

Public Procurement Technology Landscape

Technology Landscape Guide for Public Sector Leaders

BETA Release, Version 2.0, November 2017 – Includes Supplier Landscape

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FORUM



We welcome all feedback to help us improve on this inaugural version of this report. Please send feedback to protech@publicspendforum.net.

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Procurement Technology Coverage by Public Spend Forum

NOTE: This is release 2.0 of the Public Procurement Technology Landscape report. It includes an additional section that covers the supplier landscape for procurement technology.

Governments around the world spend nearly \$10 trillion to buy goods and services. Increasingly, they are looking to technology as the way to go beyond step changes to transform every process, from visualizing spending and researching markets, to engaging with suppliers and managing performance.

To address this important area, Public Spend Forum, in collaboration with Spend Matters, is pleased to announce the launch of a series of reports and products that provide in-depth market intelligence and insight into the procurement technology landscape.

These include:

- Procurement Technology Landscape Report
 - Procurement Technology Supplier Directory
- 
- This document – contains Supplier
Directory as a supplement to 1.0
- Benchmarking Survey and Tool you can use to see how your organization ranks relative to others
 - Supplier Database that you can use to research procurement technology suppliers
 - Public Procurement Technology Symposium (proceedings can be found online)
 - Government RFQ distribution to all suppliers, to ensure all relevant and interested suppliers are able to participate

Please access the resources and tools highlighted above at www.publicspendforum.net

Introduction and Foreword

Public Sector Procurement Technology Market Landscape, October 2017, is produced by Public Spend Forum (PSF), in collaboration with Spend Matters, Censeo Consulting Group and several partners. It is based on the collective knowledge of subject matter experts representing decades of experience in procurement as well as procurement technology as well as significant additional research.

What is Procurement Technology?

Procurement technology enables the entire procurement and acquisition lifecycle, from planning to award through supplier and contract management. It also enables the overall management and oversight of the procurement and acquisition process, from ensuring public policy goals such as transparency and fairness to enabling sound management practices.

The term Electronic Procurement (eProcurement) is often used synonymously with Procurement Technology, and, according to the definition from the NIGP Dictionary of Terms¹, means “conducting all or some of the procurement function over the Internet; it implies that point, click, buy, and ship Internet technology is replacing paper-based procurement and supply management business processes.”

Modern procurement technology (consisting of software, websites, and online platforms) have proven to help public sector agencies at all levels manage spending, improve efficiencies, increase competition, improve collaboration, meet socio-economic goals, and above all ensure value and impact for taxpayers.

Purpose of Report and Intended Audience: The procurement technology market is complex and fast changing, with over a thousand suppliers providing solutions that enable different elements of the typical procurement/acquisition lifecycle including requirements gathering, solicitation development, bid evaluation, contract award and ongoing supplier performance and contract management.

To help public sector buyers navigate this complexity, PSF is pleased to launch this inaugural report focused specifically on public sector needs and requirements, and aimed at **helping public sector operations/procurement/technology leadership and procurement professionals answer the following key questions:**

1. What is procurement technology and why does it matter to how we manage spending?
2. What types of procurement technology exist and how can they help different participants in the procurement/acquisition process?
3. What is the market/supplier landscape?
4. Which procurement technology suppliers are likely to meet my needs?

Research Approach: In developing this report, Public Spend Forum conducted extensive primary research and combined it with other 3rd party research (including from Spend Matters) from a variety of leading sources to create a view into the market that would be the most relevant for public sector customers. We began with market research to identify challenges unique to public sector procurement, identified the types of technology solutions addressing these challenges, segmented the solution provider landscape, and then identified suppliers that were highly likely to serve the public sector.

We welcome any and all feedback to help us build on this BETA version of the report. Please send feedback to
protech@publicspendforum.net

1. National Institute of Governmental Purchasing (NIGP) Online Dictionary of Procurement Terms. <http://www.nigp.org/home/find-procurement-resources/dictionary-of-terms>

How this document is structured

This report is structured into an Executive Summary and four sections, each corresponding to a key question faced by public sector senior leadership, program employees and Acquisition professionals:

Executive Summary			
What is procurement technology and why does it matter?	How is the procurement technology market segmented?	What is the supplier landscape?	What procurement technology suppliers are likely to meet my needs?
<p>This section provides:</p> <ul style="list-style-type: none">• An introduction to the key challenges and opportunities for public procurement• A definition of procurement technology• Key benefits and possible use cases• Case studies of successful deployments across the public sector	<p>This section provides:</p> <ul style="list-style-type: none">• An overview of the technology landscape• A mapping of technology segments to potential use cases	<p>This section provides:</p> <ul style="list-style-type: none">• Snapshots of each of the four technology market segments, based on our analysis of over 250 suppliers• Distribution of suppliers across the relevant market sub-segments• A high-level analysis of the supplier population by public sector focus and delivery model	<p>This section provides:</p> <ul style="list-style-type: none">• A general framework to help public sector buyers further research the market• Brief overview of Public Spend Forum's <i>Procurement Technology Online supplier Database</i>

Executive Summary

Procurement technology represents a significant opportunity for public sector organizations to enable their procurement goals and missions, drive efficiencies and improve the value being delivered to customers, stakeholders and citizens.

Key Takeaways

- Public procurement represents trillions of dollars in spending across the world and can lead to significant waste and unmet citizen needs, when not done well
- Procurement technology is taking on significant prominence and priority across governments as a tool for meeting procurement goals and enabling government missions
- Procurement Technology enables effective and efficient purchasing by supporting many tasks across the entire procurement/acquisition lifecycle
- Numerous case studies exist across government where procurement technology is proven to deliver significant tangible benefits
- The Procurement technology supplier landscape is quite complex with multiple solution providers covering different parts of the overall acquisition/procurement lifecycle
 - For simplicity, we categorized all suppliers into four broad market segments (Planning & Research, Solicitation & Award, Ongoing Management, and Full Suite), which taken together cover the entire acquisition / procurement lifecycle
- Within these segments, we have identified an initial list of over 250 solution providers with potential relevance to the public sector, that buyers could start with when assessing their requirements and researching the market
- While there is a wide range of suppliers in the market, few have a full suite of capabilities to address all facets of the procurement lifecycle. However, given the ease of implementation of cloud based solutions, now more than ever best of breed solutions should be considered based on criticality of need.
- While government organizations often have unique needs given the need for compliance with regulations, commercial solutions should be seriously considered prior to building custom solutions in-house.
- The first step should be to clearly identify the “problem” to be solved and understand how procurement technology can help, followed by market research, benchmarking against other public sector peers, and in-depth engagement with relevant suppliers
- Public sector buyers of procurement technology can fundamentally take a prototyping and pilot approach with multiple solutions prior to committing to a full-scale implementation.

What is procurement technology and why does it matter?	How is the procurement technology market segmented?	What is the supplier landscape?	What procurement technology suppliers are likely to meet my needs?
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Public sector agencies across the world spend nearly \$10 trillion to purchase goods and services to help achieve their missions.

However, billions are wasted in the process, lost to a variety of obstacles throughout the procurement/acquisition lifecycle.

Public procurement represents nearly \$10 trillion in spending across the world and can lead to significant waste and unmet citizen needs, when not done well.

Public Sector Procurement represents significant expenditure...

