

# Critical Capabilities for Procure-to-Pay Suites

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Initiatives: [Procurement and Strategic Sourcing Applications](#)

Buying organizations should prioritize software investment that directly impacts critical business outcomes. Application leaders responsible for procurement software investment decisions should use this research to shortlist vendors whose critical capabilities call fulfill high-priority use cases.

**This Critical Capabilities is related to other research:**

[Magic Quadrant for Procure-to-Pay Suites](#)

[View All Magic Quadrants and Critical Capabilities](#)

## Overview

### Key Findings

- Critical capability ratings have increased across the board as vendors have quickened the pace of development and once-novel capabilities have become common. This is indicative of a market that is maturing faster than new use cases are created by customers.
- Services procurement is a key requirement for most customers, but capabilities in this area show the most variation between vendors.
- The capabilities offered by procure-to-pay (P2P) software suite vendors are impacting business process workflows beyond the traditional boundaries of P2P.

### Recommendations

As an application leader responsible for procurement and strategic sourcing applications, you should:

- Reduce project risk by focusing on key use cases and capabilities that will drive project ROI during the RFP process. Simple functional-list RFPs no longer reliably identify the most suitable vendor.

- Avoid any hidden gaps in terms of capability requirements by reviewing other major IT projects, such as those focused on ERP or human capital management upgrades and replacements. Those projects might expand the required P2P scope, and thus expand the criteria that vendors should be evaluated against.
- Ensure vendors' P2P solutions are extensible by requiring them to demonstrate support for cross-functional use cases that you may pursue in the future. The integration and partner ecosystem capabilities assessed in this report are indicators of solution extensibility.

## What You Need to Know

Application leaders supporting procurement have too many options and too little time and unbiased advice when it comes to identifying the right P2P solution. Most organizations review the market only two to three times a decade, which makes it difficult to assess which capabilities are common to many solutions, and which are unique. In addition, time and resources are limited, so endless demos to determine which features to look for are not feasible.

All this matters because selecting the right P2P suite is a big decision that, once made, is usually very expensive and disruptive to change. What if there were a shortcut to assessing solutions and making standard comparisons of vendors? That is what this Critical Capabilities report aims to provide. It will help you, as an application leader responsible for procurement applications, learn what capabilities are available, identify common use cases to consider, and evaluate how the vendors stack up.

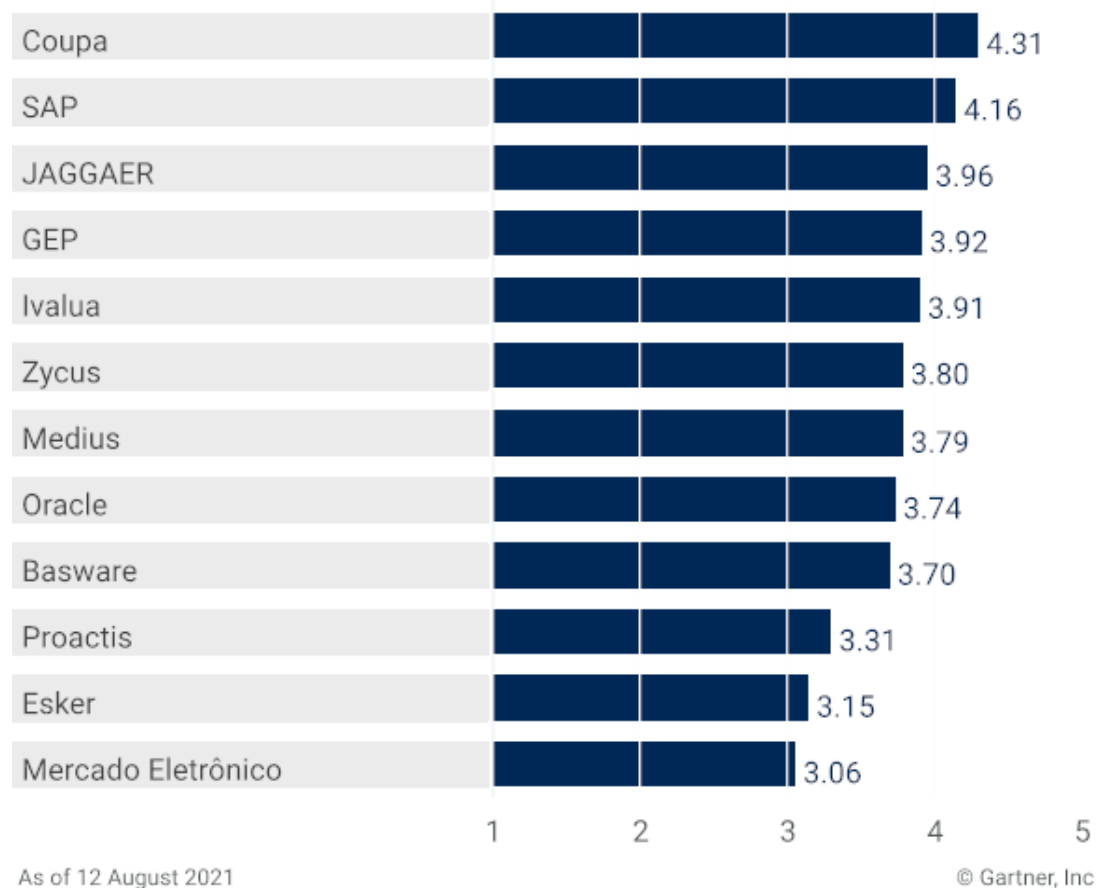
If all vendors could handle all use cases, this report would not be needed. However, the fact is that vendors invest in different levels of functionality to support different use cases. This variance in capabilities is what makes evaluation and selection difficult without support. This Critical Capabilities report identifies the major functional capabilities that P2P suites can include and how these capabilities address specific use cases. Each vendor is rated on its individual capabilities so as to enable direct comparisons across the market.

