

IDC MarketScape

IDC MarketScape: Worldwide SaaS and Cloud-Enabled Procurement Applications 2023 Vendor Assessment

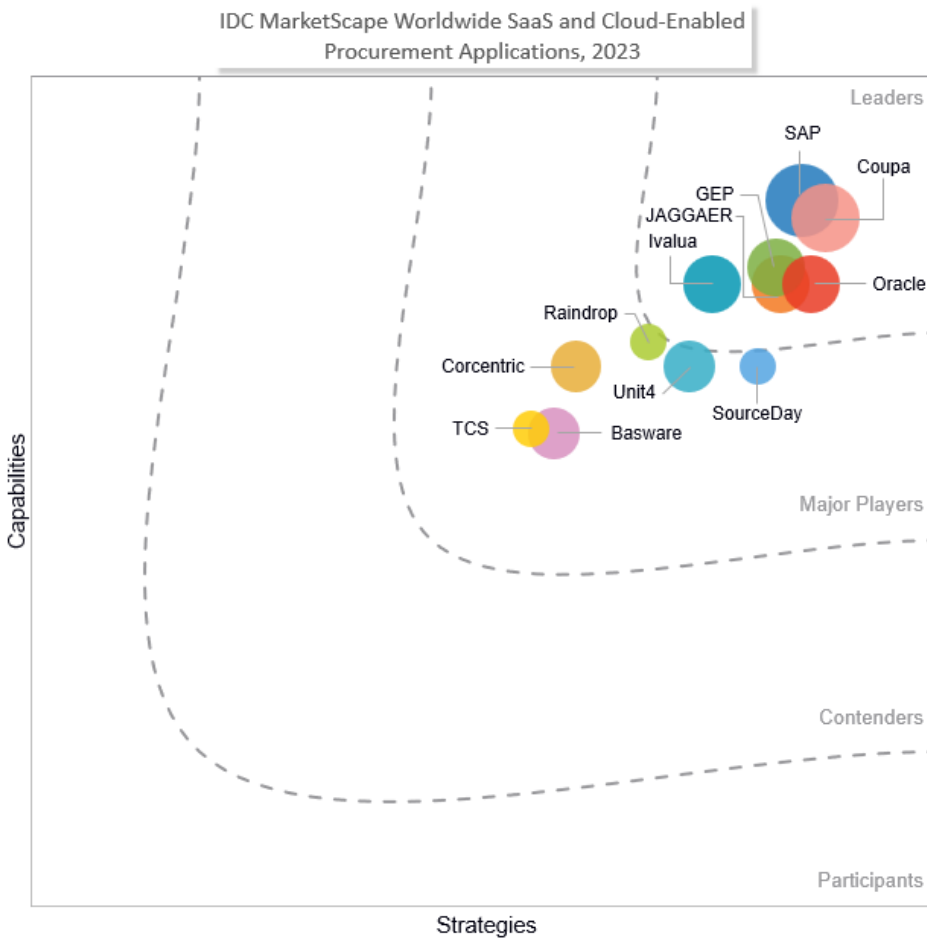
Patrick Reymann

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IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide SaaS and Cloud-Enabled Procurement Applications Vendor Assessment



Source: IDC, 2023

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide SaaS and Cloud-Enabled Procurement Applications 2023 Vendor Assessment (Doc # US50244723). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

It is a good time to be a procurement practitioner. The level of activity in the space, largely exacerbated by the multiple global events of the recent past, has elevated the procurement practitioner's role and given them a much bigger platform. Similarly, the procurement application provider space is vibrant, with tremendous functionality being added daily and multiple new entrants entering the space.

While the aforementioned global events have elevated the role of the procurement practitioner and highlighted the need for robust procurement applications, we believe there is a more fundamental reason beyond the global events that is underlying this shift that we have noticed, and that shift is being driven by the growth of the digital business.

