The procure-to-pay suite market is growing rapidly as organizations seek automation and innovation to control spending and improve supplier collaboration. Application leaders responsible for procurement should use this evaluation of 13 vendors to assist their vendor selection process.

Market Definition/Description

This document was revised on 7 August 2019. The document you are viewing is the corrected version. For more information, see the Corrections page on gartner.com.

Procure-to-pay (P2P) suites are sets of integrated solutions supporting processes that may be termed “transactional” or “operational” procurement. They have automated workflows to request, procure, receive and pay for goods and services across an enterprise. They are marketed as suitable solutions for processing, at a basic level, all the various types of spending — indirect goods, direct goods and services spending.

P2P suites optimize the purchasing process, resulting in improved financial controls, process compliance, cost savings (or cost avoidance) and mitigated risk. They deliver four primary capabilities:

- **E-purchasing functionality** to give casual users — employees who are not procurement professionals — a self-service solution for requisitioning and ordering goods and services. This is achieved through the use of catalogs, e-forms or free-text orders. A requisition is routed for approval through a predefined rule-based workflow. Once approved, the requisition is converted to one or more purchase orders (POs). The POs are then transmitted to the supplier(s) by email, autofax, portal, electronic data interchange (EDI) or XML integration. The final step in the workflow is receipt, which can be via mobile device, desktop PC or dock.

- **Access to catalog content** to enable requisitioners to “shop” for needed goods and services and place them in their cart. Solution functionality includes support for internal catalogs, access to a marketplace or punch-out access (via cXML) to third-party catalogs.

- **E-invoicing** for the exchange and storage of legally valid invoices in electronic format. Functionality includes one or more means by which suppliers can get invoices in an electronic
P2P suite vendors may offer products with various extended P2P functions, including:

- **Budget management**
- **Contingent workforce tracking and/or statement of work (SOW) service procurement**
- **Dynamic discounting and/or supply chain financing (SCF)**
- **Inventory management**
- **Supplier information management (SIM) and/or supplier registration**
- **Employee expense management**

P2P suites began as an extension of legacy ERP and accounting system purchasing modules in the 1990s. The early solutions were primarily on-premises, with few of the “ease of use” features enjoyed today. Most of the P2P suites covered in this Magic Quadrant are not offered by legacy ERP vendors. Vendors entered this market from different directions, having backgrounds in APIA, e-procurement, strategic sourcing or other business applications. They then expanded their offerings into full P2P suites through native development, acquisitions or both. It was not until 2015 that we felt that the P2P market was mature enough to warrant a Magic Quadrant. Its scope reflects Gartner’s definition of “postmodern ERP” (see Note 1).

Gartner estimates that the overall market for P2P software (including both on-premises and cloud/SaaS solutions) reached $3.0 billion in 2018. We forecast it to grow to approximately $5 billion by 2023, with a five-year compound annual growth rate of about 10%. From a revenue share perspective, SaaS revenue has overtaken on-premises-based licensing and maintenance revenue. Buyers are embracing the cloud because it offers quicker implementation, faster supplier onboarding, better supplier collaboration, and swifter access to innovations and improvements.

**Magic Quadrant**

*Figure 1. Magic Quadrant for Procure-to-Pay Suites*
Vendor Strengths and Cautions

**Basware**

Basware ([https://www.basware.com/](https://www.basware.com/)) was founded in 1985 with a focus on finance and accounts payable automation. It has 1,400 employees and headquarters in Espoo, Finland, as well as more than 20 offices across North America, Europe and Asia/Pacific. Basware has been publicly traded on the Nasdaq Helsinki stock exchange since 2000.

Basware Purchase to Pay is an extensive suite capable of supporting direct and indirect spend categories. The solution has basic contingent workforce and SOW procurement capabilities. Basware offers a strong invoice automation solution for global organizations and shared
services centers. It currently processes fully compliant e-invoices in 42 countries itself, and in another 13 countries using partners. The UI is available in 25 languages and technical support in eight languages.

Basware's delivery mode is multitenant cloud. It also supports existing single-tenant cloud and on-premises deployments. Basware does most of its own implementations, but also uses partners. Its top-three integration partners from 2015 through 2018 were Fluxym, ICreative and Azets. Basware also offers modules for dynamic discounting, SCF and employee expense management. It partners with Scanmarket for source-to-contract (S2C) functionality for clients seeking a full source-to-settle (S2S) solution.

Basware is a Leader on the basis of its strong market understanding, innovation and product roadmap, and customer experience. Basware is well suited to multinational organizations moving to digital procurement and looking to automate invoice processing.

Strengths

- Basware offers strong core P2P functionality, and reference customers expressed appreciation for its ease of use. It also has a chatbot in production, which has received positive feedback.

- The UI is available in 25 languages, and Basware received the highest reference customer score for overall suitability for global deployment.

- Basware has strong integration capabilities, backed by strong feedback from reference customers for integrations with back-end ERP/financial systems especially.

Cautions

- Basware has struggled with the transition from on-premises to cloud deployment. Despite significant growth in cloud subscription sales, its revenue declined in 2018 with a negative profit margin. Basware states that the decrease in its revenue and negative profit margin in 2018 were caused by the divestment of two businesses in February 2018; it also states that its organic revenue growth, in constant currency, was 5.4%.

- Basware received mixed feedback about its supplier onboarding services, for which it charges customers.

- Basware has limited support for contingent workforce and SOW procurement. Its reference customers also scored it below the average for service procurement support.

Coupa

Coupa (https://coupa.com/) was founded in 2006 as an e-procurement vendor. It has more than 1,500 employees, headquarters in San Mateo, California, U.S., and 30 additional offices across North America, Europe, Asia/Pacific and Latin America. It has been publicly traded on the Nasdaq stock exchange since 2016. It continued to acquire multiple companies through the first
half of 2019 to enhance its product portfolio. Recent acquisitions include DCR Workforce (contingent workforce management and SOW procurement), Hiperos (third-party risk management) and Exari (contract life cycle management).

Coupa Procure-to-Pay is a cloud-based P2P solution. It is an integrated suite used by customers mostly to manage indirect spend categories. However, some customers do use it for invoicing of direct materials. Coupa does not charge supplier fees to transact or interact with buyers. Through the addition of Coupa Contingent Workforce (following the acquisition of DCR Workforce), Coupa now offers full support for contingent workforce and SOW procurement. It can process fully compliant e-invoices in 43 countries. The UI is available in 23 languages, and customers can modify the onscreen language down to field-level metadata. Technical support is available in eight languages.