## Analysis

### Critical Capabilities Use-Case Graphics

#### Vendors' Product Scores for Indirect Procurement Focused Use Case

Product or Service Scores for Indirect Procurement Focused

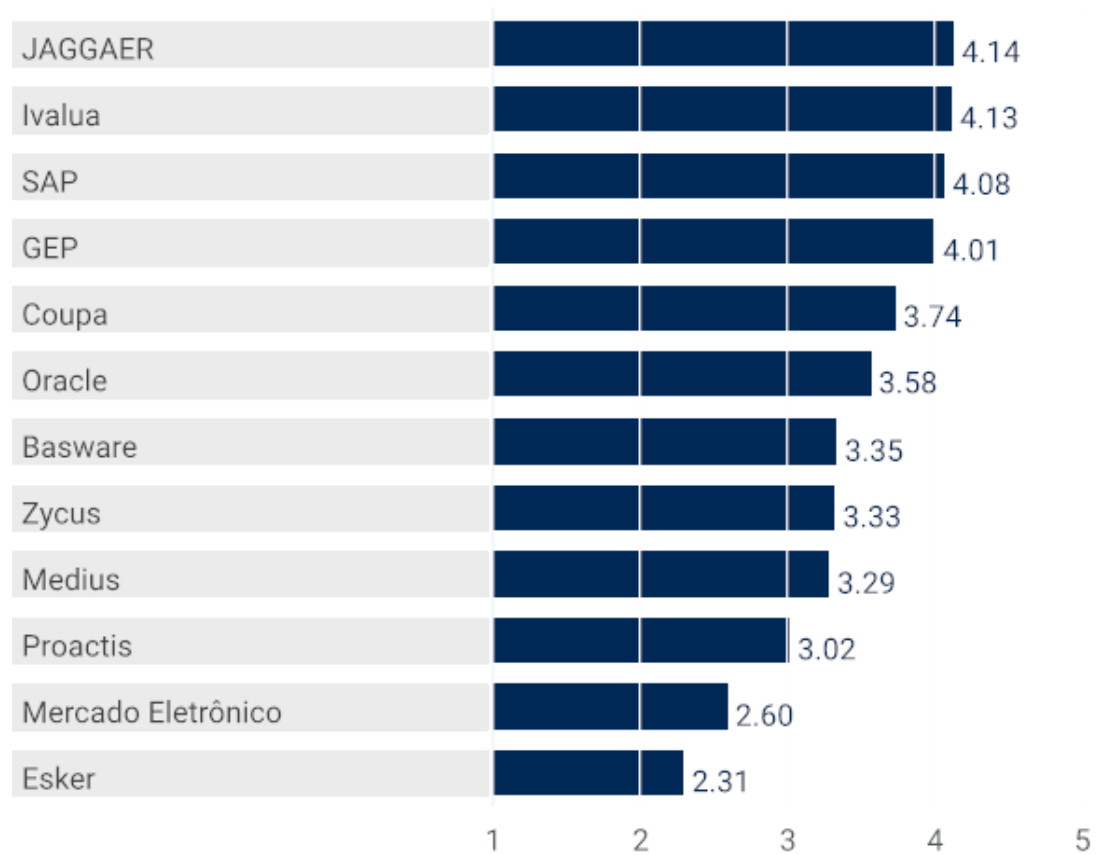


**Gartner**

Source: Gartner (November 2021)

## Vendors' Product Scores for Direct Materials Focused Use Case

Product or Service Scores for Direct Materials Focused



As of 12 August 2021

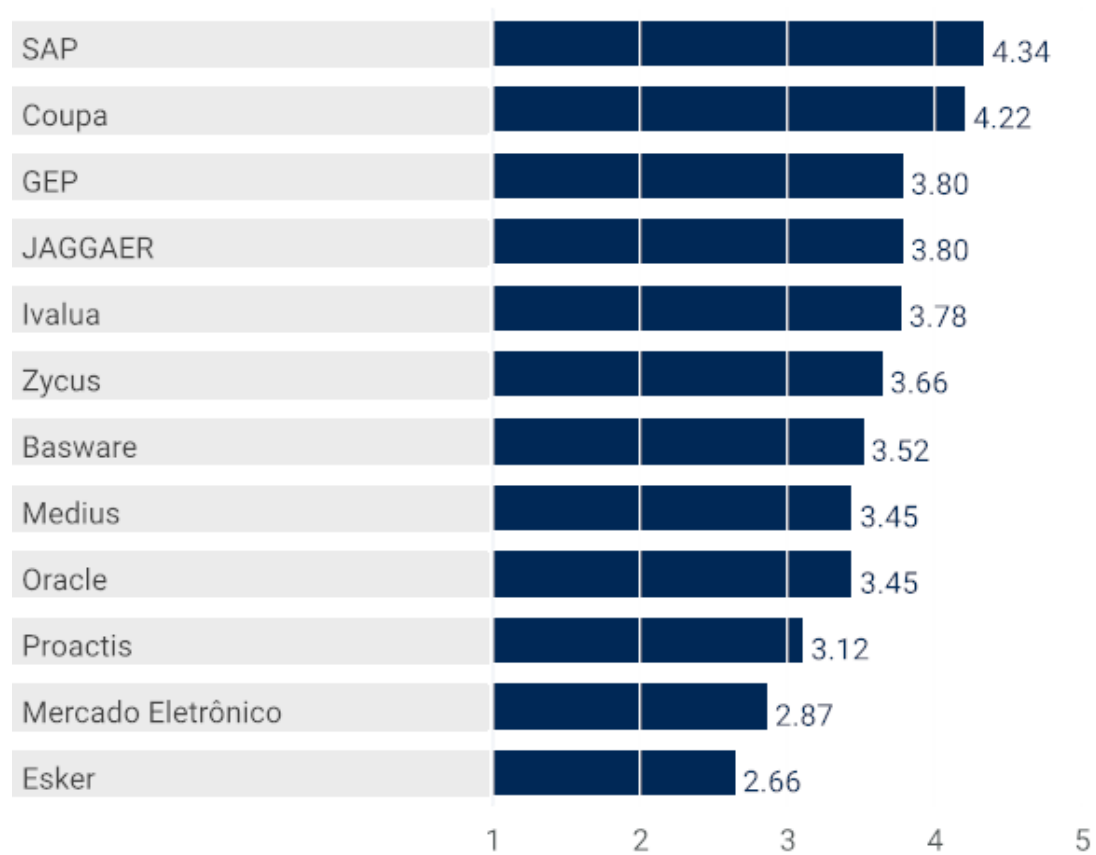
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## Vendors' Product Scores for Services Focused Use Case