Forward-looking organizations have been pursuing digital transformation (DX) with the goal of creating new sources of value through digital products, services, and experiences. As an added benefit, the COVID-19 pandemic revealed that DX efforts improve an organization's resilience against market disruptions. Given its importance to future success, global DX spending is forecast to reach \$3.4 trillion with a five-year compound annual growth rate (CAGR) of 16.3% (see *IDC Spending Guide Sees Worldwide Digital Transformation Investments Reaching \$3.4 Trillion in 2026*, IDC #prUS49797222, October 2022).

There are several drivers behind the shift to procurement digitization:

- **Buyers still need help managing business spend and suppliers.** Our conversations with both buyers and application providers reveal that there remains considerable growth in the years ahead for the business spend and supplier management space, for the simple reason that buyers need help. Many buyers, particularly those in the midmarket and small and medium-sized business (SMB) space, commonly utilize email and spreadsheets to manage and track sourcing, procurement, category management, and supplier relationship management activity. We've heard multiple industry executives speak of the long runway that exists in the procurement applications space. Our forecast of 8.7% CAGR through 2026 underscores the strong interest in deploying these platforms.
- **Procurement applications continue to add functionality and improve user experience.** Procurement application providers continue to aggressively improve upon their offerings. IDC sees providers launching multiple product enhancements each year, showing the providers are not content to rest comfortably on their offerings but, instead, continue to provide both enhancements and functionality in new areas. We see these improvements in the areas of overall user experience, simplified and customizable user dashboards, and tight integration

across both suite modules and with third-party platforms. Further, providers are expanding into net-new offerings that include payment capabilities; sustainability/environmental, social, and governance (ESG) visibility; expansion of supplier network visibility; and data mining.

- **SaaS continues to grow/on premises continues to decline.** Demand for cloud-based systems will continue to grow at a strong pace. Our forecast for the SaaS and on-premises split in 2026 is 85.9% and 14.1%, respectively, meaning the on-premises space will be cut in approximately half from today's levels. This reinforces our theme that the future is in the cloud. Organizations using cloud and SaaS products find 24 x 7 availability, faster implementations, more configurability, improved productivity, a strong ROI, and the ability to scale as needed.
- **Supplier networks are driving increased collaboration and additional opportunities.** There is tremendous value locked inside the volume of data that flows through the data networks of procurement application providers. Key learnings are there for the taking, which span procurement KPIs, historical spend data, sustainability information, linking with global supplier networks, and advanced predictive analytics. We have seen several providers make this a priority in the past year and applaud these moves.
- **Buyers want artificial intelligence (AI)/machine learning (ML).** *SaaSPath 2022: Vendor Ratings* (IDC #US49357722, June 2022) reveals that buyers have expressed a willingness to pay more for AI/ML functionality – with 80% indicating they would pay more, including 40% that said they would pay "significantly" more. We see the reason for this willingness to pay as buyers need improved workflows that can improve operating efficiency and reduce cost and the need for staffing. Procurement application providers that can provide these enhanced workflow capabilities – particularly if they don't require that users become coding experts – will differentiate themselves.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The vendor inclusion list for this document was selected to accurately depict the vendors that are most representative of any given procurement applications on a buyer's selection list based on the following:

- Vendors were investigated to ensure that their offerings were qualified as "SaaS" or "cloud enabled" and that the vendor had won recent deals within the relevant customer segment.
- Procurement software must meet the IDC definition of procurement.
- Vendors have procurement technology that encompasses at least these procurement areas: spend analysis, sourcing, procure to pay (P2P), contract management, and supplier relationship management. These procurement capabilities are the main focus in this IDC MarketScape document.
- Vendors were asked about their innovation in the areas of robotic process automation (RPA), machine learning, predictive analytics, natural language processing, conversational user interfaces (UIs), and virtual assistants/chatbots. Vendors were also asked about their intelligent workflows from every aspect possible supporting all of procurement, including sourcing, procure to pay, supplier relationship management, contract management, and spend analysis.
- Incoming IDC inquiries are related to procurement solutions, with specific questions focused on capabilities of vendors, innovation and future trends of procurement vendors, customer interviews, customer satisfaction, and metrics organizations improved as a result of their use of the procurement software.

