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The Forrester Wave™: eProcurement, Q2 2017

Coupa, Basware, SAP Ariba, Zycus, And GEP Are Leaders For Buy-Side B2B eCommerce Platforms

by Duncan Jones
May 30, 2017

Why Read This Report

Enterprises are increasingly implementing eProcurement platforms to enable employees to buy what they need quickly, safely, and cost-effectively. This report will help an application development and delivery (AD&D) professionals choose the right eProcurement product, based on our 30-criteria evaluation of the 12 most significant providers — Basware, BirchStreet Systems, Coupa Software, GEP, Ivalua, JAGGAER, Oracle, Perfect Commerce, SAP Ariba, Tradeshift, Tata Consultancy Services (TCS), and Zycus.

Key Takeaways

Coupa, Basware, SAP Ariba, Zycus, And GEP Are Leading eProcurement Solutions
Forrester's research identified five companies that offer a superior combination of smart, usable eProcurement software and strong company strategies. We found that the other seven vendors in this evaluation all offer competitive options that may be the best choice for specific clients.

AD&D Pros Are Looking For Smart Software To Enable Employee-Driven Purchasing
The eProcurement market is growing because more chief procurement officers (CPOs) see it as a key element in addressing their top challenges. They want to enable employees to quickly, safely, and cost effectively buy the goods and services they need, while maintaining overall visibility and control.

Artificial Intelligence, Analytics, And Customer Centricity Are Key Differentiators
AD&D leaders need exceptionally smart, easy-to-use eProcurement software, because modern users will reject mediocre eProcurement software, and instead buy from marketplace sites and sellers' mobile eCommerce apps. Choosing a procure-to-pay (P2P) solution is a long term bet, so AD&D leaders also need a customer-centric provider that offers a flexible true-SaaS commercial model.

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by Duncan Jones
with Christopher Andrews, Andrew Bartels, Sara Sjoblom, and Andrew Reese
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eProcurement Is At The Heart Of Enterprise Commerce

Enterprise AD&D leaders are investing in eProcurement platforms, also known as procure-to-pay (P2P), to help employees buy products and services they need for their work. They see a modern, smart, easy-to-use, and functional eProcurement application as an important part of their firm's digital business transformation, because slow, laborious P2P processes get in the way of employees' efforts to win, serve, and retain customers. That's why the eProcurement market is growing at 11% per year.[1]

The 12 leading products in our evaluation together drive more than $3 trillion in business-to-business (B2B) and business-to-enterprise (B2E) eCommerce annually. That's more than three times what businesses buy directly from sell-side eCommerce sites.[2] Busy employees prefer the latter, and they prefer new marketplace apps (like Amazon Business) to unwieldy legacy eProcurement applications, but these buying channels create risks for the organization.[3] Your firm needs great eProcurement to:

› **Help employees quickly find the best products to meet their needs.** Your employees need to buy things quickly — sometimes as part of their customer-facing job requirements, sometimes so they can get back to their customer-facing job responsibilities. Sell-side B2B websites can bewilder shoppers with too much choice, whereas eProcurement software enables category managers to curate or filter suppliers' catalogs, guiding employees to the most appropriate items. Some platforms even allow procurement professionals to configure recommendation algorithms and display rankings to push users toward the best value items, or the most environmentally friendly ones.

› **Protect the company from supplier-related legal and reputational risks.** Employees inadvertently expose your organization to significant risks when they buy from companies that have not gone through a formal validation process. In contrast, eProcurement tools guide employee shoppers to the reliable, safe, secure and ethical supplier procurement has chosen and validated.[4] They also make it easier for employees to trigger a purchasing professional to find an appropriate source for nonstandard needs for which there isn't a single defined source. For example, one research source used a panel of three different marketing services suppliers and used eProcurement to capture requisitioners' precise requirements so they could issue a clear, comprehensive RFP.

› **Provide immediate visibility of who is buying what from whom.** eProcurement captures liabilities as soon as they are created and automatically allocates them to the correct accounting codes. This enables managers to take action promptly — fixing overspending on a project, for instance, or dealing with a profligate team member. By contrast, enterprises without integrated eProcurement don't know about a large chunk of spend until they process invoices 30 days or more later, by which time it may be too late to react. Many of the organizations we interviewed reported significant savings resulting from this visibility, such as aggregating purchases in a specific category to one supplier, or from buying wholesale instead of retail.

