

IDC MarketScape

IDC MarketScape: Worldwide SaaS and Cloud-Enabled Midmarket Treasury and Risk Management Applications 2023 Vendor Assessment

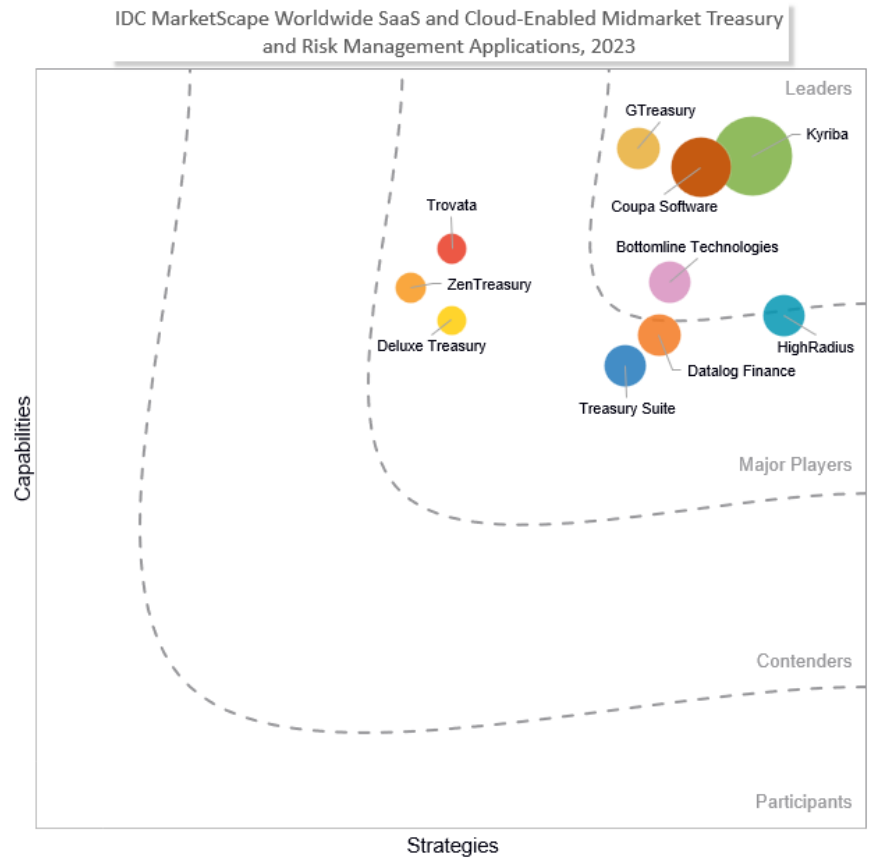
Kevin Permenter Jordan Steele

THIS IDC MARKETSCAPE EXCERPT FEATURES COUPA

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide SaaS and Cloud-Enabled Midmarket Treasury and Risk Management 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 Midmarket Treasury and Risk Management Applications 2023 Vendor Assessment (Doc # US45741720). 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

Cash flow has reemerged as the top concern for most businesses – especially midsize businesses. Traditionally, many of these businesses have had trouble accessing the capital markets and securing financing at the same rate as their larger counterparts. Also, many smaller businesses run with less cash reserves than larger businesses. During these times of uncertainty, smaller businesses turn to treasury and revenue management as essential elements of maintaining positive cash flow. In fact, cash flow management, when done properly, can provide a complete picture of a company's financial footprint in real time, opening opportunities for growth and expansion.

The Midmarket Dilemma: Servicing Fast-Growing Companies

Many smaller businesses are often positioned to grow rapidly. Many of them have no desire to be forced to change their entire revenue management solution constantly to accommodate growth. More and more smaller businesses are looking for software-as-a-service (SaaS) and cloud-enabled solutions that can scale with them as they grow. Treasury software vendors in this market must demonstrate that they are building solutions ready for today's midmarket business hurdles and tomorrow's technology challenges.

