

Public Procurement Technology Market Landscape

***Technology and Suppliers to Build
World-Class Procurement***

Excerpt from Report – To Be Released October 2017

Foreword

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

What is Procurement Technology?

Procurement technology is a ~\$10B sub-segment of the IT Software market which caters specifically to procurement organizations. Procurement technology enables the entire procurement lifecycle from planning to award through supplier and contract management. It also enables the overall management and oversight of the procurement and contracting 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) can help public sector agencies at the Federal, State, and Local levels manage spending, improve efficiencies, increase competition, improve collaboration, meet socio-economic goals, and above all ensure value for taxpayers.

Purpose of Report and Intended Audience: The procurement technology market is complex and fast changing, with over a thousand vendors providing solutions that enable different elements of the typical procurement / acquisition lifecycle from requirements gathering to RFP / RFQ definition and response solicitation to contract award to delivery of goods / services to ongoing supplier performance and relationship 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 senior leadership, program employees and Acquisition professionals answer the following key questions:**

1. What is procurement technology and why does it matter?
2. What types of procurement technology exist and how can they help buyers?
3. How is the supplier landscape segmented?
4. What procurement technology vendors are likely to meet my needs?

Research Approach: In developing this report, Public Spend Forum conducted extensive primary research and combined it other 3rd party research 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 vendors that were highly likely to serve the public sector.

All comments and feedback is welcome. **Procurement Technology Vendors** – if you would like to ensure your information is included within our upcoming report, please contact 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>

What is procurement technology and why does it matter?

How is the procurement technology market segmented?

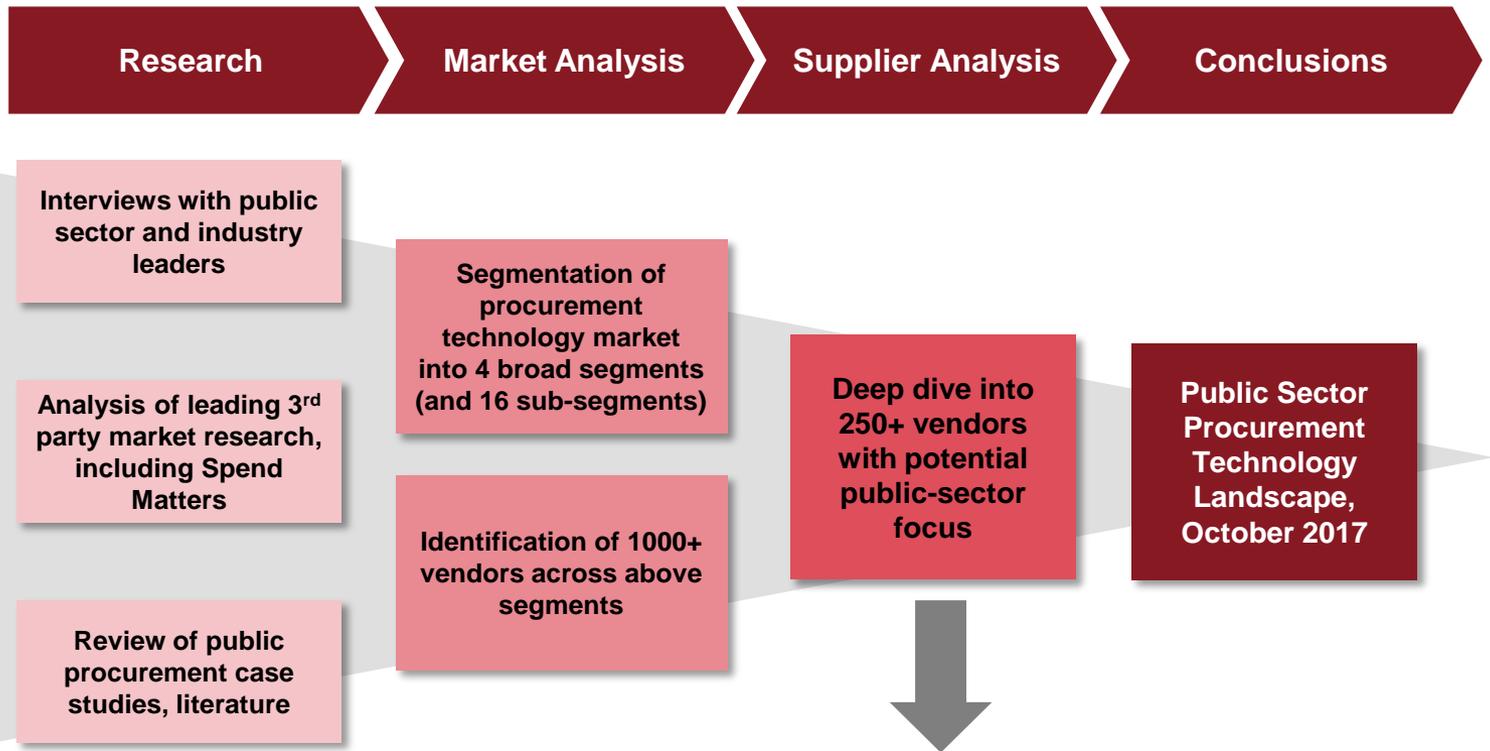
What is the supplier landscape?

Which procurement technology vendors are likely to meet my needs?

