iSG Provider Lens™

Procurement BPO, Transformation and Software Platforms

Software and services to reduce costs, upgrade efficiency and sustain continuous improvement

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This ISG Provider Lens™ study focuses on the software platforms, solutions, tools and providers that help state, local, educational (SLED) agencies and other public sector organizations improve the way procurement works and enable the transformation of procurement into digital business realities.

While significant changes and advances were underway for most public sector and commercial procurement organizations before 2020, supply chain breakdowns due to pandemic-induced labor shortages, material deficiencies and transportation disruptions made it very clear that room for procurement improvement existed. Three years on, we see even more room for improvement, as costs rise and other challenges persist.

When effectively implemented and used, modern procurement software and services enable improved efficiency, foster business agility, reduce the negative impacts of

supply chain disruptions and, as a result, reduce the operational and strategic costs of and risks to delivering services.

The best solutions help make informed, forward-looking procurement decisions by centralizing procurement and purchasing, providing transparency into these activities and enabling the real-time analysis of related data. These solutions accelerate improvements through automation and integration. They streamline the management of procurement functions and operations by aligning business management software with different government missions and suppliers from the private sector.

Most importantly, providers offer a robust foundation for the near- and long-term transformation of procurement, with continuous improvements in efficiency and adaptability.

Improving procurement with BPO, transformation, and software platforms.

Simplified Illustration Source: ISG 2022

Software Platforms and Solutions

BPO Services

Transformation Consulting Services

This ISG Provider Lens™ Procurement BPO, Transformation and Software Platforms study offers the following to the procurement decision-makers in U.S. public sector organizations:

- Insights into the scope of capabilities and improvements that are available

- A view of Leaders, Rising Stars and Contenders offering these services and software platforms

- Differentiated positioning of providers by segments

- Transparency on the strengths and weaknesses of relevant providers

This study serves as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors, and enterprise clients also use information from these studies to evaluate their current vendor relationships and potential engagements.

Software Platforms and Solutions

Definition

Disruption to global and local production, supply and labor has driven a rapid acceleration in the re-examination and re-platforming of public sector procurement functions and operations. Most older systems, including early-generation cloud solutions, rarely have the ability to enable and sustain the levels of operational adaptability and cost savings that newer platforms deliver.

Public sector entities typically retain major systems for the long term. Procurement systems and organizational structures in use today were likely conceived for earlier generations of financial environments, supplier roles, supply network types, and political and social environments. Workable patch-style upgrades can be developed and applied to legacy systems and organizations. However, without the technology and expertise built into the latest platforms, the best possible result with legacy systems will be a well-patched procurement environment,

rather than one that fluidly adapts to minimize disruption while maximizing financial returns.

The most robust, new procurement platforms adapt to the scope and pace of generational business, technological, economic and political changes. Platform developers build and continuously adapt their solutions to enable the best possible results over the longest predictable timeframes. They do this by building while using deep technological expertise and operational, organizational, and management knowledge bridging procurement, finance, supply chain, production and all linked organizations, operations, and systems. These developers continually integrate new and emerging digital technologies with strategic insight and creative, AI-enabled problem-solving skills. The best platform vendors partner with leading procurement BPO and transformation service providers to enable the most adaptable, reliable and secure environments over time.

Eligibility Criteria

1. Public sector procurement function, process, and user interface/user experience (UI/UX) expertise

2. **Data and solution integration capabilities** for ERP, budget, finance and other enterprise business management platforms, including capital projects and grants management

3. **Cognitive, AI-enabled data analytics**, reporting, automation and management capabilities
   * Integrated machine learning, NLP and similar capabilities
   * Support for partners' cognitive platforms and automation
   * Types and levels of data analyses and decision-making

4. **Support for core procurement functionalities**, including integrated budget and encumbrance functionality

5. Data management and reporting capabilities:
   * Master data management (MDM) capabilities and delivery
   * Security and governance

6. Transformation enablement and futureproofing capabilities:
   * Extensibility enablement and support
   * Support for emerging standards
   * Market presence and influence
   * Next-generation automation and optimization

Definition

Disruption to global and local production, supply and labor over the past few years has not only fostered a re-examination of typical procurement organizations and operations but also engendered the rapid acceleration and expansion of procurement outsourcing. Organizations that would never have considered outsourcing procurement operations are now investigating procurement BPO for immediate improvement and long-term transformation.