ADVICE FOR TECHNOLOGY BUYERS

The multiple global, geopolitical events of the past two years – global pandemic, supply chain bottlenecks, the Great Resignation, high historical inflation, and the anticipated recession – have served to strain procurement operations. As such, procurement has been afforded a proverbial bigger seat at the table and exerts a greater influence on business activities. The multiyear shift of procurement's value – formerly seen in its ability to deliver cost savings and improve the efficiency of operations that has transitioned to delivering value and compliant, reliable sources of supply – has only accelerated.

There remains tremendous opportunity for procurement application providers. *Worldwide Procurement Applications Forecast, 2022-2026: Strong Tailwinds to Drive Continued Robust Growth* IDC #US49273622, June 2022) sees the space overall growing at a CAGR of 8.7% through 2026. 2022 saw the popular providers continue to press ahead with noteworthy advancements in the areas of automation, artificial intelligence, ESG reporting/decision tools, supplier collaboration, and supply chain visibility. User experience enhancements were also top of mind with improvements in the buying experience (i.e., "guided" buying), supplier discovery, virtual assistants and chatbots, automated price discovery and negotiation, and savings opportunity identification, among others.

In addition to the advancements unveiled by the segment leaders, 2022 saw several new, innovative entrants into the space. Many of these providers are focused on delivering clean, intuitive analytic "stacks" that serve to work in concert with existing platforms and allow for improved stakeholder visibility, notifications, and analytics capabilities. "Time to value" is often their chosen tagline, as they seek to provide tools that can be implemented in weeks rather than months or even years. Other providers that are not commonly considered to be in the procurement application space are developing products that bring them in greater competition with core procurement application providers.

The reason that the procurement application remains so vibrant with such strong growth is rather fundamental – organizations need help... still! While the capability of procurement applications is dramatically advanced compared with that even a few years ago, buying entities continue to invest in new applications for the simple reason that they do not manage spend as optimally as they would like. When you layer in the aforementioned challenges of the past two years and add to all that the growing demands to report on and influence sustainability matters, it becomes very easy to understand why buyers are voting with their wallets as they turn to SaaS solutions that can facilitate the achievement of their needs.

Our surveys and anecdotal conversations with buyers tell us that in spite of the powerful tools and technology that are available to users, many of them remain heavily reliant on two very common tools of any business – spreadsheets and email – for many procurement functions, such as spend analytics, sourcing decisions, supplier data management, and contract management. We spoke to a very well-known, large U.S. megacap company recently that informed us it manages its contracts – thousands of them – via a single contract manager and one great, big spreadsheet. No entity should take on such risk in this manner when there are so many solutions available to them. Such tales are not uncommon.

So what is a buyer to do?

First, the good news. You have options. There are many outstanding solutions available to the procurement application technology buyer. A representative illustration of the providers across the procurement landscape that we like to use is *IDC Market Glance: Procurement, 1Q22* (IDC

#US48790522, March 2022) that provides a representative sample of notable providers in the respective procurement categories. We update this annually but could probably do so quarterly, as there is such a high degree of activity in the space.

More good news is that the available applications provide for less complex and easier integration with other platforms than they previously did. While buying entities tell us they strongly prefer that their suite of procurement application all come from a single provider, in practice, that is a difficult goal. Entities will naturally acquire and divest other companies over time. The respective line-of-business executives will necessarily have their own preference for which platforms they wish to utilize, and their desires may conflict with those of IT and procurement. But procurement application providers are well aware that their applications will likely be deployed in environments that are also running their competitors' products. They have invested heavily to develop integration tools that facilitate a more seamless flow of information between disparate applications.

We suggest that buyers consider a core set of attributes as they assess their procurement application needs. We break this down by the respective phase (Assessment, Understand Your Maturity Level, Your First Phone Call, and Key Considerations) of the process as discussed in the sections that follow.

Assessment

It is essential to understand the end-state goal before embarking on developing a view on which procurement applications to pursue. This is more than developing a vision statement (though you should do that as well), but it involves a review of the needs of the business. Many procurement organizations have historically had an uneasy relationship with their supported LOB stakeholders, as the two entities may not fully understand the processes and motivations of each other.