[Public sector procurement represents nearly \\$10 trillion in spending globally, and nearly \\$2 trillion in spending by US federal/state/local governments.](#)

Public Spend Forum

["Public procurement is the largest single marketplace in developing and developed economies, accounting for one-fifth of global GDP."](#)

The World Bank

["The U.S. federal government is the largest single purchaser of goods and services in the world, awarding approximately \\$500 billion in contracts every year."](#)

US Small Business Administration

...And tremendous waste

[Wasted taxpayer money that can be deployed to fund other programs](#)

["The British government is 'wasting billions of pounds on procurement' because it does not know how much it spends on private sector suppliers."](#)

Financial Times

["The US federal government can save between \\$25 billion and \\$54 billion a year by changing the way it buys goods and services."](#)

Center for American Progress

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Procurement technology consists of software, websites, and online platforms that directly enable and / or assist in performing critical functions across the typical procurement / acquisition lifecycle.

Procurement technology can help public sector buyers by enabling better decision-making (“spending the right amount of money at the right time on the right things”), streamlining processes, improving collaboration with customers and suppliers, and generally improving the efficiency and effectiveness of purchasing processes.

Procurement technology is taking on more prominence across governments as a means to more effectively and efficiently spend taxpayer money, meet public procurement goals, and achieve public missions

Procurement Technology seen as a critical priority across Government...

- According to the U.S. **National Association of State Procurement Officials (NASPO) 2015 Survey of State Procurement Practices**¹, of the 47 responding states, 36 states use an eProcurement system
- Using technology to enable government processes, including purchasing, is a key part of the **U.S. Federal government** management agenda
- Per the **World Bank's 2017 Benchmarking Public Procurement report**², a vast majority of economies across the world – both developing and developed – have adopted an e-procurement system as a national policy. In the EU alone, “central purchasing bodies should move to full electronic means of communication including electronic bid submission by April 2017”
- The **OECD** recommends³ “improving the public procurement system by harnessing the use of digital technologies to support appropriate e-procurement innovation throughout the procurement cycle”

...That can help meet policy goals and save billions

- Provide visibility into spending
- Improve competition and advance socio-economic goals
- Identify and capture savings opportunities
- Assist in conducting market research
- Reduce time to award by managing workflow
- Track supplier relationships

1. <http://www.naspo.org/dnn/Publications/ArtMID/8806/ArticleID/3312>
 2. <http://bpp.worldbank.org/~media/WBG/BPP/Documents/Reports/Benchmarking-Public-Procurement-2017.pdf>
 3. <http://www.oecd.org/governance/procurement/toolbox/principlestools/e-procurement/>

What is procurement technology and why does it matter?

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The typical procurement/ acquisition lifecycle for a public sector organization consists of many tasks that are common, regardless of level of government.

Many of these tasks are supported by procurement technology, although no solutions exist that address every step and every need.

Therefore, public sector buyers of technology should be cautious when reviewing technology that promises to answer every need.

Procurement Technology enables effective and efficient purchasing by supporting many tasks across the typical procurement / acquisition lifecycle

Key Tasks Across Typical Procurement/Acquisition Lifecycle

Pre-Award			Award	Post-Award	
Understand the Need and Spend	Conduct Research & Analysis	Develop Procurement Strategy	Issue RFx, Negotiate and Award	Order Goods / Services	Implement and Manage Performance
Define the need Identify & engage stakeholders Gather requirements Form initial assessment	Analyze spend, other internal data Research supply market Synthesize the data Develop the list of suppliers to approach	Identify savings levers Create business case Set strategy Communicate the plan	Form the bid team Determine evaluation criteria Create the solicitation Manage the bid process Evaluate and Negotiate Summarize contract, risks & benefits Obtain approvals Adjust budgets & plans	Issue task / purchase orders Make purchases	Form implementation teams Develop change management plan Communicate changes Roll-out suppliers Develop accountability matrix and supplier scorecard Manage supplier relationships

* Red indicates tasks typically supported by Procurement Technology solutions

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Procurement Technology can enable many positive public outcomes and accelerate benefits capture – e.g., by helping increase competition and transparency, pooling demand, and improving productivity.

Benchmark data suggest that public sector organizations can save 5% to 35% on their spend³, depending on the category being purchased.

These savings are typically driven by a combination of systems, process and organizational improvements that facilitate better decision-making and execution.

Successful implementation of procurement technology has proven to drive significant benefits

Implementation examples...

California's eProcure system¹, an online portal designed to improve the experience of businesses selling products and services to the state of California, giving them access to bidding and contracting resources in one location

Virginia's eVA eProcurement program¹, used by over 245 state agencies, colleges and universities and 770 local government entities, with functionality from self-service requisition up to supplier payment.

Florida's MyFloridaMarketPlace (MFMP) system¹, a centralized procurement solution streamlining interactions between suppliers and state government entities, with over 32 agencies, 23,000 state users, and 70,000 suppliers utilizing the system

The country of **Georgia's e-procurement platform**² reform initiative, launched to 2011

Portugal's e-procurement platforms² launched in 2009 for all public entities and public contracts above €5,000

...with significant benefits

- ✓ **Increased procurement process and spend transparency** by allowing real time data views, e.g., into purchase orders as soon as they are ready to be sent to suppliers
- ✓ **Improved efficiencies**, e.g., by eliminating manual rekeying of purchases and contracts

- ✓ **Efficiency gains** resulting in an estimated savings of \$11 million per fiscal year in the cost of processing electronic requisitions (vs. paper)
- ✓ **Overall cost savings** on items and services purchased around \$30 million per year
- ✓ **Increased competition**, with over 100,000 registered suppliers competing for 16,000 annually issued solicitations

- ✓ **Reduction in procurement cycle times**, with requisition cycle time decreasing by 40%, and invoice cycle time decreasing by 45%

- ✓ **Overall cost savings** of over \$400M by 2015
- ✓ **Overall cost savings** of €185 million between 2009 and 2011 alone

1. <http://www.naspo.org/dnn/Publications/ArtMID/8806/ArticleID/3312>

2. <http://bpp.worldbank.org/~media/WBG/BPP/Documents/Reports/Benchmarking-Public-Procurement-2017.pdf>

3. Source: Censeo Consulting Group benchmark database

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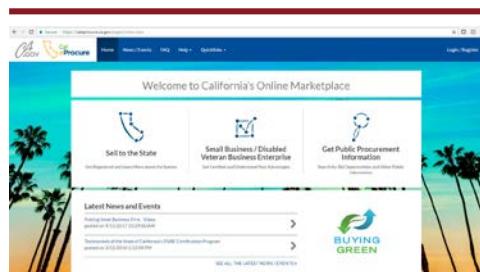
The Cal eProcure system is an online portal and statewide ERP system for posting solicitations and registering contract purchases.

It is the eProcurement module of the Financial Information System for California (FISCal), the statewide budgeting, accounting, procurement and cash management system that combined and streamlined ~2,500 legacy financial systems across different agencies.

Once fully deployed, it is expected to be used by 15,000+ employees across 160+ state agencies.

Case Study: California's eProcure System

Overview



Key Functionalities

- Transaction processing from requisition to supplier payment, including accepting electronic bid responses and electronic invoicing
- Electronic workflow approvals, including electronic submission of requests / approvals across all state government departments

Impact

- ✓ **Anticipated \$400M in savings** from reduced sourcing costs and shorter procurement cycle times
- ✓ **Increased procurement process and spend transparency**
 - The Procurement organization now has real time visibility into purchase orders as soon as they are ready to be sent to suppliers vs. waiting for self-reported data from different departments
 - Quality of data shared with the public has improved significantly by eliminating manual re-keying of purchases and contracts
- ✓ **Improved efficiencies by automating manual processes**, including eliminating a large number of manual forms (and effort associated with filling and maintaining the forms), and minimizing manual reconciliations among control agencies and various separate financial systems

Implementation Lessons Learned

- ❑ **Don't underestimate the change management effort.** Getting 15K+ state employees to change how they do their jobs and learn new skill was a far bigger challenge than initially expected. Make sure to engage end-users early and often, and bake in ample time for training.
- ❑ **Get an early handle on customization needed.** Given the state's complex legislative requirements for bidding and contracting, it was inevitable that the COTS ERP application would need to be customized. However, in a typical phased rollout approach, the emphasis of early phases is usually on rolling out basic functionality quickly (to demonstrate early wins), leaving the customization for later phases. This has the potential to cause schedule slippages due to re-work unless all necessary customization (including customized training needed for different agencies) is identified and accounted for as early as possible.