Coupa delivers its platform only as a multitenant cloud solution. Most Coupa deals are implemented by one of the vendor’s many partners. Its top-three integration partners from 2015 through 2018 were KPMG, Deloitte and Accenture. Coupa provides a full S2S solution. It has additional modules for payments, contract management, sourcing, sourcing optimization, spend analysis, supplier information management, supplier risk management and employee expense management.

Coupa is a Leader due to its strong innovation and deep market understanding, as well as its strong product and customer experience. Coupa was the second-most discussed vendor in Gartner clients’ inquiries about procurement technology in 2018. Coupa is well suited to organizations seeking an innovative P2P solution that is easy to use.

**Strengths**

- Coupa is one of the most thought-leading P2P vendors in this Magic Quadrant. It is showing the way in terms of using its customers’ aggregated data to create benchmarks, insights and recommendations. Additionally, it received high marks from its reference customers for being innovative and providing useful new functionality in upgrades.

- Coupa consistently scores highly for providing a good user experience (UX). Reference customers identified this as one of the key reasons for selecting Coupa.

- Coupa has strong overall P2P capabilities. It has also gained specialist capabilities in service procurement through the acquisition of DCR Workforce.

**Cautions**

- Coupa is primarily known and used for indirect P2P support. Reference customers scored its supply chain visibility and supply chain collaboration functionality below the average.

- Coupa Contingent Workforce is a relatively new addition to Coupa’s P2P suite, following the acquisition of DCR Workforce. The integration of the two solutions is still very limited.
Determine

Determine (https://www.determine.com/) is the combination of three companies: Selectica, a contract life cycle management provider founded in 1996; b-pack, a P2P provider founded in 2000; and Iasta, a sourcing suite provider founded in 2000. The combined entity was rebranded as Determine in 2015. In April 2019, Determine was acquired by Corcentric. Determine has 130 employees and is headquartered in Cherry Hill, New Jersey, U.S. It has additional offices in mainland Europe, the U.K. and the U.S.

Determine's P2P suite supports direct and indirect spending. It does not charge supplier fees to transact or interact with its suite. It has only very basic contingent workforce and SOW procurement functionality. It can process fully compliant e-invoices in 91 countries. The UI is available in 18 languages and technical support in four languages.

Determine's delivery mode for new customers is multitenant cloud. Legacy customers with single-tenant cloud or on-premises solutions are migrating to the Determine Cloud Platform. Determine does its own implementations, but also uses partners. Its top-three integration partners from 2015 through 2018 were AXYS Consulting, Fluxym and Xoomworks. Determine provides a full S2S solution, with additional modules for asset management, contract management, e-sourcing, spend analysis, SIM, supplier risk management and employee expense management. Dynamic discounting is available through integration with Corcentric.

Determine remains a Niche Player as its innovations, product offering, business model and uneven customer satisfaction ratings for sales execution and customer experience did not warrant a change of status. However, its financial viability has improved significantly with the acquisition by Corcentric. Determine clients will also be able to benefit from Corcentric's other business offerings in the areas of business consulting and payments.

Strengths

- Multiple reference customers identified support responsiveness as a challenge for Coupa. Coupa, however, states that its average response time is less than eight hours and that the average response time for "severity 1" problems is less than 30 minutes.

- Determine offers a highly configurable P2P solution that draws on its Determine business process management engine, a flexible workflow engine. For many reference customers, this is the most appreciated aspect of Determine's P2P solution.

- The acquisition by Corcentric improves Determine's financial situation. Determine can also improve its APIA offering by drawing on Corcentric's experience and capabilities in this area. Corcentric is well funded, and we expect this to benefit Determine's innovation and product development.

- Four-fifths of Determine's surveyed reference customers use it for project-based spending. The company's reference customers scored it above the average for project-related P2P capabilities.
Cautions

- Determine scores well for core P2P functionality but lacks some adjacent capabilities. It has no native supply chain finance capability. However, Determine states that it will soon offer Corcentric’s SCF capabilities. It also lacks some advanced services procurement capabilities, such as embedded rate card functionality, tracking of access to facilities and systems, and performance tracking of individuals. Even so, Determine has multiple clients using it for multiple types of services, such as SOW services, IT services and marketing services, and for contingent workers and freelancers.

- Several reference customers for Determine stated that product testing before upgrades could be better. The company's score from reference customers for upgrade experience was in the bottom quartile.

- Overall, feedback from reference customers about Determine’s service and support was mixed, resulting in a below-average score in this area.

GEP

GEP (http://gep.com/) was founded in 1999 as a provider of procurement and supply chain software, consulting and outsourced services. It has 4,000 employees, 400 of them focused on its procurement software offering. GEP has headquarters in Clark, New Jersey, U.S., and 17 additional offices in Asia, EMEA and Latin America. It is a private company that maintains separate internal organizations for procurement software and managed services.

SMART by GEP is a single, unified source-to-pay software platform built on a universal data model. It can support some direct procurement workflows, but most customers use it to manage indirect spend categories. It offers support for contingent workforce and SOW procurement. GEP currently processes fully compliant e-invoices in 23 countries itself, and in more than 20 additional countries using partners. The UI is available in 18 languages and technical support in 11 languages.

GEP delivers its platform only as a multitenant cloud solution, running on the Microsoft Azure cloud platform. GEP conducts most of its own implementations, with support from Microsoft Azure. It does not charge suppliers any fees. It provides a full S2S solution with additional modules for contract management, e-sourcing, savings tracking, spend analysis, supplier management and employee expense management.

GEP has moved from the Visionaries quadrant to the Leaders quadrant, owing to improvements in its product offering in areas like service procurement and supply chain collaboration. Reference customers’ feedback about the overall customer experience has also improved significantly. GEP is a good choice for organizations seeking a fully integrated S2S solution.

Strengths

- Customer reference feedback for GEP has improved across the board. It received the highest feedback scores of any vendor in this Magic Quadrant in areas like technical support, account
management, and overall service and support.

- Several reference customers identified ease of use as one of GEP’s key strengths. GEP also received the highest average feedback score for ease of use.

- GEP has improved its product capabilities, especially in areas like supply chain collaboration, supply chain visibility and service procurement.

Cautions

- Some reference customers stated that the high level of configurability of GEP’s offering is sometimes an issue. Such configurability risks lengthening the implementation time.

- GEP manages implementations itself through its extensive services organization. This approach has its benefits, such as enabling implementations to benefit from its extensive understanding of its product. But it also has disadvantages in terms of, for example, the limited availability of resources in areas where GEP has no presence. Some reference customers identified this as an issue, especially for deployments outside the U.S.

