



# 2017 Source-to-Settle Provider Landscape Report

Exploring the Benefits of Holistic Source-to-Settle  
Software Automation

## Q2 2017 | Featuring Insights On...

- » Current Market Trends in S2S Process Management
- » The Benefits of S2S Software for Organizations
- » Features of Functionalities of Holistic S2S Software Suites
- » A Few Leading S2S Software Providers

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## Introduction

Today's Chief Procurement Officers (CPOs) face increasing pressure to improve efficiency and reduce processing costs across all purchasing activities, but are expected to do so using varying approaches. For example, a CPO may try to lower processing costs by implementing an electronic procurement (eProcurement) and invoice management tool, but such solutions do not provide sufficient support for more complex, upstream processes like sourcing. For this reason, organizations are automating the Source-to-Settle process slowly, piece by piece, and many hesitate to automate more strategic operations like sourcing for fear the new system will negatively affect the current state. As a result, these organizations are missing out on the potential optimization that a fully automated Source-to-Settle (S2S) process can bring to spend management.

Sourcing solutions can be used as standalone tools, and improve organizations' spend management even if they have not automated other areas of their S2S process. However, Level Research seeks to explore beyond the standalone sourcing tool. This report looks at true Source-to-Settle automation, and the benefits of an automated S2S process for an average organization.

There are several main functions involved in the acquisition, management, and payment of indirect goods and services. Sourcing platforms can facilitate both goods and services sourcing, and a full S2S suite enables an organization to continue managing sourced items throughout the purchase lifecycle. Additional main functions featured in a S2S platform are eProcurement, contract lifecycle management (CLM), invoice management and AP automation, electronic payments, supplier information management (SIM), and spend analytics.

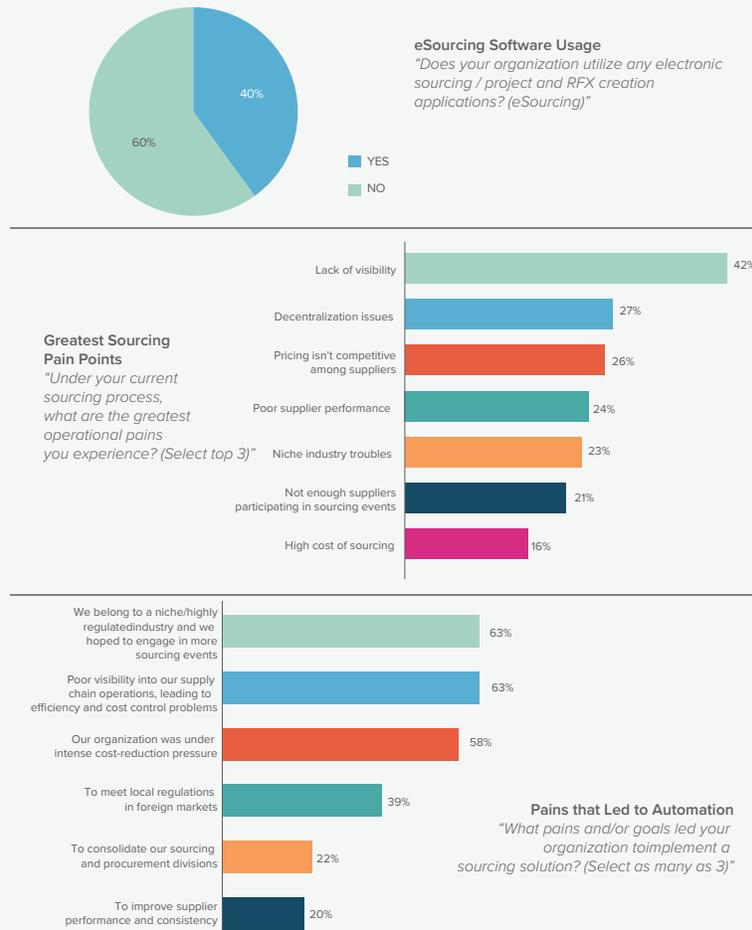
This report highlights the current state of sourcing, spend management, and finance among North American organizations. It explores market adoption trends, company statistics, and common pain points that organizations face in S2S management, as well as the benefits they achieve from automation. This report includes a guide to each module of an S2S suite with a strong focus on the features and uses of sourcing technology. It also provides brief profiles of solution providers that offer fully-featured S2S software suites.



## A Look at the Market

In order to identify S2S trends among North American organizations, Level Research surveyed over 700 back-office employees across various industries and market segments. Achieving an ideal sourcing process involves two main goals. The first is to strategically obtain goods and services at the best possible prices. The second is to turn single transactions with suppliers into long-lasting business relationships that have numerous benefits for the company's supply chain. Unfortunately, manually-operated sourcing departments often suffer from limited process transparency, faulty supplier lists, and inconsistent data management, all of which prevent purchasing professionals from making the best buying decisions. The current-state overview in Infograph 1 shows that only 40 percent of organizations surveyed are using an electronic sourcing tool. Among those still operating under manual processes, the top pain points include poor visibility, decentralization issues, and non-competitive pricing.

**INFOGRAPH 1**  
Current State of Sourcing



In a manual process, the S2S lifecycle begins when sourcing teams select suppliers based on multi-touch, multi-stage RFX evaluation or auction scenarios. It can often take months to assess purchasing needs, build sourcing plans, conduct market research, and identify and evaluate suppliers. After the team awards an RFX project or bid to a supplier, the purchase is often converted into a contract that the procurement team can use to engage with that supplier and make future purchases. These contracts are typically housed across many different locations, computers, or even filing cabinets, and it can take months for them to be created, completed, and approved. It is then up to the manager of the contract to keep track of contract variables, such as expiration and renewal dates or project milestones and deliverables, as well as to ensure that contract pricing remains competitive each year.

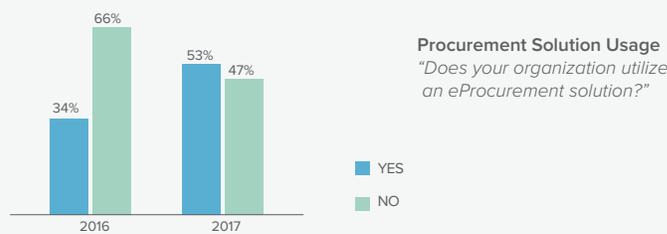
Automated sourcing enables more competitive and mutually beneficial B2B interactions through dynamic, transparent sourcing engagements, including RFX events and live-bid auctions. It also lowers costs, improves control, and decreases risk by allowing organizations to manage all strategic purchasing within one secure platform. Level Research's research indicates that an organization's total indirect spend typically decreases by as much as 15 percent within the first three years of using a sourcing platform.

The next steps in the S2S lifecycle are procurement and invoice management. Procurement teams typically select indirect goods and services against contracts or directly from hosted catalogs that originate from sourcing-based supplier engagements. The procurement team then manages the order until it is fulfilled, before passing the receipt and invoice to the Accounts Payable department for processing and payment.