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Customers Interested In Upgrading Purchasing Capabilities Face A Range Of Options

The first decision for AD&D leaders and their CPO colleagues who want to implement a new eProcurement platform is whether to choose a specialist eProcurement product, a broader ePurchasing suite, or a supplier network or simply go with their enterprise resource planning (ERP) provider's eProcurement module. This evaluation covers vendors of each type. Our research has found that, in general:

› **P2P specialists deliver rapid results by increasing adoption.** Vendors such as Basware, Coupa, and TCS focus on end-user usability, which is vital if you need to get wide adoption by employees' consent. Forrester has found that some industries — such as banks, the public sector, and utilities — can use edict and enforcement to make employees use corporate tools, but that companies in most others, particularly those that want to attract the millennial workforce, need consumer-grade user interfaces. P2P specialists that did not qualify for this Forrester Wave include Aquiire, BuyerQuest, Esize, Infosys, EdgeVerve, Paramount, and Wax Digital.

› **ePurchasing suites are best in theory, but hardest to implement in practice.** These suites support upstream source-to-contract (S2C) in addition to downstream P2P. They provide comprehensive visibility and control when fully implemented, but that may take many years if your organization currently uses many different products across business divisions and regions. Some providers, including GEP, Ivalua, Oracle, and Zycus, have built integrated modular suites, whereas JAGGAER, Perfect Commerce, and SAP Ariba have combined internal development with acquisitions. All of them admit that only a minority of customers are using their full suite, both upstream and downstream. ePurchasing suites that did not qualify for this Forrester Wave include BravoSolution, Determine, POOL4TOOL, PROACTIS, SynerTrade, and Xeeva.

› **Supplier networks accelerate P2P processes for both direct and indirect categories.** Supplier networks connect buyers with suppliers via a variety of technologies, with varying levels of automation and security. They enable various collaboration processes, such as catalog upload, PO sending and acknowledgement, delivery notification, and invoice submission. In this evaluation, Tradeshift falls into this category, while Perfect Commerce and SAP Ariba have supplier network business units within them. Supplier networks that did not qualify for this Forrester Wave include Exostar, Global Healthcare Exchange (GHX), OpenText, and Tungsten.

› **ERP providers' modules are a sound choice for some enterprise customers.** Broad software companies such as Infor, Microsoft, Oracle, and Workday provide P2P modules within their financial applications, although they don't quite match the market leaders in terms of usability and functionality. AD&D leaders may find that their ERP supplier's P2P module is good enough, given the potential technical and commercial benefits of buying from a known, trusted supplier. You should first check the product's road map, however, or you may find yourself with an obsolete product if the vendor switches strategy, as both SAP and Oracle have repeatedly.[5]

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eProcurement Evaluation Overview

To assess the state of the eProcurement market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top eProcurement vendors. After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 30 criteria, which we grouped into three high-level buckets:

› **Current offering.** Our evaluation focused on assessing which products have the functionality to deliver the business outcomes buyers expect. We looked primarily for features to encourage adoption, including usability for employee shoppers, streamlined approval processes, and functionality to enable supplier interaction and collaboration. We also examined products' ability to help CPOs convert the greater visibility that results from high adoption into improved performance.

› **Strategy.** We studied the vendors' strategies to assess which are the best long-term choices. We looked for a customer-centric culture and a flexible, well-designed commercial model because both are important for a vendor's long-term success — and also because they make the vendor a safer bet for our clients. We also rated each vendor's product vision and its development plans, as well as the likelihood that it will be able to deliver on them.

› **Market presence.** For this section, we estimated vendors' market share, both in terms of total market and also new deals signed during the past year. We also estimated vendors' relative size in terms of the employees it dedicates to eProcurement and related products.

Evaluated Vendors And Inclusion Criteria

Forrester included 12 vendors in the assessment out of an initial list of 28 candidates. We chose the final 12 based on a combination of (see Figure 1):

› **Annual revenue.** We estimated vendors' annual revenue and the share attributable to its eProcurement products.

