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# The Forrester Wave™: eProcurement Solutions, Q1 2011

by Duncan Jones  
for Sourcing & Vendor Management Professionals



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Procure-To-Pay Specialists Ariba And Basware Still Lead, But The ERP Suites Have Closed The Gap

by **Duncan Jones**

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### EXECUTIVE SUMMARY

In Forrester's 70-criteria evaluation of eProcurement solutions, we found that Ariba and Basware led the pack because of their superior user experience and wider supplier enablement capability. Oracle E-Business Suite and SAP nudged ahead of the remaining products thanks to broad functionality, superior analytics for key performance indicators (KPIs), and support for global enterprises. E-Plus and SciQuest offered good general products with some excellent category-specific support. Capgemini Procurement Services and Hubwoo rate highly as requisitioner UI and supplier enablement layers on top of SAP's Supplier Relationship Management (SRM) platform, while Lawson and Oracle PeopleSoft are smart choices for their enterprise resource planning (ERP) customers. Overall, there was little to broadly differentiate among the 11 products, which are all proven solutions with loyal customer bases and talented product management teams. Procurement executives looking to choose an enterprisewide solution should therefore drill into the detailed evaluation criteria, where clear differentiation exists. You can use the Forrester Wave™ tool to tailor the evaluation to meet your specific needs. By upgrading the weight given to the criteria that are important to you, and downgrading the nice-to-haves, you can create a customized ranking to drive and justify your decision.

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### NOTES & RESOURCES

Forrester conducted eProcurement product evaluations in 2010 and interviewed 11 vendor companies: Ariba, Basware, Capgemini Procurement Services, e-Plus, Hubwoo, Lawson, Oracle E-Business Suite, Oracle PeopleSoft, Perfect Commerce, SAP, and SciQuest. We also interviewed at least two nominated reference customers per vendor.

#### **Related Research Documents**

["Buyers Give eProcurement Software High Marks But Want Better KPI Reporting"](#)

April 23, 2010

["Predictions 2010: ePurchasing Market"](#)

March 24, 2010

## EPROCUREMENT TOOLS CONVERT THEORETICAL SOURCING SAVINGS INTO REAL SAVINGS

Manual procure-to-pay (P2P) processes, whether they use paper requisitions or free-text records in a workflow system, are inefficient and ineffective. Not only do they waste employees' time creating, approving, and processing transactions, they fail to channel spend to the right items from the right suppliers. Even worse, busy staff will ignore the official process and order the stuff they need by phone or Internet. eProcurement products can reduce this so-called “maverick spend” waste by:

- **Guiding people to buy from the company's approved suppliers at pre-negotiated prices.** Many employees favor convenience over price, at least in a business context, so they often choose the local supplier who can deliver quickly, even if it charges a premium price. The company can also lose discounts and rebates from the official supplier if it fails to achieve forecast volumes due to spend going elsewhere.
- **Enabling proper approval of most purchases.** Mavericks find it easier to ask for forgiveness, not permission. They buy what they believe they need and then expect their manager to accept the fait accompli. eProcurement products enforce company governance policies by routing transactions through customized approval workflows.
- **Reducing invoice processing delays and errors.** Many accounts payable (AP) departments devote more than 25% of their time to error resolution — invoices that don't reference a PO or have quantity and/or price discrepancies. One Forrester study found that enterprises that combine eProcurement with e-invoicing were twice more likely than average to achieve excellent AP performance.<sup>1</sup>

### Good eProcurement Solutions Make The Correct Process Easier Than The Rogue One

eProcurement tools address these issues by encouraging people to buy from preapproved suppliers and item lists, known as “catalogs.” These ensure that the company gets the pre-negotiated price. Implementing an eProcurement tool is insufficient unless people use it. Company staff who need to buy indirect goods and services are busy people, and they don't have time to waste filling in long requisition forms or waiting for a tortuous approval process. They want to order their stuff, get it quickly, and move on. The key to getting high adoption is to make the official process simple and quick while putting obstacles in the way of alternatives. Project teams should focus on:

- **Easy-to-use requisition creation.** Requisitioners want to be able to find what they want in an internal catalog or on an approved supplier website and create a requisition with the minimum additional data needing to be keyed in. They want a user interface that matches the best web-shopping experiences.
- **Category-specific functionality.** Not everything we buy is as simple as office supplies. People need to be able to procure various categories, including configured items and complex services.

