Keelvar

Whitepaper

The Two-Sided Agentic Market

in Enterprise Procurement

How agentic sourcing became the operating norm, cycle times collapsed, and suppliers began bidding back with agents of their own.

A sequel to "The Rise of AI Agents in Enterprise Procurement" (2025)

Table of contents

Author: Alan Holland, PhD, *CEO & Founder,* Keelvar

Previously a lecturer in Artificial Intelligence in University College Cork's Computer Science Department, Alan graduated with a PhD in Computer Science with research that focused on combinatorial auctions. Alan founded Keelvar in September 2012 when he left the University to commercialize advances in AI and autonomous agents for B2B trade. Alan's specialist knowledge in Optimization, Game Theory and Mechanism Design has influenced the product roadmap and strategic priorities so that customers could scale sourcing excellence more effectively than ever before.

Executive summary

A year ago, we described the rise of AI Agents in enterprise procurement and predicted that machine-to-machine negotiations would follow. Both halves of that story have since materialized. Agentic sourcing has moved from early adoption to the operating norm for many customers: 90% of sourcing events on the Keelvar platform are now agent-operated (trailing three-month average, July 2026), up from roughly 71% at the time of our last white paper. Monthly event volumes have grown more than sixteen-fold since 2023 as tactical and tail sourcing that previously never reached a competitive process is now sourced routinely by agents.

The consequence buyers feel first is speed: average cycle times have fallen by more than 90% since early 2023, and the median agent-operated event now completes in about two hours. The consequence suppliers feel is quality of process: faster execution, prompt and specific feedback, and a consistency in the completeness of requirements that human-run events rarely achieve. Supplier response rates have risen, not fallen as some feared, as automation has scaled.

The newest development is the most consequential: suppliers have begun deploying bidding agents of their own. The first machine-to-machine negotiations ran on the platform in December 2025; by July 2026 supplier agents were participating in over 1,400 events per month, concentrated in spend categories with high request frequency, ad-hoc demand and formulaic pricing structures. Sourcing is becoming a two-sided agentic market. This paper presents the data behind that shift and guidance for procurement leaders and suppliers on how to prepare.

Introduction: What we said would happen and what we did

Last year's white paper, "The Rise of AI Agents in Enterprise Procurement," made an argument that was still contested at the time: that AI Agents which perceive when to source, act by executing multi-stage workflows end to end, and learn from experience would come to operate the majority of sourcing events. The endgame, we argued, was machine-to-machine negotiation, with supplier-side bidding agents responding to buyer-side sourcing agents in near real time.

Twelve months later, the contested part is no longer contested. Most Keelvar customers now run autonomous sourcing in production, and a large minority have moved beyond first use cases into scaled adoption across adjacent categories. The platform data tells the story plainly: agent-operated events have grown from a milestone worth celebrating to mainstream approach for many tactical and tail spend events, while human-run events have grown only modestly; they remain concentrated, as we predicted, in the largest and most strategic negotiations where trust-building and human judgment carry a premium.