Sources: PSF research; <http://www.naspo.org/dnn/Publications/ArtMID/8806/ArticleID/3312>; <https://caleprocure.ca.gov/pages/index.aspx>; http://www.fiscal.ca.gov/about-vision/documents/600568_vs23_CaliforniaFiscalStrategicPlan_Brochure_final.pdf; <http://www.govtech.com/computing/A-Candid-Talk-About-Californias-Largest-IT-Project.html>

eVA is Virginia's online, electronic procurement system, and is used by more than 13,000 state agency and local govt. buyers (spanning over 245 state agencies, colleges and universities and 770 local govt. entities) to announce bidding opportunities, receive quotes, and place orders for goods and services.

Virginia created eVA with the intent of streamlining the procurement process, increasing competition and reducing prices paid for goods and services. The program is self-funded, through a SaaS model that levies supplier and nominal agency fees.

Case Study: Virginia's eVA eProcurement Program

Overview



Key Functionalities

- Sourcing (auctions, public posting, supplier invitations, accepting electronic bids/quotes/proposals), purchasing (online requisitioning and catalog shopping, dynamic approval workflow, electronic order delivery, online receiving), and contract management
- Additional applications including Quick Quote, Analytical Reporting

Impact

- ✓ **Estimated \$11M reduction in administrative costs per fiscal year driven by efficiency gains** due to electronic processing of bids, evaluations, orders, approvals, and contract management
- ✓ **Estimated \$30M in annual savings on items and services purchased** due to organizational improvements (e.g., centralized supplier management, support and customer care) and lower costs driven sourcing tools (e.g., Quick Quote)
- ✓ **Increased competition**, with over 100,000 registered suppliers competing for 16,000 annually issued solicitations covering over \$6B in spend, and with double the number of bids received for purchases of \$50,000 or less than before
- ✓ **Increased small business participation in state procurement**, with the number of purchases made from small businesses through eVA increasing from less than 20 percent of all purchases to nearly 60 percent

Implementation Lessons Learned

- ❑ **Focus on systems integration when adopting a best-of-breed approach.** eVA was designed not to replace existing e-procurement and accounting systems across the state but to integrate with and complement them. Thus, the focus was on creating effective interfaces among existing systems and eVA.
- ❑ **Explore innovative public-private partnerships.** Virginia cultivated an effective long-term relationship with CGI, which incurred an initial capital outlay burden for eVA, but designed, owns and maintains the system.
- ❑ **Take an inclusive approach to overcome resistance to change from the get go.** Virginia's Procurement Assessment Task Force included state procurement officials and representatives from state agencies, local government, academia and e-procurement professionals. The team began building support for change among the agency officials likely to be affected the most and responsible for implementation, even as it studied the state's need for procurement reform.

Sources: PSF research; <http://www.naspo.org/dnn/Publications/ArtMID/8806/ArticleID/3312>; <https://dgs.virginia.gov/procurement/eva--virginias-e-procurement-portal/eva-overview/>; http://www.pewtrusts.org/-/media/legacy/uploadedfiles/pcs_assets/2010/statesbuyingsmarterfullreportpdf.pdf; <https://eva.virginia.gov/library/files/evafacts/etYesVAPart%202.pdf>

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MFMP is Florida's online exchange for buyers and suppliers, providing a completely paperless source-to-pay centralized procurement solution with over 32 agencies, 23,000 state users, and 70,000 suppliers utilizing the system.

The system is funded through a simple transaction fee paid by suppliers on payments received from state agencies (and entities leveraging state term contracts, for instance local governments).

Case Study: Florida's MyFloridaMarketPlace (MFMP) system

Overview



Key Functionalities

- Supplier Information Portal, providing suppliers the ability to self-register and connect with state agencies
- MFMP Sourcing, an electronic solicitation application
- MFMP Buyer, a procure-to-pay application providing agencies access to catalog purchasing options and approval workflows
- MFMP Analysis, providing agencies access to standard and customizable reports

Impact

- ✓ **Reduction in procurement cycle times**, with requisition cycle time decreasing by 40%, and invoice cycle time decreasing by 45%
 - Prior to MFMP, agency buyers had to comb through 800+ separate product catalogs featuring over 70K+ items
 - Manual, paper-based processes for purchase approval, purchase order issuance, and invoicing further extended cycle times
- ✓ **Estimated \$2M in annual savings** due to administrative efficiencies driven by shorter procurement cycle times (excludes savings on goods & services spend)
- ✓ **Implementation of a standardized, nationally accepted commodity code system** (the United Nations Standard Products and Services Classification), permitting improved commodity / category management workflows, enhanced spend analytics & visibility, better targeting of suppliers for solicitations, and reducing supplier efforts to provide catalogs to state agencies

Implementation Lessons Learned

- ❑ **Involve agency customers early and often during the deployment.** The MFMP team established a series of quarterly customer meetings, including Change Review Board (CRB) meetings to review / prioritize systems enhancements and implementation timelines, Customer Round Table (CRT) meetings to discuss issues and ongoing operations, and State Purchasing Round Table (SPRT) meetings to purchasing and supplier related topics.
- ❑ **Instill a continuous learning culture to promote system adoption.** The MFMP University provides comprehensive training opportunities catering to different learning styles for both agency and supplier customers, and conducts over 100 training sessions reaching nearly 2,000 customers each year.
- ❑ **Use a utilization scorecard to monitor progress and sustain change.** The MFMP team monitors five key metrics to increase overall utilization, with the scorecard discussed monthly by the Governor and agency heads.

Sources: PSF research; <http://www.naspo.org/dnn/Publications/ArtMID/8806/ArticleID/3312>; http://www.dms.myflorida.com/business_operations/state_purchasing/myfloridamarketplace/; http://www.dms.myflorida.com/business_operations/state_purchasing/myfloridamarketplace/utilization_initiative/myfloridamarketplace_utilization_scorecard

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The difference with Coupa is our buyers aren't managing transactions anymore. Now they are managing vendors and commodities.



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An unexpected side benefit of the Coupa implementation is that it's really brought the procurements department, the accounts payable and finance department, and our global technology team together. We're seeing incredible collaboration and excitement.



Coupa has boosted efficiency in acquisitions and enabled our VP of Procurement to scale quickly and cost-effectively. *“Every time somebody doesn’t have to touch a piece of paper, it saves us money.”*



100%
PAPERLESS



360%
EFFICIENCY GAIN



Value Beyond Savings

BRITISH COLUMBIA LOTTERY CORPORATION BETS ON IVALUA

The BCCLC brought in procurement professionals to drive an enterprise-wide contracting improvement and cost-cutting effort.

CUSTOMER

British Columbia Lottery Corporation

PROBLEM

Improving spend controls and visibility into suppliers and contracts.

SOLUTION



SUPPLIER RELATIONSHIP MANAGEMENT



CONTRACTS & CATALOGS



PURCHASING INTELLIGENCE

RESULTS

Increased speed and management visibility into contracts while enforcing strict controls and multiple levels of authorization.

Case Study



NEW PUBLIC PROCUREMENT STANDARD

When an organization operates at the intersection of government and gaming, regulations are a fact of life. For BCCLC, maintaining a sterling reputation is also critical. Improving visibility of approval status for contracts and suppliers by automating processes was essential to achieving that goal.