› **Revenue growth.** We estimated vendors' revenue growth to favor those that are winning many new deals over those that have stable installed bases.

› **Innovation.** We assessed vendors' ability to grow more quickly than the overall market due to a novel or disruptive approach.

› **Client reach.** We also considered whether the vendor would be relevant to a large section of Forrester's client base, so we excluded some that focus only on one or two specific regional markets.

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FIGURE 1 Evaluated Vendors: Vendor Information And Selection Criteria

Vendor	Product evaluated
Basware	Basware Purchase-to-Pay
BirchStreet Systems	BirchStreet Procure-to-Pay
Coupa Software	Coupa
GEP	SMART by GEP
JAGGAER	JAGGAER Source-to-Pay Suite
Ivalua	Ivalua
Oracle	Oracle Procurement Cloud
Perfect Commerce	PerfectProcure
SAP Ariba	SAP Ariba Procurement Software Solutions
Tata Consultancy Services (TCS)	TCS TAP
Tradeshift	Tradeshift Procure-to-Pay Solution
Zycus	Zycus Procure-to-Pay

Vendor inclusion criteria

Current market share, specifically for eProcurement, but also for the wider market for ePurchasing suites.

Market trajectory, winning a significant share of new deals in the enterprise market and/or on a path to achieve a top 5 market share within two to three years.

Exceptional capability, which represents potentially market-changing innovation and thus warrants for clients' short lists.

Client interest, as indicated by the number of them that ask about the vendor or mention it during inquiries.

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Our Evaluation Found Many Smart, Flexible Products, But Also Some Usability Challenges

All the products we studied have great features that justify their inclusion on some AD&D leaders' shortlists. We found considerable improvement since our last market evaluation in areas such as service categories and performance analytics. However, none of the products have the consumer-grade user experience their marketing literature claims. Overall, our assessment of the eProcurement market is that:

› **All the products compare unfavorably with specialist eCommerce sites.** All the products we reviewed are missing some basic eCommerce features, such as contextualized search, personalized recommendations, and filtering of search results by product attributes. None has sufficient functionality to enable procurement professionals to guide users to the items that best meet their needs while balancing price with value.

   What this means for AD&D leaders: Successful implementations will rely on extensive use of punch-out to sellers' eCommerce sites, with the associated risks from loss of control over buying decisions. You may also need to allow employees to shop on their preferred websites or marketplaces within certain constraints.

› **Mobile approval apps undermine control frameworks.** Almost all of the approval apps we saw failed to include the data that a manager would need in order to make an informed decision. Most of them make it too easy to click "approve" without really looking at the transaction. The better ones alert managers to issues that may warrant their consideration, such as a purchase that would put them close to or over budget, and then provide extra information that the manager will want to see before making his decision.

   What this means for AD&D leaders: You should accept that manual mobile approvals are of questionable control value and instead change validation processes to include more automated checks and post hoc exception reports. Continually monitor approval processes to identify opportunities to refine them. For instance, if a manager gets five or more exceptions a day to approve and approves 80% of them, then they aren't really exceptions.

› **Analytics of expenditure and process efficiency are improving rapidly.** AD&D leaders and their CPO colleagues will find features that harness peers' data to proactively suggest improvement opportunities particularly valuable. Many vendors have embedded leading data visualization products such as QlikView and Tableau into their offerings. A few, including Coupa and SAP Ariba, have gone further. They aggregate data from all their SaaS customers that opt in to the service and use this to tell those customers where they can save money or improve key performance indicators (KPIs) related to process.