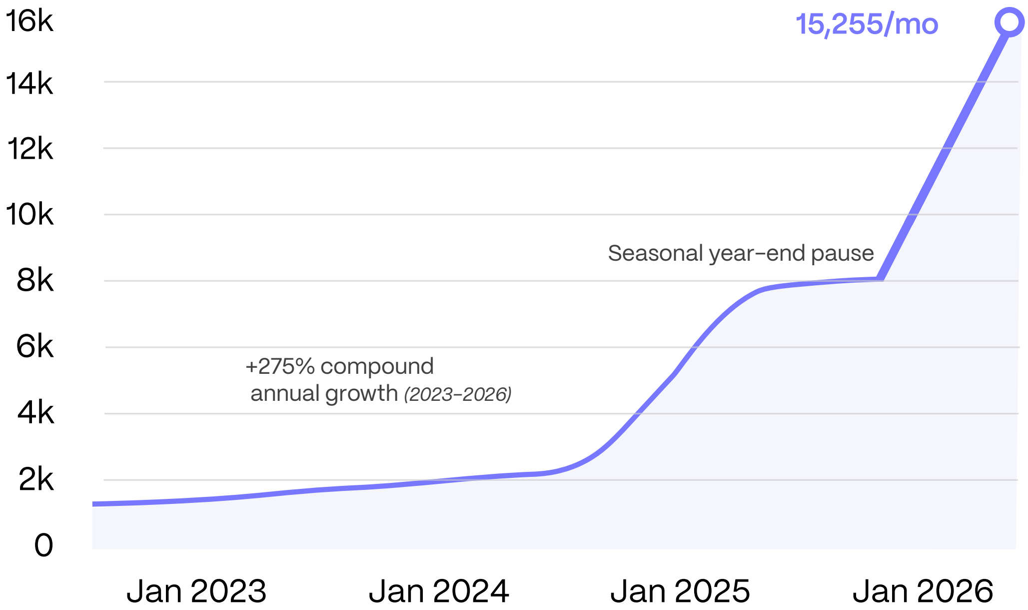
What deserves this year's attention is the second half of the prediction. Machine-to-machine negotiation is no longer a forecast; it is a measurable, fast-growing class of events on the platform. This paper examines three connected developments: the collapse in sourcing cycle times as agents take on tactical and tail spend; the improvement in supplier experience that rapid, consistent, complete processes deliver; and the arrival of agentic bidding on the supplier side, which is compounding both. The question is no longer whether agents will operate sourcing. **It is how quickly the other side of the market, the supplier side, becomes agentic too.**

From majority to default: agentic sourcing at scale

When we published last year, 71% of sourcing events on Keelvar were agent-operated and we projected the long-run ceiling at 95–97%. On a trailing three-month average basis the figure now stands at 90%, and the shape of the curve continues to track that projection. But the share understates what has happened, because the denominator has increased rapidly. Sourcing events that agents operate are not being taken from humans; they are events that previously did not happen at all.

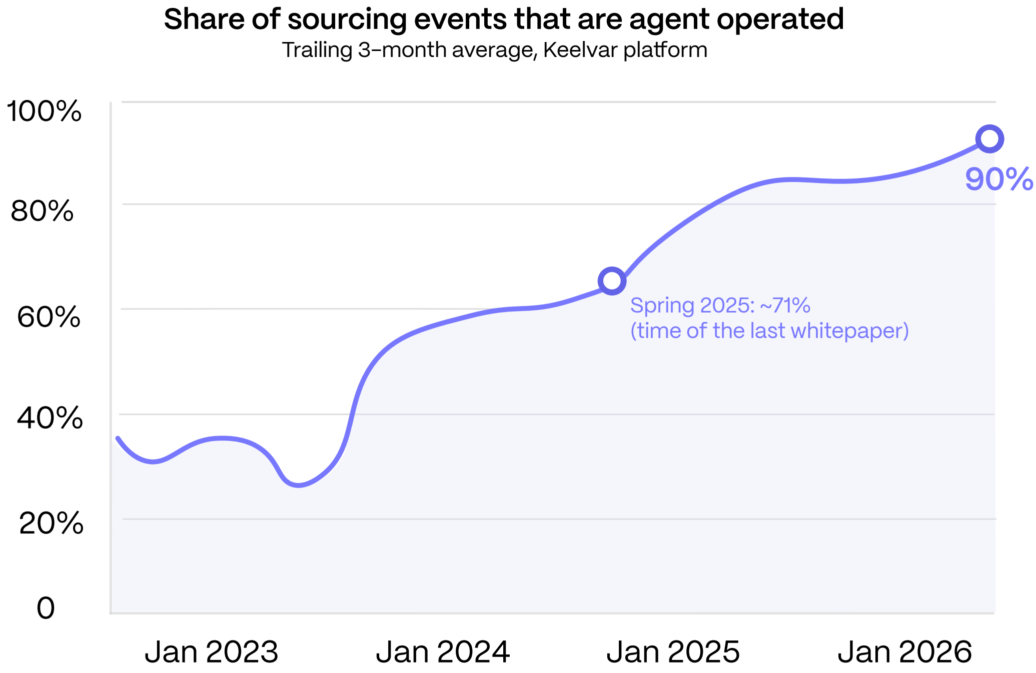
Monthly agentic sourcing events

Events operated by agents (buyer-side, and machine-to- machine from December 2025) Trailing 3-month average, Keelvar platform



The curve compounds at roughly 275% per year. From fewer than 300 agent-operated events per month in mid-2023, agentic sourcing volumes passed 15,000 per month in mid-2026 on a trailing three-month basis; volumes multiplied almost fourfold every year for three consecutive years, more than doubling in the past year alone. The flattening visible around each year-end is seasonal, not a change in trend: event volumes decrease into December as demand pauses for the holiday period, then resume with a surge each January. That rhythm is now confirmed across three consecutive years of platform data and is worth remembering when reading any single month's figure.

