelligent Quote Agent

The next challenge is operationalizing pricing decisions at high volume. Manual quote management across disconnected systems struggled to keep pace with over 30K parts across our hardware supply chain. The **Intelligent Quote Agent** transforms this process into an intelligent system for issue detection, price estimation, and stakeholder communication, saving 6K hours, reducing true-ups, and delivering \$8.5M in cost savings.

Main development tool:

 Azure AI Foundry

Learn more:

aka.ms/IntelligentQuoteAgent

Procurement Analytics Agent

Leaders then need a governed view of what happened at scale: where spend went, with whom, and whether outcomes align to cost, compliance, and sustainability goals. Where enterprise-wide spend tracking was once constrained by decentralized purchasing channels and complex supplier structures, the **Procurement Analytics Agent** consolidates data into a single, governed source, reducing ad-hoc reporting requests by 90% and enabling over 500 users to self-serve insights across cost, diversity, emissions, and compliance.

Main development tool:

 M365 Copilot

Learn more:

aka.ms/ProcurementAnalytics

Sustainability Value Chain Solution

Finally, to support carbon-negative initiatives, our internal **Sustainability Value Chain Solution** replaces manual supplier follow-ups with an AI-enabled engagement and disclosure platform, enabling emissions data collection from suppliers, reducing manual review time by 94%, saving 10K hours per year. In all, over half of supplier data submissions are reviewed against our sustainability guidelines automatically without analyst intervention.

Main development tool:

 Azure AI Foundry

Learn more:

aka.ms/SustainabilityValueChainSolution

These solutions transform Sourcing from a fragmented, transaction-driven function into a strategic, insight-led partner, equipping teams to drive better supplier decisions, accelerate competition, and manage spend with greater discipline and transparency at scale. By removing manual friction and embedding intelligence across the procurement lifecycle, finance professionals are able to focus on high-impact negotiations, supplier relationships, and value creation that strengthen both cost outcomes and long-term partnerships.

