

DPW SESSION SUMMARY

No Data, No AI: Unlocking AI with Good Data Posture



In procurement, the mantra “No Data/No AI” underscores a critical reality: without quality supplier data, the promise of artificial intelligence (AI) and generative AI (GenAI) remains unfulfilled. Poor supplier data can lead to time and resources spent on correcting errors and reconciling data, an inability to make informed decisions quickly, compliance issues, and hinder the ability to leverage emerging technologies like AI and GenAI.

At DPW in New York City on June 12, Stephany Lapierre, Founder and CEO of TealBook led a discussion with CPOs and other procurement leaders about the importance of having a good data foundation when it comes to leveraging GenAI. The following is a recap of the session.

The Problem

To paint the picture of the problem, the session started with a quote from Patrick Marlow, Lead Engineer of Vertex AI at Google, who recently said at the ISM conference in Las Vegas: “In order to properly leverage Gen AI tools like Gemini, you need good data posture. Procurement teams have data but it’s everywhere. There seems to be no data foundation. Without it, they will miss out on the exponential benefits of Gen AI.”

We know the lack of quality supplier data is an ongoing issue for organizations from all industries and of all sizes. Representatives from large banks, pharmaceutical, biotechnology companies, airlines, and more discussed the challenges their organizations face when it comes to their supplier data:



Disparate systems

“We have all these different systems with suppliers in each of them, and they don’t connect up. So, we do stuff upstream and downstream and they don’t connect. It really impedes our ability to leverage that vendor data, because we don’t have a single master, the kind of thing that brings it all together into a shared system.” Head of Procurement Digital & IT, at large biopharmaceutical company

Misaligned processes and data owners

“Why has [quality data] been so challenging to achieve? You think about vendor data, who controls vendor data? Well, finance and procurement control it, but the business inputs it. The business doesn’t want to touch a procurement system. They don’t want to touch the financial system. They want their vendor approved—and half the time they’re probably already trying to do work with them beforehand—while procurement’s trying to make sure that they’re in compliance.” - Director Advanced Analytics Lead, at large biopharmaceutical company

Too many systems resulting in duplicate records

“We have three different systems: the VRM system does not talk to the contract system and it doesn’t talk to Ariba. And for the securities masters, we create new ones because we sit there and say, “You can’t have two currencies in the same country.” So we have created yet another one. For a Deloitte or a PWC, there could be 70 entries in the system. We’ve actually gone backwards.” - Head of Procurement Americas, at leading investment bank

A trusted supplier data foundation

Although there are continuous struggles with supplier data, the session also highlighted the data available from TealBook's Supplier Data Platform (SDP). The platform autonomously collects, verifies, enriches, and distributes trusted supplier data across data lakes, existing applications, tools, and systems. Throughout the session, TealBook customers shared some ways they're leveraging SDP and the results they're getting from having data that they can rely upon.

One of the procurement leaders in attendance said she wasn't initially looking for another procurement tool, but is already seeing the impact of having quality data. "TealBook, for us, will immediately add a 25% increase for our data enrichment. So that's already a measurable number that we're using to come in. It'll solve a lot of our problems- it helps with our supplier hierarchy initiatives that we have going on. We're finding that the value is those sweet spots."

Other customers are seeing value in the [TrustScores](#) that are associated with the data attributes in SDP. "I like [TealBook's] model around TrustScores, not just at a macro level, but at the data element level. I can pick and choose which of those data elements that I'm willing to actually trust to go automatically into my supplier master, and which ones will I quarantine and look at for additional time," said a CPO at a large bank.

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AI use cases for procurement

Many procurement teams are being asked by their leadership to come up with use cases for Gen AI, but most fall short. Most organizations are limited to only using the available structured data they have, such as data that comes from contracts and POs, and some standardization around drafting documents such as RFPs. As Patrick Marlow stated, Gen AI requires a good data posture, which is the biggest challenge for procurement teams today.

Some procurement teams have access to Microsoft Copilot licenses as part of their organizations' Gen AI strategy, but don't have the data and skills to train LLMs to deliver trusted answers and deliver value. The opportunity to access a good data posture, to harmonize available data from various sources, and to enrich the data with additional attributes has the potential of delivering exponential value for procurement and the business.

Procurement has the option to use available data pipeline, architecture, and databases to integrate into a Vector Database and train LLMs for specific use cases. At DPW, there were only a couple of CPOs that were proactively using Gen AI on limited use cases, but no one was seeing significant value yet. Also, the skills required to build Gen AI applications is still quite hard to find and hard for procurement teams to access.