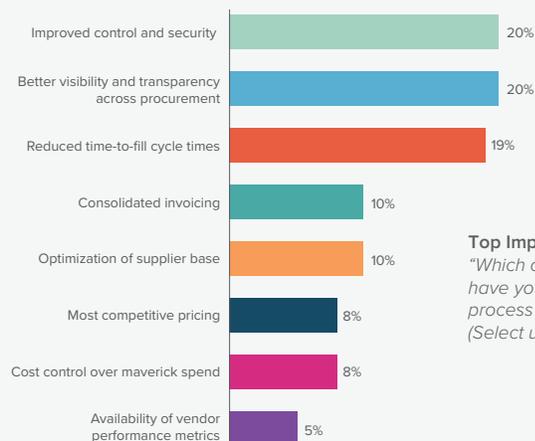
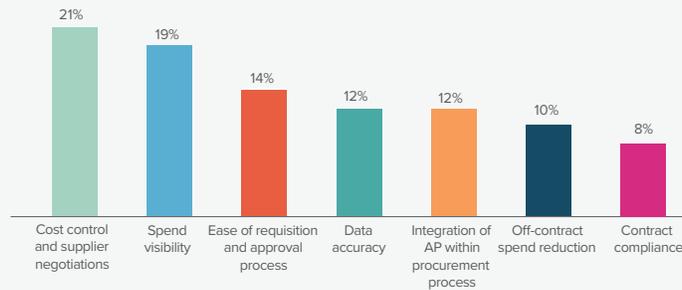
Infograph 2 shows that adoption of eProcurement has risen from 2016; Level Research partly attributes this to the increase in affordable options available to companies in lower revenue segments. However, 48 percent of companies are still operating under manual processes. Manual procurement results in problems similar to those found in manual sourcing, such as difficulty controlling costs and supplier negotiations, and poor visibility into spend. Many organizations also struggle to synchronize the efforts of procurement and strategic sourcing. This can lead to redundancies, data errors, and a lack of standardization among contracts, supplier lists, and purchasing process policies. Fortunately, Infograph 2 shows that eProcurement technology brings the benefits of control, security, and visibility to the process, as well as faster fulfillment times.

### INFOGRAPH 2 Current State of Procurement



#### Greatest Procurement Pains

"What are the top three biggest pain points you experience in your procurement process?"

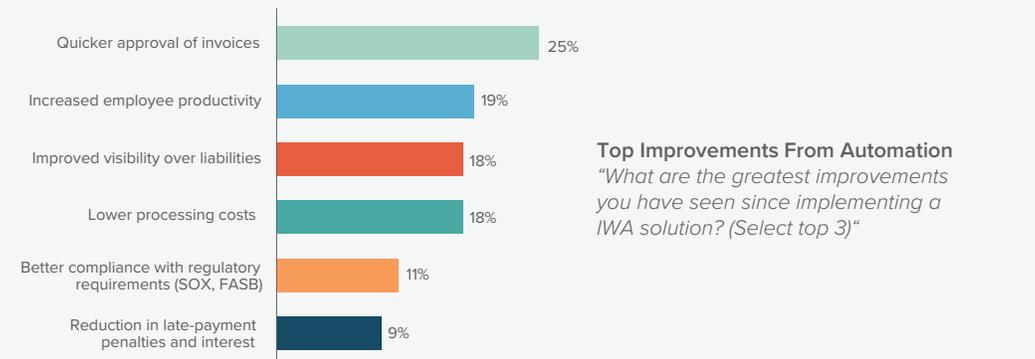
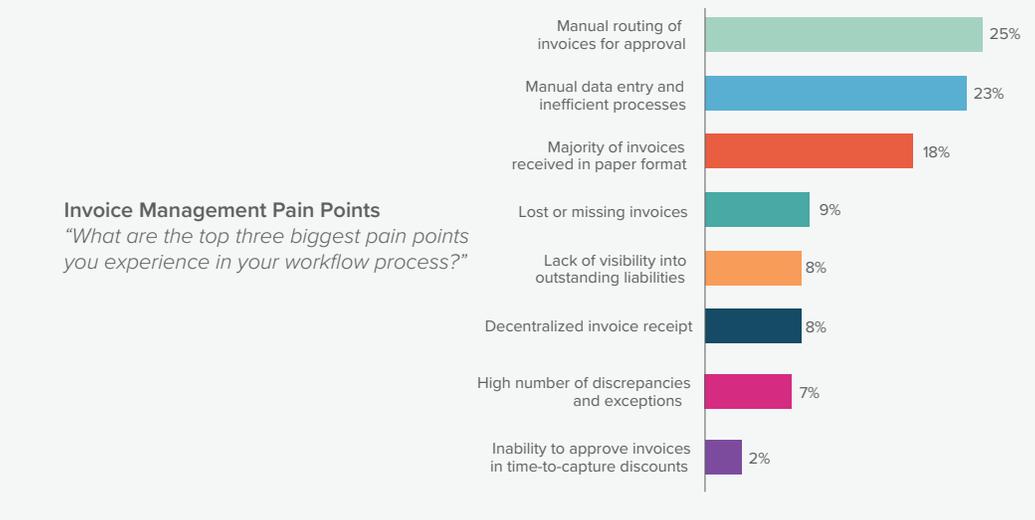
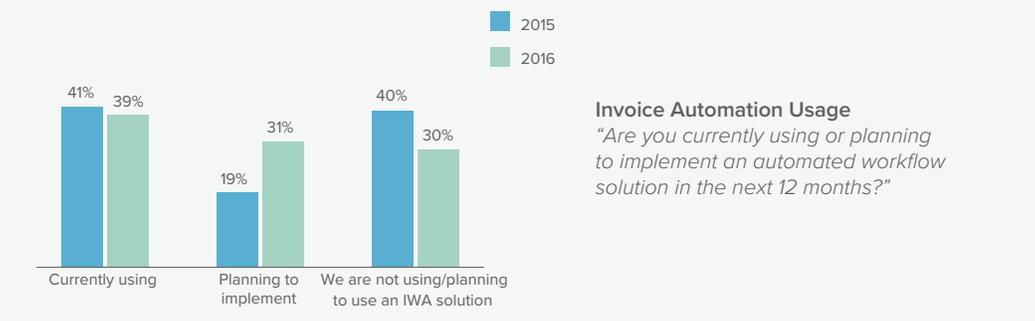


**Top Improvements from Automation**  
"Which of the following improvements have you seen in your procurement process since implementing a solution? (Select up to three)"



After the procurement team hands off a purchase to the AP department, the invoice management process begins, which includes invoice verification, approval, and payment. Infograph 3 shows that invoice automation has higher adoption rates than sourcing technology, though this does not always mean companies' invoice management is fully automated—it can sometimes mean they are simply using a data capture tool, while their approval workflow remains manual.