   What this means for AD&D leaders: When choosing a vendor, you should assess which will best help you reduce wasteful spending and improve process efficiency. The ability to aggregate and analyze multiple customers' data could be a key element of your improvement program.
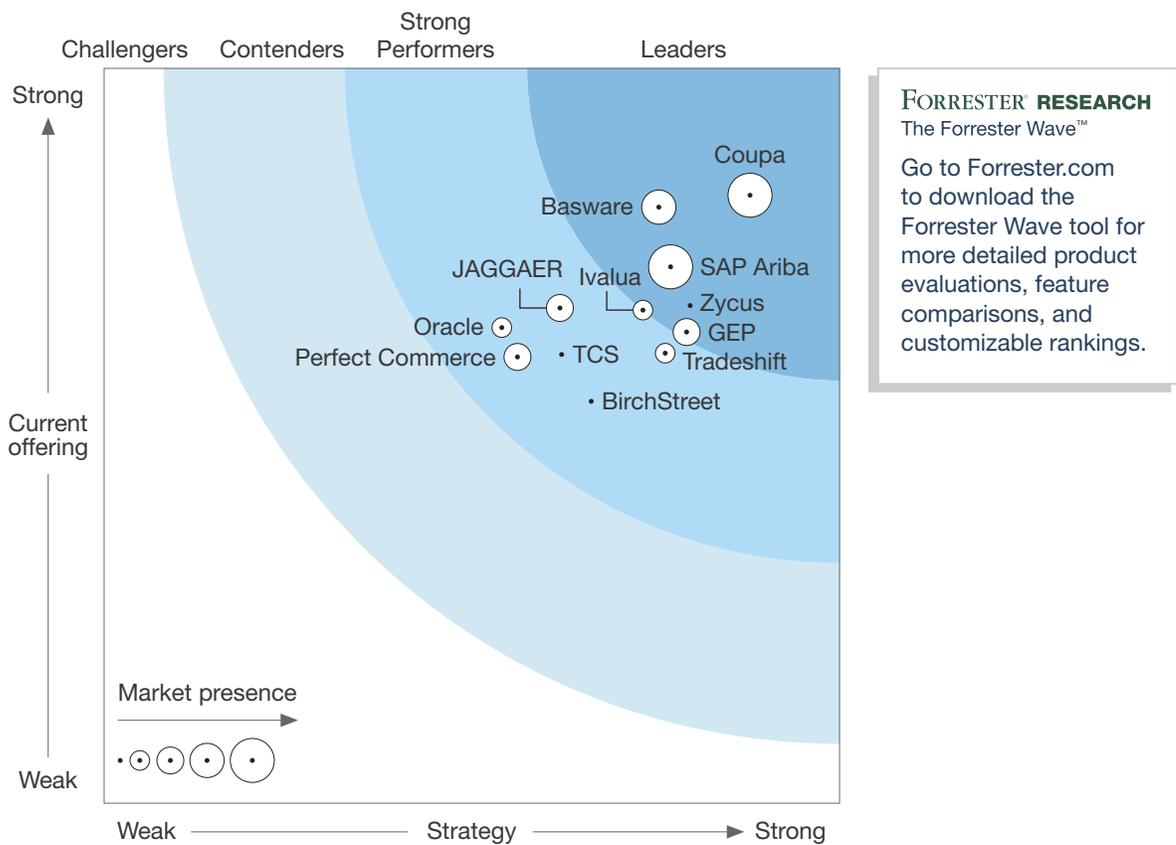
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Vendor Profiles

This evaluation of the eProcurement market is intended to be a starting point only. We encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool (see Figure 2). For instance, some AD&D leaders may want to give more weight to reporting and globalization, whereas others may place more emphasis on usability and mobile approval. Based on the weights that we attributed to each criterion, our evaluation found that:

FIGURE 2 Forrester Wave™: eProcurement, Q2 '17

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FIGURE 2 Forrester Wave™: eProcurement, Q2 '17 (Cont.)