LOB stakeholders are essential partners in this process. Their involvement ensures that the procurement strategy aligns to the overall business strategy. The classic example of the procurement practitioner that reports strong savings results while the overall business reports exploding selling, general, and administrative (SG&A) expenses is illustrative of two entities that are not aligned. Siloed results that do not affect the overall business are less impactful than they could be and, when working against each other, do not meet the organization's full objectives.

The end-state objectives for any net newly acquired procurement applications may be varied and even extensive. Savings delivery, ensuring sources of supply, reducing the risk profiles of the supply sources, improving supplier relationships, ensuring compliant purchases and payments, driving down overall procurement costs, and eliminating tactical procurement work are examples of some possible objectives, and some of these may be at odds with one another. For example, it may not be possible to drive savings while simultaneously ensuring timely availability of key components, which underscores the need to ensure that LOB stakeholders are part of the process and are aligned to the overall objective.

Understand Your Maturity Level

Maturity levels are useful guideposts to serve as benchmarks for the state of a procurement organization. They are helpful in making a determination of what an organization should realistically strive for in its digital journey and, as important, to provide a sense of the level of effort and time required. There are several maturity level scales that can be easily discovered through a simple internet search. For illustrative purposes, we'll use a five-level scale to provide a sense of the differing levels of maturity for a given organization:

- **Maturity level 1 – manual:** Heavy reliance on manual processes; operations largely conducted via email, phone, and spreadsheets; procurement applications, to the extent they are used, disparate and not integrated; and analytics conducted manually
- **Maturity level 2 – augmented:** Mostly manual processes, but technology leveraged for some functions; notifications/approvals tracked via the procurement application; and some automated reporting capabilities
- **Maturity level 3 – intelligent:** Smart routing, guided buying, and supplier self-service functions leveraged; some predictive analytics capabilities; and savings opportunity identification through customizable, real-time dashboards
- **Maturity level 4 – automated:** Guided and informed decision support throughout applications; autonomous workflows, contract and risk assessments, and triggering of sourcing events; and chatbots and virtual assistants guiding common functions
- **Maturity level 5 – digitized:** Autonomous ingestion and classification of data, intelligence notification of risk events, and predictive analytics that trigger sourcing events due to anticipated activity and no-touch environment

An entity's assessed current level is less important than its plan to move to a higher level of maturity. Even organizations at maturity level 5 have a need to assess performance and stay abreast of technologies and practices.

Your First Phone Call

You have a sense of the objectives for your procurement application, and you are comfortable with your assessment of your organization's maturity level. The next step is to pick up the phone and call your procurement application providers. Invite them to visit or set up a video call because it is time for you to share your vision with them.

The discussion will serve multiple purposes. First, it is not unusual that buying organizations do not fully grasp and appreciate the offerings of their provider. Frequent release schedules exacerbate the problem of a lack of awareness of the capabilities of your chosen platform. You may discover that some functionality that you seek is already available and even included in your subscription, but you may not know how to enable it. We frequently hear from buying organizations that they have limited awareness of the capabilities of their chosen provider. As common, while they might have some level of awareness, they simply don't know how to fully tap into the functionality. They may assume that the functionality brings extra costs. It might, but you may determine that the value provided by the feature merits the cost.

Further, your application provider spends considerable time and resources to stay abreast of developments in the procurement application space. The application providers have teams of product personnel responsible for the functionality of every feature, and they are best positioned to advise on what they are seeking in the marketplace. They will have a good sense of what features buyers are using most commonly and what features buyers are most frequently requesting. If you don't know what your provider's product road map is, you should. Even more, you should have a voice into the development of that road map. Your provider wants to know what is important to you.

Other quality resources available to you are sourcing and procurement professional organizations, online communities, and market research firms. Leverage sourcing communities and peer organizations to make inquiries about real-world digital transformation experiences. Use these forums to gather use cases that you may want to consider, and be prepared to share your organization's

efforts in this space. Market research firms provide industry research grounded in their respective findings generated by their surveys and discussions with both the provider and buying communities, to produce insight on market share, market forecasts, trending technologies, and innovative new approaches.