- Although GEP scores well for supplier onboarding, it charges customers for these services.

Ivalua

Ivalua (http://www.ivalua.com/) was founded in France in 2000 and released its sourcing module in 2001, followed by modules for P2P in 2006. It has 465 employees, headquarters in both Orsay, France and Redwood City, California, U.S., and 13 additional offices across North America, Europe, Asia/Pacific and Latin America. Ivalua is privately held, with its management team holding a majority stake. It acquired Directworks in late 2017 to enhance its direct materials procurement capabilities for manufacturing industries.

Ivalua offers a natively integrated suite capable of supporting direct and indirect spend categories. It does not have a traditional supplier network, but instead synchronizes data between one-to-many portals. It does not charge suppliers any fees to transact or interact with buyers. Its solution supports contingent worker tracking and SOW management. Ivalua currently processes fully compliant e-invoices in 38 countries. The UI is available in eight languages “out of the box,” and technical support is available in nine languages.

Ivalua’s preferred delivery mode is multi-instance cloud, but it also offers on-premises deployment. The majority of its deals are implemented with one of its many partners. Its top-three integration partners from 2015 through 2018 were KPMG, Capgemini and Fluxym. Ivalua provides a full S2S solution with additional modules for contract life cycle management, e-sourcing, spend analysis, supplier compliance and risk management, and employee expense management.

Ivalua has moved from the Visionaries to the Leaders quadrant on the basis of improvements to both its product offering and the customer experience. In May 2019, Ivalua announced that it
had received an additional $60 million in investment from Tiger Global Management and Ardian. This will enable Ivalua to expand its global presence and invest further in product development and innovation. Ivalua is suitable for different types of organizations, especially large, complex ones or those looking for a tightly integrated S2S solution.

Strengths

- Ivalua offers a highly configurable P2P solution with a strong workflow engine — the aspect most appreciated by many of the company’s reference customers. The multi-instance hosting model gives companies more control over their application deployment and configuration, while also offering them the ability to host the solution in an external environment.

- Ivalua offers supply chain collaboration and visibility functionality. These capabilities, along with a high degree of configurability, have enabled Ivalua to create strong industry offerings, with several preconfigured industry packages.

- Ivalua has a strong and engaged user community. It received high scores from reference customers for providing them with the opportunity to share best practices.

Cautions

- Several reference customers identified upgrading as an area in which Ivalua could improve. This is likely a result of customers taking advantage of the highly flexible multi-instance approach, which makes testing difficult.

- Ivalua does not offer mobile-native apps, but uses responsive design to adapt the UX to mobile devices. Its scores from reference customers for mobile support were below the average.

- Ivalua uses a supplier portal, instead of a supplier network. This limits a customer’s ability to plug into an established community where many of its suppliers already transact.

JAGGAER

JAGGAER (http://jaggaer.com/) was founded in 1995 as SciQuest, a procurement solution vendor for organizations in higher education, the public sector and healthcare. Its solution now covers major industries like manufacturing, consumer packaged goods, life sciences, healthcare, retail and hospitality. JAGGAER has 1,100 employees, headquarters in Morrisville, North Carolina, U.S., and 20 other offices across Asia, mainland Europe, the Middle East, the U.K. and the U.S. In 2016, SciQuest was acquired by the private equity firm Accel-KKR, and in early 2017 rebranded itself as JAGGAER. In 2017, it acquired S2S vendors POOL4TOOL and BravoSolution, which it rebranded as JAGGAER Direct and JAGGAER Advantage, respectively. In 2019, JAGGAER announced the launch of JAGGAER ONE, a unified platform designed to enable customers to exploit the capabilities of JAGGAER’s entire technology portfolio across the source-to-pay spectrum. On the P2P side, this means that companies can combine the P2P solution for indirect spend categories with the extended direct materials/supply-chain-specific capabilities previously sold as JAGGAER Direct.
JAGGAER offers a full P2P suite, with its combination of e-procurement, accounts payable automation and e-invoicing products capable of supporting both indirect and direct procurement. It currently processes fully compliant e-invoices in 50 countries. The UI is available in 12 languages and technical support in eight languages.

All of JAGGAER's solutions are delivered exclusively as multitenant cloud offerings. JAGGAER does not charge any supplier fees for supplier onboarding, catalog enablement, or supplier-buyer transactions and communications on the supplier network. Its solution supports contingent workforce procurement and service governance. JAGGAER conducts most of its own implementations, but also uses partners. Its top-three integration partners from 2015 through 2018 were Huron, RiseNow and Xoomworks. JAGGAER provides a full S2S solution with additional modules for contract management, e-sourcing, inventory, savings management, sourcing optimization, spend analysis, supplier management and employee expense management.

JAGGAER is a Leader due to its strong product offering and industry strategy. It is a good choice for organizations looking for a P2P solution with support for supply chain processes.

Strengths

- Reference customers identified ease of use as one of the key strengths of JAGGAER's P2P suite. They scored JAGGAER in the top three in this Magic Quadrant for overall ease of use.

- JAGGAER has a well-articulated strategy and scores strongly for supplier onboarding.

- Through the integration of the application previously known as JAGGAER Direct, JAGGAER offers strong support for direct materials procurement. It also received top marks from its reference customers for order dispatch to suppliers and supplier order acknowledgment.

Cautions

- JAGGAER received relatively low scores from its reference customers for invoice submission capabilities. Features like automated mapping and parsing of PDF supplier invoices and handling of scanned invoices received below-average feedback. In addition, JAGGAER lacks native SCF capabilities.

- For P2P, JAGGAER is still somewhat U.S.-centric, having the lowest percentage of use outside North America of the vendors in this Magic Quadrant. Also, its UI is available in only 12 languages. However, the acquisitions of POOL4TOOL and BravoSolution have given JAGGAER a presence in Europe and the Middle East, which is enabling it to grow in these regions.

- As a result of its acquisitions, JAGGAER has spent a lot of time on platform consolidation. This has slowed its release of innovative features, compared with other Leaders in this Magic Quadrant. JAGGAER states that, now that it has released its JAGGAER ONE platform for unifying the acquired solutions, it is refocusing more resources on delivering innovation throughout the unified platform.
Oracle

Oracle (https://www.oracle.com/) was founded in 1977 and offers a broad range of enterprise software and hardware. It has over 130,000 employees, headquarters in Redwood City, California, U.S., and additional offices in over 145 countries. Oracle has been publicly traded on the New York Stock Exchange (NYSE) since 1986.