### INFOGRAPH 3 Current State of Invoice Management

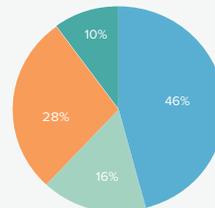


Organizations' top pain points revolve around routing invoice and data entry, but their top improvements include faster approval times and increased employee productivity. These improvements can lead to both hard savings—lower processing costs and higher potential early payment discount capture—and holistic workplace improvements, such as the increased employee productivity and satisfaction. The final active stage of the S2S process is supplier payments. Infograph 4 shows that checks are the most-used payment type, followed by ACH. Strong proponents of checks are much more likely to experience payment fraud than proponents of other payment methods. They also experience more late payments and miss the most early-payment discounts. Processing issues are not limited to checks, however—strong proponents of commercial cards and ACH report higher processing costs than strong check proponents, and they tend to experience more duplicate payments.

### INFOGRAPH 4 Current State of Payments

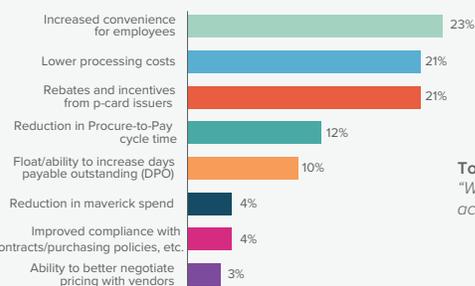
**Supplier Payment Processing Methods**  
 "What percentage of your supplier-related payments (number of payments, not dollar value) is processed using the following methods?"

■ Checks  
■ Wire  
■ ACH  
■ Commercial Cards



■ Strong Proponents of Checks  
■ Strong Proponents of Cards  
■ Strong Proponents of ACH

**Payment Management Pains by Usage**  
 "In the past two years, has your organization taken actions to purposely increase or decrease usage of the following payment types?" &  
 "What are the top three biggest challenges your organization faces in the payment management process?"



**Top Improvements From Automation**  
 "Which of the following benefits have you achieved from a commercial cards program?"



Despite the potential for high costs with commercial cards, they are still the best method of payment when combined with a fully automated S2S process. The benefits of commercial cards, as well as ePayments platforms, include improvements in ease-of-use, costs, and rebate capture. Commercial cards and ePayments solutions also speed up payment times and help organizations control payment security and compliance. Additionally, these tools assist organizations in capturing savings through early-payment discounts and card-based rebates.

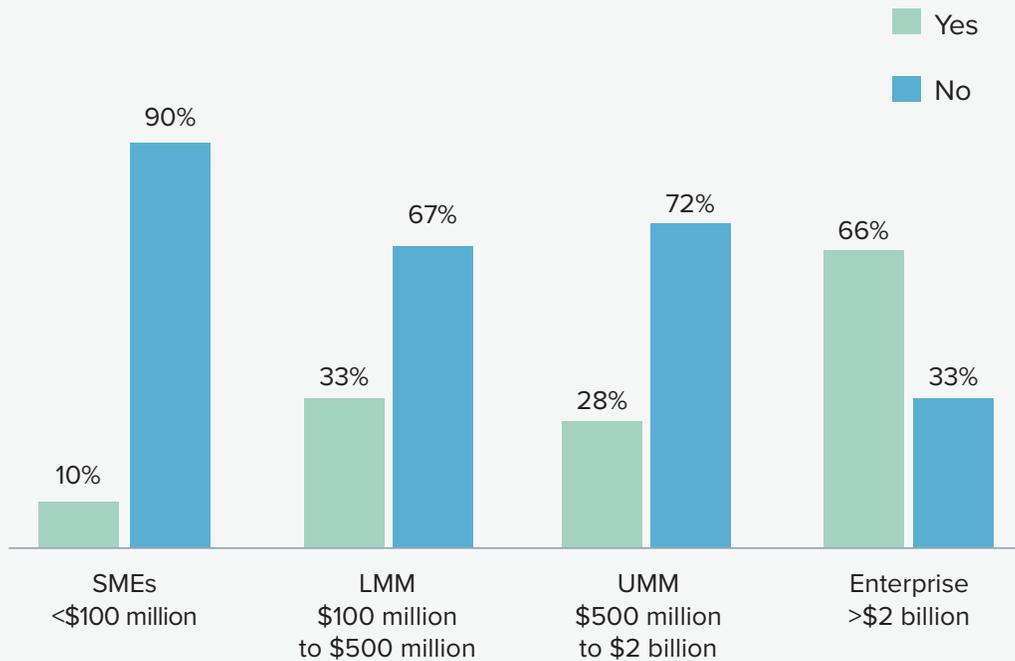
Additional aspects of the S2S process include supplier information management and spend analysis. Contract and supplier management teams should be in close contact with the sourcing team from the beginning of the process to ensure that all relevant supplier and product information is obtained for compliance with legal- and industry-related regulations, and for later reporting and analytics. However, under a manual process, the exchange of data across all parts of the S2S process can be difficult and complex. As demonstrated in the current state Infographs above, visibility is a major problem for organizations' S2S management, and this problem grows larger in relation to the number of suppliers an organization has. Unfortunately, not all organizations will adopt a solution that could help fix these and other problems related to manual S2S, regardless of their supplier number or their suitability for a S2S platform.



For example, although larger organizations tend to be more likely to adopt a sourcing solution, this is not true across all market segments. Figure 1 demonstrates that companies in the upper middle market (UMM) segment have a lower sourcing technology adoption rate than those in the lower middle market (LMM). Level Research believes that adoption has less to do with the general conditions of an organization, such as supplier count, and more about the unique environment within each organization, including their perception of the usefulness of sourcing technology.

**FIGURE 1**

**eSourcing Adoption by Revenue**



**Company Size and Supplier Count Does Not Always Correlate with Sourcing Adoption**

*“Does your organization utilize any electronic sourcing / project and RFX creation applications? (eSourcing)”*

&

*“What is your organization’s annual revenue in the most recent 12-month reporting period?”*



Barriers to adopting different components of S2S automation vary by solution module. Table 1 shows that satisfaction with current processes is a common obstacle, as is a lack of budget.