Product or Service Scores for Services Focused



As of 12 August 2021

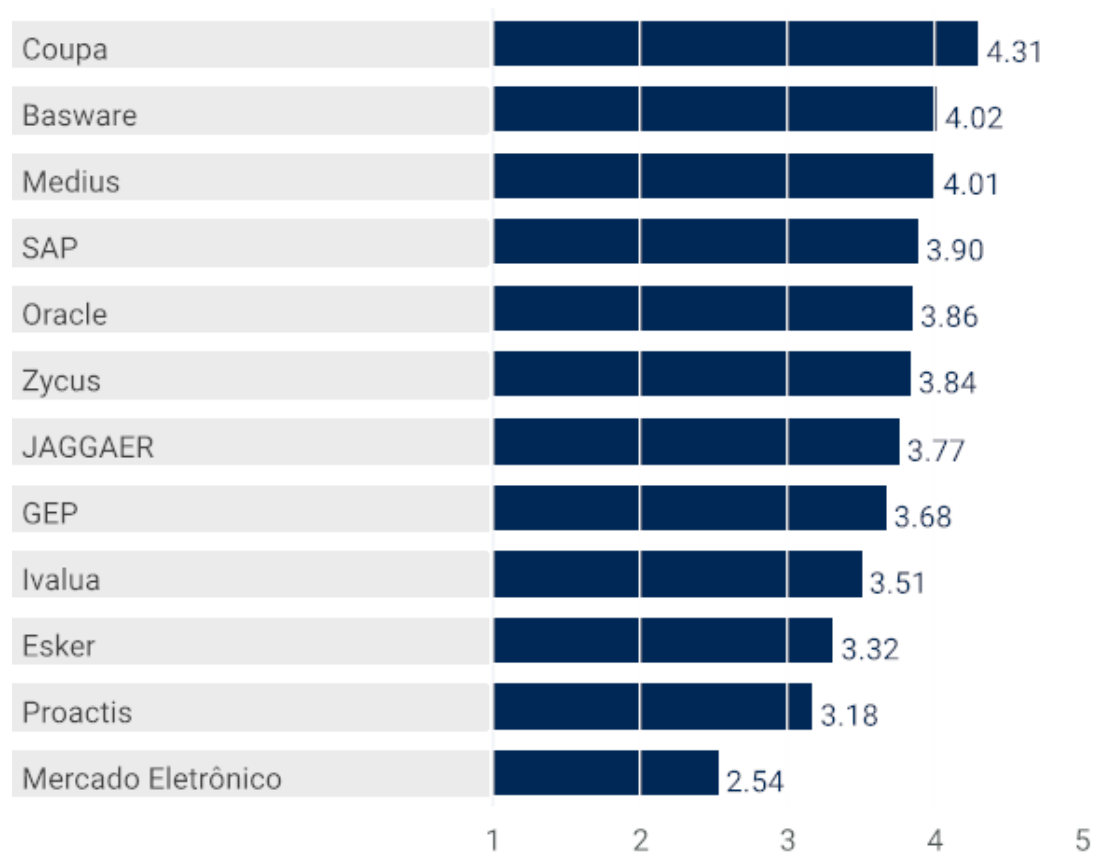
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## Vendors' Product Scores for Finance Focused Use Case

Product or Service Scores for Finance Focused



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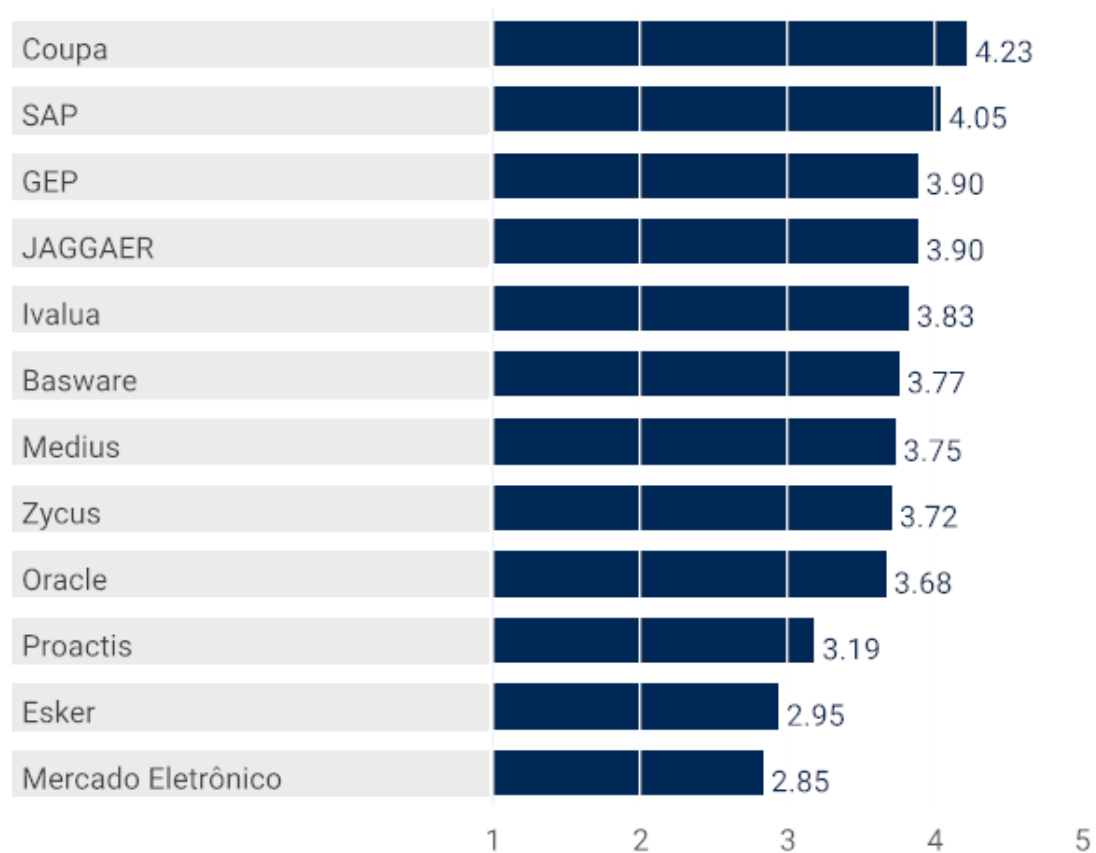
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Source: Gartner (November 2021)