PROFICIENCY IMPROVEMENTS

The ability to effectively manage risk and strengthen privacy and protection requirements were essential for BCCLC to help improve and automate contracting processes. The combination of best-in-class capabilities and a highly flexible platform proven to meet the unique needs of the public sector were key factors in selecting Ivalua.

FAIL-PROOF SYSTEM

Like many organizations, BCCLC had limited resources to tackle their ambitious goals. Selecting, implementing and configuring an innovative technology that would roll out to all suppliers required an organized and efficient approach. Ivalua's cloud-based system supported this strategy, and enabled a small team to make the necessary improvements.

Careful trade-offs were considered throughout the implementation. Bottom-line savings were scrutinized alongside impact to revenues and overall risks to the business. Ivalua's integrated suite of solutions provided an ideal foundation upon which to manage supplier contracts and performance.

SUMMARY

Responding quickly to needs for change can be a challenge for any organization. With a commitment to enhance contracting processes, BCCLC's procurement team chose Ivalua as a foundation for widespread automation and process improvement. A combination of quick wins, increased visibility and thoughtful deployment of new technology secured both trust and enthusiasm for continued success.

SOME CUSTOMERS



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Amazon Business Marketplace for Government

Amazon Business is bringing the Amazon marketplace to government, with new features and unique benefits that make it easy to drive savings for taxpayers and meet critical government-mission needs. Hundreds of thousands of government customers, from buyers in cities, counties, states and federal agencies, are purchasing from Amazon Business to achieve cost-savings goals, help meet compliance requirements, reduce procurement complexity and access unmatched selection breadth.

Amazon Business is built on Amazon's familiar, easy-to use shopping experience and provides access to hundreds of millions of products, fast and free shipping options, and competitive pricing. We have features tailored for government procurement organizations, including:

Price Competition and Visibility

Amazon Business makes it easy for public sector customers to find the price competition they need. This allows buyers to make purchases and ensure they're getting a fair, competitive price.

Access to Diverse Suppliers

Amazon Business gives public sector buyers unique access to a range of small and disadvantaged businesses. Our analytics tool allows public sector customers to see how much spend has been directed to those sellers.

Preventing Government Purchase Card Fraud, Waste, and Abuse

Amazon Business empowers agencies to monitor and control P-card spend, ensure appropriate record retention, and assist public sector entities to comply with applicable laws.

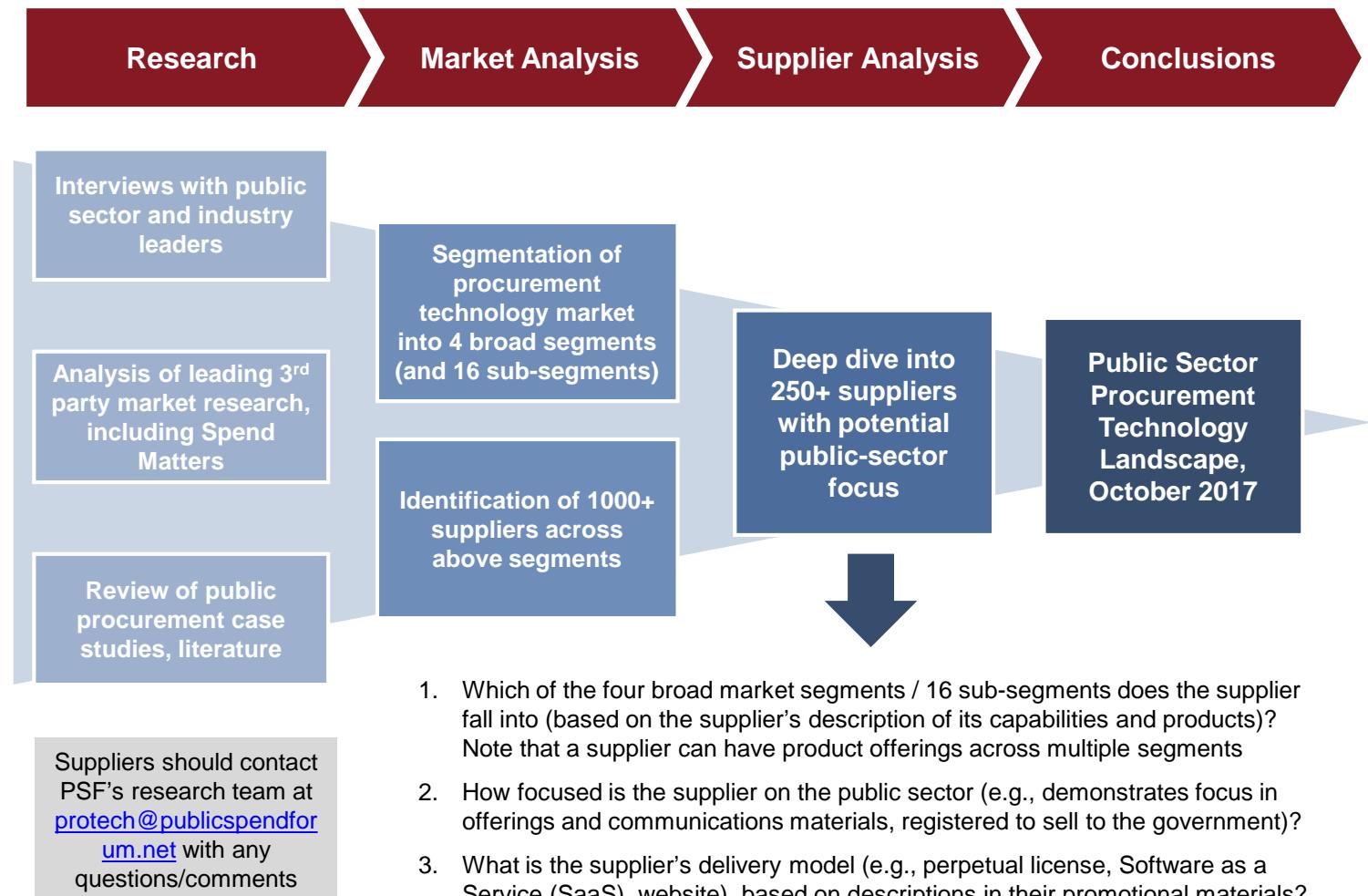
We're just getting started. Amazon Business is building features and innovating on behalf of our public sector customers, helping them to be responsible stewards of taxpayer dollars and to deliver important services to the American people.

To develop insight into the overall supplier landscape for procurement technology, we combined extensive primary research with other 3rd party research from a variety of leading sources to create the most comprehensive view ever assembled, with a focus on public sector market.

We segmented the market, identified 1000+ suppliers across these segments which we were amazed to find, and then focused on 250+ suppliers with potential public sector relevance.

As we proceed, we will continue to classify all suppliers into the market segments that were created.

Overview of Supplier Research Methodology



A key challenge confronting public sector buyers of procurement technology is the multiplicity of frameworks and terms used by the industry to describe solutions covering different parts of the procurement / acquisition lifecycle.

For instance, just within the Data / Content Mgmt. segment, the solutions span Catalogs, Inventory Data, Contract Data, Supplier Information, and Master Data Management.

To simplify our analysis, we started with the segmentation framework developed by Spend Matters which includes 16 technology segments.