**TABLE 1**

**Organizations' Face Different Adoption Barriers Depending on S2S Solution Module**

Solution Module	Most Common Barriers
eSourcing	<ul style="list-style-type: none"> <li>» Belief that there will be no ROI from adoption</li> <li>» Internal resistance to change</li> <li>» Lack of budget</li> </ul>
eProcurement	<ul style="list-style-type: none"> <li>» Belief that current processes are working</li> <li>» Lack of executive sponsorship</li> <li>» Lack of budget</li> </ul>
Account Payables / Invoice Management	<ul style="list-style-type: none"> <li>» Belief that current processes are working</li> <li>» Lack of executive sponsorship</li> <li>» Lack of budget</li> </ul>
ePayments (Commercial Cards, ePayments Platforms)	<ul style="list-style-type: none"> <li>» Belief that other payment methods suffice</li> <li>» Supplier resistance</li> <li>» Concern about maverick spend</li> </ul>

However, Table 1 lists adoption barriers to individual solutions within a S2S process—it does not indicate the barriers to adopting a full S2S software suite. When it comes to holistic Source-to-Settle automation—a full software suite that manages an entire company’s indirect spend from end to end—adoption rates are much lower. Level Research has found that no revenue segment or vertical has surpassed a 15 percent adoption rate of complete S2S suites—most have less than 5 percent adoption. Despite the benefits of the software, a fully automated Source-to-Settle state remains a rarity among today’s organizations.

There are several reasons for this low adoption rate, many of them revolving around the strategic nature of S2S processes. Return on Investment (ROI) from upstream processes like sourcing and eProcurement is harder to define, predict, or guarantee. Savings from these processes typically do not come from cost reduction or rebates as with other standalone S2S or Procure-to-Pay (P2P) technology, like payables automation. Instead, ROI typically comes from improve pricing with suppliers and reduction of maverick spend. However, in some cases,



organizations may already have the most competitive deal with a supplier, or may not be able to properly track overspending—meaning they would not be able to measure its decrease after automation. The pains and inefficiencies that sourcing and S2S automation platforms improve upon are hard to track and measure, making it more difficult to gain buy-in from C-suite decision makers.

Another major barrier to S2S automation is the siloed nature of Sourcing, Procurement, and AP departments in many larger organizations. Because of the widespread operations in enterprise companies, such as a large international manufacturing company, these departments are very difficult to manage under one structure and management team—much less on a single technology platform. In addition, not only is sourcing seen as more strategic than many other back-office departments, it is also perceived as more relationship-based, and is more subject to careful oversight from management. Organizations with this internal environment are more resistant to change for fear of disrupting relationships and supply chain operations, and hurting company revenue.

Smaller organizations are actually far more suited to adopt a S2S suite than those in upper revenue segments, as the silo effect does not occur as strongly for these companies. The smaller the organization, the more likely the back-office departments and roles interrelate, or even overlap. Unfortunately, there are not many S2S software options available for the budgets and business structures of these smaller companies. This is partly because S2S software on a platform level is still in its infancy. Fully-featured software suites are often released by companies that started out developing standalone procurement or sourcing products, and eventually added enough modules to offer a holistic S2S platform. Among the small number of S2S software providers, most aspire to obtain customers in the enterprise revenue segments, and none have yet sought to come down-market.

One potential way to solve this dilemma is a major overhaul not of S2S providers' existing solutions, but of their pricing structures. For example, a provider could offer a LMM company a single S2S platform at a per-user price point (e.g. \$30 month per user and \$1 per invoice) combined with a revenue share or payment rebate. Given that the average rebate on a Business-to-Business (B2B) payment is about \$6, this return would more than cover the per-invoice cost, so that the client would only be paying the per-user cost.



## Exploring Source-to-Settle

Figure 2 shows the various processes involved in the S2S lifecycle, beginning with sourcing and ending with spend analysis.

FIGURE 2



### The Source-to-Settle Solution Suite

Because the main differentiator between Source-to-Settle and Procure-to-Pay software suites is the sourcing—and to some degree, contract management solutions—this software guide focuses primarily on this component. The rest of the suite (CLM, AP, Payments, SIM, etc.) can be explored in more detail in the corresponding market research reports in Level Research's Resource Library.

Leading Source-to-Settle software suites offer the following tools, features, and services:

### Sourcing

Sourcing events originate from a variety of purchasing needs. Requests often arise from an approved procurement requisition or a re-evaluated contract.



Wherever the origin, after a sourcing request is approved, the event creation begins.

A user begins the sourcing process by creating an RFx and setting up an event. These events can be created from scratch, from a template library, or by incorporating elements from previous events or templates. Depending on the configuration of the system and the organization's other automation tools, users could potentially also flip requisitions, contracts, and other business documents into an RFx.

As users create their event, multi-stage RFx templates offer functionality for RFI, RFP, and RFQ. Users can set up custom participation guidelines for suppliers, and assign them tasks or request documents. The RFx can include weighted questionnaires designed to score individual suppliers' responses. This allows organizations to evaluate suppliers on more than just cost; they can collect data and score suppliers in many areas of business eligibility, including experience, tax and regulatory compliance, and quality of goods and services. Buyers can also attach internal documents, such as non-disclosure agreements. In all, the flexibility of template and questionnaire creation tools allows organizations to tailor RFx events to many different spend categories, markets, global regions, and types of suppliers.

As users create an RFx, they can use a collaboration workflow to send the template to colleagues for authoring, editing, and approval. For example, one user may complete the first stage of the template by defining the goods or services needed, while another may configure the scoring controls. The template could also be routed to the legal department for a risk evaluation, to ensure that all details are legally compliant.

Once the RFx is ready, users can search the sourcing system's supplier lists for candidates, or choose from the solution's recommendations. The solution automatically notifies suppliers about the event with a custom email invitation. Often, eSourcing providers offer access to a network of eligible, local, and global suppliers. This allows the user to source goods from a more diverse supplier pool, and to potentially build new long-term business relationships.

Once the sourcing event has begun, users can check its progress at any time, with full visibility into vendor responses, tasks completed, and vendor timeliness. Solutions offer automatic response scoring based on pre-determined scoring weights, attachments, and completed documents.



Event platforms allow for a comparison view of supplier responses, enabling organizations to make an informed choice. Once the user has selected a vendor, the suppliers are automatically notified of the next steps. Awarded events can often be converted into single or multiple contracts.

Sometimes, a sourcing opportunity produces better results through a live auction environment. Users can turn an RFX into an auction to increase supplier competition and receive lower prices, or to adhere to time constraints. These auctions are conducted in highly visible, interactive environments that show bidding activity in real time. Auctions can be designed to run through several different bidding stages, and can also be extended if the buyer desires. Once the auction has finished, the same award processes apply as above.

eSourcing solutions also offer self-service supplier portals. Organizations can onboard suppliers to their sourcing platform through custom email campaigns, or suppliers can register independently through the sourcing portal or the buying company's website. While the components of a supplier portal vary depending on the solution provider, most systems offer a holistic array of self-service controls around catalog management, profile management, and RFX event and auction participation. Suppliers can log in to their portals to view, accept, and reject contracts and RFX invitations. They can upload documents such as insurance certificates, safety protocols, credit documentation, and environmental certificates. Suppliers can also access a negotiation template that tracks all changes to contracts. After an awarded event is flipped into a contract, some solutions even allow suppliers to manage contracts within the same system.