## Vendors' Product Scores for Complex Environment Focused Use Case

Product or Service Scores for Complex Environment Focused



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Source: Gartner (November 2021)

## Vendors

### Basware

Basware was founded in 1985 with a focus on finance and accounts payable (AP) automation, and has since introduced a full P2P solution. Basware's delivery mode is exclusively via multitenant cloud. Basware Procure-to-Pay is a suite best suited to organizations that want to improve their accounts payable invoice automation (APIA) capabilities through automation of upstream P2P processes.

Basware receives a leading rating for APIA. It also rates highly for partner ecosystem and payments. Basware has one of the best scores for the finance-focused use case, due to its deep functionality for capturing and processing invoices. Basware customers process a significantly higher percentage of electronic invoices, either directly or through partner networks, than do customers of other solutions assessed in this report. Basware scores in the top half of the featured vendors for customers with complex use cases. Basware shows improvements in three critical capabilities, compared with the 2020 report, with project P2P and supplier collaboration rising the most.

Basware's raw count of exposed APIs is lower than those of other vendors. However, this does not limit access to the underlying data model or functions, as is highlighted by its strong partner ecosystem rating. Basware employs artificial intelligence (AI)/machine learning (ML) technology for enhanced APIA functionality, such as for fraud detection and autocoding of invoices.

### Coupa

Coupa was founded in 2006 as an e-procurement vendor. The Coupa Business Spend Management platform is a multitenant, cloud-based P2P solution capable of managing all spend categories. Coupa is suitable for organizations seeking a single solution that can cover multiple use cases without making significant trade-offs in capability. Coupa's payment capabilities make it an ideal choice for customers looking to integrate that functionality into their P2P process.

Coupa is rated highly for most of the critical capabilities, with leading ratings for e-purchasing, payments, integration, analytics and partner ecosystem. It also ties for the highest rating for project P2P. Customers looking for deep direct materials procurement support may not find Coupa ideal as it only just makes it into the top half for that critical capability, although partnerships with SourceDay and others strengthen it in this capability area. Coupa shows improvement in terms of four critical capabilities from the 2020 report, with the biggest change being for project P2P.



Coupa has leading scores for the use cases focused on indirect procurement, finance and complex environments. Coupa has the highest number of punch-out catalogs that are searchable and shoppable entirely within its environment. Cross-customer analytics built into the procurement process give customers an easy way to benchmark themselves against others. Deeply embedded virtual card creation and approval flows support both in-application and offline use cases, giving customers more options to expand spend under management.

## **Esker**

Esker was founded in 1985 as an invoice automation software company, but in 2014 introduced the Esker Procure-to-Pay suite. Esker's primary delivery model is multitenant cloud. Esker is a good choice for organizations at an early stage of digital process maturity that aim to digitize indirect materials procurement and APIA process workflows.

Esker is rated highly for APIA, which is not surprising, given its long history in e-invoicing. However, its ratings are in the bottom quartile for the rest of the critical capabilities. Its ratings for e-purchasing and supplier collaboration indicate that it does more than meet these requirements, but it falls short in other use cases. Furthermore, its support for direct materials procurement is extremely limited. Esker shows improvement in relation to six critical capabilities, compared with the 2020 report, with the biggest improvement being in AP invoice automation.

Esker scores in the bottom quartile for all use cases. Its highest use-case score is for the finance-focused use case, although its strong APIA capabilities are offset by weaker project and partner ecosystem ratings. Esker offers a strong optical character recognition (OCR) engine for invoice document capture. This is a point of differentiation, as many of the other solutions require a third-party add-on. Esker offers a number of partners for payments, should customers want to add this capability.

## **GEP**

GEP was founded in 1999 as a procurement software, services and consulting practice. GEP SMART is delivered as a multitenant, cloud-based solution. GEP is a good choice for organizations prioritizing the entire P2P process and looking to manage multiple types of spend within a single suite. GEP's service offerings are also attractive to customers who require additional post deployment services.

GEP's ratings are in the upper 50% or higher for all but two critical capabilities, and its ties for the leading rating for project P2P. It also receives high ratings for services procurement and direct materials procurement, supplier collaboration, integration and analytics. Overall, GEP has improved its ratings for seven critical capabilities, compared with last year, with its biggest improvement being in services procurement. GEP still has scope to improve its support for cross-border payments, customer p-card programs and support for multiple bank accounts.

GEP scores in the top quartile for all but one of the use cases, as a result of its generally strong critical capability scores. Its highest scores are for the use cases focused on direct materials, indirect procurement and complex environments, but, for the finance-focused use case, its score is in the bottom half. GEP is the only vendor in this report with a significant services arm that not only conducts implementations but can also perform staff supplementation and full process outsourcing. This can be a differentiator for organizations that need extensive process support as well as a technical solution.