Oracle Procurement Cloud is part of the Oracle ERP Cloud product family. The Procurement Cloud suite is capable of supporting direct and indirect spend categories. Oracle currently processes fully compliant e-invoices itself in 33 countries. The UI is available in 28 languages and technical support in 32 languages.

Oracle Procurement Cloud is available through a public cloud (Oracle Cloud Infrastructure). It is also available through Oracle Cloud at Customer, in which case the same public SaaS code line is deployed in the customer’s data center but maintained by Oracle. Oracle does not charge suppliers any transaction fees. To extend its P2P suite, Oracle offers additional modules for dynamic discounting and employee expense management. It also provides an integrated S2S suite that includes supplier qualification management, sourcing, procurement contracts and financials. Additionally, it provides broader integrations with other Oracle applications in areas such as ERP, supply chain management, human capital management (HCM) and customer experience. The majority of its deals are implemented with one of its many partners. Oracle’s top-three integration partners from 2015 through 2018 were Deloitte, Capgemini and Accenture.

Oracle remains a Challenger. It has a strong product offering and global strategy, but its product development has been more focused on filling functionality gaps than adding innovative functionality. Oracle Procurement Cloud is a good choice for Oracle Financials Cloud and ERP customers.

Strengths

- Oracle Procurement Cloud is the only P2P solution considered in this Magic Quadrant that is a natively integrated part of a broader ERP suite. A number of Oracle’s reference customers identified this integration with Oracle Financials Cloud as a key strength.

- Oracle’s reference customers expressed appreciation for its product’s simplicity and ease of use, especially compared with its on-premises predecessor.

- Oracle has an established global presence and a wide range of partners. Reference customers scored it above the average for availability of quality third-party resources.

Cautions

- Oracle Procurement Cloud is natively integrated with the broader Oracle ERP cloud suite, whereas some extended P2P capabilities are provided only through other Oracle ERP suite components. For example, service procurement capabilities are provided within Oracle Procurement Cloud, but extended capabilities are delivered through integrated Oracle HCM Cloud functionality. Purchasing from internal stock — as, for example, in the case of planned...
automated replenishment for healthcare providers — utilizes the suite’s integrated Oracle Inventory Management Cloud capabilities.

- Reference customers scored Oracle well below the average for external integrations, and especially for integration with third-party procurement systems, such as those for e-sourcing, contract life cycle management and vendor management.

- Beyond self-service capabilities, Oracle offers very limited support for onboarding suppliers. Its reference customers also scored it below the average for onboarding services and ease of onboarding suppliers.

**Proactis**

[Proactis](http://www.proactis.com/) was founded in 1996 with a focus on spend management. It has 450 employees and is headquartered in Wetherby, U.K. It has 11 additional offices in the U.K., the U.S., mainland Europe and New Zealand. It has been publicly traded on the London Stock Exchange since 2006. In 2017, it acquired Perfect Commerce in a reverse takeover.

Proactis Purchase-to-Pay primarily supports indirect spend categories; it has limited support for direct spend categories. The vendor currently processes fully compliant e-invoices in 36 countries on its own and through partners. Its UI is available in 12 languages and technical support in eight languages.

The vendor’s preferred service delivery mode is multitenant cloud, but on-premises and single-tenant cloud deployments are also supported. Proactis conducts its own implementations. It provides a full S2S solution with additional modules for contract management, employee expenses, sourcing, spend analysis and supplier management.

Proactis remains a Niche Player on the basis of its restricted geographical sales focus and marketing execution, and limited partner ecosystem. Additionally, reference customers’ scores for its product capabilities were relatively low overall. Proactis’ relative position in this Magic Quadrant has also been affected by three of last year’s Niche Players no longer being evaluated. Proactis is a good choice for midsize businesses in the services, retail and government sectors in the U.K., mainland Europe and North America.

**Strengths**

- Proactis has significant experience and capabilities to support public-sector procurement in the U.K. and, through the acquisition of Perfect Commerce, in the U.S.

- Reference customers identified customer care and responsiveness as key strengths of Proactis.

- Proactis offers invoice capture as a service and received above-average feedback from reference customers for its ability to manage scanned paper invoices.

**Cautions**
- Proactis offers limited service procurement and supply-chain-related functionality, being focused on the core indirect P2P process.

- Despite the acquisition of Perfect Commerce, Proactis still has limited brand recognition and presence outside North America and the U.K.

- Proactis has limited analytics capabilities, and reference customers scored it below the average in this area.

**SAP (Ariba and Fieldglass)**

SAP Ariba (http://ariba.com/) and SAP Fieldglass (http://fieldglass.com/) are part of SAP’s Intelligent Spend Group. SAP Ariba, headquartered in Palo Alto, California, U.S., was founded in 1996. SAP acquired Ariba in 2012 for its procurement and sourcing solutions, and its network of trading partners. SAP Fieldglass, headquartered in Chicago, Illinois, U.S., was founded in 1999. SAP acquired Fieldglass in 2014 for its service procurement and contingent workforce management solutions. (SAP Concur is also part of the Intelligent Spend Group, but is not included in this evaluation.) In total, SAP has over 96,000 employees and offices in 180 countries. It has been publicly traded since 1998 and is listed on the NYSE.

SAP Ariba and SAP Fieldglass solutions have packaged workflow integration and were submitted jointly for consideration in this Magic Quadrant. SAP Ariba's P2P solution is capable of supporting direct and indirect spend categories. An SAP Fieldglass integration provides functionally rich vendor management system and SOW governance capabilities. SAP Ariba's supplier fee structure has three options: supplier no-cost, supplier-upgraded account with a tiered pricing structure, and customer-paid supplier fees. SAP Ariba processes fully compliant e-invoices in 38 countries. The UI is available in 28 languages and technical support in 24 languages.

SAP Ariba's only delivery mode for new customers is multitenant cloud. It does some of its own implementations, but numerous partners implement the majority of its deals. Its top-three integration partners from 2015 through 2018 were Accenture, Deloitte and IBM. SAP Ariba provides a full S2S solution with additional modules for contract management, e-sourcing, spend analysis, SIM, supplier life cycle and performance management, and supplier risk management. SAP states that as part of the SAP Intelligent Enterprise vision, significant moves are being made to form a single, comprehensive platform for all spend categories (across Ariba, Fieldglass, Concur and S/4HANA).