Key Considerations

Following an organizational self-assessment, the process should focus on the following areas:

- **Engage your stakeholders from across the enterprise** to collectively develop a vision and objectives for your procurement applications. Map the results of your self-assessment to actions that can be utilized to close those gaps to best practice. Consider advanced features and those that are in the early stages of availability in the marketplace.
- **Evaluate the maturity of your organization** to develop an understanding of its digital procurement maturity level.
- **Conduct due diligence** with both your current procurement application providers and sourcing/procurement user communities to understand common use cases and digital applications.

The digital transformation journey is an ongoing process that will never be completed. It may require investments in new technology and applications. Regardless, there are steps that can be taken right now to launch this journey. Use the tips and recommendations included in this document to get started on your path to tangible and measurable digital improvements.

Procurement Organizations Need to Step Up

While the many tumultuous global events of the past two years have been stressful and have strained many a procurement practitioner, they have highlighted the value of procurement and critical role that procurement plays. It is time to amplify the role of the procurement practitioner and make several bold contributions to our respective organizations. We've compiled a starter list that highlights many areas where procurement can contribute today. Each of these suggestions can be dramatically augmented and impacted through your choice of procurement applications, and now is the time for procurement to take advantage of its more prominent position in the organization:

- **It's time to retire the spreadsheet.** Spreadsheets have a bad reputation. They are not inherently wrong or "bad"; however, the data is typically static and siloed and has to be manually updated, so if you are managing your spend, contracts, and supplier risk via spreadsheets, it's time to become more digitally oriented. It won't happen overnight, but target one or two spreadsheet-heavy functions and set yourself free.
- **Automate your processes wherever possible.** Leverage your procurement application to drive automation. You might be surprised! Providers are investing heavily in automation, and there are many autonomous workflows available to you. Automation brings more efficiency and productivity and enables you to quickly improve your benchmarks and KPIs.
- **Get real about tail spend.** Stop pushing it off for another day – that day is today! You cannot possibly manage those thousands of tail suppliers; however, procurement application providers are increasingly providing solutions to address the gap, via intelligent automation. Ask your provider if it has an offering in this space, and if it doesn't, look around! Tail spend is an untapped area, and in a time of economic uncertainty, tail spend provides a great savings opportunity.
- **Risk management is so much more than an annual supplier review.** Your supplier risk program simply cannot be an annual response to multiple spreadsheet questions. These static, point-in-time programs are relics of past times and have no place in digital procurement programs today. Does your procurement application support real-time assessments, infused with data based on such things as weather, port delays, geopolitical events, labor stoppages, civil unrest, and so forth?

- **Work to leverage your procurement application to reduce the number of emails.** Take a step back and count how many emails you sent/received when conducting a sourcing event. What is the number? Why? This is wasted time. Every single email represents an opportunity to misplace or overlook information. A digital platform that has all the information visible is what digital procurement teams are using. Will you join the digital world?
- **Leverage your procurement application providers.** Why not? We know many users do not leverage the full capabilities of their chosen platforms. Commonly, they express that they are not yet at a sufficient maturity level as an organization or they were not aware of the capabilities. Stop this! Call your provider today and arrange a briefing so that you are aware of the higher-level functions available to you, and start taking advantage of them so that you become more digitized.
- **Do you understand your procurement application providers' product road map?** If you don't know, then it is time to find out. What are your providers planning? How does this impact your organization's future? Have they listened to your input to enhance the value? Have they asked for your input? Make yourself known – don't be meek! Set up a call and tell your providers exactly what you want. They will thank you for it. If you don't know what your providers are working on, you should, and you should do it quickly.
- **Stand up now and make digital a reality.** Any operating improvement assessment starts with a current-state analysis. So do it! How long does it take to process a purchase order (PO)? Raise a requisition? Pay a supplier? Why does it take so long? How can your procurement application reduce the time? The answers to these questions will drive your digital transformation. For some ideas, start with *Procurement Digital Transformation Road Map* (IDC #US49937122, December 2022).
- **Take advantage of procurement's new, heightened role.** The global events of the last two years have elevated the role of the sourcing and procurement practitioner. Procurement has the ability to be a shining star during this economic uncertainty, so start leveraging this expanded opportunity. Make the case for why procurement should lead the digital transformation. We have visibility to all operations of an entity... let's show our value.
- **Be data driven.** If you can't measure it, it didn't happen. How do you know that you are adding value? Vow to come to the table with numbers... leverage the power of data to tell your story and paint the future opportunity. Is the procurement organization adding value? How do you know? What metrics show your value?