## **Ivalua**

Ivalua was founded in France in 2000, but now has dual U.S. and French headquarters. Ivalua's primary delivery mode is multi-instance cloud, but it also offers private cloud and on-premises options. Ivalua is a good choice for customers that want a single data model suite that can support both direct and indirect spend categories.

Ivalua is rated well for multiple critical capabilities. It ties for the leading rating for direct materials procurement and has the highest rating for supplier collaboration. It is also rated well for e-purchasing, services procurement and integration. Ivalua's ratings are in the bottom quartile for APIA and payments. Ivalua has improved its ratings for three critical capabilities since the 2020 report, with supplier collaboration showing the biggest increase.

Ivalua scores highly for the use case focused on direct materials, but lags in the finance-focused use case, due to limited payment capabilities. Ivalua has strong support for direct materials purchase orders (POs), work orders, inventory management and supplier collaboration. On the services front, Ivalua supports extended workforce management with features such as rate card management and self-bill creation.

## **JAGGAER**

JAGGAER was founded in 1995 as SciQuest (a procurement solution vendor), but rebranded itself as JAGGAER in 2017. In 2018, JAGGAER announced the launch of JAGGAER ONE, which remains its P2P brand. JAGGAER ONE is delivered as a multitenant cloud-based solution. JAGGAER is a good choice for customers who are looking to manage all types of spend, and those requiring direct materials or project-based procurement functionality.

JAGGAER ties for the leading critical capabilities ratings for project P2P and direct materials procurement. It is also rated highly for supplier collaboration, integration and e-purchasing. However, it lags behind some competitors in terms of payment capabilities. Jaggaer has improved in regard to six critical capabilities ratings, compared with 2020, with the biggest improvements being for services procurement and analytics.

JAGGAER scores well for multiple use cases. It has a leading score for the use case focused on direct materials. It also scores well for the use cases focused on indirect procurement, services and complex environments. Jaggaer's weak spot is where bank payments require partners to execute. Standout functionality includes direct materials collaboration and external system integrations, such as with the product life cycle management (PLM) and planning systems needed to enable procurement of direct materials.

## **Medius**

Medius was founded in 2001 as a provider of invoice automation software. In 2019, it acquired Wax Digital's web3 Purchase to Pay integrated suite. The resulting combined solution is the Medius Spend Management Suite. Medius' delivery method is multitenant cloud. Medius is a good choice for customers who need to address more complex finance use cases as part of their P2P deployment. Midsize manufacturing companies will also find Medius' direct materials invoice automation capabilities attractive.

Medius ties for the highest rating for APIA, and rates highly for payments, integration and analytics. Although its ratings are in the bottom quartile for services procurement and direct materials procurement, there are bright spots. Medius has improved in five critical capabilities, compared with the 2020 report, with a marked improvement in services procurement. However, Medius still requires third-party partners to round out its service procurement functionality.

Medius scores well for the finance-focused use case. Medius scores below the average, however, for the use cases focused on direct materials and services. Medius' AI/ML capabilities for matching complex direct materials invoices, real-time invoice auditing and analytics are behind its standout APIA functions. Medius also offers a flexible cloud integration platform to simplify integrations, with many deployments handled completely remotely where Medius provides a fully managed integration service.

## **Mercado Eletrônico**

Mercado Eletrônico was founded in 1994. Its P2P suite is primarily used for indirect spend categories. Its only delivery method is via multitenant cloud. Its customers are primarily in Latin America, but it is expanding into North America and Europe. Mercado Eletrônico is a good choice for organizations that would benefit from having a turnkey marketplace of suppliers to tap into. Additionally, customers with heavy operations in Latin America can benefit from Mercado Eletrônico's expertise in that region.

Mercado Eletrônico's highest critical capability ratings are for e-purchasing, supplier collaboration and analytics. Its ratings are relatively low for half the critical capabilities, and especially low for payments, APIA and partner ecosystem. Mercado Eletrônico has improved in terms of three critical capabilities since the 2020 report, with supplier collaboration showing the biggest improvement.

Mercado Eletrônico's highest-scoring use case is the indirect-procurement-focused use case. Mercado Eletrônico focuses on the marketplace and sourcing aspects of procurement, which hurts its scores from a traditional P2P perspective. A big differentiator from other solutions is its pricing model, which can be completely subsidized by suppliers, making the cost of ownership very low. Supplier fees can, however, also be a hindrance to supplier adoption. Therefore customers need to determine how much of their supply base would participate, if a fully supplier-subsidized licensing model is chosen.

## **Oracle**

Oracle was founded in 1977. It offers a broad range of enterprise software and cloud services. Oracle Fusion Cloud Procurement is part of the Oracle Fusion Cloud Applications suite. Oracle Fusion Cloud Procurement is available through a public cloud. Oracle is a good choice for organizations looking to manage all types of spend, and especially those invested in Oracle's other Fusion Cloud ERP applications.

Oracle rates well for the payments and analytics critical capabilities, but in the bottom quartile for supplier collaboration and integration. Oracle is rated in the bottom half for services procurement. Oracle has improved its scores for six critical capabilities since the 2020 report, with the largest jump being for analytics.

Oracle scores in the upper half for the use cases focused on finance and direct materials. However, it scores in the lower half for the use cases focused on services and complex environments. Oracle Fusion Cloud Procurement integrates tightly with Oracle Fusion Cloud ERP, and in some cases, such as extended workforce management, has its functionality extended beyond what is evaluated in this report. Oracle customers see a high percentage of invoices submitted via electronic means.

## **Proactis**

Proactis was founded in 1996 with a focus on spend management. Its only service delivery mode is multitenant cloud. Proactis is a good choice for midsize organizations, especially in the U.K. and Europe, that operate in the financial services or public sectors.

Proactis' highest critical capability ratings are for e-purchasing, integration and project P2P. However, Proactis has relatively weak ratings for supplier collaboration and APIA. Proactis has improved its ratings for seven critical capabilities since the 2020 report, with the largest increase being for its partner ecosystem.