## Contract Lifecycle Management (CLM)

This tool manages the creation and lifecycle of organizations' contracts, with collaborative authoring workflow, legal department integration, and alerts for expiring or non-compliant contracts. End users can create or request contracts with a pre-configured template designed by the legal department or a designated administrator, and after approval, the solution automatically populates the template with the request information. A contract template can also be automatically populated from purchase orders or sourcing events, if the CLM system is featured in a full S2S suite.

Most CLM solutions support the management of a variety of contract types, including employment contracts, international trade agreements, NDAs, and



real estate contracts. Users can also extend new child contracts from parent contracts, working much as a master and supplementary agreement operate in Statement of Work (SOW) projects. To ensure compliant and secure authoring, many solutions include integration with a word processing software tool, such as Microsoft Word. Some solutions also include an interactive clause library from which the author can pull legal text to assemble the contract. Different users can collaborate on the creation of the contract—the word processing tool supports version tracking with redlining tools, shows version comparisons, and records all revisions by time and author.

Finished contracts can be sent through an approval workflow, constructed according to contract type, price, area, and dollar amount thresholds, and can go through both administrative and legal review. Special approval workflows can be constructed for higher-risk contracts, while some providers offer automatic approvals for low-risk contract types. After approval, the contract goes through negotiation and approval with external parties, employing many of the same collaboration tools used in the initial authoring process. When all parties have accepted the contract, users can electronically send, sign, and store it and other official documents. Most providers have in-house or partner-supplied electronic signing services, such as EchoSign or DocuSign.

After all parties approve the contract, CLM solutions continuously monitor it throughout its lifecycle. The solution makes sure negotiated terms are fulfilled and deadlines are met, and notifies users of upcoming expirations to prevent lapses in contracts. Many solutions also offer an auto-renewal functionality that is adjustable according to the organization's policies (e.g., a user can designate the number of times the contract will renew automatically before it is no longer active). In addition, many solutions include archival services and configurable search features so that users can retrieve active and inactive contracts for review, including the ability to view contract history and attachments.

## **eProcurement**

Main features in procurement technology include requisition creation and workflow, in-house and punch-out catalogs featuring product information from thousands of suppliers, PO creation, and an order management interface that allows for full visibility into all order activity. eProcurement tools allow organizations to create electronic purchase requests and automatically route them for approval. These requisitions are integrated with supplier product catalogs containing up-to-date product information, and also incorporate



company controls, such as catalog restrictions based on the user. eProcurement tools offered in a holistic S2S suite also offer integration with sourcing and contract management solutions to enable more visibility into and control over purchasing. Another useful tool for sourcing processes is the ability to integrate catalogs with complex spend categories or project-based budget limits.

eProcurement solutions give organizations full visibility into the status of an order throughout its fulfillment, and facilitate communication with suppliers regarding that order. Other leading features include the ability to send special terms and conditions with POs, make change orders, associate freight costs with cost centers and project codes, and designate multiple ship-to addresses on a single PO. Procurement solutions also allow a user to confirm delivery, check orders against inventory/warehouse systems and contracts, and create a goods receipt for the shipment.

### **Accounts Payable Automation and Invoice Management**

AP automation features paperless invoice processing, robust approval workflow capabilities, and secure and compliant payments support. Most S2S solutions integrate with AP software, facilitating seamless movement from requisition to payment.

The invoice receipt process entails offering some form of invoice receipt service, whether through a data capture tool with OCR technology or a mailroom processing service. Solutions often support a variety of invoice types, including invoices in XML or other electronic data interchange (EDI) formats, online fillable forms (usually as part of a supplier portal), and/or a print-to-cloud solution that validates PDF elements instantly. An important component for S2S suites is the AP tool's ability to meet global eInvoicing standards—advanced solutions support the complex eInvoicing technical requirements for countries in Europe, Asia, and Latin America.

Once invoices are in the S2S system, invoice management tools link invoices to POs and other receiving documents, and route them through the appropriate approval chain based on terms identified within the invoice (such as requisitioner or department). Invoice management also includes exception management—establishing a basic workflow and routing procedure for invoice exceptions (e.g., a mismatch between an invoice and a PO, or missing information). This process allows users to re-route invoices and fix errors by viewing the original invoice. Invoice allocation assigns non-PO invoices to specific categories within



the general ledger. These solutions also offer customizable invoice workflow automation according to organizations' specific internal hierarchy and approval structure.

**ePayments** – ePayments solutions allow for the initiation of a payment file that goes to the ERP, which then initiates payment or sends a message to the bank. Basic solutions also facilitate the input of ACH information by suppliers and transmission of remittance information to the supplier portal. Some solutions feature integration with virtual card solutions and actively onboard suppliers to virtual card programs for the client. These leaders cut checks on behalf of the buyer if they fail to onboard suppliers to virtual cards or ACH. Leading solutions also feature payment management capabilities which include DPO forecasting modules, dynamic discounting tools, supply-chain finance solution integration, and advanced payment audit capabilities (such as escheatment tools).

### Supplier Information Management (SIM)

Most solutions offer some level of supplier management, either through multi-level supplier self-service platforms or simply a searchable supplier directory. Basic supplier portals allow suppliers to confirm POs, upload invoices, check invoice statuses, and communicate with buyers about exceptions and errors. Many solution providers also allow suppliers to manage catalogs, choose how they wish to receive POs, and submit important legal, tax, and validation documents. Suppliers can often also input payment preferences, upload payment information, and verify payment information in this self-service portal.

While a standard supplier portal is useful for P2P processes, advanced SIM solutions are invaluable to a Source-to-Settle process. SIM solutions greatly increase an organization's ability to successfully manage supplier information and comply with government and industry regulations, and they lower the risk of working with high-risk suppliers. These solutions enable companies to store and manage relevant supplier materials, documentation, and credentials, including tax forms, sustainability scorecards, attachments, qualification results, certificates, and risk assessments. The most common type of SIM tool validates suppliers up front, using smart forms to request documents from suppliers during onboarding, and workflows to route documents to internal approvers for review when necessary. SIM solutions also offer buyers a centralized repository for suppliers' data, allowing them to perform quick keyword searches or advanced filtered searches of the directory using a variety of parameters, including region, type, and classification.



Leading solution providers also verify suppliers by running them through international “Do Not Pay” lists, such as that from the Office of Foreign Assets Control (OFAC). Leading SIM providers are knowledgeable about current tax and payment requirements, and these solutions assist S2S departments by automatically gathering the right tax form and tax ID information from suppliers prior to payment. These solutions also provide supplier validation services to thoroughly vet suppliers, offered natively or through integration with third-party validation services for more extensive security and validation tests.

SIM solutions within a holistic S2S suite sometimes provide a supplier performance management component. These tools enable organizations to analyze suppliers’ past activities and make more informed decisions based on supplier value, even ending non-strategic or high-risk supplier relationships. Some solutions include benchmarking capabilities that show negotiation rates and performance history based on internal data from other suppliers. The system can take this performance data and reorganize supplier lists by value and category. This data is available for export, and is also integrated into the supplier directory.