	Forrester's weighting	Basware	BirchStreet	Coupa	GEP	Ivalua	JAGGAER	Oracle	Perfect Commerce	SAP Ariba	TCS	Tradeshift	Zycus
Current Offering	50%	4.05	2.73	4.13	3.20	3.35	3.37	3.23	3.03	3.64	3.05	3.06	3.38
Requisition creation	25%	3.50	2.10	4.05	3.05	2.85	3.65	2.35	2.10	2.80	2.45	2.35	3.55
Approval	15%	4.00	3.00	4.00	2.50	3.50	3.50	3.00	2.50	3.50	3.50	2.50	3.00
Invoice processing	20%	5.00	3.25	3.50	3.25	4.05	3.55	3.20	3.00	4.00	3.30	3.20	3.00
Reporting	12%	4.00	3.50	5.00	3.00	2.50	3.00	4.00	3.00	4.00	3.00	3.50	3.00
Supplier adoption	10%	3.50	2.00	4.00	3.50	3.00	3.00	2.50	4.50	3.50	2.50	4.00	4.00
Technology	10%	3.40	2.40	4.60	3.80	4.20	3.20	4.60	3.20	3.80	3.20	3.20	4.00
Globalization	8%	5.00	3.00	4.50	4.00	3.50	3.00	4.50	5.00	5.00	4.00	4.00	3.50
Cost	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Strategy	50%	3.77	3.31	4.39	3.96	3.66	3.10	2.70	2.81	3.85	3.11	3.81	3.98
Customer success	30%	4.00	4.00	4.50	4.00	4.00	3.00	1.50	4.00	2.50	4.00	4.50	4.00
Product strategy	40%	3.90	3.25	4.10	4.65	3.10	3.50	2.85	2.25	4.25	3.00	3.40	4.25
Corporate strategy	30%	3.35	2.70	4.65	3.00	4.05	2.65	3.70	2.35	4.65	2.35	3.65	3.60
Market Presence	0%	3.40	1.00	4.60	2.40	1.60	3.00	2.00	2.40	5.00	1.00	1.80	1.00
Installed base	40%	4.00	1.00	4.00	3.00	1.00	3.00	2.00	3.00	5.00	1.00	3.00	1.00
Market share of new deals	60%	3.00	1.00	5.00	2.00	2.00	3.00	2.00	2.00	5.00	1.00	1.00	1.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Basware, Coupa, SAP Ariba, GEP, And Zycus Are Leading P2P Solutions

› **Coupa delivers customer success through high usability and rapid innovation.** It has more than doubled its revenues since we named it a Leader in our 2014 eProcurement evaluation, and is now listed on the Nasdaq. Forrester continues to rate it highly for its customer-obsessed culture, flexible architecture, and commitment to high adoption by end users and suppliers. Its library of customers describing measurable benefits from using Coupa is testament to its product and its approach.

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Coupa still excels in usability for employee shoppers, approving managers, and suppliers. An important differentiator for Coupa is its use of customers' data to provide proactive, prescriptive advice about savings opportunities and process improvements. A relative weakness is Coupa's source-to-contracts functionality, although it is addressing that, both through internal development and via acquisitions such as Spend360 and Trade Extensions. All AD&D leaders should consider Coupa for their P2P shortlists, especially those who focus more on P2P than on S2C.

› **Basware excels in invoice automation for global organizations.** It has the broadest functionality to manage different spend categories and invoice capture methods. It is particularly good where a three-way match isn't possible, such as complex services that involve contract rate cards and service tickets rather than POs and receipts. Basware has been very successful selling to European multinationals, and its 2016 acquisition of Verian has now brought it increased scale in North America, in addition to some complementary functionality.

Basware's focus on automating process and minimizing manual approvals is an important differentiator, because most of its competitors still emphasize outdated multistep, manual approval chains. A weakness for some potential customers is its lack of S2C capability. There is also a slight risk that the Verian merger may be a distraction, and it isn't yet clear how Basware will integrate the two platforms. Basware is a particularly strong fit for enterprises that want to automate processing of high invoice volumes, including a significant proportion for which three-way matching won't work.

› **SAP Ariba is a good choice for large SAP customers.** AD&D leaders happy to extend SAP's footprint can get a very good eProcurement product in SAP Ariba, one that not only rates among the top three for current offering but is also is part of a comprehensive spend management suite. SAP Ariba has shifted its focus toward direct materials, including streamlining customers' supply chains, enabling closer collaboration with suppliers, and better managing supplier risk. Nonetheless, it continues to invest in functionality for indirect categories and has made significant improvements in usability over the last two years, after innovation declined immediately after SAP acquired Ariba. The enhanced shopping experience SAP Ariba calls guided buying and its new smart forms platform are big improvements over the previous shopping experience, as well as on SAP's legacy supplier relationship management (SRM) product.

Although these new functions are currently missing some of the features we expect, SAP Ariba is working on those and has other ambitious development plans to make the product smarter and easier to use. Moreover, it has a large, captive market among customers that follow an SAP-first application strategy, which will ensure a revenue stream to fund that development. However, AD&D leaders should think carefully before accepting SAP Ariba's contract, which lacks basic software-as-a-service (SaaS) must-haves such as the right to adjust their subscription level up or down and protection against price increases at renewal time.