The eProcurement system should point them to the right suppliers, prompt for important information, and support category-specific ordering, delivery, and invoice-matching processes.

- **Rapid approval.** Overworked staffers don't want to wait for urgently needed goods and services, so they'll bypass the system if purchasing doesn't issue the PO swiftly. This means that the system must trigger managers to review and respond promptly to incoming requisitions, and it must issue the PO without further manual intervention. Bottom line: Every requisition must become a PO within 48 hours, unless there is a genuine reason for it to be rejected, or people won't use the system.
- **Penalties for noncompliance.** It is insufficient to merely make the right way easier — project teams also have to make the wrong way harder. For example, delaying payment to suppliers who fail to quote valid PO numbers on their invoices will encourage them to reject the mavericks' telephone orders. Forrester spoke with one company whose central finance department levies penalty charges on business units (BU) for any invoices they have to process that aren't supported by properly approved purchases.

### The ERP Suites Have Caught Up, But There Is Still Room For Specialists To Succeed

The ERP giants have enhanced their products greatly over the past few years, so their functionality matches the specialists in most criteria and even exceeds it in others. Many enterprises with relatively simple, consistent ERP landscapes will not look beyond their incumbent, deciding that qualities such as brand, financial strength, and ease of integration will outweigh any (alleged) functional deficiencies. Alternatively, many procurement executives will also consider eProcurement specialists who may deliver:

- **Faster supplier enablement and better supplier support.** The ERP suites' P2P model assumes that suppliers will flock to an enterprise's supplier portal without needing much persuasion. This approach won't work for all companies — many find that their suppliers resist pressure to transact manually via multiple customers' websites.<sup>2</sup> The eProcurement specialists provide tools, expertise, processes, and resources to connect clients with their suppliers.
- **Wider user adoption, thanks to a superior user experience.** The ERP giants' early attempts at eProcurement lacked usability, so many of the specialists grew by providing better catalog management and search front ends to ERP's purchasing modules. However, although the best-of-breeds still stay slightly ahead, the suites have largely closed the usability gap.
- **Category-specific expertise.** Basic catalog search and shopping cart creation are commodity features, but most of the problems come from the complex categories that generic products cannot support very well. Most products let you tailor input forms and workflows, but some specialists have developed productized solutions for these difficult areas, and these may be the most important differentiator in your decision.

## FORRESTER EXAMINED ENTERPRISE-CLASS VENDORS' PRODUCTS AND STRATEGY

To assess the state of the eProcurement market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of 11 top eProcurement vendors.

### The Forrester Wave Helps You Decide Which Vendor Will Maximize eProcurement Adoption

From researching many eProcurement implementations, both successful and disappointing, we have identified that resistance, from staff and suppliers, is the major obstacle. Therefore, we have developed a comprehensive set of evaluation criteria that focus primarily on features that will help eProcurement project leaders maximize adoption and use of their chosen product. We evaluated vendors against 70 criteria, which we grouped into three high-level buckets:

- **Current offering.** We placed most emphasis on user experience features such as requisition creation and approval, along with the vendors' capabilities to integrate suppliers into the P2P process. We looked closely at potential differentiators such as category-specific functionality, KPI analytics, and support for central procurement departments servicing global businesses. We also tested buyer and system admin features and technology criteria such as the ease of integration with related applications.
- **Strategy.** It is important to pick a vendor with the strategy and financial resources to continue developing and enhancing its product over the long term. Small companies may be unable to realize their bold aspirations, whereas large ones may divert resources elsewhere to higher-priority product categories. Therefore, our evaluation of vendors' strategies considers their focus on eProcurement and their ability to be successful in the market, in addition to vision and financial strength.
- **Market presence.** We assessed vendors' significance in the overall market by evaluating recurring revenue (maintenance and software-as-a-service subscriptions), new revenue (perpetual license sales and subscription growth), and employees (either full-time assigned to eProcurement or an appropriate proportion of shared resources). This rating drives the size of the bubble in the main chart but does not affect our overall ranking.