Within midmarket businesses, cash management and cash forecasting continue to be top strategic priorities. Midmarket treasurers often find themselves in a resource crunch. Many treasury professionals in smaller organizations find themselves with expanded duties while working with less resources and legacy processes and less technology. The need to do "more with less" among treasury professionals represents an opportunity for smaller businesses that can do the following:

- **Find business insights.** Treasury professionals need to both verify and analyze business transactions for relevant reporting metrics, business insights, and compliance. This information may come in a variety of formats and sources, and the amount of this type of information is increasing daily.
- **Improve compliance and reporting.** Treasury compliance is a rule-based process, often manual, that is handled on an exception basis from a historical transactional perspective. Without real-time treasury compliance, organizations are at risk for noncompliant employees and have an increased opportunity of fraud.
- **Preserve treasury data security.** Treasury professionals must now be vigilant against cases of traditional fraud and more modern cyberthreats. Treasury resources must be devoted to monitoring potential weak points in the banking structure, supplier management, treasury systems, and payment files.

- **Increase operational speed.** Speed is an area of concern for treasurers that desire the ability to move money around the clock and in real time into and out of currency markets. However, with increased speed comes the need for more powerful real-time risk management capabilities.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

The vendor inclusion list for this document seeks to accurately depict the vendors that are most representative of any given treasury functional buyer's selection list. Vendors were further investigated to ensure that their offerings qualified as "SaaS or cloud enabled" and the vendor had won recent deals. Further, participant companies indicated which other vendors they most often compete against in deals. Also, the treasury software must be able to be purchased and implemented separately from other associated financial/ERP software. Preference was given to companies with revenue of more than \$10 million and/or that were on our watch list of companies within this market.

The vendor inclusion list for this document seeks to accurately depict the vendors that are most representative of any given software application on buyer's selection list based on the following:

- Vendors must have a SaaS or cloud offering – on-premises-only applications are out of scope.
- Software applications can be purchased separately (not only functionality built into a larger system) and are available off-the-shelf without required customization.
- Software application has capabilities for treasury management features including bank relationship management, corporate payment management, financial risk management, cash and liquidity management, debt and credit ratings, debt and investments, and hedge accounting.
- The vendor had at least US\$5 million in 2023 treasury management software revenue.
- The vendor had a minimum of one treasury product in market for at least three years.
- The vendor must have a significant footprint with business with less than 1,000 employees.

ADVICE FOR TECHNOLOGY BUYERS

Buying software is a stressful time for smaller businesses. Simply put, every investment dollar seems to carry more weight due to the overall smaller pool of resources within midmarket businesses. Still, this is not a time to cut corners or accept lesser software applications. Midmarket complexities make choosing a treasury software provider every bit as important as larger business. The following are a few key things to look for when choosing a new vendor:

- **Cloud first.** The unprecedented current uncertainty has revealed the importance of cloud technology. The "anytime, anywhere" access allows businesses to be flexible and agile to cope with rapidly changing business dynamics.
- **Continuous updates.** Financial applications are constantly changing. Multitenant cloud allows for constant/continuous updates to functionality and tax content without involving its resources.
- **Data security.** Security has become a multifaceted issue because of the amount of sensitive data being stored and shared with payees and government agencies through varying delivery channels.
- **Scalability and flexibility.** Software vendors must demonstrate that they are building a solution that is ready for today's business hurdles and for tomorrow's technology challenges.

- **Automation functionality.** Software vendors must provide extensive automation functions to cope with the massive data load generated during the financial management process. In addition, the automations must be transparent, verifiable, and easy to adjust.
- **Innovation.** Users must strongly consider a vendor with investments in technology advances like machine learning and artificial intelligence (AI) to support the finance functions, including the collection and analysis of relevant data to expose possible areas of risk/exposure.
- **Ecosystem.** The treasury management process is best when it is integrated with ERP, supply chain, order management, and accounts receivable (AR) systems. Look for a vendor that is aggressive in building out its partner ecosystem to include other enterprise applications.

This IDC MarketScape vendor assessment assists in selecting the right software for your organization. The goal of this document is to provide potential software customers with a list of treasury software companies that have taken great strides to incorporate the previously listed capabilities. We have profiled and assessed their capabilities to support the complicated area of treasury management software.

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 Software

After a thorough evaluation of Coupa Software's strategies and capabilities, IDC has positioned the company in the Leaders category in this 2023 IDC MarketScape for worldwide SaaS and cloud-enabled midmarket treasury and risk management applications.