› **Zycus has built a good eProcurement product to complement its S2C suite.** Zycus has earned a great reputation for easy-to-use upstream ePurchasing software, and it has now extended that to downstream, too. Zycus' strength is smart software behind the scenes to make users' tasks easier.

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One example of this is the intelligent pop-ups that enable approvers to see relevant information about a purchase requisition. Its mobile app for suppliers is a differentiator, supporting PO acknowledgement and invoice creation, in addition to S2C tasks such as RFP responses.

Zycus' Procure-to-Pay is still a relatively new product, so its small installed base is a potential concern, although it is getting good traction among existing Zycus customers. The product also has room for improvement in invoice capture and processing, as well as in performance analytics. Nonetheless it is a good choice for enterprise AD&D leaders who want a simple, easy-to-use procurement product within a leading ePurchasing suite.

› **GEP delivers smart procurement within a single modular platform.** The product name SMART by GEP sums up its approach: using software to help customers' employees make better, faster buying decisions. One example of how GEP implement this vision is a wizard engine that enables category managers to define a decision tree of questions that helps users refine their requirements. This can help the user find a precise match in the catalog or to compile a noncatalog requisition. GEP's main strength is the breadth of functionality within a single ePurchasing suite.

AD&D leaders who choose GEP's suite will get a P2P solution that is consistently good across most criteria. One exception is its approval processes, which need improvement: They could, for instance, provide managers with more supporting information. GEP is a good option for AD&D leaders in large multinationals that want intelligent software for both upstream and downstream, in a single, cost-effective ePurchasing suite.

Seven Strong Performers May Also Merit Consideration

› **Ivalua has a competitive P2P offering within a comprehensive ePurchasing suite.** One of its main strengths is that it has built its suite as one complete but modular platform, whereas most of its competitors have assembled their suites via acquisition and/or parallel development of discrete products. Ivalua, based in France, has expanded rapidly in North America over the last couple of years with some big wins. It has assembled a good ecosystem of implementation partners such as KPMG so it can manage its rapid growth without straining its delivery capability.

An Ivalua differentiator is its customer-led development: Ivalua extends its suite to meet new customers' requirements so they can implement it with minimal customization. Reference customers loved this responsiveness to their needs. However, this reliance on customers can also be a weakness, in that it sometimes limits Ivalua's product vision to what its most recent customer thinks is important. Ivalua is a good choice for AD&D leaders who want a solid eProcurement product within a broad suite, particularly those who have unusual requirements that other products can't handle.

› **Tradeshift intends to disrupt the eProcurement market, aided by its IBX acquisition.** IBX has a solid, if dated, product but had lost momentum under Capgemini. By contrast, Tradeshift has grown its supplier network business rapidly over the last few years, and about 18 months ago it

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started to build an innovative eProcurement application. Boosted by the IBX deal, it now has one of the largest customer bases and can offer a comprehensive S2C suite in addition to the new eProcurement application.[6] Tradeshift's origins as a low-cost invoice network show through in its excellent support for supplier enablement and invoice capture.

It uses a marketplace approach, giving shoppers more choice because they can see all connected suppliers' products. This also gives suppliers the chance to win new customers, which may make Tradeshift a good option for AD&D leaders who worry about supplier engagement and want a mutually beneficial community rather than a network of reluctant suppliers. On the negative side, Tradeshift does not yet match the other products in this evaluation in terms of current capability, particularly in requisition creation and approval, and the IBX merger may be a short-term distraction. Nonetheless, its innovation record and ambition make it worthy of consideration by AD&D leaders who like modern, disruptive vendors.

› **JAGGAER's new name is a sign of new leadership and new customer-focus.** The company formally known as SciQuest combines one of the best eProcurement products for usability within a comprehensive suite. The company assembled the suite mainly by acquisition but has done a good job integrating the various pieces together. New owner Accel-KKR appointed a new leadership team that intends to expand JAGGAER's reach beyond its traditional heartland of life sciences and higher education. Reference customers report a noticeable improvement in customer engagement since the October 2016 company relaunch.[7]

JAGGAER has some exceptional search capabilities, such as searching by product attribute, and including contract line items (such as consultant day rates) in the results. A relatively weak area is invoice capture and processing. We also want to reserve judgment on the new leadership team until it starts to deliver on its product vision. AD&D leaders in higher education and life sciences should definitely short-list JAGGAER. It also merits consideration by North American AD&D leaders in other industries who want a highly usable P2P solution to which they can later add S2C.