## **Analytics**

Many sourcing, AP, and procurement solutions include reporting and analytics tools that allow purchasing, AP, and legal departments to pinpoint inefficient spend activity and identify areas for improvement. Features include out-of-the-box and/or ad-hoc reporting, interactive reporting dashboards with drill-down capabilities, integration with Excel and other analytics tools, and industry benchmarking for data analysis. In addition to basic spend analytics features, some sourcing solutions include several tools and services for strategically enhancing existing purchasing processes and contracts, sourcing strategies, and supplier relationships.

Some sourcing solutions offer a strategic analytics engine that re-evaluates an organization’s sourcing activities by identifying savings opportunities across various fields, including market research, RFx processes, negotiations, contracting, and transaction activities. With this tool, organizations can restructure or renegotiate supplier contracts, and can change future company sourcing practices to produce more competitive and higher-quality results.

Leading sourcing solutions may also offer data and risk management through reporting and analytics tools. These tools can include commodity risk



management and supplier risk analysis based on credit scores, user reviews, logistics, and delivery history. Sometimes, the analytics component transcends to contracts as well, allows organizations to evaluate data from the entire lifecycle of a contract to determine trends in contract compliance, costs, duration, and other KPIs.



## Holistic S2S Providers

Level Research believes that a Source-to-Settle automation provider must meet certain criteria to deserve a place in the S2S landscape, although many providers try to claim an undeserved position. As previously stated, most S2S providers began by offering a standalone purchasing or finance tool, expanding their products through the years to meet client needs and improve competitive standing. Many providers' S2S software suites are still too modular or haven't reached maturity in terms of complete S2S functionality or market traction. Often, Procure-to-Pay (P2P) software providers offer minimal eSourcing and CLM solutions, allowing the software to partially fit under the umbrella of S2S and giving providers cause to say they also offer a true S2S software suite.

Another way providers try to prove their position in the S2S space is by claiming to have large customers using their entire suite, such as some of the largest manufacturers in the country. However, this can be misleading. The provider typically only automates indirect spend management for these customers—a minimal amount relative to the direct spend managed by most manufacturers. Providers often also claim to have a very large customer, when in reality they only automate processes for a small division or department of that company.

Level Research considers S2S automation complete when providers offer robust features in each of the modules covered in this report. However, the suite's sourcing tool should be among its strongest features, and the provider should have a sound knowledge of upstream processes and strategic needs of CPOs. The following profiles offer examples of true S2S software providers.



## Determine

Determine is a global provider of S2S solutions with over 15 years of experience in working with organizations of all sizes and industries. Determine offers a suite of Source-to-Settle applications on the Determine Cloud Platform (DCP) that helps companies optimize, streamline, and automate their contract and procurement processes. The platform includes the following modular applications: supplier management, sourcing, contract management, procurement, and invoice management. Determine also offers tools for budgeting, projects, inventory, asset, and travel and expense management.

Founded	1996 (as Selectica; renamed Determine in 2015)
Headquarters	Carmel, Indiana
Other Locations	Atlanta, Georgia, US; London, UK; Paris, FR; Aix-en-Provence, FR
Number of Employees	160
Number of Customers	300
Target Verticals	Finance, Retail, Manufacturing, Pharmaceutical
Partners/Resellers	Aerexchange, AT Kearney, Proximity, TPG
Awards/Recognitions	Spend Matters, "Top 50 Providers to Know" 2015 and 2016

## Solution Overview

The Determine Cloud Platform is built on the Determine Core, a technical foundation that provides a baseline for managing key areas such as metadata, master data, and business processes, and enables many business and technical components on the platform. Key among these components is the Decision Rules Engine for operationalizing business event patterns based on workflow, events, or predictive (statistical) models, and combining them with contextual information. Another is the built-in Enterprise Application Integration (EAI) and RESTful API apps for integrating with popular ERPs and other data sources. The solution currently supports all currencies, and is available in over twenty languages.

## Source-to-Settle

Clients grant access to the sourcing platform by role, and authorized users can create sourcing events from templates. Users can create RFQs and RFIs manually or by importing from a spreadsheet or questionnaire template. In



sourcing events, users can manage supplier bidding with default scenarios like Best Price per Item and Best Price per Item Group—or they can create custom scenarios.

Suppliers can participate in sourcing events (RFx or auction) from the online platform, and can answer questionnaires online, via Excel import, or directly in the email tied to the sourcing event. Determine’s Sourcing solution is fully integrated with its contract management functions, allowing users to create contracts from awarded sourcing events.

Determine’s Contract Management solution supports the needs of both contract managers and occasional users, with different features and services available for different user roles and contract types. These contract types include legal agreements, sales agreements, purchase agreements, and real estate agreements. Clients can apply different users, views, rules, policies, and procedures to how each contract type is processed, and contract types can be grouped into hierarchies, or families.

Users can author contracts with Microsoft Word-based templates and integrated clause libraries. The platform’s workflow features allow authorized users to send contracts to other members of the organization for review and collaboration. The solution also offers eSignature support through DocuSign and self-service capabilities for extending contract management usage to a wider group of users. After contracts are approved and activated, the solution offers full lifecycle management that includes versioning, contract amendment, and renewal tracking.

Determine’s procurement and invoice management modules include multiple options for inputting invoices into the system, including eInvoicing, invoice scanning and OCR, and PO and receipt flip to invoice. The solution supports automatic invoice reconciliation according to the client’s preconfigured processing rules, as well as a configurable approval workflow. The solution’s integration with existing ERPs, accounting systems, and the rest of the DCP enables AP departments to manage accruals, entries, and other accounting activities with real-time visibility into correlating PO lifecycles, contracts, and supplier information.

Determine’s self-service supplier portal enables suppliers to engage with their customers through integrated S2S capabilities on the Determine Business Network. These capabilities include certification management, catalog



management, RFx management, and quotation management (with planned contract management). The portal contains dispute management capabilities, which helps clients identify supplier issues and provides the information needed to resolve them. Determine also partners with third-party supplier risk management providers, including D&B and Ecovadis.

The Reporting Generator offers reporting and analytics across the platform and gives users access to preconfigured KPIs and dashboards, allowing them to develop custom reports. Determine helps users identify new sourcing opportunities and dynamically manage suppliers with spend analysis, supplier segmentation, and supplier analysis through this reporting toolkit.

### **Implementation and Pricing**

A typical Determine solution implementation typically takes up to three months to complete. After implementation, application support includes phone- and email-based error resolution and technical troubleshooting, and standard support is available Monday through Friday from 8:00 a.m. to 8:00 p.m. EST (excluding holidays). Determine's pricing structure is based on the complexity of the client's organization (number of countries or companies), the solution modules being implemented, and the number of named users in the application. This pricing can be presented either à la carte or bundled.