Digital Transformation Is Not About Buying a New Procurement Application

The idea of executing a transformation, of any kind, is daunting. Practitioners envision months, even years, of effort, coupled with a tremendous investment of resources – dollars and people. Yes, any undertaken transformation will require a significant level of effort and resources; however, for a procurement digital transformation, there are steps that must be taken today to facilitate the successful initiation of any digital transformation.

The process starts with a robust and clear-eyed assessment of the current state, followed by an understanding of what the organization seeks in the end state. Close coordination with line-of-business (LOB) stakeholders is essential to ensure that the overall business objectives guide the strategy. It is important to gain a sense of where the organization exists on a maturity level scale in order to benchmark current state and plan for the targeted end state. Current procurement application providers should be leveraged, along with a resolve to tackle common poor business practices.

The procurement digital transformation journey can be intimidating. It is helpful to pause and consider just what is meant by "digital transformation." Many definitions can be found, but at its core, digital transformation is the application of digital processes and technologies to procurement functions, with the objective of enhancing the value delivered by procurement to the supported entity.

One reason the journey can be intimidating is due to a lack of familiarity with the digital technologies involved. Prospective buyers might think that any procurement digital technology application necessarily implies that they must introduce technologies such as artificial intelligence and machine learning into their organizations. While that might be the case, the scope of digital practices extends beyond these technologies, and you may discover that you are already leveraging AI and ML for some of your procurement functions. Some examples of digital processes that leverage procurement digital technologies are:

- Supplier self-service portal
- Automated three-way match
- Guided buying
- Automated spend data classification
- Online RFX events
- Supplier discovery tools
- Automated approval routings
- Contract term identification and matching
- Customizable reporting dashboards

These are all digital processes that can be leveraged to support an entity's digital transformation and drive value to the organization.

Procurement Application Providers Are Rapidly Adding New Features

The tools available to the procurement practitioner today have dramatically improved from those earlier generation applications of even a few years ago. We are seeing providers focus on the following areas:

- **The user experience.** Providers have invested heavily in enhancing and improving the user experience. This includes steps to ensure an intuitive and consistent experience across the range of modules they provide and improved visual experience that encompasses less visual clutter and more appealing formats; improved access to customer support via real-time support, virtual assistants, and easily searchable, indexed customer support forums; and improved uptime.
- **Integration.** Out-of-the-box connectors and APIs are the norm and not the exception. It is in the best interest of providers that their applications work seamlessly with others, including those of their competitors. Think through this as your system integrates with other systems – ERP, EAM, PLM, and MRO/inventory systems.
- **Analytics (to include predictive analytics).** Enhanced tools that provide for savings opportunity identification and efficiency-improving measures are now commonplace in popular organizations. Often they come with easily customizable dashboards that users can quickly build to drive real-time, actionable insights. Common procurement metrics and KPIs, culled from providers' expansive spend throughput, provide strong benchmarks and give users a view to the metrics produced by best-in-class entities. Predictive analytics go the next step to

portray the possible impact of changing process and making different decisions. Examples here include potential sourcing decisions, multiple risk scenarios, and so forth.