SAP remains a Leader with the SAP Ariba and SAP Fieldglass integrated solutions. Although the customer experience SAP offers has weakened, the company still performs strongly in terms of sales and marketing execution, and it has a solid product offering and innovations such as a procurement operations desk for the shared services persona. SAP Ariba was the most discussed vendor during Gartner client inquiry sessions in 2018. Shared services centers and global organizations in all industries use SAP Ariba. Increasingly, SAP Ariba’s focus is on organizations using SAP ERP software.
Strengths

- SAP has a global presence and offers good support for large, global deployments.
- SAP has a broad offering that supports both supply chain collaboration and service procurement. SAP's reference customers gave high scores for its ability to improve workforce management by digitizing contingent worker recruiting and payment.
- SAP Ariba has significant mind share, reflected in the fact that over half the surveyed reference customers for vendors in this Magic Quadrant said they had evaluated SAP Ariba.

Cautions

- Feedback from SAP reference customers on the customer experience has worsened since the last Magic Quadrant. SAP received the lowest score in the survey for technical support and the second lowest for openness to reference customers’ product enhancement ideas. SAP states that it is taking extensive action to address customer satisfaction through targeted initiatives to address customer support processes and tools. A next-generation enhancement request model, SAP Ariba Customer Influence, has also been set up, along with a Customer Engagement Initiative that involves over 20 projects in 2019 bringing customers early into the development process to provide feedback.
- SAP received among the lowest scores from reference customers for the extent to which its business model makes sense for clients. SAP, however, strongly maintains its pricing model is sophisticated and value-based, and that it gives suppliers a choice between a free version and an enterprise version with which higher-volume suppliers can access value-added features and services of the Ariba Network.
- Despite being owned by SAP for several years, SAP Ariba and SAP Fieldglass integration into SAP remains an issue. SAP Ariba and SAP Fieldglass are separate solutions and on different architectures to SAP's ERP suites. SAP received one of the lowest scores from reference customers in this Magic Quadrant for integration with ERP/financial systems. SAP explains that this is likely because not all customers have taken up the latest integration-as-a-service capabilities available with SAP Ariba Cloud Integration Gateway (enabled by SAP Cloud Platform), which offers over 200 out-of-the-box standard integration touchpoints.

Synertrade

Synertrade (http://www.synertrade.com/) was founded in 1996 with a focus on spend management. It has 314 employees, headquarters in Luxembourg, and 30 additional offices in Asia/Pacific, Europe, Latin America, the Middle East and North America. Synertrade is an entity of Digital Dimension, a subsidiary of Econocom, which is publicly traded on NYSE Euronext.

Synertrade's Accelerate P2P software is an extensive suite capable of supporting direct and indirect spend categories. The vendor currently processes fully compliant e-invoices in 21 countries itself, and in 34 more countries through a partner. The solution provides some
contingent worker tracking and SOW management functionality. The UI is available in 35 languages and technical support in 16 languages.

Synertrade's preferred service delivery mode is multitenant cloud, but on-premises and hybrid modes are also available. It conducts most of its own implementations in Asia/Pacific, Europe and North America, but also uses partners. Its top-three integration partners from 2015 through 2018 were EY, Deloitte and Capgemini. Synertrade does not charge suppliers transaction fees, but does charge fees to set up an account and catalogs. It provides a full S2S solution with a large number of additional modules, such as for artwork and packaging design, and idea-to-shelf product development solutions.

Synertrade remains a Visionary due to its solid scores for geographic strategy, innovation and vertical strategy, but below-average score for customer experience. Its marketing execution is also below average, with good brand recognition in Europe but limited (though growing) recognition globally. Synertrade is a good choice for organizations in the retail, media, services and manufacturing industries.

Strengths

- Reference customers for Synertrade scored it above the average for pricing and contract flexibility. In addition, they identified total cost of ownership as a key reason for selecting Synertrade.

- Synertrade's UI is available in 35 languages, which is the highest number supported by any vendor in this Magic Quadrant. It also received one of the highest scores from reference customers for multilanguage support.

- Synertrade is an early innovator of the use of chatbots to support the P2P process. It received the joint-highest score from reference customers for satisfaction with chatbots.

Cautions

- Reference customers scored Synertrade well below the average for providing opportunities to share best practices with other customers. Synertrade states that it has responded to this feedback by deploying SynerClub, a community tool designed to enable sharing of best practices.

- Although Synertrade has a functionally rich solution, it received relatively poor feedback from reference customers in some core areas, such as goods receiving and internal catalog management. This resulted in a below-average score for overall product functionality. Synertrade states that it has made these shortcomings a priority and intends to remedy them in 2019.

- Synertrade’s reference customers scored it below the average for time to value, overall deployment and integration, and ease of deployment. This is likely a result of Synertrade’s history of being willing to customize its solution for individual clients. Although this willingness might be good for individual customers, it often leads to prioritization issues and
Tradeshift

Tradeshift (http://tradeshift.com/) was founded in 2009 as an e-commerce company for supply chain payments and marketplace solutions. It has 1,000 employees, headquarters in San Francisco, California, U.S., and 14 additional offices in Asia, Europe and North America. It acquired Capgemini’s IBX Business Network in April 2017.

Tradeshift’s procure-to-pay solution is an integrated suite that takes a marketplace approach to enable buyers to run supply chain processes with all connected suppliers. It supports some direct procurement workflows, but the majority of customers use it to manage indirect spend categories and for accounts payable automation. The solution can track contingent worker time and expenses, but has limited native support for SOW procurement capabilities. Tradeshift can process fully compliant e-invoices in 47 countries itself, and in 13 additional countries using partners. Tradeshift states that it is one of two companies approved by the Chinese government to integrate with China’s e-invoicing and tax system. The UI is available in 23 languages and technical support in 10 languages.

Tradeshift’s only delivery mode is multitenant cloud. It conducts many of its own implementations, but in Europe and North America the majority are done with partners. Its top-three integration partners from 2015 through 2018 were Bristlecone, Viseo and Capgemini. It does not charge suppliers any fees to transact or interact with buyers. It provides integrated dynamic discounting, supply chain finance and employee expense management via virtual cards (Tradeshift Go). Customers can use Tradeshift Apps to add e-sourcing, risk management and other software solutions.

Tradeshift is a Visionary due to its innovative multitier network platform as a service (PaaS) approach and Tradeshift Ada, a networkwide artificial intelligence (AI) layer built into the platform. The company’s approach of offering customers and partners the opportunity to build apps on top of its platform is innovative. However, many of Tradeshift’s procurement clients are still also on the legacy IBX marketplace solution and are being migrated over the coming years. This factor has contributed to a lower score for Tradeshift’s product offering and customer experience. Tradeshift is a good choice for global organizations looking for a flexible and innovative approach to engaging internal stakeholders and suppliers.

Strengths

■ Tradeshift’s solution is designed with a PaaS and apps architecture. This gives customers more options for solving problems by creating new apps on top of the platform.

