

IDC MarketScape

# IDC MarketScape: Worldwide Accounts Payable Automation Software for Large Enterprise 2024 Vendor Assessment

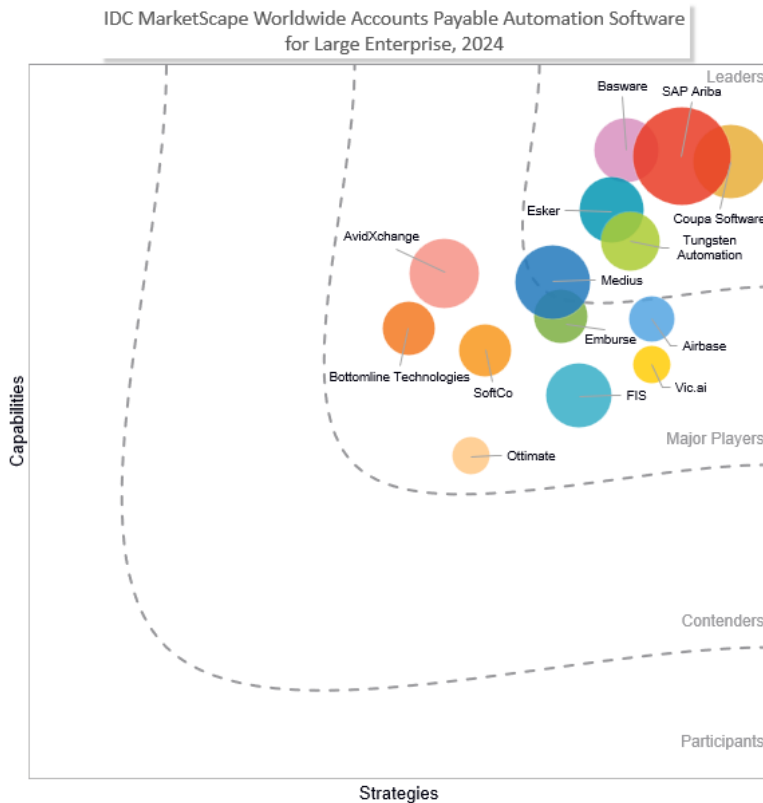
Kevin Permenter      Jordan Steele

THIS IDC MARKETSCAPE EXCERPT FEATURES TUNGSTEN AUTOMATION

## IDC MARKETSCAPE FIGURE

FIGURE 1

### IDC MarketScape Worldwide Accounts Payable Automation Software for Large Enterprise Vendor Assessment



Source: IDC, 2024

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

## IN THIS EXCERPT

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The content for this excerpt was taken directly from Worldwide Accounts Payable Automation Software for Large Enterprise 2024 Vendor Assessment (Doc # US51740824). 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

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Accounts payable (AP) is a crucial function within organizations, pivotal for maintaining financial health and operational efficiency. However, it's often plagued by inefficiencies such as payment delays, reconciliation issues, and supply chain difficulties, which can significantly impact a business' bottom line, especially in a cost-of-living crisis. The complexity of managing spending, exacerbated by multiple business units, spend types, countries, data sources, and ERPs, has left many organizations struggling to maintain a clear view of their spending profiles, particularly during the economic uncertainty.

The rise of cloud-based accounts payable automation solutions marks a significant shift in addressing these challenges. These platforms offer flexibility, scalability, and the ability to integrate seamlessly with other financial systems, enabling real-time data synchronization and remote access. This technological advancement supports a more comprehensive approach to financial management, aligning with the current trend toward business process improvements and cost savings rather than groundbreaking innovations. This cautious approach is a direct result of firms' reluctance to invest in new technologies amid market uncertainties.

Accounts payable has emerged as a top priority for back-office digitization over the past two years, trusted by finance teams to address multiple concerns including security, process inefficiencies, and disorganized workflows. The global business landscape's shift toward a digital-first approach necessitates a similar transformation in the finance and accounting function, with AP automation on the cloud showing more promise in terms of efficiency, flexibility, and productivity compared with on-premises solutions.

Despite the potential of AP automation, many companies still grapple with manual processes, resource constraints, and lost discounts due to inefficient AP processes. These issues underscore the need for a more streamlined and automated approach to manage the AP function effectively.