### Forrester Evaluated The 11 Largest Vendors With Enterprise-Class Solutions

Forrester included 11 vendors in the assessment: Ariba, Basware, Capgemini Procurement Services, e-Plus, Hubwoo, Lawson, Oracle E-Business Suite, Oracle PeopleSoft, Perfect Commerce, SAP, and SciQuest. Each of these vendors has (see Figure 1):

- **A comprehensive solution suitable for enterprise customers . . .** This test excludes eProcurement solutions focused on specific categories such as travel (e.g., Concur, Rearden Commerce) or contingent labor (e.g., Beeline, IQNavigator).

- **... including a significant amount of its own productized intellectual property (IP).** We included Hubwoo and Capgemini who incorporate SAP's SRM product but layer their own IP on top to provide an improved user interface for requisitioners. We excluded marketplaces and supplier networks that did not satisfy this criterion.
- **More than \$15 million in revenue per year from eProcurement products and services.** The Forrester Wave is a comprehensive evaluation, so we are unable to evaluate every vendor operating in the category we are studying. A vendor that falls below this size threshold may be a good choice for companies in its target market niche, whether characterized by size, vertical, region, or budget, but the vendor is unlikely to have the breadth and depth of capability that enterprises will need.

**Figure 1** Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Product release date
Ariba	Ariba Procurement	10s1	June 2009
Basware	Basware Purchase Management	5.1.3	October 2009
Capgemini Procurement Services	IBX eProcurement		October 2010
e-Plus	Procure +	6	September 2009
Hubwoo	eBuy 4	4.3	October 2009
Lawson	S3 Supply Chain Management Suite	9.0.1	May 2008
Oracle E-Business Suite	Oracle iProcurement	12.1.3	September 2010
Oracle PeopleSoft	PeopleSoft eProcurement	9.1	November 2009
Perfect Commerce	PerfectProcure		April 2010
SAP	Supplier Relationship Management	7.0	April 2009
SciQuest	SelectSite	10.3	November 2010

**Vendor selection criteria**

Does the vendor have a comprehensive solution suitable for enterprise customers?
Do the solution include a significant amount of the vendor's own productized intellectual property?
Does the vendor make more than \$15 million in revenue per year from eProcurement products and services?

Source: Forrester Research, Inc.

## ARIBA AND BASWARE LEAD, FOLLOWED BY ORACLE AND SAP JUST AHEAD OF THE PACK

The evaluation uncovered a market in which (see Figure 2):

- **Ariba, Basware, Oracle E-Business Suite (EBS), and SAP provide the leading overall solutions.** Ariba has the most complete range of functionality and the best user experience. Basware scored particularly well for its broad category support and its supplier enablement and integration capability. Oracle EBS and SAP have very good solutions that are a logical choice for customers of their ERP suites, provided you are happy with a self-service portal approach and with increasing your dependence on a powerful supplier. They have both built on their strong technology foundations and business intelligence tool sets to develop superior reporting and procurement KPI analytics.
- **Capgemini Procurement Services and Hubwoo offer strong solutions based on SAP's platform.** Both companies offer hosted versions of SAP's SRM product with their own catalog management front ends to deliver improved user experiences.
- **E-Plus, Perfect Commerce, and SciQuest offer competitive options.** All of these products scored consistently with best-in-class capabilities in some areas. E-Plus and SciQuest have some exceptional category-specific capabilities — e-Plus for IT and SciQuest for laboratory equipment and supplies.<sup>3</sup> Perfect Commerce has developed and/or acquired an extensive portfolio that it sells as a standalone platform or as an alternative front end to SAP SRM foundations.
- **Oracle PeopleSoft and Lawson are the logical choice for their ERP customers.** Both scored well in their own right, so for most of their customers the integration and standardization advantages will outweigh minor functionality weaknesses. The major weakness for both products, as for EBS and SAP, is the over-reliance on a portal approach to connect with suppliers.