■ Tradeshift is well funded, and its strong financial backing enables large development teams to quickly bring new capabilities to market.
- Tradeshift’s origin in the e-invoicing and invoice automation sectors shows in its functional richness in these areas, as well as in its SCF capabilities.

Cautions

- Although innovative, the strategy of allowing customers and third parties to build apps on the Tradeshift platform is immature. Forward-looking companies with advanced change management capabilities are best positioned to take advantage of this strategy.

- Gartner estimates that the majority of Tradeshift’s customers use only its e-invoicing or APIA capabilities. Of the clients using its e-purchasing and catalog management capabilities, several, including some reference customers surveyed for this Magic Quadrant, still use IBX in conjunction with Tradeshift Pay.

- Tradeshift’s reference customers gave it the lowest score in this Magic Quadrant for overall customer experience. At the beginning of 2019, Tradeshift stated that it had a renewed focus on customer centricity throughout the organization. This focus includes hiring a new global vice president of customer value, implementing quarterly customer councils, introducing a new customer success program and utilizing Net Promoter scores.

Wax Digital

Wax Digital (http://waxdigital.com/) was founded in 2001 as an e-procurement software business. It has 96 employees, headquarters in Manchester, U.K., and five additional offices in the U.S. and Australia. It was acquired by the private equity firm August Equity in 2015.

Wax Digital's web3 Purchase to Pay is an integrated suite used by customers to manage direct and indirect spend categories. The vendor does not charge supplier fees. It currently processes fully compliant e-invoices in 37 countries itself, and in 42 additional countries using partners. The UI is available in 14 languages. Technical support is primarily in English.

Wax Digital's preferred delivery mode is private cloud. Options are available, however, such as for on-premises deployment and partner-hosting services for specific requirements like International Traffic in Arms Regulations (ITAR) compliance. Wax Digital conducts its own implementations. It provides a full S2S solution, with additional modules for contract management, e-sourcing, savings tracking, spend analysis, SIM and supplier risk management. It provides supply chain finance capabilities through a partnership.

Wax Digital is again a Visionary on the basis of strong scores for its business model and product portfolio. It has excellent brand recognition in the U.K. and is continuing to grow its presence in other regions. It is a good choice for organizations in the hospitality, food and beverage, construction, manufacturing, and healthcare industries. Highly regulated industries such as financial services, aerospace and defense are also well served by Wax Digital.

Strengths
Zycus

Zycus (https://www.zycus.com/) was founded in 1998 as a spend analytics vendor. It has over 1,200 employees, headquarters in Princeton, New Jersey, U.S., and more than 20 additional offices across the U.S., Europe, Asia and Australia.

The Zycus Procure-to-Pay suite is a relatively recent addition to the company's product portfolio. It is primarily delivered as multitenant SaaS, with single-tenant SaaS as an option. Clients primarily use it for indirect goods and services, though it does also offer some support for direct materials requirements. Support for contingent workforce and SOW procurement is also limited. Zycus charges no supplier fees. In addition to P2P capability, Zycus offers spend analytics, e-sourcing, supplier management and contract life cycle management capabilities.

In the U.S., Zycus manages the majority of its implementations with its own resources, while some are managed by a hybrid team that includes Zycus and partner resources. In Europe and Asia, Zycus relies more extensively on partners. Its top-three integration partners from 2015 through 2018 were Velocity Procurement, Nitor and Bahwan CyberTek (BCT). The UI is currently available in 19 languages, but technical support is available only in English. Zycus currently processes legally compliant invoices in 13 countries itself, and in an additional 41 countries through partners.

Zycus makes its debut in this Magic Quadrant as a Niche Player, as it offers a solid product, but one lacking some extended P2P capabilities. This limits its Ability to Execute and its industry

Cautions

- Wax Digital primarily serves customers in the U.K. and U.S., so its ability to serve global companies may be lacking.

- Wax Digital's P2P suite is focused on the core P2P capabilities. It offers no native inventory functionality and limited service procurement and supply chain functionality.

- Wax Digital is one of the smallest vendors in this Magic Quadrant in terms of both revenue and number of customers. Its smaller customer base may limit its ability to train AI technologies that require very large datasets to learn from.

- Wax Digital scored well above the average for overall customer experience. Its reference customers especially praised its technical support, account management and ability to deliver at or below the expected implementation and upgrade cost.

- Wax Digital supports multiple deployment options, including full on-premises, private cloud, partner-hosted and SaaS.

- Wax Digital offers an extensive collection of prebuilt connectors to ERP and other back-end systems, as well as multiple external e-invoice networks.
strategy. Also, Zycus needs to improve its brand recognition as a P2P player, especially outside the U.S.

**Strengths**

- Reference customers for Zycus identified its product’s ease of use and UI as key strengths. They scored it well above the average in these areas.

- Zycus offers a well-defined and free supplier onboarding service. This earned it well-above-average scores from its reference customers.

- Zycus has an active customer advisory board and received good feedback from its reference customers for its openness to their product enhancement ideas.

**Cautions**

- Zycus’ P2P offering is relatively new, with its first clients going live in 2013. This is reflected in good core P2P capabilities but weaker extended capabilities, such as for supply chain finance and inventory management. Support for service procurement and supply chain collaboration is also somewhat limited. Zycus states that contingent workforce management capabilities are available through partners and that SOW procurement feature enhancements are planned for upcoming releases. Additionally, extended inventory management functionalities are on its short-term roadmap.

- As one of the newer vendors in this market, Zycus has focused more on creating a strong core product than on releasing innovative functionality. It plans to release a number of AI-powered apps via its Merlin A.I. Studio. However, these AI capabilities will not be embedded into existing products, but rather sold on a stand-alone basis.

- Reference customers stated that Zycus could improve its communication and documentation about upgrades.

**Vendors Added and Dropped**

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor’s appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

**Added**

- Zycus, which met the client count and revenue criteria for this Magic Quadrant.

**Dropped**

- Comarch, which has a more regional focus than we required and did not meet our requirement for global sales.
- **OpusCapita**, which has a more regional focus than we required and did not meet our requirement for global sales.

- **Perfect Commerce**, which has been acquired by Proactis, a vendor included in this Magic Quadrant.

**Inclusion and Exclusion Criteria**

To qualify for inclusion in this Magic Quadrant, each vendor had to:

- Actively position its P2P suite as a stand-alone platform for automating all types of spending.

- Have generated a minimum of $12 million U.S. in revenue from P2P software during the 12-month period ending December 2018. Revenue could come from subscriptions, transaction fees, software licenses and maintenance fees.