Financial applications are expected to support evolving business models, shifting regulations, and the convergence of workflows, among other changes. This includes the integration of accounts payable with other financial functions like accounts receivable, procurement, and expense management, fostering greater coordination and strategic decision-making. In addition, the shift toward digital payments, moving away from traditional paper-based methods, highlights the growing importance of integrating payment capabilities into financial applications for added control and efficiency.

The adoption of cloud-based AP automation solutions represents a critical step forward for organizations aiming to enhance their financial management practices. By addressing the inherent complexities and inefficiencies of the AP function, companies can improve their operational efficiency, reduce costs, and better position themselves for growth in an increasingly digital economy.

## IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

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The vendor inclusion list for this document was selected 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 application can be purchased separately (not only functionality built into a larger system) and is available off-the-shelf without required customization.
- Software application has capabilities for invoice management, supplier management, AP workflow management, payment management, and/or tax and regulatory compliance.
- The vendor had at least \$5 million in 2023 AP management software revenue.
- The vendor had 2023 revenue in at least two countries.
- The vendor must be in the market for at least three years.
- The vendor must have a significant footprint with business with more than 1,000+ employees.

## ADVICE FOR TECHNOLOGY BUYERS

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Accounts payable applications are evolving rapidly as vendors invest research and development dollars into bolstering, augmenting and, in some cases, redesigning their applications. The applications must align with the new digital enterprise and its preferred way to absorb technology. The vendors must work to align their go-to-market strategies and product development strategies with the new digital enterprise. While the vendors in this study may vary widely in size, experience, levels of support, and sales model, the goal for all the vendors listed in this study is the same – create/curate a differentiating user experience. To do that, the user experience must go beyond the software to include the sales process, accounting management, implementation, and post-implementation support.

As a buyer in this market, following are a few of the key questions to consider during the buying process:

- **Begin by looking inward.** Before making purchasing decisions on software, here are a few key questions to ask regarding the internal resources and processes:
  - What are some of the issues I would like to resolve with this new system?
  - Are the issues technology related?
  - What are my internal support resources and capabilities?
  - How should we define success for this implementation?
  - Which internal stakeholders should we include in the evaluation processes?
  - How will a new system change my organization?
- **Select the right partners (internal and external).** The first step in the journey to implementing AP systems is developing a strategy and plan for the implementation. This includes doing due diligence in finding the right vendor. Here are a few key questions to ask regarding the software vendor:
  - Does the vendor have experience with my type of product, service, and company size?
  - Can the vendor show me a hands-on demo with my organization's "live/real" data to show the benefit to the business?

- Does the vendor understand the regulations that will impact my business? How are these regulations reflected in my current product and how will it change in the future?
- What is the vendor's strategic investment outlook for the next three to five years? Why? How will that change and enhance my business?
- **Consider the foundation.** AP applications vendors have seen many iterations from a technology architecture standpoint. Even among cloud vendors, there are many different varieties of software architectural approaches. IDC believes that taking time to understand the foundation of the software and its advantages (or limitations) is of critical importance during the buying decision. Here are a few key questions regarding the software vendor:
  - What is the data flow design within the current solution?
  - What kind of APIs are available now from this vendor? RESTful? SOAP? GraphQL?
  - What kind of developer tools does the vendor provide (e.g., sandbox, dedicated portal, low-code/no-code tools, and database management tools)?
  - Is any part of the software currently built on a microservice architecture? If so, which parts?
- **Take ownership of the implementation.** For the best results, organizations must take a very active role in the actual implementation of the software. AP software touches upon a lot of other back-office systems (budgeting and planning, treasury, payroll, sales management, talent management, etc.). As a result, extreme attention must be given to how the AP system is set up and how it interacts with other systems within your organization. Here are a few key questions to ask regarding the software implementations:
  - What levels of support are available and are they geographically available for my business?
  - How should I set up the service-level agreement (SLA) before signing any contracts?
  - Can the system integrate with my company's other IT systems and those of my partners?
  - Which IT system needs to be integrated and to what degree?
  - How are we set up to deal with frequent product updates?
- **Note that post-implementation is critical.** In many ways, the success of any SaaS implementation hinges on what happens after the implementation is up and running. This is where change management takes center stage and the people's side of AP management becomes essential. Here are a few key questions to ask regarding the post-go live phase of software implementations:
  - Do we have a strategy to encourage rapid adoption among employees?
  - Do we have the right amount of training for employees to master the new features within the system?
  - Are we communicating the purpose and benefits of the system change to the relevant employees?
  - Have we aligned existing policies and procedures to enable the adoption of the new workflows?