Two things are deliberately not in this chart. Human-run events have not declined; they have grown modestly, roughly tripling since 2023 to around 1,700 per month, a fraction of the growth in agent-operated volumes, because strategic sourcing remains human-led, as it should. And within the agentic total, a new class of event appeared in December 2025: machine-to-machine, where a supplier-side agent bids into an event operated by a buyer-side agent. We return to it in Section 6.



The aggregate effect is that platform event volumes have grown more than sixteen-fold in three years, from an average of roughly 860 events per month in 2023 to over 14,000 per month in 2026, and that growth has come almost entirely from agent-operated events rather than from added human effort. That is the multiplier that matters. Procurement teams are not working harder; their agents are covering spend that previously leaked past any competitive process into single-quote purchasing, expiring rate cards, or maverick buying.

90%

of sourcing events are agent-operated (trailing 3-month average, July 2026)

16x

growth in monthly sourcing event volume since 2023, driven almost entirely by agent-operated events

1,420

machine-to-machine negotiations in July 2026; a class of event that did not exist before December 2025

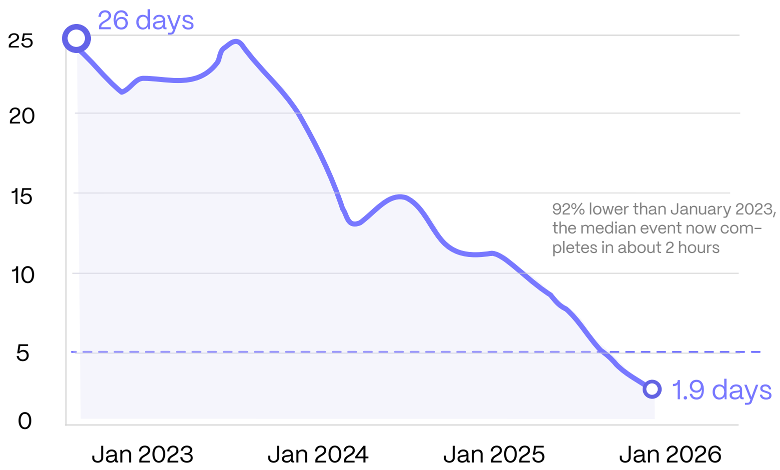
Adoption within our customer base follows the pattern we described last year, now further along the curve. The typical journey starts with a single category with lower volumes and fewer stakeholders, proves the change, then scales to adjacent categories with similar workflow patterns. What has changed in the past year is the speed of the second step: scaling customers now extend agent coverage to new categories in weeks rather than quarters, because the workflow designs, guardrails and approval patterns established in the first deployment carry over with modest adaptation.

Cycle Times are collapsing

The most visible operational consequence of agent-operated sourcing is the sheer speed of execution. Operations teams outside of Procurement are noticing that work is being completed much faster than ever before so they are now more keen to engage because they can't possibly achieve the same speed themselves. Last year we reported average cycle times falling toward ten days, with anecdotal evidence of 90% reductions for processes migrated from manual execution on legacy sourcing platforms. What was anecdotal at that time is now measurable.

Collapsing cycle times for sourcing events

Mean event throughput in days, trailing 3-month average, Keelvar platform



The average cycle time across all sourcing events on the platform has fallen from roughly 26 days in early 2023 to under two days in mid-2026, a reduction of 92% on a trailing three-month basis. Customer-level reductions of 78%, and 90% in some categories, remain typical for events moved from manual execution to agent operation. The median tells an even sharper story: half of all events measured in mid-2026 completed within about two hours of launch. Tactical and tail events operated end to end by agents no longer wait for a human calendar at any step; request intake, supplier selection, invitation, bid collection, feedback rounds and award recommendation each execute as soon as the preceding step completes. Four mechanisms are driving the collapse.