TealBook and Gemini working together

TealBook decided to partner with Google directly to access their latest Gemini technology and to bring to market a Gen AI application that procurement teams could easily adopt and roll out. The Gen AI application relies on TealBook's trusted data and includes the context of the customer's existing relationship with suppliers. Using Gemini, the Gen AI app is also supplemented with additional data sources, such as Google's search engine, to generate additional information and create quick access to data sources for verification.

The Gen AI app was first introduced at DPW by TealBook who was able to demonstrate a working prototype with capabilities such as getting more information about a supplier, getting recommendations based on contextual requirements, comparing suppliers, producing reports like a SOW analysis, and more. The focus of the demo was on supplier recommendations. TealBook's Gen AI engineer queried a few complex searches and quickly got relevant suppliers, compared them, and asked for more information about their reputation.

The demo prompted a dynamic discussion on the opportunity to expand the app's capabilities, add internal data for added context, and use cases. It also raised important questions around the importance of provenance, data privacy, and security.

Overall, the session highlighted the challenges and complexities of achieving a good data posture for all organizations at the table. It was quickly discovered that:



Achieving quality data is a shared problem for all organizations.



The opportunities unlocked by achieving quality data could include leveraging technologies such as Gen AI.



The use cases for Gen AI that could add significant value to an organization.



The option to build an in-house Gen AI app using quality data and a Supplier Data Platform, or adopting an off-the-shelf application from providers such as TealBook and Google was of interest.

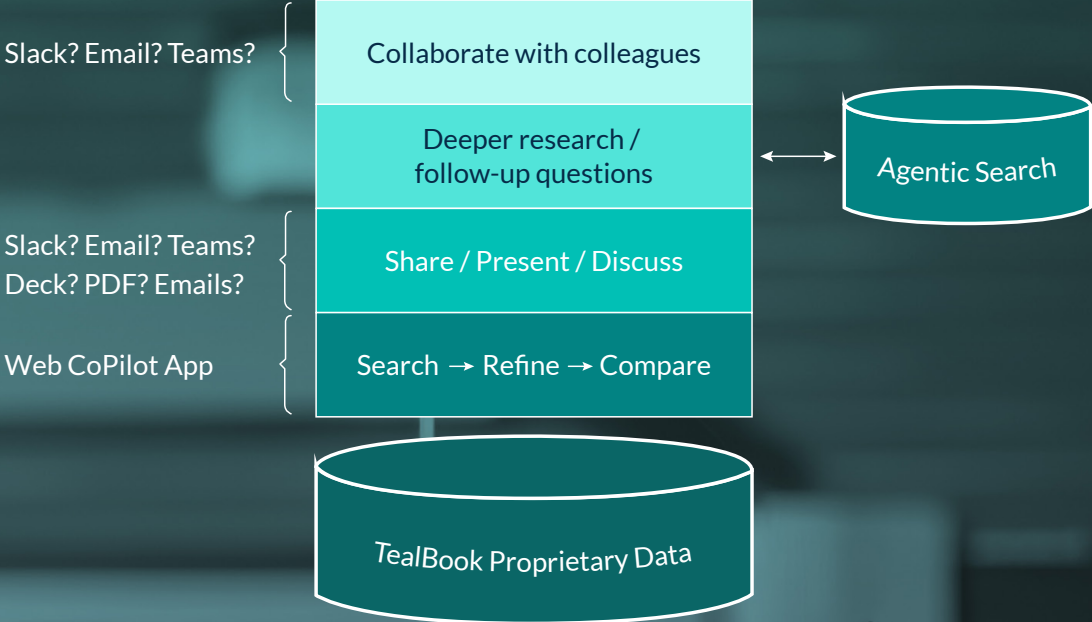


The path to leveraging AI in procurement

Quality supplier data is the cornerstone of successful AI and Gen AI implementations in procurement. By addressing the challenges of disparate systems, misaligned processes, and duplicate records, organizations can unlock the full potential of AI technologies. TealBook's solutions offer a pathway to leveraging trusted supplier data, enabling procurement teams to work smarter, faster, and more effectively.

TealBook's Supplier Data Platform

TealBook is the leading Supplier Data Platform that automates the collection, verification, and enrichment of supplier data across any data lake or enterprise system. Procurement teams can gain deeper insights into their existing suppliers, make better-informed sourcing decisions, eliminate their dependence on supplier portals, and improve spend analytics. Leading global brands and Fortune 500 companies such as Nasdaq, Goldman Sachs, and Freddie Mac leverage TealBook to power their procurement lifecycle from end to end, and maximize their investments made in suppliers, people, source-to-pay, and ERP systems.



The Solution: Unified, Trusted Supplier Data