**Figure 2** Forrester Wave™: eProcurement Solutions, Q1 '11



Source: Forrester Research, Inc.

**Figure 2** Forrester Wave™: eProcurement Solutions, Q1 '11 (Cont.)

	Forrester's Weighting	Ariba	Basware	Capgemini Procurement Services	e-Plus	Hubwoo	Lawson	Oracle E-Business Suite	Oracle PeopleSoft	Perfect Commerce	SAP	SciQuest
<b>CURRENT OFFERING</b>	50%	4.20	4.03	3.70	3.43	3.59	2.99	3.63	3.52	3.65	3.76	3.57
Goods purchasing	20%	4.38	4.28	3.97	4.09	3.79	3.74	4.27	4.15	4.09	3.90	3.88
Category support	15%	3.74	3.49	2.86	2.90	3.44	2.65	2.95	2.86	2.79	3.65	3.09
Settlement	3%	5.00	4.65	4.35	4.00	4.35	3.70	4.35	4.35	4.35	3.70	3.70
Reporting	12%	3.50	3.50	4.00	3.00	3.00	3.00	5.00	4.50	3.00	4.00	3.50
Process configuration	12%	3.70	4.40	3.20	3.40	3.30	3.30	3.90	3.90	3.70	4.00	3.60
Supplier connectivity and enablement	22%	4.82	3.81	3.70	3.45	3.52	2.08	2.44	2.53	3.67	3.18	3.57
Technology	8%	4.42	4.43	3.83	3.74	3.83	3.15	3.98	3.84	4.29	4.00	3.55
Globalization	8%	4.19	4.58	4.49	2.89	4.40	3.40	3.48	3.30	4.09	4.30	3.70
<b>STRATEGY</b>	50%	4.05	3.85	3.33	3.17	2.76	3.32	3.45	3.15	2.96	3.42	3.44
Product strategy	60%	4.45	4.00	3.50	2.95	2.85	3.45	3.45	2.95	2.85	3.65	3.15
Corporate strategy	25%	4.00	4.00	2.50	3.50	3.00	3.50	2.50	2.50	3.50	2.50	5.00
Financial resources to pursue strategy	15%	2.50	3.00	4.00	3.50	2.00	2.50	5.00	5.00	2.50	4.00	2.00
<b>MARKET PRESENCE</b>	0%	3.25	2.20	1.95	1.65	1.60	3.30	5.00	3.60	1.30	5.00	1.90
Installed base	35%	3.00	1.00	2.00	2.00	1.00	3.00	5.00	3.00	1.00	5.00	1.00
Market share of new deals	35%	2.00	1.00	1.00	1.00	1.00	3.00	5.00	3.00	1.00	5.00	1.00
Employees	30%	5.00	5.00	3.00	2.00	3.00	4.00	5.00	5.00	2.00	5.00	4.00

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

Source: Forrester Research, Inc.

### Use The Forrester Wave To Develop A Customized Evaluation Tool

Forrester's evaluation of the eProcurement market is intended to be merely the foundation of a procurement manager's own selection processes. We encourage clients to view the detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool. For example, you may place a higher or lower importance than we did on:

- **Global capabilities.** Buyers wanting one enterprisewide platform across many business units should increase the importance assigned to multilanguage and multicurrency support and flexible integration capabilities, whereas US-only companies may discount this area completely.

- **Compatibility with the existing ERP estate.** We've evaluated general integration capability. Buyers with single-instance ERP systems should increase this criterion's score and weight for their incumbent vendor's eProcurement product.
- **Support for key categories.** What are the biggest causes of rogue buying and invoice discrepancies? For which categories do you have custom-developed or overly manual solutions? These should be added to the Forrester Wave tool as specific requirements, so you can test the vendor's ability to solve those problems, either by standard functionality or simple additional configuration.