This IDC MarketScape assists in answering the aforementioned questions and others.

## VENDOR SUMMARY PROFILES

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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.

### Tungsten Automation

After a thorough evaluation of Tungsten Automation's strategies and capabilities, IDC has positioned the company in the Leaders category in this 2024 IDC MarketScape for the worldwide accounts payable automation software for large enterprise market.

Through invoice processing automation, built-in compliance engines, and large global e-invoicing networks, Tungsten Automation helps enterprises process every type of invoice accurately and compliantly, from paper to PDF to real-time e-invoices. The solution can connect to practically any ERP while augmented with configurable business rules through ERP-centric workflows.

Quick facts about Tungsten include:

- **Number of employees:** 2,200+
- **Total number of clients:** 10,000+
- **Globalization:** 196 countries
- **Industry focus:** Banking and financial services, healthcare, public sector, supply chain, and insurance
- **Partner ecosystem:** 500+

### Strengths

- **Scalability:** With an exceptionally global presence, Tungsten is equipped to help users scale their business quickly and effectively. The company's global supplier e-invoicing network further assists users to consume and process invoices automatically and more effectively as their operations grow.
- **Tenure in market:** As a player in the market for 40 years, Tungsten has gathered extensive and comprehensive expertise in invoice processing, workflow automation, compliance, and document automation. With those years of experience comes the confidence in knowing it can help customers streamline their financial operations while remaining in compliance with relevant regulations.

### Challenges

- **Increasing competition:** The market for accounts payable automation solutions is growing more every day, emphasizing the need of each suppliers to differentiate themselves from the pack. With so many solutions available to choose from, suppliers need to focus on highlighting the value only they bring to users in order to stand out.
- **Resistance to change:** Many providers must face the uphill battle of convincing CFOs and finance departments to change their ways and implement new automation processes. While the cost savings and reduction in manual processes are obvious value additions, many companies are still reluctant to engage in the transformation needed to implement automation solutions.

### Consider Tungsten Automation When

Consider Tungsten Automation if you are looking for an experienced solution provider with an extensive supplier network, capable of helping your business scale quickly.

## APPENDIX

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### 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

Accounts payable applications support the tracking, analysis, and administration of the money owed to the business vendors. Core functionality for AP software includes invoice entry/processing, payment approvals, vendor management, reconciliation, and reporting capabilities. AP software must be able to execute partial and complete payments and manage vendor terms and other payment execution activities alongside enterprise resource planning, human resources (HR), and other financial management systems.

## LEARN MORE

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### Related Research

- *IDC MarketScape: Worldwide SaaS and Cloud-Enabled Enterprise Finance and Accounting Applications 2023-2024 Vendor Assessment* (IDC #US51405823, December 2023)
- *IDC MarketScape: Worldwide SaaS and Cloud-Enabled Midmarket Finance and Accounting Applications 2023-2024 Vendor Assessment* (IDC #US51405023, December 2023)

- *Worldwide Accounts Payable Applications Forecast, 2023-2027* (IDC #US50231523, September 2023)
- *Worldwide Accounts Payable Applications Market Shares, 2022: Continued Uncertainty Puts Accounts Payable into Spotlight* (IDC #US49193323, September 2023)
- *Worldwide Accounts Payable Applications Forecast, 2022-2026: Visibility and Control Drive Accounts Payable Growth* (IDC #US48515222, August 2022)

## Synopsis

This IDC study advises technology buyers on selecting AP applications that align with digital enterprise needs, emphasizing the importance of user experience, integration capabilities, and strategic vendor selection to enhance financial management practices. This IDC study provides an assessment of the SaaS and cloud-enabled finance and accounting management software solutions and discusses the criteria that are most important for companies to consider when selecting a system.

"In an era of digital transformation, the shift toward cloud-based AP automation is not just an upgrade, it's a strategic necessity for financial health and operational efficiency." – Kevin Permenter, senior director, Enterprise Applications, IDC

"Embracing cloud-based AP solutions is pivotal for organizations aiming to navigate the complexities of modern financial management and secure a competitive edge in the digital economy." – Jordan Steele, research manager, Financial Applications, 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.).

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