The Procurement technology landscape is fairly complex with multiple segments, suppliers and solutions

16 Market Segments (as Identified by Spend Matters)

Analytics and Market Intelligence	Procurement-focused analytics and market research tools	Supplier Networks & Platforms	Websites connecting buyers to suppliers	Contract [Lifecycle] Management	Tools that manage the RFx process	Procure-to-Pay	Tools enabling processes from RFx to ordering
Services Procurement	Websites offering on-demand, commoditized services	eProcurement	Tools that automate procurement processes	eInvoicing	Automated invoicing suites	ERP Suites	Business application suites for managing budget
Supply Chain	Supply chain planning and execution suites	Supply Risk Management	Supply compliance and threat monitoring tools	Supplier [Lifecycle] Management	Tools offering functionality for the entire supplier relationship	Data/Content Management	Tools storing procurement-related non-contract data
Cost Management	Cost modeling suites	Sourcing & Supplier Management	Tools combining Sourcing and Supplier Management	Source-to-Pay	Tools enabling processes from needs assessment to ordering	Sourcing	Tools offering functionality for various parts of strategic sourcing

1000+ Suppliers

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To simplify our analysis, we mapped the 16 technology segments as categorized by Spend Matters into 4 Procurement Lifecycle Technology Segments:

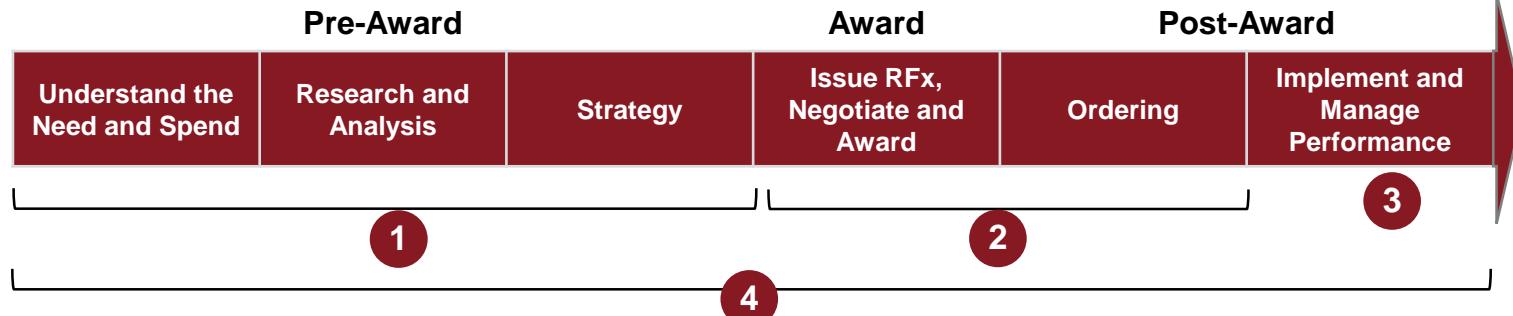
Planning & Research tools assist overall planning, requirements development and market research

Solicitation & Award tools reduce time to award by providing templates and managing and streamlining workflows

Ongoing Management tools help track & manage contracts and supplier relationships

Full Suite solutions provide visibility into spending, help identify savings opportunities, and help track supplier relationships

For the purposes of the public sector market, we simplified the structure and classified suppliers into 4 “Procurement Lifecycle Technology” segments mapped to the procurement lifecycle



Procurement Lifecycle Technology Segments



We focused our initial analysis on a subset of 250+ suppliers (out of 1000+), prioritized for their likely relevance to the public sector.

We analyzed each supplier's self-described products and capabilities, public sector focus, and sales / delivery model(s).

While there is a wide range of suppliers and delivery models overall, less than half the suppliers explicitly display a public sector focus. We believe an opportunity exists to bring in more companies that are bringing new and leading technologies into the government market.

Our initial analysis of 250+ suppliers shows a wide range of providers within each segment, many of which already serve the public sector and many which would like to enter the public sector market

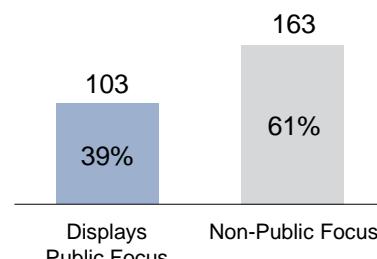
of Suppliers by Procurement Technology Market Segment (266 unique suppliers in total)

(NOTE: A supplier might provide products / solutions within different segments; hence sum of suppliers across the segments is > 266)

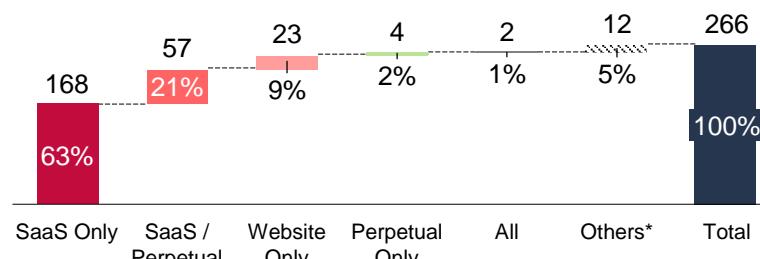


Suppliers by Public Sector Focus and Software Delivery Model

Distribution of Suppliers by Public Sector Focus



Distribution of Suppliers by Software Delivery Model



*Note: "Others" within the software delivery model category refers to suppliers offering solutions in lesser seen combinations or capacities

Planning and Research solutions assist in conducting market research (e.g., identifying suppliers, understanding pricing and past performance), developing requirements, and formulating procurement strategy, and include two sub-segments:

- **Analytics and Market Intelligence**
- **Supplier Networks & Platforms**

1 Planning & Research: 106 suppliers analyzed, spanning two sub-segments

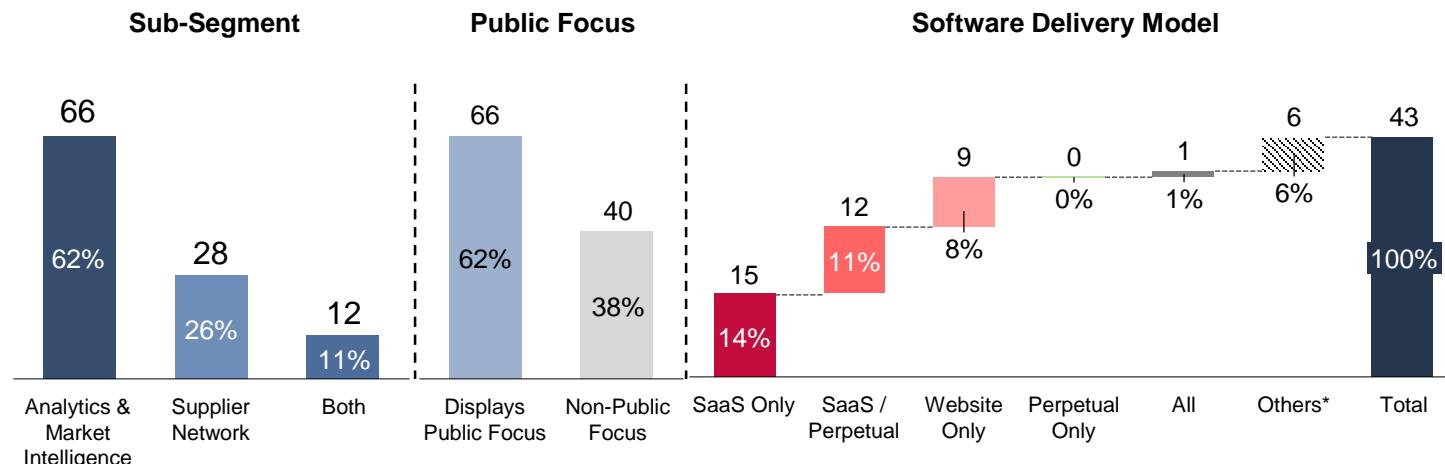
Planning & Research solutions are typically used to assist in pre-award activities