When adequately engineered and managed, procurement BPO can reduce operational costs significantly. Clients and providers alike report first-year operational savings between 20 and 35 percent. Continuing supply chain disruptions make ongoing savings more difficult to quantify, but it is not unusual to see annual operational cost reductions averaging between 5 and 10 percent for the first two years after the initial procurement BPO implementation.

Apart from operational cost savings, procurement BPO enables and, in many cases, requires significant changes in the procurement structure and management, to the point where procurement becomes a strategic nexus for internal finance, supply chain, production, sales, partnership and support organizations.

BPO enables these multiple levels of procurement optimization over the near and long term by identifying, enabling and often enforcing the uniformity of operation, interfaces and data. This first takes place within procurement itself and then between procurement, finance, SCM and other critical areas that enable business functions. Hence, data management, integration with other key systems and AI-driven analytics are as important as traditional capabilities such as strategic sourcing, category management, and accounts payable support.

Eligibility Criteria

1. **Public sector procurement optimization**

   * Core procurement capabilities linked to, and adaptable for, current and changing business objectives and outcomes

   * Improvement of current procurement efficiencies, including integration of AI with operations and analytics

   * Foundation for long-term improvement and optimization

2. **Operational disruption management and minimization**

3. **Enablement of procurement operations as managed services**

4. **Advanced analytics with intelligent automation, including RPA and AI**

5. **Immediate implementation and availability of core traditional tools and capabilities, including:**

   * Strategic sourcing

   * Category management

   * Supplier management

   * Demand and specification management

   * Operational purchasing, including bid/spot buy management

   * Catalog management

   * Procurement management scope

   * Technology and support capabilities and offerings

   * Help/buy desk capabilities and offerings

   * **Accounts payable processing support**

Definition

Digital transformation of procurement is not simply about improving procurement operations to reduce costs and improve efficiencies. Real transformation should be thought of as a reconfiguration, or even reconceptualization, of how procurement as a function supports, and can enhance, the delivery of government services.

Organizational and operational structures in use today were conceived around, and built for, previous–generations of financial environments, supplier types, supply chain styles and capabilities, political and social environments. They cannot be optimized to work in a fully integrated, non-disrupted and cost-effective manner like the latest-generation solutions. Workable patches can be developed and applied to current systems. However, without transformation, the best possible result will be a well-patched procurement environment, rather than one that fluidly adapts to minimize disruption while

maximizing financial returns. The most robust procurement environments adapt to the scope and pace of generational business, technological, economic and political changes.

Procurement transformation providers build and continuously adapt their portfolios to enable the best possible results over the longest predictable timeframes. Building atop longstanding organizations and supported by management knowledge, including procurement, finance, supply chain, production and all linked operations, they continually integrate new and emerging digital technologies with strategic, creative, AI-enabled problem-solving skills. The best service providers partner with leading platform vendors to enable the most adaptable, reliable and secure environments over time. Leaders deliver business value that is aligned with a working vision of what procurement is and will be.

Eligibility Criteria

1. **Public sector procurement and business strategy** development and adaptation

2. Strategic roadmap development, implementation and adaptation, including transitioning from current to future procurement structure and operations

3. **Partnerships with leading and forward-thinking** procurement solution and tool developers

4. Advanced analytics capabilities and utilization

5. Stakeholder engagement and involvement

6. **Organizational design and change management**

7. Continuous process optimization and management

8. Cognitive procurement enablement

9. **Automation strategy, implementation and optimization approaches**

10. **NLP and machine learning integration across the source-to-pay cycle**

11. Next-generation metrics and policies support

12. Training offerings and capabilities

Quadrants By Region

As part of this ISG Provider Lens™ quadrant study, we are introducing the following three quadrants for Procurement BPO, Transformation and Software Platforms 2023:

Quadrant	U.S Public Sector
Software Platforms and Solutions	✔
BPO Services	✔
Transformation Consulting Services	✔

The research phase falls in the period between November and December 2022, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in March 2023.