## VENDOR PROFILES

### Leaders

- **Ariba has the most complete range of functionality and the largest supplier network.** It can deliver the best user experience, provided project managers apply the effort to take advantage of its configuration capabilities. Ariba has the functionality and expertise to solve many different category-specific problems — which should be one of buyers' key decision criteria. Forrester also likes Ariba's commitment to interoperability and to providing additional services to suppliers to justify its network charges. The recent acquisition of Quadrem reinforces its leadership position. Some clouds on the horizon include increased efforts by Oracle and SAP to expel Ariba from their ERP customer bases and customers' discontent about last year's supplier network price hikes.
- **Basware provides a leading P2P solution.** Its main strength is its focus on the complete process and on invoice automation even for non-PO purchases. Forrester also likes Basware's open network strategy because that enables customers to connect more quickly with their supplier base. Instead of trying to persuade vendors to use yet another self-service portal, Basware will let them simply add the new customer to their existing eCommerce solutions. Basware's weakness is relatively low penetration in the US — although it has some big-name US clients, half its revenue still comes from its Scandinavian home region.
- **Oracle EBS is a leading solution, particularly for customers of its ERP product.** It is a good and rapidly improving solution and has the best procurement-specific reporting and KPI analytics. It is true that eProcurement isn't high on Oracle's priority list, but Oracle's R&D spend is so huge that this may not matter — Forrester estimates that Oracle's ePurchasing development team is larger than that of any of the so-called specialists. And Oracle uses it itself, so that ensures adequate focus on usability.<sup>4</sup> Like the other ERP suites, Oracle lacks a coherent supplier network strategy, but it is at least moving in the right direction with its partnership with Transcepta.<sup>5</sup>
- **SAP is the fastest-improving solution in this Forrester Wave.** Even SAP's partners criticized previous versions' usability, but SRM 7.0 has caught up to most of its competitors and looks likely to surpass them in some areas, such as in-process analytics. The main weakness is its over-

reliance on customers creating their own supplier portals for manual self-service transacting, but they can also engage supplier networks and enablement service providers to address that gap.<sup>6</sup>

### Strong Performers

- **Capgemini Procurement Services' IBX product is a strong choice for SAP shops.** Capgemini acquired IBX to be the platform for its procurement business process optimization practice, but it continues to sell it as a standalone solution, even accelerating development and adding sales resources. IBX was strong in Scandinavia and Germany, and Capgemini may be able to expand it into a truly global, or at least pan-European, solution. A weakness is that supplier connection is primarily via its manual self-service portal — fewer than 5% of suppliers transact with it electronically.
- **E-Plus offers a cost-effective alternative for medium-sized businesses.** The company is also an IT reseller and provider of asset management services, so it unsurprisingly has exceptional support for IT categories such as searching by parameters, sourcing from inventory, asset management, and integration with IT service management products. E-Plus sells primarily below enterprise level, although it is a good option for autonomous divisions that can choose their own product without central interference. Indeed, the criteria for which it scored less well, including supplier enablement and support for global enterprises, may be relatively unimportant to many prospective buyers.
- **Hubwoo has a good product based on SAP's SRM platform.** Its solution combines its own requisitioning front end with a hosted SRM environment. It has some particular strengths, such as its support for complex field services — a major requirement of oil and gas enterprises and utilities. However, SAP's rapid enhancement of SRM reduces the need for Hubwoo's add-on options. In addition to its product and hosting revenue, many SAP customers employ Hubwoo to provide supplier enrollment and support — it is the last remaining independent SAP SRM supplier enablement partner since the acquisitions of IBX and Quadrem.
- **Oracle PeopleSoft is a logical choice for customers of its ERP product.** It is a good product in its own right, scoring consistently well with some best-in-class features such as support for unstructured collaboration with suppliers via its portal. It benefits from Oracle's scale and technology platform, and there is as yet no evidence that the advent of Fusion Apps will reduce the continuing investment in the PeopleSoft product line in general and the purchasing applications in particular. The next release is likely to include a UI makeover along with many other customer-requested enhancements. Supplier enablement is a weakness, just the same as its sibling, Oracle EBS.
- **Perfect Commerce provides a good alternative to enterprises' ERP incumbent.** It has assembled a strong portfolio of products and services by acquisition, including the core IP of eCommerce pioneer Commerce One. Many of that product's early adopters still use Perfect

Commerce as a front end to their SAP SRM back ends. It's a valid option for chief purchasing officers (CPOs) who don't want to increase their dependence on their ERP supplier. However, like Hubwoo, it faces increasing competition from SRM without having a defensible vertical or regional niche.