- Have 30 or more clients with 2018 revenue or operating budget of $1 billion or more “live” on its platform, with full P2P functionality (both e-purchasing and APIA).

- Have signed a minimum of five new clients with annual revenue or operating budget of over $1 billion in 2018.

- Have ownership of source code that delivers the following functionality, deployable without customization:
  - Requisition approval workflow
  - Receiving
  - cXML integration
  - Supplier self-service catalog management
  - Automated two-way match (PO to invoice)
  - Pay on invoice (without a PO)
  - Supplier self-service PO flip
  - Supplier self-service invoice acceptance status checking
  - Sending of remittance details to suppliers

- Be currently processing compliant e-invoices in at least five countries.

- Have generated at least 20% of its 2018 revenue from clients headquartered in different region from the vendor’s home region, and have proof of having won clients in at least two
regions in 2018. Regions include North America, Latin America, Europe, the Middle East and Africa, Asia/Pacific and Japan.

Honorable Mentions

A number of P2P suite vendors did not meet all these inclusion criteria and therefore do not appear in this Magic Quadrant. However, their offerings do meet many customers’ requirements and should also be considered in evaluations of P2P suites.

The following is a representative list of some of the vendors that did not meet one or more of the inclusion criteria:

- BuyerQuest
- Comarch
- Esker
- Expenzing
- Infor
- Mercado Eletrônico
- OpusCapita
- VORTAL
- Xeeva
- Workday

Evaluation Criteria

Ability to Execute

Gartner appraises a P2P suite vendor’s Ability to Execute by evaluating its products, services, operations and technologies. We evaluate how these enable it to be competitive, efficient and effective in the market, as well as how they benefit its revenue, client satisfaction, retention and general market reputation. Ultimately, we judge a vendor’s Ability to Execute by its ability to keep its promises and its success in doing so.

In this Magic Quadrant, the **product or service** and **customer experience** criteria each have a “high” weighting. This is because the ability to provide a product and a customer experience that delight clients is what motivates buyers to choose something other than their ERP suite for P2P.

The **overall viability, sales execution/pricing** and **marketing execution** criteria each have a “medium” weighting. This is to ensure that vendors have sufficient funding and growth to continue to develop and improve their products and customer experiences.
Operations has a “low” weighting, as all the vendors that qualify for inclusion in this Magic Quadrant have proven operational capabilities. (Operational capabilities are also indirectly reflected in the customer experience category.)

Table 1: Ability to Execute Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product or Service</td>
<td>High</td>
</tr>
<tr>
<td>Overall Viability</td>
<td>Medium</td>
</tr>
<tr>
<td>Sales Execution/Pricing</td>
<td>Medium</td>
</tr>
<tr>
<td>Market Responsiveness/Record</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Marketing Execution</td>
<td>Medium</td>
</tr>
<tr>
<td>Customer Experience</td>
<td>High</td>
</tr>
<tr>
<td>Operations</td>
<td>Low</td>
</tr>
</tbody>
</table>

Source: Gartner (July 2019)

Completeness of Vision

For Completeness of Vision, Gartner evaluates vendors on their ability to grasp current and future market and technology trends, customer needs and competitive forces — as Gartner views them. Ultimately, vendors are assessed on their understanding of how market forces can be exploited to create opportunities for growth. This is the more qualitative assessment, being based on Gartner’s interaction with end users and consequent understanding of the market.

As the P2P market matures, innovation and vertical/industry strategy are becoming more important, if vendors are to continue to deliver value to customers and differentiate themselves. These two criteria are therefore weighted “high.”

Market understanding, offering (product) strategy and geographic strategy each have a “medium” weighting. Market understanding is important to ensure resources are allocated in accordance with customer needs and market developments. Geographic strategy and product strategy are important both to serve both a global market and to provide individual clients with the right mix of in-house capabilities and partners.

Business model receives a “low” weighting. Although there are meaningful differences in business models, especially in the area of supplier fees, they are more a matter of individual preference.
Table 2: Completeness of Vision Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Understanding</td>
<td>Medium</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Sales Strategy</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Offering (Product) Strategy</td>
<td>Medium</td>
</tr>
<tr>
<td>Business Model</td>
<td>Low</td>
</tr>
<tr>
<td>Vertical/Industry Strategy</td>
<td>High</td>
</tr>
<tr>
<td>Innovation</td>
<td>High</td>
</tr>
<tr>
<td>Geographic Strategy</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Source: Gartner (July 2019)

Quadrant Descriptions

Leaders

Leaders are in the strongest position to influence the market’s growth and direction. They demonstrate a market-defining vision of how P2P technology can help procurement leaders achieve business objectives for managing compliance and controlling external spend. Leaders have the ability to execute against that vision through products and services, and have demonstrated business results in the form of revenue and earnings. They excel in their combination of market understanding, innovation, product features and functions, and overall viability.

While maintaining a well-established base of long-term customers, Leaders show a consistent ability to win new deals with successful implementations. Their customers are deployed in the most geographic regions, and cover a wide variety of industry verticals and sizes of organization.

Leaders are often the vendors that other providers measure themselves against. They are also the most likely vendors in this Magic Quadrant to still be in the P2P suite business five years from now. They are suitable vendors for most organizations to evaluate when seeking a P2P suite. However, they should not be the only vendors evaluated.

Challengers
Challengers have established presence, credibility and viability, and have demonstrated the ability to meet customers’ expectations in terms of functionality and customer experience. Challengers tend to have a good technology vision in terms of architecture and other IT considerations, but may not have fully won over procurement and IT executives.

Challengers are well placed to succeed in this market. However, they may not demonstrate thought leadership or innovation to the same degree as Leaders. They may be a good choice for organizations that value execution over vision.

**Visionaries**

Visionaries are ahead of most potential competitors in delivering innovative products and/or delivery models. They are typically smaller vendors or newer entrants that embody trends which are shaping, or will shape, the P2P market. There may be some lack of awareness of these vendors in the market and some concerns about their ability to execute effectively. Visionaries have a strong vision and roadmap, which brings innovation and strong functionality to their platforms.

Visionaries may be a good choice for organizations that want innovation without a big brand or a high price. These vendors may also give customers an opportunity to skip a generation of technology. They may offer a competitive advantage or offer a chance to influence their product roadmap. They might be acquired or face a challenge to increase their market share. However, as these vendors mature and prove their Ability to Execute, they may become Leaders.