- Intelligent triggering removes the queue at the front of the process: events launch when the triggering condition occurs, not when a category manager clears backlog.
- Complete requirement elicitation at intake removes the clarification loops that stretch human-run events across calendar weeks.
- Parallel supplier engagement means feedback and iteration rounds happen simultaneously rather than sequentially.
- And award recommendation with optimization removes the analysis bottleneck at the end, where human-run events traditionally stall in spreadsheet evaluation.

It is worth being clear about what collapsed cycle times are worth for customers. For the requester, it converts procurement from a gatekeeper with a lead time into a service with an SLA; and that, more than any policy, is what eliminates maverick buying. For the category manager, it means coverage: the same team can put ten times the event volume through competitive processes. For the business, it compresses the time between a need arising and a contracted, competitively priced supplier being in place, which in volatile markets is itself a source of savings, because rates are struck when needed rather than locked long in advance or bought spot in a panic. The second order effects are that Procurement's internal customers value the function more and have a stronger desire to proactively engage due to the turnaround times and responsiveness.

> Speed and agility are critical for almost every business that operates a supply chain of any kind. Every day removed from a sourcing cycle is a day less of uncovered demand, expiring rates, or spot-market exposure.

The supplier side of the story

A persistent concern about sourcing automation was that suppliers would experience it as dehumanizing; that removing the buyer's personal touch would depress engagement and response rates. The platform evidence continues to point in the opposite direction, and it is worth understanding why, because supplier preference is now an active driver of adoption rather than a risk to it.

Speed

Events open, close and award on schedule, no waiting on a buyer's calendar.

Feedback

Prompt, specific signals on every bid, even a fast no beats silence.

Consistency

Complete, validated requirements mean suppliers price right the first time.

Suppliers experience three concrete improvements when events are agent-operated:

The first is speed of execution: events open, close and award on schedule, bids do not sit unopened while a buyer is in meetings, and awards are communicated when the process completes rather than weeks later. Time invested in bidding converts to revenue or a clear answer, quickly; that changes the economics of participating at all, especially for smaller suppliers deciding whether a modest opportunity justifies the effort of a response.

The second is feedback and clear communication. Agent-operated events provide prompt, specific, consistent feedback as a matter of process design. Agent-operated events provide prompt, specific, consistent feedback as a matter of process design: bid ranking signals, targets and iteration rounds happen reliably because no human has to find time to compose them. Suppliers repeatedly tell us that even losing an event quickly, with a reason, is preferable to the silence that follows most human-run processes.

The third, and in supplier conversations the most emphasized, is consistency in the completeness of requirements. Agent-elicited requests arrive with the specification, volumes, service levels, locations and commercial structure complete and machine-validated, because the agent will not launch an event with material gaps. Suppliers can price accurately on first submission instead of burning rounds on clarification questions, and their quotes carry less contingency padding for ambiguity. Better inputs produce better prices; both sides win.

The behavioral evidence supports the anecdote: response rates on agent-operated events have risen as automation has scaled, and bids per event have increased rather than