As a result of its uneven critical capability scores, Proactis is in the bottom quartile for all five of the featured use cases. Proactis supports a wide range of PO types and inventory management that are typical of indirect use cases.

## **SAP**

In 2012, SAP acquired Ariba, a company founded in 1996 as an e-procurement software vendor. SAP Ariba and SAP Fieldglass are part of SAP's Intelligent Spend Group, which also includes SAP Concur (not evaluated in this report). SAP's only delivery mode for new customers is multitenant cloud. SAP is a good choice for organizations looking to manage all spend types through a single P2P suite. SAP's support for deep requirements for services and extended workforce spend requires Fieldglass, in addition to Ariba, to unlock all the assessed capabilities.

SAP rates well for many critical capabilities, with the leading rating for services procurement and the joint-highest rating for project P2P. It also rates highly for e-purchasing, integration and partner ecosystem. SAP has shown improvement in project P2P since the 2020 report, and held steady in all other critical capabilities.

As a result of its consistent critical capability ratings, SAP scores in the top quartile for all use cases. SAP has the leading score in the services-focused use case. Product highlights include extended workforce management and support for a wide range of service PO types. Customers looking for direct materials support have full support of POs, work orders, inventory management, and integrations with PLM and other support systems. Adoption of SAP's e-invoicing capabilities is high among its customers, and SAP supports invoice data extraction via embedded PDF conversion capabilities. However, customers that require OCR invoice conversion services must rely on third-party services.

## **Zycus**

Zycus was founded in 1998 as a strategic sourcing vendor. It later expanded into source to pay, and its P2P suite went live with customers in 2013. Zycus' suite is primarily delivered as multitenant SaaS, but single-tenant SaaS is an option if absolutely required. Zycus is a good choice for customers looking primarily for indirect and services procurement, and for those that want AI-enhanced processes.

Zycus has above-average ratings for most of the critical capabilities, with its best rating being for APIA. However, direct materials procurement remains a weaker area, for which its rating is in the middle of the pack. Zycus has improved its ratings for seven critical capabilities since the 2020 report, with partner ecosystem seeing the biggest improvement.

Zycus' highest use-case scores are for the indirect-procurement- and finance-focused scenarios. Its lowest use-case score is for the direct-materials-focused use case. Zycus' Merlin AI products allow customers to choose where they want to add enhanced capabilities. New AI products can be developed and tested relatively quickly because the Merlin AI products are separate from, but tightly integrated with, the core P2P product. A standout example of a Merlin AI product is the AP inbox bot that can process inbound invoices and answer typical supplier inquiries about invoice status.

## Context

P2P suites are common choices for organizations looking to simplify and consumerize their end-to-end purchasing process with one solution. Each year, customers demand more functionality and spend coverage, which means that what defines a P2P suite is always evolving. This evolution is demonstrated by, for example, the advanced payment capabilities that vendors are rapidly integrating into their P2P products. Although most P2P solutions are organically developed to start with, the acquisition and integration of functionality is a common tactic that vendors use to keep pace with the market. While most mainstream P2P suites offer standard capabilities, they may lack best-of-breed functionality for edge and complex use cases.

It is not realistic to expect a single P2P suite to provide all the in-depth functionality required by every organization in every industry. Furthermore, P2P processes do not stand alone — they often require integration with other internal applications and external third parties. They might, for example, need to integrate with an organization's ERP applications, or with suppliers, data providers or a broad ecosystem.

This report helps customers overcome the challenges of selecting a P2P suite by highlighting the critical capabilities that differentiate the functionality provided by vendors. Additionally, we highlight use cases that reflect the most common needs of organizations seeking a P2P suite. Most organizations will need to evaluate more than one of these use cases to meet their primary requirements.

## Product/Service Class Definition

Gartner defines P2P suites as integrated solutions with automated workflows to request, procure, receive and pay for goods and services across an enterprise. P2P suites support the following processes at minimum:

- **E-purchasing:** Self-service functionality that enables end users to create requisitions for goods and services. This is achieved through catalogs, online forms or free-text orders. A requisition is routed for approval through a predefined rule-based workflow and converted to one or more POs upon approval. The POs are transmitted to supplier(s) by email, portal, electronic data interchange (EDI) or XML integration. The final step in the workflow is receipt, which can be via mobile device, desktop PC or dock.

- **Accounts payable invoice automation (APIA):** The ability to capture and automate invoices, including rule-based matching against POs, or to support account coding and approval flows when no PO exists. APIA tools manage exceptions arising from transportation costs or other fees (for example, taxes) that may not exist on POs. This also includes e-invoicing for the exchange and storage of legally valid invoices in electronic format via one or more methods. This can include EDI, punch-out, supplier self-service PO flip, and CSV file upload. Invoice acceptance status and remittance details are available to suppliers on a self-service basis through network or portal functionality.

Additionally, P2P suite vendors may offer products with additional functions, including:

- Budget management
- Contingent workforce management
- Dynamic discounting and/or supply chain financing (SCF)
- Inventory management
- Supplier information management (SIM) and/or supplier registration
- Employee expense management
- Payments

## Critical Capabilities Definition

### **E-Purchasing**

An employee self-service solution for requisitioning and ordering goods and services. It enables nonprofessional buyers to create requisitions using e-forms, catalogs or free-text entry. Requests are routed for approval, converted into POs, and then sent to suppliers.

The POs are transmitted to supplier(s) via email, portal, EDI or XML integrations. The final step in the workflow is the issuing of receipts, which can be done via mobile, desktop or dock.



## **Services Procurement**

The ability to source and procure contingent workers and complex services. Functionality includes statement of work (SOW) creation, rate negotiation, resource onboarding, self-service time reporting, self-service deliverable reporting, resource tracking and resource offboarding.

## **Project P2P**

Workstream-specific functionality configured to enable buyers to track and manage spend for a specific project.