- **Lawson's eProcurement solutions are the natural choice for its ERP customers.** While lacking some specialist features, the product scored well across most criteria. The weak area is supplier enablement — Lawson does not have a supplier network or provide enrollment services, not even via partnerships, so customers will have to take responsibility for that task.
- **SciQuest is exceptionally strong in its target verticals.** It has unique strengths in laboratory equipment and supplies, so CPOs in verticals such as life sciences and education, who will have significant purchases in those categories, should definitely include SciQuest on their shortlists. Such companies use SciQuest either as their general tool or as a category-specific solution in conjunction with another platform. However, SciQuest faces tough competition in its target vertical from SAP, which seeks to expand its footprint, supported by those internal IT functions that favor standardization over business needs, so it remains to be seen whether or not it will be able to defend its niche.

### Companies That Didn't Fulfill All Of Our Inclusion Criteria May Be Good Niche Solutions

There are many eProcurement products on the market in addition to the 11 with the highest revenue that we evaluated in this Forrester Wave (see Figure 3). Procurement managers may do well to include a tier two vendor on their shortlist if its niche aligns with their requirements. For instance, a country-specific solution will be fine for a company with few overseas employees or suppliers.

**Figure 3** eProcurement Vendors Not Included In This Forrester Wave

Vendor		Overview	Marquee customers	Products and solutions			
				eProcurement	Supplier network	EIPP	eSourcing
b-pack www.b-pack.com	Paris, France	Supports the complete purchase-to-pay cycle via a configurable workflow platform. Has 80 midsize French customers, including some divisions of large enterprises, and has recently opened a US office.	Aon, Danone	✓			
Coupa www.coupa.com	San Mateo, CA	A rapidly growing pure SaaS vendor that wasn't quite large enough to make our evaluation shortlist. Coupa has a single solution for managing all indirect purchases and employee expenses, focusing on ease of setup and use. For instance, it can capture details of proposed purchases from suppliers' websites and route them for approval without needing a punch-out integration.	Salesforce.com, Taleo, Reebok, Rent-A-Center	✓			✓
Esize www.esize.nl/?lid=2	Weesp, near Amsterdam, Netherlands	Supports the whole purchasing process from sourcing to payment, focusing on the public sector with some local private sector clients too.	Dutch Finance and Defense ministries, Ahold, Telfort	✓	✓	✓	✓
Ivalua www.ivalua.com	Paris, France	Offers a complete ePurchasing solution via 22 integrated modules. Has grown steadily, selling to several large French companies, and is now seeking to expand in the UK and US. Built on Microsoft technology, Ivalua Buyer is flexible and scalable. For instance, some customers use it just for supplier master data management, while others employ the full suite.	Credit Agricole, Bouygues Construction, Faurecia	✓		✓	✓
Ketera www.ketera.com	San Jose, CA	Provides an easy-to-use eProcurement solution as part of a full ePurchasing suite. It has an extensive supplier network with more than 50,000 members. Rearden Commerce, a large travel management platform vendor, acquired Ketera in December 2010.	Con-way, Kennametal, Servicemaster	✓	✓		✓

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Source: Forrester Research, Inc.