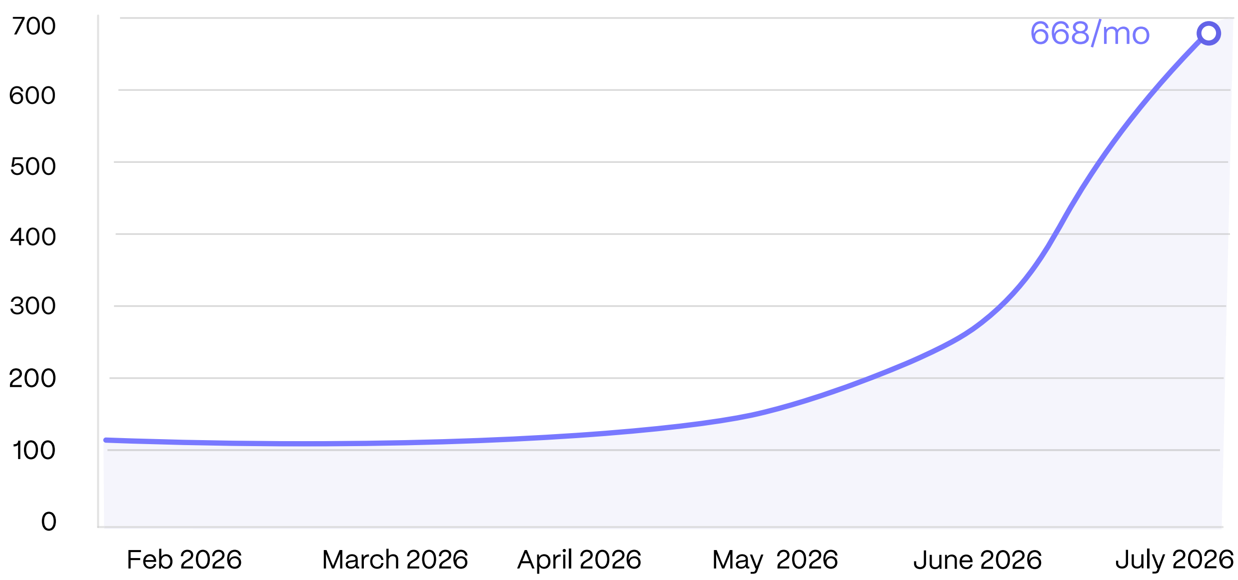
> Suppliers do not miss slow processes, ambiguous or incomplete requirements, or silence after bidding. The personal touch they value belongs in strategic relationships; that is exactly where human attention has been redeployed.

Suppliers are bidding back: the rise of agentic bidding

Last year's paper closed with a prediction: that buyer-side agents would soon need to negotiate with bidding agents from suppliers, making sourcing in tactical and tail spend near-instantaneous. That era has now begun. The first machine-to-machine negotiations, events operated by a buyer-side sourcing agent in which one or more suppliers responded through bidding agents rather than through a human at a keyboard, ran on the Keelvar platform in December 2025.

Machine-to-machine negotiation: supplier agents bidding to buyer agents

Trailing 3-month average, Keelvar platform (first machine-to-machine events :December 2025)



The volumes are early but the trajectory is unmistakable. From the first 74 events in December 2025, machine-to-machine negotiations reached 1,420 events in July 2026, nearly triple the prior month, and accounted for roughly 8% of all sourcing events that month. Monthly figures at this stage are lumpy, as individual suppliers switch categories on and the mix of demand shifts; the trailing three-month average, at almost 670 events per month and steepening, is the honest read of the trend; and it is compounding month over month.

Where it's growing fastest

- High request frequency
- Ad-hoc, time-sensitive demand
- Formulaic pricing

Prediction: more than 50% of sourcing events on Keelvar will be machine to machine negotiated by the end of 2027

Where machine-to-machine negotiation starts

Supplier-side agent adoption is not spreading evenly across spend. It is concentrating in categories with three properties.

High request frequency:

The supplier receives many similar requests from one or more buyers, so the fixed cost of configuring an agent amortizes across a large and recurring event flow. Where requests are rare, a human response remains perfectly economical.

Ad-hoc, time-sensitive demand

Spot and short-notice requests reward the bidder who responds first with a competitive, complete quote. An agent that prices in minutes, at 2 a.m., on a public holiday, during peak season, wins business a human bidder never sees

Formulaic pricing structures

Here price decomposes into a rate card, cost model or index-linked formula (base rates, accessorials, surcharges, volume breaks), pricing is a computation, not a judgment call. The supplier encodes the logic once; the agent executes it per request with current inputs.

Categories that combine all three are where machine-to-machine negotiation is growing fastest: spot and contract freight across modes, express parcel, packaging reorders, MRO consumables and other catalog-adjacent tail purchases, and services priced from standard rate cards. On Keelvar, supplier agents participate through Automated Bidding: suppliers encode their pricing logic once, then their agents submit bids and respond to automated feedback rounds as events arrive. These are exactly the categories where buyer-side agents concentrated first; that is not a coincidence but a flywheel.

Buyer agents created the conditions for supplier agents: high volumes of well-structured, complete, machine-readable requests arriving on predictable channels. Agentic bidding is the rational supplier response to agentic sourcing.

What makes a category ready

For procurement leaders assessing where machine-to-machine negotiation will reach their own spend first, the readiness test applies the same three properties from the buyer's side of the table: Is request volume high and recurring? Is demand frequently ad-hoc or time-sensitive enough that response speed differentiates suppliers? And can the category's pricing be expressed formulaically by a competent supplier? Where the answer is yes across all three, supplier-side agents will appear, whether or not the buyer plans for it.