Milestones	Beginning	End
Survey Launch	November 07, 2022	
Survey Phase	November 07, 2022	December 09, 2022
Sneak Preview	February 2023	
Press Release & Publication	March 2023	

Please refer to this link to view/download the ISG Provider Lens™ 2022 research agenda.

Access to Online Portal

You can view/download the questionnaire from here using the credentials you have already created or refer to the instructions provided in the invitation email to generate a new password. We look forward to your participation!

Research Production Disclaimer:

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts..

ISG Star of Excellence™ – Call for nominations

ISG Star of Excellence™ is an independent recognition of excellent service delivery based on the concept of "Voice of the Customer." The Star of Excellence is a program, designed by ISG, to collect client feedback about service providers' success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of the existing first-hand advisor feedback that IPL leverages in the context of its practitioner-led consulting approach.

Providers are invited to nominate their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments. To ensure your selected clients complete the feedback for your nominated engagement, please use the client nomination section on the Star of Excellence website.

We have set up an email where you can direct any questions or provide comments. This email will be checked daily. Please allow up to 24 hours for a reply. Here is the email address: ISG.star@isg-one.com

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ISG Provider Lens™ Advisors Involvement Program

ISG Provider Lens™ offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and sector context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as client requirements and market trends. On average, three advisors participate as part of each study's quality and consistency review team (QCRT).

The QCRT ensures each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct.

ISG advisors participate in each study as part of the QCRT group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

- Help define and validate quadrants and questionnaires,

- Advise on service provider inclusion, participate in briefing calls,

- Give their perspectives on service provider ratings and review report drafts.

ISG Advisors to this study

Mark
Fairbank

Director

Nathan
Frey

Partner

Invited Companies

If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

* Rated in previous iteration

4C Associates	Cbord	Efficio	Icertis
Accenture*	CGI	Esker*	Infosys*
Accrualify	Chain IQ	Everstream Analytics	Insight Sourcing Group*
Aera Technology	Cognizant*	EXL*	Interos
Aestiva	Comarch	EY	iValua*
Agilysys Eatec	Conduent	Fairmarkit*	JAGGAER*
Aquanima	Contraqer	Foods Connected	Kearney
AvidXchange*	Corbus*	Fraxion	Keelvar
Bain & Company	Corcentric*	Genpact*	Kissflow*
Bamboo Rose	Coupa*.	GEP*	KPMG
Basware*	Darkbeam	HCL*	Market Dojo
Bellwether*	Deloitte	Hexaware	Medius*
BirchStreet Systems*	Deltek	HICX	Mercell
BuyerQuest	Dragon Sourcing*	Hybrent	Odoo
Capgemini*	DXC Technology*	IBM*	OpusCapita

Invited Companies

If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

* Rated in previous iteration

Oracle*	Promena*	TCS*	Wax Digital
PayEM	Proxima Group*	Tech Mahindra*	Wipro*
Periscope	PwC	The Smart Cube	WNS Denali*
Precoro*	SAGE	Tipalti*	Workday
PRM360*	SAP Ariba*	Tradeshift*	WorkPlace*
Proactis*	Shipcom Wireless	Tradogram*	Xeeva*
Procura Consulting*	Sievo	Transcepta	ZER*
Procurementexpress	SourceDay	Triple Point	ZIP Intake-to-procure
ProcurePort*	Strategic Procurement Solutions	TYA Suite	Zycus*
Procurify*	Syner Trade	Vortal	
Prokuria	Taulia Inc.	Vroozi	

About Our Company & Research

ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens research, please visit this webpage.

ISG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research delivers guidance that helps businesses accelerate growth and create more value.

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ISG

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