- **Artificial intelligence and machine learning.** While this can and does include highly advanced functions such as automated pricing discovery/negotiations and touchless orders, it can include more common features like enhanced approval routing and reduced error rates via automated invoice matching. As these systems are deployed, they "learn" over time, increasing their utility and reliability and reducing the need for human intervention.
- **Sustainability reporting and decision support.** Buyers are demanding help as they assess how to meet their sustainability needs and requirements. It remains very early in this space, with many different frameworks and reporting standards produced by multiple different global entities. Application providers are beginning to include sustainability stacks or control towers with their offerings, going beyond mere sustainability reporting to even include real-time sustainability decision support. Some more prevalent sustainability-related metrics are climate risk assessments, carbon emission reports, energy consumption data, waste and pollution output, and water usage.
- **Contract life-cycle management (CLM) functionality (to include risk identification and scoring).** The days of the CLM module being glorified contract repositories are over. More advanced CLM offerings now include a full suite of capabilities, including repository, authoring, templates, document comparison, intelligent search, risk assessment, tight sourcing integration, and alerts based on data formats when action needs to be taken (inventory clip levels, sunset clause dates, pricing anomalies, contract value, expiration dates, etc.).
- **Automation (especially of lower-level, tactical tasks).** The Great Resignation has impacted organizations broadly, and procurement staffing is no different. Automating rote, redundant, and lower-level tasks is becoming less of a "nice to have" and more of a necessity. Applications now offer easy-to-build, low-code/no-code workflows that can be custom built to free procurement practitioners to work on more strategic tasks.
- **Risk management autonomous; real-time scoring.** As with CLM offerings, another vestige of the past is the supplier risk assessment, the once-a-year static scoring that often relied on input from the suppliers themselves. Today's more advanced risk assessment tools provide autonomous scoring and alert mechanisms. In real time, these ingest a broad variety of disparate data to not only create a current assessment but to also develop predictive scoring to highlight and notify users of potentially impactful future events.
- **Robust business networks (that enhance collaboration).** Application providers are investing heavily in their business networks to drive engagement and collaboration. They are also working to facilitate multi-enterprise networks for the same reasons. Today's business networks yield stronger links between buyers and sellers and benefit both parties, through improved selection, resiliency, and pricing for buyers and enhanced business opportunities for sellers.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Coupa

Based on IDC analysis and customer feedback, Coupa has been positioned in the Leaders category in this 2023 procurement IDC MarketScape.

Coupa is a SaaS, full-suite business spend management provider located in San Mateo, California. Coupa is known for its ease of use, user experience, and delivering a consistent user experience across its suite of offerings. Coupa has clients in all geographies, and it has clients across all sizes – including SMB, midmarket, and enterprise – with approximately 65% of its customer base being enterprise level.

Coupa differentiates its offering through a focus on client success, a vibrant user community supported by a multitude of online forums, and open client access to its product road map with a robust upgrade release schedule. Coupa sees its suite as a collection of best-of-breed offerings that don't result in its clients having to choose a third-party, best-of-breed offering and that are tightly integrated to provide full business spend management capabilities. Coupa boasts over 10,000 Coupa platform-certified consultants with over 40 implementation partners. Coupa offers P2P, sourcing, travel and expenses (T&E), treasury management, contract life-cycle management, supplier relationship management, spend analytics, payments, services, contingent workforce, risk and supply chain planning, and design modules. Coupa began operations in 2005 and went public in 2016. In December 2022, private equity firm Thoma Bravo announced its acquisition of Coupa, which will take Coupa private later in 2023.

Strengths

- Coupa provides a single, unified platform offering a consistent, intuitive user experience in a fully integrated platform that spans the full business spend management space.
- Client references universally cited an engaged and committed client success team that provides multiple channels for collaboration, updates, and visibility to product enhancements.
- The open publishing and availability of core procurement metrics/KPIs across the Coupa platform were lauded by users, providing them with a view to both average and best-in-class results that are valuable benchmarking tools.
- Coupa has a developed partner community and ecosystem that facilitate collaboration across the Coupa network, easing the supplier management process and leveraging insights for all buyers and sellers that utilize the network.

Challenges

- User references reported a lack of familiarity with next-level workflow automation functions, or if they were aware of advanced AI capabilities, they viewed the functionality as not yet cost effective to deploy.
- Contract life-cycle management offerings can be more robust. References noted less-than-optimal CLM implementation experiences and the lack of AI-driven contract risk identification and due diligence functionality. The Coupa CLM solution was rebuilt and launched in 2022, and Coupa reports that customers are experiencing improvements.
- References stated that product updates can be challenging to follow. Coupa invests heavily in its products and maintains an aggressive update cadence across its full suites of products, so some of this is to be expected.