Preparation, on both sides, is data work more than technology work:

Machine-to-machine negotiation	Runs on structured data with taxonomies, validation and error correction; these are the same foundations we identified last year's prerequisites for trustworthy autonomous execution.
Suppliers	Suppliers need their cost drivers and rate logic encoded and maintained.
What a buyer needs	Buyers need their requirements taxonomies published consistently, so that supplier agents can parse and price without human interpretation. The reward for that discipline is negotiation rounds that complete in minutes: bid, feedback, revised bid, award; a cadence no pair of humans could sustain, and one that extracts genuinely competitive tension in events too small to have justified any negotiation at all under manual operation. Some may argue that LLMs can negate the need for structured data but such claims are flawed because agents require reliable precision and accuracy (and speed) to operate at scale.

Where the answer is yes across all three, supplier-side agents will appear — whether or not the buyer plans for it.

Preparing for the two-sided agentic market

A market where both sides deploy agents is not simply a faster version of the old market. It changes what procurement leaders should invest in and what they should demand from technology vendors. Four priorities stand out.

Mechanism design becomes the differentiator

When negotiations run between machines at machine speed, the design of the competitive process, the rules of the game, determines the outcome far more than the charisma of any negotiator. Sound mechanisms that foster competition, converge quickly and resist gaming are a discipline drawn from auction theory and market design, not a feature that can be wrapped around a language model. We made this point last year about buyer-side agents; with agents on both sides, it is doubly true, because supplier agents will probe and adapt to whatever process they are given. This is also where the AI solution illusion, a tool that demonstrates well on one narrow slice of spend but cannot stretch across a diverse sourcing reality, becomes most expensive to discover late.

Guardrails and auditability are non-negotiable

Machine-speed negotiation compresses the window in which a human can catch an error. The controls that matter are structural: validated structured data at every point of entry, spend thresholds above which awards require human approval, complete audit trails of every bid, feedback signal and decision, and anomaly detection that pauses an event when behaviour departs from expectation. None of this is new advice, but the tolerance for vendors who treat it as optional is gone.

Keep humans on the spend that deserves them

The roughly 1,700 human-run events per month in our data are not a sign of incomplete automation; they are the strategic negotiations where relationship, trust, judgment and creativity determine outcomes. Full autonomy is not the goal; the goal is a sourcing operation tuned for each buying goal, where AI takes the full load where speed and efficiency matter most and humans lead with AI's help where the stakes are highest. The dividend of the two-sided agentic market is human attention, procurement's scarcest resource, reallocated to supplier development, risk strategy, and the negotiations that genuinely benefit from empathy and trust built across a table.

Engage your suppliers now

Supplier-side agent adoption is happening with or without buyer encouragement, and buyers who engage early shape it to mutual advantage. Tell strategic suppliers in high-frequency categories that agent- submitted bids are welcome. Publish clean, consistent, structured requirements. Share feedback signals agents can consume. The buyers who make themselves easiest to bid for, by machine or by human, will see the most competition, and the data already shows that competition rising.

Conclusion

A year ago, the rise of AI Agents in procurement was demonstrating strong traction but teams had to build business cases internally to justify investment. Today it is the operating norm for many businesses: 90% of sourcing events agent-operated, event volumes sixteen times their 2023 level, average cycle times down 92%, and suppliers, the constituency automation was supposed to alienate, responding in greater numbers, faster, with better bids.

The development that defines the coming year is that the market is becoming agentic on both sides. Machine-to-machine negotiation has moved from prediction to production, growing from a standing start in December 2025 to more than 1,400 events in a single month by July 2026, concentrated in high-frequency, ad-hoc, formulaically priced categories, with growth accelerating. B2B sourcing is acquiring the speed and liquidity of e-commerce, one spend category at a time, and the flywheel between buyer agents and supplier agents is what turns it.

The guidance from last year stands, with one amendment. Start with a use case significant enough to warrant leadership's attention; share the success and build momentum from there. But now we must also assume the suppliers in your fastest-moving categories are building agents too. The two-sided agentic market rewards those who are prepared for speed.