## **Direct Materials Procurement**

The ability to procure materials related to manufacturing or resale. Functionality typically includes bill of materials (BOM) handling, inventory, item data management, vendor-managed inventory (VMI) and quality management. Unique fields can be added, such as revision or manufacturer's part number.

## **Supplier Collaboration**

The ability to collaborate with suppliers across a range of documents and data to support the P2P process. This collaboration can involve supplier master data, order confirmations and changes, advanced ship notices, VMI data, and work and dispatch orders.

Additionally, buyers can message and collaborate with suppliers on specific documents or general questions.

## **AP Invoice Automation**

The ability to capture and automate invoices, including rule-based matching against POs, or to support account coding and approval flows when no PO exists. APIA tools manage exceptions arising from transportation costs or other fees (for example, taxes) that may not exist on POs.

## **Payments**

Functionality to manage cash and make payments to suppliers, such as dynamic discounting, supplier chain financing and purchasing card reconciliation. Payment methods include payment via automated clearinghouse, wire transfer, digital and check, cryptocurrency and PayPal.

## **Integration**

The ability to create connections in order to send and receive data easily to and from adjacent, third-party applications, such as ERP solutions, financial systems, strategic sourcing applications, product life cycle management applications, demand-planning systems and other external data sources.

## **Analytics**

Procurement analytics, including spend analytics, budget reporting and tracking, operational metrics, price benchmarking, SLA tracking, and key performance indicator (KPI) tracking.

## **Partner Ecosystem**

Third parties offer tightly integrated functional extensions to enhance the core capabilities of a P2P suite. These partners can include providers of tax engine plug-ins, OCR and other scanning technologies, financial data, and diversity tracking and validation.

Partner ecosystems enable customers to extend functionality beyond what their P2P suite vendor offers directly, in order to fulfill specific use cases.

## **Use Cases**

### **Indirect Procurement Focused**

A use case focused on automating the entire P2P process for indirect spend.

This is the most common use case for P2P suite customers. The goal is to increase spend compliance and automation for the goods and services needed to run a business, but not for manufacturing or resale. Customers typically prioritize the user experience of the purchasing process and the ease of collaboration with a large number of suppliers.

### **Direct Materials Focused**

A use case focused on enabling supply chain collaboration and visibility, primarily for manufacturing or resale industries.

This type of procurement is often driven ultimately by customer demand and is accounted for under cost of goods sold (COGS). Direct materials procurement customers need to support integrations with external applications such as planning, product life cycle, quality and BOM systems. Direct materials also typically require additional supplier collaboration functions, in comparison to indirect procurement, due to the many changes that occur during a PO's life.

## Services Focused

A use case for organizations that buy many services. Included are both complex SOW service procurement and contingent-worker procurement.

## Finance Focused

A use case focused on finance functions, including APIA and payment handling.

Customers looking to automate and integrate finance processes with upstream procurement processes focus on strong e-invoicing, APIA and payment functionality. Payment support is new to the P2P sector, so only a limited number of vendors provide deep, multitype payment support.

## Complex Environment Focused

A use case focused on complex procurement categories and geographical scopes that require advanced integrations and analytics to support a varied back-end infrastructure.

This use case is for complex businesses, such as oil and gas companies, or those that have grown through many acquisitions and have diverse needs. Security, legal compliance and flexibility across many end-user access devices are also concerns. The ability to connect with many operational and financial systems, while also providing visibility into procurement processes, is key to success.

## Vendors Added and Dropped

### Dropped

- Synertrade did not meet the inclusion criteria for customers, revenue and new customers signed in 2020.
- Tradeshift did not meet the inclusion criteria for customers or new customers signed in 2020.

## Inclusion Criteria

This Critical Capabilities report uses the same inclusion criteria as the companion [Magic Quadrant for Procure-to-Pay Suites](#).

To qualify for inclusion in this Critical Capabilities research, each vendor had to:

- Actively position its P2P suite as a stand-alone platform for automating all types of spending.

- Have generated a minimum of \$13 million in annual revenue for the 12-month period ending December 2020 from P2P software subscription, transaction, software license and maintenance fees.
- Have 30 or more clients with 2020 revenue or operating budget of \$1 billion or more “live” with full P2P (both e-purchasing and APIA).
- Have signed a minimum of 15 new clients with annual revenue over \$500 million in revenue or operating budget in calendar 2020.
- Have ownership of source code that delivers the following functionality, deployable without customization:
  - Requisition approval workflow
  - Receiving
  - cXML integration
  - Supplier self-service catalog management
  - Automated two-way match (PO to invoice)
  - Pay on invoice (without a purchase order)
  - Supplier self-service PO flip
  - Supplier self-service invoice acceptance status checking
  - Remittance details available to suppliers
- Be currently processing compliant e-invoices in a minimum of five countries.
- Have generated at least 20% of revenue from clients headquartered in different regions from the vendor’s home region and proof of winning clients in at least two regions. Regions include North America, Latin America, Europe, the Middle East and Africa, Asia/Pacific, and Japan.

**Table 1: Weighting for Critical Capabilities in Use Cases**

(Enlarged table in Appendix)

<i><b>Critical Capabilities</b></i> ↓	<i><b>Indirect Procurement Focused</b></i> ↓	<i><b>Direct Materials Focused</b></i> ↓	<i><b>Services Focused</b></i> ↓	<i><b>Finance Focused</b></i> ↓	<i><b>Complex Environment Focused</b></i> ↓
E-Purchasing	30%	5%	5%	5%	10%
Services Procurement	10%	0%	35%	5%	5%
Project P2P	10%	5%	15%	10%	5%
Direct Materials Procurement	0%	40%	0%	0%	5%
Supplier Collaboration	15%	15%	10%	5%	10%
AP Invoice Automation	10%	5%	5%	35%	10%
Payments	5%	0%	5%	20%	5%
Integration	5%	15%	10%	5%	20%
Analytics	10%	5%	5%	5%	15%
Partner Ecosystem	5%	10%	10%	10%	15%
As of 12 August 2021					

Source: Gartner (November 2021)

This methodology requires analysts to identify the critical capabilities for a class of products/services. Each capability is then weighted in terms of its relative importance for specific product/service use cases.