Coupa is a cloud-based Business Spend Management (BSM) platform that unifies processes across supply chain, procurement, and finance functions.

Coupa delivers a full Business Spend Management solution, extending beyond treasury and risk management by providing full source-to-settle capabilities that unify the payment processes within spend transactions, reduce risk and prevent fraudulent payments from being made (reducing the need for supplier recovery processes), and provide extensive community.AI-based intelligence that aggregates spend, data, and configurations across the Coupa community to provide customer-specific prescriptions and more.

Quick facts about Coupa Software include:

- **Employees:** 3,500+ employees
- **Total number of clients:** 3,000+ clients
- **Globalization:** 60+ countries
- **Industry focus:** Manufacturing, financial services, retail, insurance, technology, and healthcare
- **SaaS:** Multitenant SaaS platform
- **Pricing model:** Based on number of users and consumption
- **Partner ecosystem:** 50+ partners

Strengths

- **Comprehensive solutions:** Coupa delivers a full Business Spend Management solution, extending beyond treasury and cash management by providing full source-to-settle capabilities that unify the payment processes within spend transactions, reduce risk and prevent fraudulent payments from being made (reducing the need for supplier recovery processes), and provide extensive Community.AI-based intelligence that aggregates spend, data, and configurations across the Coupa community to provide customer-specific prescriptions and more.
- **Increased transparency:** Midmarket organizations can make better-informed, data-driven forecasting decisions with full transparency of company cash and spend. With end-to-end visibility from source to settle, Coupa helps treasurers and finance leaders make smarter liquidity decisions with increased transparency, optimizing liquidity and improving forecasting.

Challenges

- **Partner ecosystem:** Coupa is currently facing challenges around training and resource development to scale up its partner ecosystem. While demand for treasury management grows, it can be challenging to keep up without scaling a partner ecosystem to match that growth. More resources are needed to train and prepare new partners.
- **Awareness:** While Coupa is a well-known brand in spend management, market awareness of the full breadth and depth of Coupa's Treasury Management Solution is still a challenge. Companies often think of Coupa as a platform vendor instead of a treasury management solution that can also be utilized within the context of a broader spend management transformation.

Consider Coupa Software When

Consider Coupa Software if you are looking for a comprehensive TMS that is suitable for organizations of all sizes and includes a unified source-to-settle platform with end-to-end visibility.

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

Treasury and risk management applications support corporate treasury operations (including the treasuries of financial services enterprises) with the corresponding financial institution functionality and optimize related cash management, deal management, and risk management functions, as follows:

- Cash management automation includes treasury processes involving electronic payment authorization, bank relationship management, and cash forecasting.
- Deal management automation includes processes for the implementation of trading controls, the creation of new instruments, and market data interface from manual or third-party sources.

Risk management automation includes performance analysis, Financial Accounting Standards (FAS) 133 compliance, calculation of various metrics used in fixed-income portfolio analysis, and market-to-market valuations.

LEARN MORE

Related Research

- *Autonomous Finance: Navigating the Future of Finance with Autonomous Technology* (IDC #US50570423, April 2023)
- *IDC Market Glance: Treasury and Risk Software, 1Q23* (IDC #US50231423, March 2023)
- *Worldwide Treasury and Risk Management Applications Forecast, 2022-2026: Unified Liquidity Management Paving the Future* (IDC #US48514922, August 2022)
- *Worldwide Treasury and Risk Management Applications Market Shares, 2021: Liquidity Management Moves to the Forefront* (IDC #US48514822, August 2022)
- *Market Analysis Perspective: Worldwide Treasury and Risk Management Applications, 2022* (IDC #US48516322, August 2022)

Synopsis

This IDC study provides an assessment of the leading SaaS and cloud-enabled treasury and risk management software solutions and discusses the criteria that are most important for companies to consider when selecting a system.

"Corporate treasurers are prioritizing cash management and working capital management to provide their companies with greater agility. The ability to create a portfolio of payment instruments to shape

money movement characteristics is highly desirable for today's corporate treasurer," says Kevin Permenter, research director, Financial Applications at IDC.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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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