## GEP

GEP is a procurement technology developer with over 15 years of experience in deploying Source-to-Settle solutions. With its Source-to-Settle platform, SMART by GEP®, GEP has made it possible for all tasks in the S2S process to be carried out in one system and from any device. The SMART by GEP platform includes solutions for spend management, procurement, sourcing, contract management, order management, supplier self-service, and invoice processing. Each component of the platform can easily integrate with clients' existing system and can be deployed as a standalone product.

Founded	1999
Headquarters	Clark, NJ
Other Locations	London, Prague, Mumbai, Shanghai
Number of Employees	c.2500
Number of Customers	>200
Target Verticals	All Verticals

### Solution Overview

SMART by GEP is a secure, cloud-based procurement platform hosted on the Microsoft Azure Cloud. All of GEP's development, data handling, and operational facilities and systems are certified to SSAE16 standards. GEP also uses a web-based methodology to integrate with its customers' third-party systems. The solution is mobile-enabled and works on any browser and platform.

### Source-to-Settle

SMART by GEP Sourcing supports many different complex sourcing functions, from Requests for Information (RFI) to reverse auctions. The solution also features an Opportunity Finder tool that helps the buyer identify savings and targets for strategic sourcing waves, and to create new events out of those opportunities.

Sourcing events can be created from templates, copies of earlier events, Excel file uploads, or from scratch; various components within each event such as text-based guidelines, questionnaires, and price sheets can be stored in and retrieved from a repository. Teams of individuals can work collaboratively on sourcing events, which could involve any combination of event authors, evaluators, and approvers. Awarded events can be flipped directly into contract negotiations.



Beyond flipping from sourcing events, SMART by GEP's contract management component also allows users to create contracts from scratch, from pre-populated templates, or from past contracts. The solution offers tools for collaborative authoring and version control, contract approval workflow, supplier negotiation, expiration notification, automatic renewal, and many other tracking and compliance features.

SMART by GEP's procurement offering includes requisitioning, PO management, receiving, and reconciliation. The solution features many types of purchasing catalogs, including punch-out, supplier-hosted, managed, and internal (buyer-side managed). The solution also includes multi-variable and multi-stage requisition approval workflows with failover, delegation, and escalation controls. The solution flips purchase requisitions into orders upon approval, and the POs can then be processed through additional workflows, if necessary. Users can submit POs directly to suppliers through the SMART by GEP portal.

SMART by GEP's accounts payable functionality allows users to handle all Source-to-Settle documents in one place. Suppliers can flip orders into invoices, and SMART by GEP identifies any exceptions before sending the documents through the approval workflow.

SMART by GEP provides a supplier portal as well as a buyer portal. Suppliers can receive and participate in sourcing events, review and sign contracts, and manage and maintain their system profiles. They can also complete forms and performance scorecards, receive and handle purchase orders, and create shipping notices and invoices.

SMART by GEP is built upon a data warehouse model for reporting and dashboards, providing the end user with access to all data across the procurement landscape. Its reporting services include dashboards and drag-and-drop, ad-hoc reporting functionality that allows users to create reports based on any parameter captured within the system.

Users can create custom reports, which can then be added to the dashboard, viewed in a graphical format, exported in multiple file formats, and scheduled at a desired frequency. The SMART by GEP platform supports customization of dashboard views per individual users' requirements.



## Implementation and Pricing

Implementation of SMART by GEP solutions includes configuration to the client's business processes and robust customer support to drive end-user adoption. Post-implementation, GEP provides phone- and web-based support. GEP's global customer support staff is based out of three regions (US, Europe, and APAC) and is available 24/5.

SMART by GEP is an annual subscription-based service priced on a function-by-function basis, largely according to the number of users of each function for each year of the contract. The different factors considered for pricing include number and type of users, interface languages, contract and template configuration requirement, and support services.



## Unimarket

Unimarket was founded in 2005 by a team of experts in both supply chain and IT. Unimarket is a unified platform of comprehensive spend management tools, including automation tools for sourcing and procurement. The company serves customers in the small to mid-size market segment, with particular expertise supporting organizations in the Higher Education industry in the U.S.

Founded	2005
Headquarters	North America, Annapolis, MD; Australasia: Auckland, NZ
Number of Employees	20+
Number of Customers	50+
Target Verticals	North America: Higher Education; Australasia: Higher Education, Local Government, Health Services, Corporate and Commercial Banking
Partners/Resellers	E&I Consulting, Ellucian, Huron, NAEP

### Solution Overview

The Unimarket solution integrates with multiple ERPs including Oracle, PeopleSoft, Ellucian (Banner and Colleague), Blackbaud, Microsoft Great Plains, and TechnologyOne. Unimarket has both application and server environment security actions in place. Some of the system controls include user authentication and authorization, password hashing, security configuration, and data encryption in transit and at rest. System security measures include network restrictions, firewalls, anti-virus software, quarterly vulnerability scans, and disaster recovery protocols.

### Source-to-Settle

Unimarket’s procurement solution includes support for both hosted and punch-out catalogs, along with a self-service supplier portal that allows vendors to set up, configure, and test both types of catalogs. Users from buying organizations can select products or services to add to a shopping cart by searching and comparing the supplier-maintained catalogs, defining non-catalog products, or selecting winning responses to their quick RFQs—a key feature available the P2P module. After checkout, the solution creates a requisition, which can be routed through a customizable approval workflow feature. The solution also automatically creates purchase orders from approved requisitions. Unimarket’s



product offers support features for receiving and reconciliation, including blanket order management and the ability to confirm orders at the header or line level.

Unimarket’s sourcing solution was built on the same unified platform as the eProcurement tool, providing a direct flow from sourcing awards to the requisition process. It offers functionality for RFIs, RFPs, RFQ, and reverse auctions. The creator of a sourcing event can include users at other locations of the organization for collaboration, and grant different permissions and access levels to collaborators, allowing them to review, author, and communicate throughout the bidding process.

Once a bid is published, suppliers are given question due dates and bid response due dates. They can reply directly through the tool, either from the user interface or in CSV templates. After the bid is closed, the Unimarket solution aggregates scoring of supplier responses. Customers can award events to suppliers at the line, quote, or bid level. From the award, users can pull the RFQ and reverse auction items directly into a shopping cart for procurement, or can create a contract from the bid and supplier information.

Within Unimarket’s contract management tool, contract creation and presentment is handled through a “leadsheet,” which contains the most pertinent information from the contract. Customers can then create a central repository of all contracts and receive notifications of any pertinent contract dates, including review, approval, execution, renewal, and custom alerts. Unimarket’s contract management tool integrates with the procurement tool, leveraging the same user base and review/approval controls with specific added workflow features for contracts management.