› **TCS provides a good platform for shared service procurement and finance.** TCS developed TAP both to streamline procurement and invoice processing in its business process outsourcing (BPO) centers and to stand alone as an eProcurement platform. TCS TAP handles all type of invoices, but is particularly effective in automating three-way matching of high invoice volumes, due its artificial-intelligence-powered engine for matching invoices with PO receipts. TCS customers report significant reductions in invoice processing cost and lead times. It has room for improvement in other types of invoices, such as complex services.

TCS TAP is a particularly good option for large enterprises with shared services procurement and/or finance that want to improve control of employee procurement while also automating invoice processing. It may also be a sound choice for firms that are already TCS customers because a good product from a known, trusted partner may be a safer choice than an unknown eProcurement provider.

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› **BirchStreet delivers exceptional support for large hospitality industry firms.** Its main differentiator is its exceptional support for hotel chains, such as Marriott International and Hilton Hotels & Resorts, and the special categories they buy, including occupancy rates and food service reordering linked with standard recipes. It has superior mobile capability to support the roaming, customer-facing end users that are standard in hotels. Reference customers report significant improvements in productivity and employee morale from empowering employees to reorder supplies, whereas previously the hotel manager had to do it.

BirchStreet has satisfactory functionality for general catalog-based purchasing, but it has room for improvement in noncatalog form-based requisitioning. AD&D leaders in hotel chains should evaluate BirchStreet. It is also worthy of consideration by those in similar industries such as sports stadiums, casinos, and restaurant chains.

› **Oracle's Procurement Cloud is a good choice for Oracle Finance Cloud customers.** It offers solid eProcurement capability with some differentiating features, such as its use of social messaging to facilitate internal and external collaboration. Its reporting and analytics capability is a good reason for AD&D leaders who are buying the whole cloud ERP suite to include Procurement Cloud in the deal to combine sourcing, procurement, and finance data in one unified analysis tool.

Usability is currently low compared with peers — Oracle's development focus for Procurement Cloud has initially been on finance and procurement rather than on end users and suppliers. However, Release 13, which we expect in the summer of 2017, will provide a significantly improved user interface and a self-service procurement mobile app. The main issue that should concern AD&D leaders who are considering Oracle's cloud products is its commercial model, which creates significant risks for customers. For example, Oracle's discounting approach and lack of contractual protection against price increases mean Oracle cloud customers could face huge cost increases if they extend, shrink or renew their SaaS contracts. The best fit for Oracle's cloud products are therefore large enterprises that have a strong relationship with Oracle and can assemble a lot of negotiation power.

› **Perfect Commerce delivers visibility and control for highly regulated organizations.** Perfect Commerce has a large, loyal customer base, resulting from several mergers and acquisitions of early eProcurement providers, such as Commerce One and Hubwoo. It has some exceptional capabilities, such as its specialist support for remote field services, which reflects a long history in the oil and gas industry.[8] Another strength is specialist support for public sector, such as open tendering, which has helped it win several new public sector customers over the past 18 months Perfect Commerce, including the procurement functions of four US state governments.

Perfect Commerce focuses on uploading catalogs from its customers' main suppliers, so it provides little support for punch-out or public marketplaces. The user interface is currently a relative weakness, although the company will release a new, much improved user interface later in 2017. AD&D leaders should include Perfect Commerce in their shortlists if their priority is compliance and control for CPOs, rather than employee enablement for the wider organization.

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Supplemental Material

Online Resource

The online version of Figure 2 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of 4 data sources to assess the strengths and weaknesses of each solution. We evaluated the vendors participating in this Forrester Wave, in part, using materials that they provided to us by May 5, 2017.

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> › **Hands-on lab evaluations.** Vendors spent one day with a team of analysts who performed a hands-on evaluation of the product using a scenario-based testing methodology. We evaluated each product using the same scenario(s), creating a level playing field by evaluating every product on the same criteria.