**Figure 3** eProcurement Vendors Not Included In This Forrester Wave (Cont.)

Vendor		Overview	Marquee customers	Products and solutions			
				eProcurement	Supplier network	EIPP	eSourcing
Paramount Technologies	Walled Lake, MI www.paramounttechnologies.com	Sells Employee Workforce Automation, which covers the related processes of procurement, travel and expense management, time sheets, and other project management tasks. Focused on midmarket customers, with integration to Microsoft Dynamics GP, Sage, and SAP Business One, among others.	No enterprises listed, since this is not its target market	✓			
Proactis	Wetherby, UK www.proactis.com	Sells spend control solutions to midsize to large organizations, primarily in UK but with an office in the US. It has over 350 successful implementations. The solution includes support for the purchase-to-pay process with reporting and analytics to help buyers identify savings opportunities.	Apcoa, CB Richard Ellis, University of Birmingham	✓		✓	✓
PurchasingNet	Red Bank, NJ www.purchasingnet.com	Provides eProcurement, e-payables, and financial management services and solutions to mid- and large-sized organizations. A 25-year-old company, it has more than 1,400 customers particularly in financial services, professional services, and retail.	US Bank, Watson Wyatt, HBO, Sara Lee	✓		✓	✓
Verian	Charlotte, NC www.verian.com	Aims its purchase-to-pay automation suite at medium to large US companies. Verian started in healthcare but now sells across industries. The suite includes invoice processing, employee reimbursement, and asset management.	Caterpillar Dealership, Macy's	✓		✓	
WaxDigital	Cheshire, UK www.waxdigital.com	Sells its configurable, modular source-to-pay platform to large UK businesses. It has a number of customers in retail and manufacturing plus some in the public sector. WaxDigital has eSourcing and CLM in addition to eProcurement. Also supports midsize companies via a reseller partner.	ABF, Center Parcs, DSG Retail	✓		✓	✓

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Source: Forrester Research, Inc.

## SUPPLEMENTAL MATERIAL

### Online Resource

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

### Data Sources Used In This Forrester Wave

Forrester used a combination of four data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.
- **Product demos.** We asked vendors to conduct demonstrations of their product's functionality. We used findings from these product demos to validate details of each vendor's product capabilities.
- **Strategy briefings.** We asked senior executives responsible for product management to explain their marketing and development strategies and quizzed them on their plans for their product and their ability to succeed in this competitive market.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with at least two of each vendor's current customers.

### The Forrester Wave Methodology

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

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

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based

tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

## ENDNOTES

- <sup>1</sup> In a study for a specific client, Forrester surveyed 100 finance and AP managers on their procure-to-pay performance. We found that 30% of respondents that used eProcurement and eInvoicing achieved excellent performance of 50,000 invoices per AP clerk per year, whereas only 15% of all respondents were able to reach this level.
- <sup>2</sup> Enterprises use supplier networks to trade electronically with their suppliers, but they find that insufficient cooperation between rivals limits potential progress. CPOs and their ePurchasing program managers struggle to get full adoption because suppliers are reluctant to use all the multiple networks and single-buyer portals that their various customers specify. Network interoperability is technologically straightforward, but real barriers exist, such as the lack of a commercial model and large vendors' reluctance to help smaller competitors. Once consolidation starts, the natural imperative of scale in the technology business will transform the market into one in which a few large, successful, interoperating networks enable buyers to reach all their suppliers, however small or physically remote. CPOs can support and encourage this process by ditching their buyer-centric approach, providing suppliers with choices, and insisting their network providers interoperate with their peers. See the July 30, 2009, "Enterprises Should Push Supplier Networks To Deliver Interoperability" report.
- <sup>3</sup> So you can choose e-Plus if you want to buy computer mice, and you can go to SciQuest if you want live mice for scientific experiments.
- <sup>4</sup> Especially, presumably, if you want to raise requisitions for purchases of other technology companies.
- <sup>5</sup> Oracle announced its partnership with Transcepta in March 2010: "Oracle has partnered with Transcepta to offer a new service that recruits and connects all of your suppliers to send invoices electronically. With Transcepta in place, invoices from suppliers can be transmitted via Oracle Supplier Network and flow directly into your Oracle Accounts Payable systems." Source: "Oracle Partners with Transcepta for eInvoicing," *Oracle Information InDepth Newsletters — Procurement Edition*, March 2010 (<http://www.oracle.com/newsletters/information-indepth/procurement/mar-10/invoicing.html>).
- <sup>6</sup> SAP offers a component called "SUS" or "Supplier Self-Services" that enables automated transacting with suppliers. Customers' IT departments can use this to integrate with selected suppliers' systems or engage an SAP partner to do this. In addition, of the companies in this Forrester Wave, Ariba, Capgemini, Hubwoo, and Perfect Commerce all have many customers using their supplier networks with SRM back ends. B2B vendors including Crossgate, GXS, and IBM Sterling also connect SRM users with their larger suppliers.

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