Unimarket’s Supplier Marketplace has nearly 20,000 registered suppliers and approximately 250 premium service suppliers. The Marketplace is connected with the rest of the S2S platform, and gives suppliers a single access portal to manage their company business information, catalogs, orders, quotes, invoicing, and bid responses. Supplier registration requirements include key company details, insurance certifications, MWBE classifications, and tax information, as well as additional metadata and marketing information. Unimarket also provides complimentary support and training to any new supplier that needs assistance with registration, responding to bids, setting up catalogs, integration, and/or testing. For the buying organization, Unimarket’s supplier management features offer custom categories for tagging and segmenting suppliers, bolstering reporting and improving data searches.



Unimarket provides several options for processing invoices, meeting the varying needs of suppliers within the supply chain. Suppliers can integrate fully with cXML B2B integration, flip POs to invoices from the self-service portal, or send invoices to the Invoice Inbox, a dedicated email address where the invoices are reviewed and matched to orders. This inbox integrates with an OCR tool that scans and extracts data from invoices and automatically aligns this data to POs for review and matching. After matching, Unimarket's solution supports customizable invoice routing, exception management, and approval workflows.

Unimarket Payments, which will be released in Q3 2017, provides fully integrated payables capability, which will include check, ACH, virtual card, domestic and international wire transfer, and cross-border payments. Suppliers can enhance their profiles in the Supplier Marketplace to include electronic payment and remittance delivery preferences as they convert from receiving checks to electronic payments.

The Unimarket solution offers different sets of reports for different access levels. The solution also offers two different reporting dashboards—the Procurement and Performance dashboards. These dashboards provide visual representations of all spend data, offering insight into different data points and trends over time.

### **Implementation and Pricing**

Unimarket's implementations are typically accomplished in 8-12 weeks. For customer training, Unimarket conducts on-site and virtual train-the-trainer sessions. Unimarket also provides training material and assists in the customization of materials for the client's specific configuration to incorporate internal policies and procedures. Post-implementation, Unimarket provides clients with Account Managers for long-term support, as well as access to the Unimarket support team via helpdesk ticketing, email, or phone. Unimarket's pricing structure for customers is comprised of fixed annual subscription charges (with unlimited users and suppliers) and fixed up-front implementation and integration charges based on technical requirements.



## Other Noteworthy S2S Providers

The following brief profiles offer summaries of some other providers of true S2S software suites. These companies opted out of participating in this report, but were included to give readers a more accurate view of the S2S landscape.

### Ariba

Founded in 1996, Ariba went public shortly afterwards, becoming one of the first web-based B2B companies to do so. It has been a leader among procurement providers for almost two decades, and the company's recent acquisition by the software giant SAP has further expanded its market presence. Ariba's product offerings include eProcurement, financial, S2S, and contract lifecycle management software. The company offers an extensive product set and has substantial experience in the market, although its price point typically only makes it a viable choice for large enterprise companies. The company also has one of the largest supplier networks in the market, with over 2 million suppliers, and it has recently overhauled its SaaS offering, taking a more modern approach to the UI and feature set.

### Coupa

Based in California and founded in 2006, Coupa has been a company to watch since it arrived on the spend management scene. Coupa's success was recently confirmed by its decision to go public; it began trading on NASDAQ in 2016, under the ticker symbol COUP. Coupa's first product was its cloud-based Spend Optimization tool, which includes procurement, accounts payable, and travel and expense management tools. It is now a fully unified source-to-settle and expense management suite after the gradual addition of sourcing, inventory, analytics, supplier information management, and contract lifecycle management.

### BravoSolution US

BravoSolution, formerly known as Verticalnet Inc., was incorporated in 1995 and is based in Malvern, Pennsylvania. Since 2008, BravoSolution US has operated as a subsidiary of BravoSolution SpA. BravoSolution works with more than 650 companies in over 70 countries. Its S2S platform, BravoAdvantage, offers solutions for sourcing, contract lifecycle management, procurement, invoice management, spend analysis, supplier management, and savings management.



## Ivalua

Ivalua was founded in 2000 and released its flagship sourcing product in 2001. In 2006, the company released a full set of P2P solutions to complete its S2S suite, and has spent the last decade expanding its global customer base. Today, Ivalua boasts 500,000 users in over 70 countries, with a strong presence in North America and Europe, and has become an eInvoicing leader in many European regions. The company tailors its services to large companies with global business requirements, and the product supports processes for international organizations working in Latin America and Europe.

## JAGGAER

JAGGAER, formally known as SciQuest, was founded in 1995, initially developing B2B eCommerce software for scientific products. It has since expanded its offerings to cover a wide range of spend management processes, starting with strategic eProcurement and branching into supplier management, spend analysis, AP automation, and most recently, sourcing and contract lifecycle management. JAGGAER is a top eProcurement provider to the higher education industry, and it offers several solution features specifically tailored to these organizations.

## Wax Digital

Founded in 2001, Wax Digital is a UK-based company. Its product suite, web3, supports over 265,000 users in 102 countries, and supports B2B requirements for both Latin America and Europe. web3 offers both P2P and Source-to-Settle automation, and is offered as a holistic suite or in modular units. Wax Digital is also highly focused on integration, and offers a versatile integration platform as a service, web3 Connect, that connects with all leading ERPs and facilitates rapid delivery and deployment of interfaces to any number of third party systems.

## Xeeva

Xeeva, formerly known as Supplier Software, was founded in 2008 as a division of Netlink, Inc., a global IT services firm. Xeeva includes an extensive set of solutions for Source-to-Settle, recently improved with its acquisition of ProcurePack, a provider of cloud-based sourcing and vendor relationship management software. It also includes several value-added tools such as category management and inventory management. Xeeva has a wide global focus, with offices in North America, Europe, Latin America, and Asia and



implementations in over 45 countries.

## Zycus

Founded in the US and headquartered in Princeton, NJ, Zycus launched its first spend analytics product in 2002, and has consistently expanded its product suite to include eProcurement, eInvoicing, spend analysis, contract management, supplier management, and electronic sourcing. All modules are developed on the same codebase, creating a unified experience for users across the S2S process; the company has made this holistic design approach a key focus in its client outreach. Zycus has reported substantial growth in the last year, with many clients purchasing the entire Source-to-Settle suite rather than only a few modules.



## About Level Research

Level Research, formerly PayStream Advisors, is a research and advisory firm that operates within the IT consulting company, Levvel. Level Research is focused on many areas of innovative technology, including business process automation, DevOps, emerging payment technologies, full-stack software development, mobile application development, cloud infrastructure, and content publishing automation. Level Research's team of experts provide targeted research content to address the changing technology and business process needs of competitive organizations across a range of verticals. In short, Level Research is dedicated to maximizing returns and minimizing risks associated with technology investment. Level Research's reports, white papers, webinars, and tools are available free of charge at [www.levvel.io](http://www.levvel.io)

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