To develop insight into the overall procurement tech. market and supplier landscape, we combined extensive primary research with other 3rd party research 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 technologies addressing these challenges, segmented the market, identified 1000+ vendors across these segments, and then focused on 250+ vendors with potential public sector relevance.

Overview of research methodology



1. Which of the four broad market segments / 16 sub-segments does the vendor fall into (based on the vendor's description of its capabilities and products)? Note that a vendor can have product offerings across multiple segments
2. How focused is the vendor on the public sector (e.g., demonstrates focus in offerings and communications materials, registered to sell to the government)?
3. What is the vendor's delivery model (e.g., perpetual license, Software as a Service (SaaS), website), based on descriptions in their promotional materials?

What is procurement technology and why does it matter?

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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.

Our initial scan of the marketplace identified over 1000 vendors providing solutions within one or more of sixteen different market segments.

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

16 Market segments (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+ Vendors

What is procurement technology and why does it matter?	How is the procurement technology market segmented?	What is the supplier landscape?	What procurement technology vendors are likely to meet my needs?
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Despite the overall complexity of the market, at a high-level, the sixteen different sub-segments can be bucketed into four broad solution categories:

Planning & Research tools assist in conducting market research and developing requirements

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

Ongoing Management tools help track & manage 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 have simplified the structure and classified vendors into 4 key segments covering the acquisition lifecycle

Pre-Award			Award	Post-Award	
Understand the Need and Spend	Research and Analysis	Strategy	Issue RFx, Negotiate and Award	Ordering	Implement and Manage Performance
1. Planning & Research					
			2. Solicitation & Award		
					3. Ongoing Management
4. Full Suite					

Sample Capabilities

- 1 Planning & Research**
- **Analytics and Market intelligence** tools provides insights into market dynamics and suppliers
 - **Supplier Networks & Platforms** provide insight into different vendors, pricing and past performance research tools, and help develop requirements documentation
- 2 Solicitation & Award**
- **Contract writing / management (CLM)** tools enable rapid drafting of RFx
 - **Contract management (CLM)** tools often contain workflow milestone tracking and approval functionality
 - **Auction platforms** enable more efficient bid processes

- 3 Ongoing Management**
- **Supplier (SLM) and Contract Management** tools make tracking relationships easy
 - **Data / Content Management** tools provide repositories for procurement-related non-contract data
 - **Supply Risk Management** solutions provide tools for monitoring vendor compliance and potential threats
- 4 Full Suite**
- **Sourcing** software often contains spend analysis capabilities
 - **Source-to-Pay** solutions can offer complete solicitation, award, and order functionality
 - **Sourcing & Supplier Management** solutions contain supplier accountability tracking features

How is the procurement technology market segmented?	How is the procurement technology market segmented?	What is the supplier landscape?	What procurement technology vendors are likely to meet my needs?
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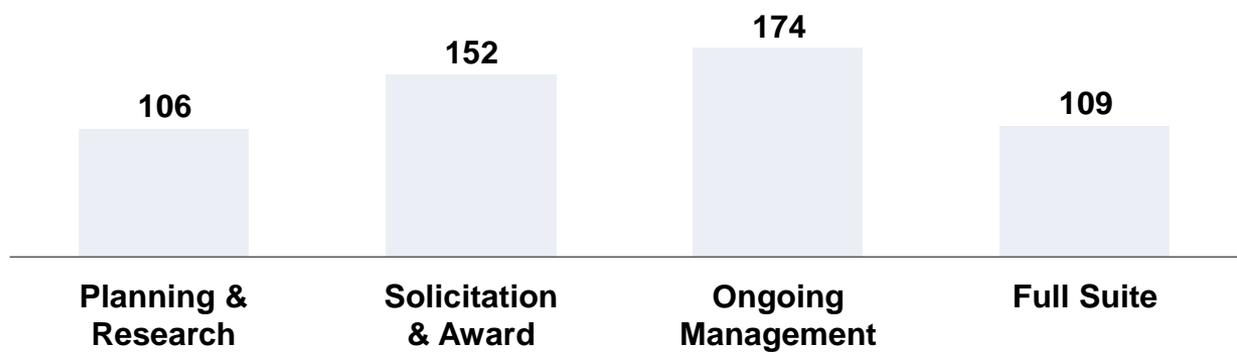
We focused our initial analysis on a subset of 250+ vendors (out of 1000+), prioritized for their likely relevance to the public sector.

We analyzed each vendor's self-described products and capabilities, public sector focus, registration to sell to the US Federal govt., and sales / delivery model(s).

While there is a wide range of vendors and delivery models overall, less than half the vendors explicitly display a public sector focus, suggesting that governments could take a more active role in engaging the industry and eliminating any potential barriers to entry facing vendors.

Initial analysis of 250+ vendors shows a wide range of providers within each segment; however, less than half *explicitly* display a public sector focus, suggesting an opportunity for governments to engage more with industry

#Vendors by Procurement Technology Market Segment (266 unique vendors in total)
 (NOTE: A vendor might provide products / solutions within different segments; hence sum of vendors across the segments is > 266)



Stay tuned for the release of the complete report and register for the Inaugural Public Procurement Technology Symposium taking place in Washington, D.C. on Oct. 18.

Public Spend Forum, in collaboration with academia and experts from around the world, will host a public procurement technology symposium focused on educating public sector practitioners on the benefits of and the market landscape for procurement technology.

**Visit publicprocurementtechnologysym.splashthat.com
for more information!**