Consider Coupa When

When buying organizations need an intuitive, enterprise-grade, and comfortable user experience, coupled with an integrated full suite of business spend management capabilities, and seek the ability to leverage a robust spend network and community learnings, they should consider Coupa.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Procurement Applications

Procurement applications automate processes relating to purchasing supplies, material (whether direct or indirect; raw, in process, or finished; as a result of or flowing into a product supply chain-specific process; or in support of performing a service), and services (business or professional). The procurement function covers sourcing, procurement, supplier relationship management, contract management, savings tracking, transaction processing, and payments support, all of which are connected to create a single view of the spending levels at an organization. As a result, purchasing activities are integrated into a supplier community that can be easily tracked, benchmarked, and analyzed by both buyers and suppliers.

Features of these procurement modules include self-service requisitioning, order entry, approval workflow, transaction processing (EDI, EDI-INT, and digital), strategic sourcing, bid optimization, dynamic pricing, commodity strategy and spot buying, and category management; supplier discovery, management, tracking, and enforcement; catalog aggregation and syndication, supplier performance management, and supplier information management; supplier enablement, onboarding, and portals; and vendor-managed inventory support, invoice matching, vendor management, spend management, dynamic discounting, supplier financing, contract management, savings tracking, and procurement analytics.

LEARN MORE

Related Research

- *Top Procurement Application Provider Priorities for 2023* (IDC #US49889422, December 2022)
- *Top Procurement Organization Priorities for 2023* (IDC #US49889622, December 2022)
- *The Opportunities in the Intersections of B2B Digital Commerce from Buyer and Seller Perspectives* (IDC #US49929022, December 2022)
- *Procurement Digital Transformation Road Map* (IDC #US49937122, December 2022)
- *AIPath Survey Reveals Areas of Improvement Opportunity for Procurement Application Providers* (IDC #US49927822, December 2022)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2022: Procurement* (IDC #US49675922, September 2022)
- *SaaSPath Survey Reveals Spreadsheet Use Remains Common for Many Procurement Functions* (IDC #US49671922, September 2022)
- *Market Analysis Perspective: Worldwide Procurement Applications, 2022* (IDC #US49681922, September 2022)
- *Digital-First World: Sustainability, ESG, and Enterprise Applications* (IDC #US49283822, June 2022)
- *IDC Innovators: Procurement Technology, 2022* (IDC #US49274222, June 2022)
- *Worldwide Procurement Applications Forecast, 2022-2026: Strong Tailwinds to Drive Continued Robust Growth* (IDC #US49273622, June 2022)
- *Worldwide Procurement Applications Software Market Shares, 2021: Consistent Sector Growth as Dominant Players Maintain Share* (IDC #US49273722, June 2022)
- *IDC's SaaSPath Reveals Procurement SaaS Current Deployment and Buying Intentions* (IDC #US49226822, June 2022)
- *Sustainability Software Survey Implications for Procurement* (IDC #US49226722, June 2022)

Synopsis

This IDC study provides an assessment of SaaS and cloud-enabled procurement software solutions and discusses what criteria are most important for companies to consider when selecting a system. Entities considering buying a procurement application solution have the challenging task of selecting among many attractive options, as highlighted in this study. Whatever attributes are most important to companies looking to buy solutions – full suite versus best of breed, full or piecemeal implementation, regional or global rollout, the level of need for advanced and complex solutions, ease of

implementation and integration, the level of ongoing support required – ultimately, they seek value in their quest to effectively manage their spend and suppliers. This document highlights the attributes and benefits that buyers can expect to receive when engaging the vendors profiled in this study.

"Procurement application providers continue to innovate and add enhanced capabilities. If anything, the pace of this activity is accelerating. Tools available today are dramatically ahead of products even a few years ago. There is much activity in the space, from both entrenched providers and newer entrants, for one very fundamental reason – buyers still need help managing their spend," says Patrick Reymann, research director, Procurement and Enterprise Applications at IDC.

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Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

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