Additional information on segment:

- *Planning and research software assist organizations with spend and procurement analytics as well as other planning activities including forming procurement strategies, conducting market research, and defining proper requirements.*
- *This segment is made up of the following sub-segments:*
 - Analytics and Market Intelligence: Used for enterprise-wide spend and procurement analytics that can be used to inform sourcing strategies; market research, cost analysis, and supplier health
 - Supplier Networks & Platforms: Platforms used for identifying suppliers; provides insight into different suppliers, pricing and past performance research tools, and helps develop requirements

Planning and Research Suppliers by Sub-Segments, Public Focus, and Delivery Model

(NOTE: each graph provides the absolute count and subsequent percentage of applicable suppliers within the segment)



*Note: "Others" within the software delivery model category refers to suppliers offering solutions in lesser seen combinations or capacities

1 Planning and Research: 106 suppliers analyzed

Examples of Procurement Technology Suppliers in Segment



106 supplier profiles in directory

To access our procurement technology supplier directory, please contact us at ProTech@publicspendforum.net

Solicitation & Award solutions reduce time to award by managing and streamlining workflows (e.g., by enabling rapid drafting of RFx, automating workflow milestone tracking and approval, enabling more efficient bid processes), and include five sub-segments:

- Contract Lifecycle Management (CLM)
- Procure-to-Pay
- Services Procurement
- eProcurement
- eInvoicing

2 Solicitation & Award: 152 suppliers analyzed, spanning five sub-segments

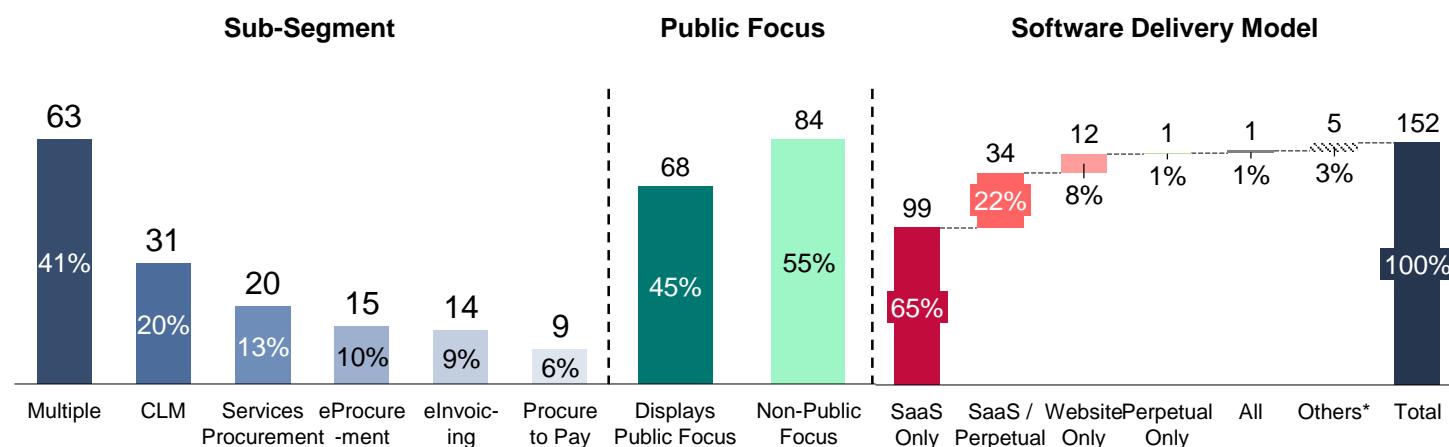
Solicitation & Award solutions are typically used to assist in award phase activities

Additional information on segment:

- *Solicitation & Award solutions streamline procurement/acquisition processes.*
- *This segment is made up of the following sub-segments:*
 - Sourcing and eProcurement: Automates sourcing; requisitions, purchase order processing and all related processes
 - Contract Lifecycle Management (CLM): Automates authoring/writing, collaboration, signature, storage, reference, and analytics related to contracts
 - Procure-to-Pay: Combines e-Procurement and Invoicing features in one tool
 - Services Procurement: Facilitates digital sourcing, buying, and paying of freelancers, contractors
 - eInvoicing: Processes and pays electronic invoices

Solicitation & Award Suppliers by Sub-Segments, Public Focus, and Delivery Model

(NOTE: each graph provides the absolute count and subsequent percentage of applicable suppliers within the segment)



*Note: "Others" within the software delivery model category refers to suppliers offering solutions in lesser seen combinations or capacities

2 Solicitation and Award: 152 suppliers analyzed

List of Analyzed Procurement Technology Suppliers in Segment

Examples of Procurement Technology Suppliers in Segment



The background of the slide features a faint, semi-transparent watermark. It consists of a grid of small, illegible text and numbers, resembling a database or a list of names and codes. The grid is composed of several rows and columns of such entries.

To access to our procurement
technology supplier directory, please
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ProTech@publicspendforum.net

Ongoing Management solutions help track supplier relationships and manage performance, and include six sub-segments:

- **ERP Suites**
- **Supply Chain**
- **Supply Risk Management**
- **Supplier Lifecycle Management**
- **Data / Content Mgmt.**
- **Cost Mgmt. and Optimization**

3 Ongoing Management: 174 suppliers analyzed, spanning six sub-segments

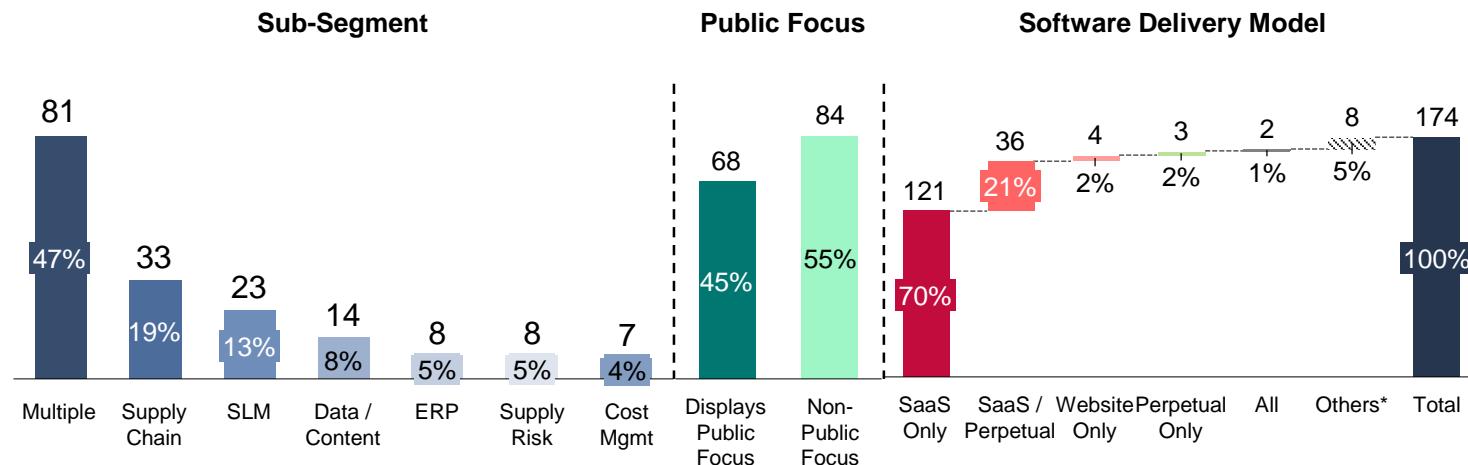
Ongoing Management solutions are typically used to assist in post-award processes

Additional information on segment:

- Ongoing Management software supports the management supplier relationships
- This segment is made up of the following sub-segments:
 - ERP Suites: Tracks budget and integrates with procurement, among other uses of resources
 - Supply Chain: Helps design and scale supply chains
 - Supply Risk Management: Identifies and monitors risks in supply chain
 - Supplier Lifecycle Management: Monitors supplier relationship, performance, and quality
 - Data / Content Management: Provides enterprise-level views of non-transaction spending data
 - Cost Management: Allows for cost modeling, cost estimation and price forecasting

Ongoing Management Suppliers by Sub-Segments, Public Focus, and Delivery Model

(NOTE: each graph provides the absolute count and subsequent percentage of applicable suppliers within the segment)



*Note: "Others" within the software delivery model category refers to suppliers offering solutions in lesser seen combinations or capacities

3 Ongoing Management: 174 suppliers analyzed

List of Analyzed Procurement Technology Suppliers in Segment

Examples of Procurement Technology Suppliers in Segment

174 supplier profiles in directory



**For more information about these suppliers, please contact us at
ProTech@publicspendforum.net**

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Full Suite solutions provide visibility into spending, help identify savings opportunities, and help track supplier relationships, and include three sub-segments:

- Sourcing & Supplier Mgmt.
- Source-to-Pay / Source-to-Settle
- Sourcing / Acquisition / Procurement

4 Full Suite: 109 suppliers analyzed, spanning three sub-segments

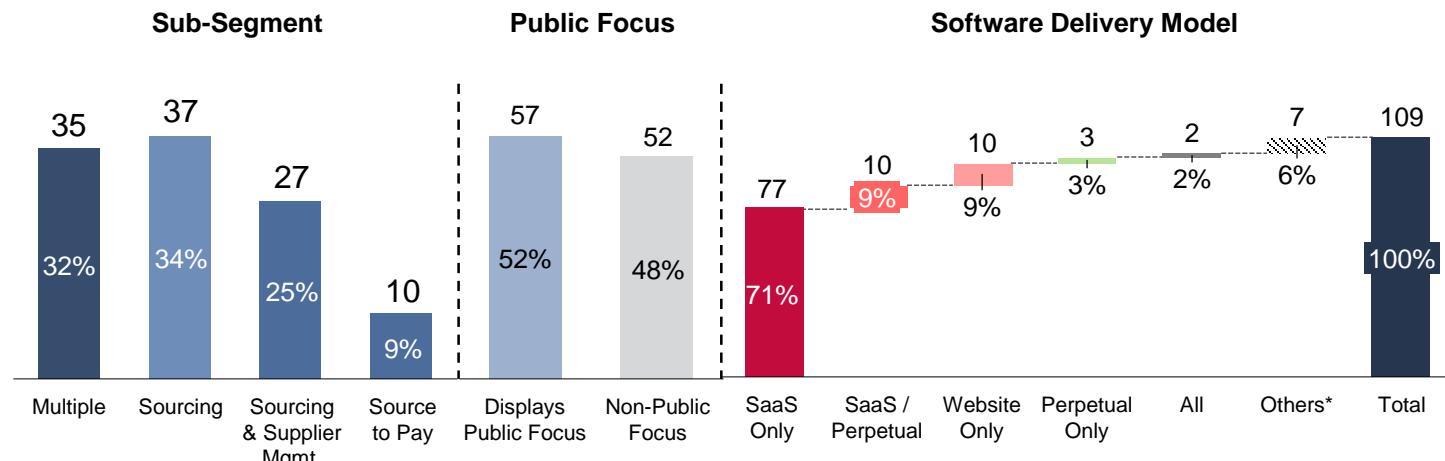
Full Suite solutions cover the entire spectrum of procurement activities

Additional information on segment:

- Full suite software enables organizations to optimize end to end procurement processes and enables greater ability for unlocking value across the entire procurement lifecycle
- This segment is made up of the following sub-segments:
 - Sourcing & Supplier Management: Combines sourcing and supplier management functionalities in one tool
 - Source-to-Pay: Covers everything from sourcing to payment within the acquisition lifecycle in one tool
 - Sourcing: Allows for strategic and tactical sourcing analyses

Full Suite Suppliers by Sub-Segments, Public Focus, and Delivery Model

(NOTE: each graph provides the absolute count and subsequent percentage of applicable suppliers within the segment)



*Note: "Others" within the software delivery model category refers to suppliers offering solutions in lesser seen combinations or capacities

4 **Full Suite: 109 suppliers analyzed**

List of Analyzed Procurement Technology Suppliers in Segment

Examples of Procurement Technology Suppliers in Segment

109 supplier profiles in directory



**For more information about these suppliers, please contact us at
ProTech@publicspendforum.net**

What is procurement technology and why does it matter?

How is the procurement technology market segmented?

What is the supplier landscape?

What procurement technology suppliers are likely to meet my needs?

Public Spend Forum has developed the *Procurement Technology Online supplier Database* to help public sector procurement and technology teams quickly search for and compare key capabilities and differentiators, products and services, and public sector market penetration trends across hundreds of providers.

Additionally, we are working with suppliers to populate more information on capabilities that can be used as part of market research.

The database will be available November 2017.

To assist public sector buyers in their market research, we have built an online database of procurement technology suppliers, available to government users free of charge

Sample supplier snapshot (numbers illustrative) – Key attributes captured across 250+ suppliers

High-Level Summary				
Sample Vendor's products provide greater supplier engagement and improved control of payments processes				
Basic Business Information		Delivery Models		Key Products & Services
Name	Sample Vendor	SaaS		Products: Procure to Pay Solutions Platform
Employees	5000			
Country	USA			
Year Founded	1985	Software Category		
Revenue	\$2,000,000,000	Procurement Technology		Services: Support
Capabilities				
Analytics & Market Intelligence		Supplier Networks & Platforms	Contract [Lifecycle] Management	Procure to Pay
N		N	N	Y
Services Procurement		eProcurement	eInvoicing	ERP Suites
N		N	Y	N
Supply Chain		Supply Risk Management	Supplier [Lifecycle] Management	Data/Content Management
N		N	N	N
Cost Management		Sourcing & Supplier Management	Source to Pay	Sourcing
N		N	N	N

Suppliers - please contact us at protech@publicspendforum.net to get a copy of your profile

What is procurement technology and why does it matter?

How is the procurement technology market segmented?

What is the supplier landscape?

What procurement technology suppliers are likely to meet my needs?

In the coming weeks, Public Spend Forum will be issuing detailed guidance and tools to government agencies on how to rapidly acquire and deploy procurement technology