**Niche Players**

Niche Players offer compelling P2P suite portfolios, but their solutions may also:

- Be limited in terms of cross-industry adoption
- Lack some functional components
- Lack the ability to handle deployments consistently across multiple geographies
- Lack strong business execution in the market
- Have an inconsistent implementation track record
- Lack the ability to support large-enterprise requirements or complex global deployments

Niche Players can often offer the best solutions to meet the needs of particular procurement organizations, considering the price-to-value ratio of their solutions. These vendors may win deals in specific regions or industries. But they are not consistently winning new business across multiple regions or industries at the same pace as vendors in the other quadrants.

Some Niche Players demonstrate a degree of vision that suggests they might become Visionaries, but they may struggle to make this vision compelling. They may also struggle to develop a track record of continual innovation. Other Niche Players may have the opportunity to
become Challengers if they continue to develop their products with a view to improving their overall execution.

Context

E-procurement solutions started to emerge over 20 years ago, but interest in them has increased over the past year as digitalization has been increasingly hyped. Over the past five to 10 years, the e-procurement and accounts payable invoice markets have converged, to create the P2P market.

P2P suites are of high benefit to organizations. They deliver strong ROI by enforcing compliance with sourcing agreements, approval rules and financial policies. Automating the P2P process improves operational efficiencies, supports superior working capital management, and greatly reduces the potential for rogue spending, human error and fraud.

Recommendations to prospective customers:

- Vet P2P suite vendors for suitable workstream support, a workable fee model and sufficient geographic coverage.

- Assess the full capabilities of P2P suites as functionality continues to evolve, with some solutions supporting direct, indirect and service procurement needs.

- Review P2P suite providers’ ability to comply with local tax and e-invoice regulations when considering e-invoicing.

- Review the integration of P2P suite providers’ offerings with your core ERP, material requirements planning and financial management applications.

- Compare the impact of P2P suites on your suppliers in terms of adoption, UX and costs.

All the vendors in this Magic Quadrant sell and support P2P suites. Beyond that, all but two vendors in this Magic Quadrant also offer strategic sourcing applications alongside P2P to form S2S suites. This results in very broad suites that might appeal to some organizations. However, buying an end-to-end suite, is not necessarily the best approach, as no suite is "best in class" across all modules. The value of an integrated suite must be weighed against the need for specific functionality in each area.

All the vendors in this Magic Quadrant have customers successfully using their products and services. However, as noted earlier, this Magic Quadrant does not include all P2P suite providers, because many regional and industry specialists did not meet all the inclusion criteria.

The preferred delivery mode for all vendors in this Magic Quadrant is cloud. Some vendors have substantial customer bases that have deployed their solutions on-premises and are now making the transition to cloud-based P2P suites. SAP Ariba, for example, has notified its on-premises customers that support for on-premises deployments will end in December 2020.
Whichever provider you are considering, ask yourself:

- Will this vendor enable more effective support for the P2P process across my organization?
- How well does this vendor align with our procurement and sourcing technology strategy?

In many cases, you must evaluate more than just the vendor’s product offerings. An ecosystem of partner providers that can fill any functional gaps or provide incremental capabilities is also important.

Use this Magic Quadrant as a reference point when conducting your evaluations, but explore matters further to determine each vendor’s ability to address your unique business problems and technical concerns. The complexity and scale of your requirements should define your unique shortlist. Avoid using this Magic Quadrant as your sole tool for creating a shortlist of vendors. Use it as part of your due diligence, and in conjunction with discussions with Gartner analysts and study of related publications. A vendor’s status as a Leader in this Magic Quadrant does not make it the best choice for every buyer.

**Market Overview**

The P2P suite market is maturing and consolidating. Vendors are offering increasingly broad suites founded on the core P2P capabilities. Differentiation is now found in areas like industry-specific or spend-category-specific capabilities, such as the ability to support supply chain collaboration and services procurement.

P2P solutions are rolled out globally, and the number of countries requiring e-invoices is increasing. This means that the ability to manage legally compliant invoices is also becoming more important. The market is still somewhat regionalized, however, with most vendors having clearly defined home markets. Some vendors, primarily Leaders and Challengers, have shown the ability to grow outside their home countries. They can onboard their customers’ local suppliers and comply with local invoicing and tax regulations. We expect the requirement for global support to grow stronger over the coming years as the market consolidates into a handful of dominant vendors.

The top-three reasons for adopting P2P suite solutions according to the reference customers we surveyed are to:

1. Enable “guided buying” — in other words, to help requisitioners identify and use the correct suppliers, contracts, catalogs, e-forms and policies for spending (52% of respondents)

2. Improve procurement productivity by delivering detailed spend insight (45%)

3. Increase savings by improving contract compliance (42%)

The top-three factors influencing the reference customers’ selection of the P2P suite used by their organization are:
1. Functionality (63% of respondents)

2. Ease of use (56%)

3. Price (50%)

Evidence

Information used to create the inclusion criteria, market definition and vendor evaluations in this Magic Quadrant came from many sources:

- Interactions by the authors with hundreds of end-user clients regarding their procurement and sourcing initiatives in 2018.

- Interactions with procurement and sourcing vendors in 2018.

- Verified customer feedback posted on Gartner Peer Insights in 2018.

- A series of briefings with and demonstrations by the vendors included in this Magic Quadrant.

- Analysis of survey responses completed by over 216 organizations regarding their experience of working with the selected vendors and their products.

- Selective interviews with reference customers about their experiences with the featured vendors and their products.

- Financial data from the S&P Capital IQ platform for the public companies; and for the private companies, financial data from the vendors themselves. This information was scored using Gartner's financial model (see "Understanding the Methodology Behind Gartner's Financial Statement Scorecard for Public Companies").

Note 1

Gartner Definition of Postmodern ERP

The term “postmodern ERP” denotes a technology strategy that offers diverse options for automating and linking business applications into a suite, with levels of integration that balance the benefits of vendor-delivered integration against customers’ requirements for flexibility and agility.

This Magic Quadrant adopts the postmodern ERP view of applications and therefore features two types of vendors:

- **Vendors developing, selling and marketing a single, integrated solution with a single UX, data model and code base.** These vendors each receive a single dot in the Magic Quadrant graphic.

- **Vendors developing, selling and marketing multiple, distinct products.** These products have workflow integrations, use vendor-supported integration technologies and are positioned as
components of a “solution,” rather than as stand-alone products in the vendors’ portfolios. These vendors also receive a single dot in the Magic Quadrant graphic. We have incorporated any user feedback on these products’ integration into their vendors’ scores for the “product or service” criterion under Ability to Execute. We have considered the market suitability of the portfolio in our assessment of the “market understanding” and “offering (product) strategy” criteria under Completeness of Vision.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.
Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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