> › **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.

> › **Product demos.** We asked vendors to conduct demonstrations of their products' functionality. We used findings from these product demos to validate details of each vendor's product capabilities.

> › **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with up to between two and four of each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria for evaluation in this market. From that initial pool of vendors, we narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave evaluation — and then score the vendors based on a clearly defined scale. We intend these default weightings to serve only as a starting point and encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve. For more information on the methodology that every Forrester Wave follows, go to http://www.forrester.com/marketing/policies/forrester-wave-methodology.html.

Integrity Policy

We conduct all our research, including Forrester Wave evaluations, in accordance with our Integrity Policy. For more information, go to http://www.forrester.com/marketing/policies/integrity-policy.html.

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Endnotes

[1] Forrester forecasts the combined revenues of eProcurement, eInvoicing and supplier networks to grow from $3.8 billion to $4.3 billion in 2017. For more information, see the Forrester report "Vendor Landscape: ePurchasing Suites, 2016 To 2017."

[2] The US B2B eCommerce market is worth approximately $829 billion today. See the Forrester report "Forrester Data B2B eCommerce Forecast, 2016 To 2021 (US)."

[3] Today's employees, particularly the younger ones, won't accept finance and procurement forcing them to use inadequate software when far superior user experiences are available. They may go rogue, shunning procurement's nominated supplier and using their own preferred source. That would be bad for B2B sellers, who may find that the professional buyer or category manager who they thought was their customer does not want the volume he expected. It would also be bad for enterprise procurement leaders, who won't get the visibility and control they need. Organizations that try to prevent rogue buying by overzealous enforcement may undermine their culture if that enforcement gets in the way of serving customers. See the Forrester report "B2B Commerce Needs A Mobile Mindshift."

[4] The suppliers you choose and how you manage them are crucial to your customers' perception of you as a company. Your customers expect that the suppliers directly involved in delivery — product fulfillment, onsite service, and call center operations, for instance — are as customer-focused and operationally excellent as you are. But they want much more than that. They also want you to ensure that you only buy from suppliers that are safe, secure, ethical and legal. See the Forrester report "Vendor Landscape: Supplier Risk And Performance Management."

[5] In our 2014 eProcurement evaluation Forrester warned clients who were considering SAP SRM: "The main concern for prospective buyers is whether SAP will continue to invest in SRM now that cloud is its overwhelming priority, or will it instead focus on Ariba as the better bet for revenue growth going forward." See the Forrester report "The Forrester Wave™: eProcurement, Q2 2014."

[6] On May 8, 2017 Tradeshift and Capgemini entered into an agreement under which Tradeshift will acquire Capgemini's IBX Business Network. Tradeshift claims that "the combination of Tradeshift and IBX will create the world's largest business commerce platform connecting nearly 1.5 million businesses and more than 500 global enterprise customers that have access to the largest supply-chain app ecosystem." Source: "Tradeshift Acquires IBX Business Network to Create World's Largest Business Commerce Platform," Tradeshift press release, March 8, 2017 (https://tradeshift.com/press/tradeshift-acquires-IBX-business-network-to-create-worlds-largest-business-commerce-platform/).

[7] SciQuest, an eProcurement spend solutions company, has been formally relaunched as JAGGAER, producers of the world's most comprehensive source-to-pay (S2P) solutions suite. JAGGAER is a derivation of the German word for hunter, and reflects the company's brand promise of delivering comprehensive, focused spend solutions for a broad range of businesses. Source: "SciQuest Evolves Into JAGGAER: Vision And Focus On Innovative And Adaptable EProcurement Solutions," JAGGAER press release, February 7, 2017 (https://www.jaggaer.com/about-us/press-releases/sciquest-evolves-jaggaer-vision-focus-innovative-adaptable-eprocurement-solutions/).

[8] Perfect Commerce completed its acquisition of Hubwoo in September 2015. Source: "Perfect Commerce Completes Acquisition of Hubwoo S.A.," Hubwoo press release, September 14, 2015 (https://www.hubwoo.com/news-posts/perfect-commerce-completes-acquisition-of-hubwoo-s-a/).

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