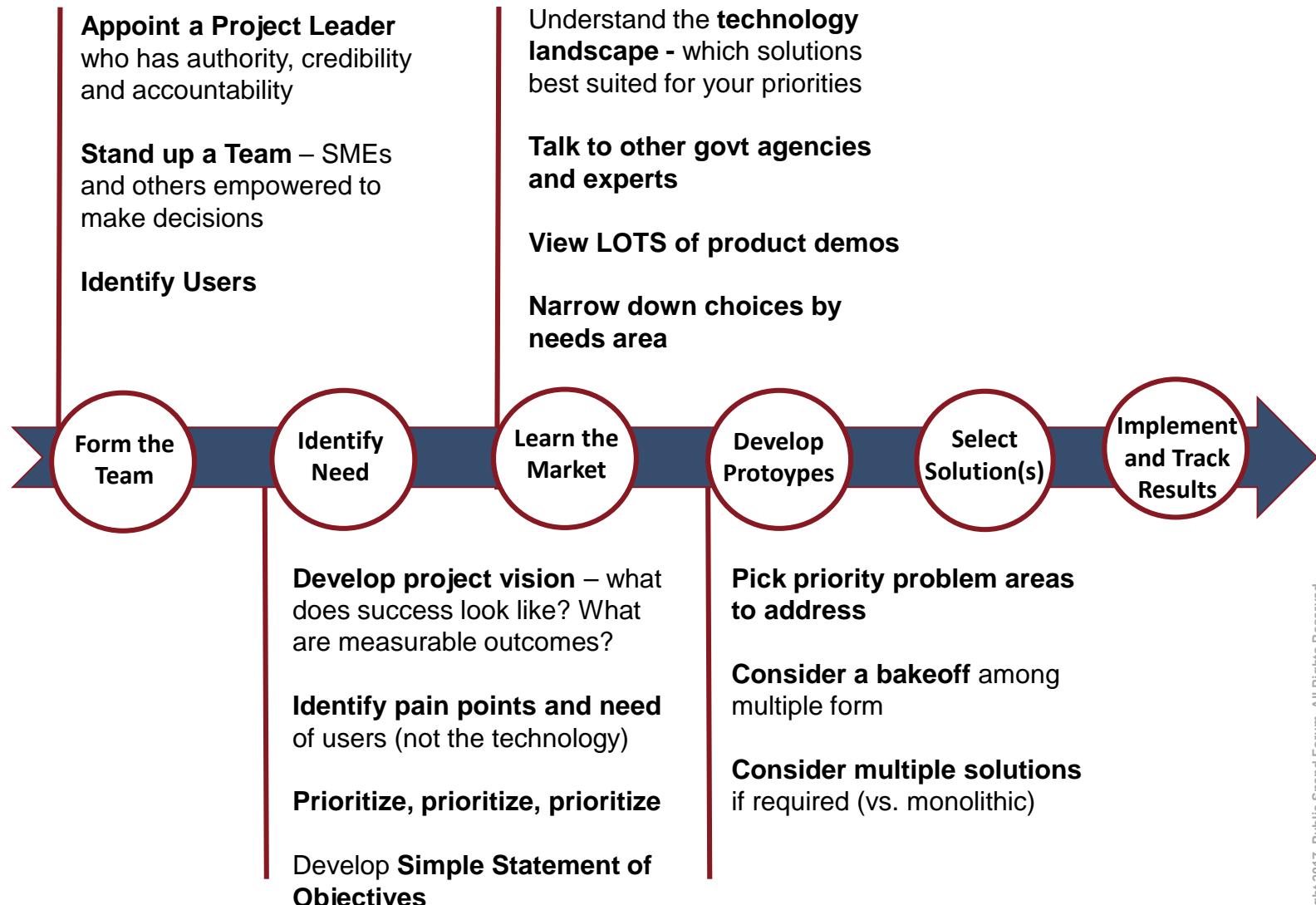
- **Public Spend Forum is working with partners and government agencies to develop guidance and tools to rapidly acquire and deploy procurement technology**
- **The overall governing philosophy is to:**
 - Do “buy versus build analysis” before you decide to build
 - Focus on the problem and the end-state instead of “requirements” – you don’t need detailed requirements
 - Must prioritize critical needs and build that into your evaluation criteria – not everything is equally important
 - Ensure an approach that emphasizes prototypes and pilots before full deployment of solutions...avoid “monolithic” one size fits all approaches
 - Get educated on pros/cons of SAAS solutions...that is where the world is going
 - Configuration vs. customization
 - Contracting for SaaS

Any government agency or suppliers that would like to provide any input is encouraged to contact us at protech@publicspendforum.net.

Given the overall complexity of the procurement technology market, and the fact that many government systems are uniquely designed to integrate with and address government processes (and have not been integrated with commercial systems), public sector leaders often face the “build vs. buy” conundrum when it comes to technology solutions.

However, before building a custom system, governments should objectively evaluate how commercial procurement technology solutions can support their goals.

A few key steps to guide the journey towards procurement technology



Appendix

What is procurement technology and why does it matter?	How is the procurement technology market segmented?	What is the supplier landscape?	What procurement technology suppliers are likely to meet my needs?
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Glossary of Terms for Key Tasks across typical Procurement / Acquisition Lifecycle

Understand the Need and Spend	Conduct Research & Analysis	Develop Procurement Strategy	Issue RFx, Negotiate and Award	Order Goods / Services	Implement and Manage Performance
<p>Define the need: Identify what need or problem is being addressed through procurement</p> <p>Identify & engage stakeholders: Locate internal stakeholders such as expected users and/or customers of the good or service, and conduct outreach to alert them of the upcoming intended purchase</p> <p>Gather requirements: Record stakeholders' requirements, including capabilities and product/service volume/quality for use during market research, strategy development, negotiation and contract writing</p> <p>Form initial assessment: Develop a formal opinion on organizational needs to guide forthcoming phases</p>	<p>Analyze spend, other internal data: Conduct analysis of all existing spend data to learn how the good or service is currently procured and managed</p> <p>Research supply market: Learn about market trends regarding this good or service which may impact procurement</p> <p>Synthesize the data: Compare internal spending trends with market trends to develop an opinion on how to improve buying, keeping in mind stakeholder requirements</p> <p>Develop the list of suppliers to approach: Based on assumptions regarding improved buying, create list of potential suppliers for your organization's need</p>	<p>Identify savings levers: Review product or service cost components to develop a total cost of ownership model (inclusive of unit cost, subscription fees, staff time, et cetera) that can be addressed through a procurement strategy</p> <p>Create business case: Using requirements, spend, market, supplier, and total cost of ownership knowledge, develop an estimate on expected savings regarding procurement against off-the-shelf or market rates</p> <p>Set strategy: Develop a procurement strategy based on this business case, inclusive of contract type, proposed suppliers, proposed award type and negotiation strategy</p> <p>Communicate the plan: Share strategy with stakeholders</p>	<p>Form the bid team: Create formalized working group inclusive of key stakeholders to move to award</p> <p>Determine evaluation criteria: Develop a scoring system for supplier bids</p> <p>Create the solicitation: Write solicitation for bids based on procurement strategy, requirements, and evaluation criteria</p> <p>Manage the bid process: Receive bids, answer supplier questions, and host bidding process</p> <p>Negotiate: Discuss proposals with suppliers in order to secure the best possible terms</p> <p>Summarize contract, risks & benefits: Summarize and analyze contract as agreed-to during negotiation, weighing pros and cons</p> <p>Obtain approvals: Send preliminary contract to internal review teams, such as legal, and obtain final contract</p> <p>Adjust budgets & plans: Revise spending plans as necessary to accommodate new contract</p>	<p>Issue task / purchase orders: Order tasks, inclusive of goods and services, off the new contract</p> <p>Make purchases: Order single items/services off a task order</p>	<p>Form implementation teams: Convene stakeholders who can help communicate the new contract throughout the organization</p> <p>Develop change management plan: Create plan for changing buying behaviors and accommodating new goods and services (for example, interoperability with other systems, governance of new capabilities)</p> <p>Communicate changes: Communicate the new contract throughout the organization</p> <p>Roll-out suppliers: Formally begin relationship with new supplier, including a kick-off meeting to discuss contractual obligations post-award</p> <p>Develop accountability matrix and supplier scorecard: Create evaluation criteria for supplier performance throughout the life of the contract, based on solicitation requirements and bid terms</p>
<p>* Tasks supported by Procurement Technology solutions</p> <p>Note: Not all the tasks listed here necessarily need to be carried out every time a public sector organization purchases a good / service</p>					

Manage supplier relationships: Formally designate one or more persons to manage the supplier, the contract, and all related data

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A large, semi-transparent black rectangular box covers the upper half of the image, obscuring the city skyline. Inside this box, there is a white rectangular area containing the text.

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