Each of the products/services that meet our inclusion criteria has been evaluated on the critical capabilities on a scale from 1.0 to 5.0.

## Critical Capabilities Rating

**Table 2: Product/Service Rating on Critical Capabilities**

(Enlarged table in Appendix)

<i>Critical Capabilities</i>	<i>Basware</i>	<i>Coupa</i>	<i>Esker</i>	<i>GEP</i>	<i>Ivalua</i>	<i>JAGGAER</i>	<i>Medius</i>	<i>Mercado Eletrônico</i>	<i>Oracle</i>	<i>Proactis</i>	<i>SAP</i>	<i>Zycus</i>
E-Purchasing	3.7	4.6	3.5	4.1	4.3	4.2	4.0	3.5	4.0	3.6	4.4	4.0
Services Procurement	2.9	4.2	2.1	3.7	3.7	3.6	2.8	3.0	2.9	2.9	4.9	3.5
Project P2P	3.9	4.2	2.5	4.2	4.0	4.2	3.8	2.8	4.0	3.5	4.2	3.8
Direct Materials Procurement	2.6	3.1	1.1	4.1	4.4	4.4	2.5	2.0	3.5	2.7	4.1	2.7
Supplier Collaboration	3.4	3.7	3.3	3.8	4.1	4.0	3.5	3.3	3.3	3.2	4.0	3.5
AP Invoice Automation	4.7	4.3	4.5	4.2	3.6	4.1	4.7	2.8	4.0	3.3	3.8	4.3
Payments	3.5	4.5	2.5	2.3	2.5	2.9	3.7	1.2	4.2	3.0	3.4	3.3
Integration	4.0	4.3	3.0	4.3	4.1	4.1	4.1	3.0	3.7	3.5	4.2	3.8
Analytics	3.5	4.5	2.9	4.2	3.6	3.9	3.8	3.3	3.9	3.3	3.6	3.8
Partner Ecosystem	4.1	4.2	2.5	3.2	3.6	3.4	3.3	2.3	3.3	2.5	4.1	3.6
As of 12 August 2021												

Source: Gartner (November 2021)

Table 3 shows the product/service scores for each use case. The scores, which are generated by multiplying the use-case weightings by the product/service ratings, summarize how well the critical capabilities are met for each use case.

**Table 3: Product Score in Use Cases**

(Enlarged table in Appendix)

Use Cases	Basware	Coupa	Esker	GEP	Ivalua	JAGGAER	Medius	Mercado Eletrônico	Oracle	Proactis	SAP	Zycus
Indirect Procurement Focused	3.70	4.31	3.15	3.92	3.91	3.96	3.79	3.06	3.74	3.31	4.16	3.80
Direct Materials Focused	3.35	3.74	2.31	4.01	4.13	4.14	3.29	2.60	3.58	3.02	4.08	3.33
Services Focused	3.52	4.22	2.66	3.80	3.78	3.80	3.45	2.87	3.45	3.12	4.34	3.66
Finance Focused	4.02	4.31	3.32	3.68	3.51	3.77	4.01	2.54	3.86	3.18	3.90	3.84
Complex Environment Focused	3.77	4.23	2.95	3.90	3.83	3.90	3.75	2.85	3.68	3.19	4.05	3.72
As of 12 August 2021												

Source: Gartner (November 2021)

To determine an overall score for each product/service in the use cases, multiply the ratings in Table 2 by the weightings shown in Table 1.

## Critical Capabilities Methodology

This methodology requires analysts to identify the critical capabilities for a class of products or services. Each capability is then weighted in terms of its relative importance for specific product or service use cases. Next, products/services are rated in terms of how well they achieve each of the critical capabilities. A score that summarizes how well they meet the critical capabilities for each use case is then calculated for each product/service.

"Critical capabilities" are attributes that differentiate products/services in a class in terms of their quality and performance. Gartner recommends that users consider the set of critical capabilities as some of the most important criteria for acquisition decisions.

In defining the product/service category for evaluation, the analyst first identifies the leading uses for the products/services in this market. What needs are end-users looking to fulfill, when considering products/services in this market? Use cases should match common client deployment scenarios. These distinct client scenarios define the Use Cases.

The analyst then identifies the critical capabilities. These capabilities are generalized groups of features commonly required by this class of products/services. Each capability is assigned a level of importance in fulfilling that particular need; some sets of features are more important than others, depending on the use case being evaluated.

Each vendor's product or service is evaluated in terms of how well it delivers each capability, on a five-point scale. These ratings are displayed side-by-side for all vendors, allowing easy comparisons between the different sets of features.

Ratings and summary scores range from 1.0 to 5.0:

1 = Poor or Absent: most or all defined requirements for a capability are not achieved

2 = Fair: some requirements are not achieved

3 = Good: meets requirements

4 = Excellent: meets or exceeds some requirements

5 = Outstanding: significantly exceeds requirements

To determine an overall score for each product in the use cases, the product ratings are multiplied by the weightings to come up with the product score in use cases.

The critical capabilities Gartner has selected do not represent all capabilities for any product; therefore, may not represent those most important for a specific use situation or business objective. Clients should use a critical capabilities analysis as one of several sources of input about a product before making a product/service decision.

## Document Revision History

[Critical Capabilities for Procure-to-Pay Suites - 2 November 2020](#)

[Critical Capabilities for Procure-to-Pay Suites - 9 September 2019](#)



## Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[How Products and Services Are Evaluated in Gartner Critical Capabilities](#)

[Magic Quadrant for Procure-to-Pay Suites](#)

[Gartner Peer Insights 'Lessons Learned': Implementing Procure-to-Pay Suites](#)

[Infographic: AI Use-Case Prism for Sourcing and Procurement](#)

[Hype Cycle for Procurement and Sourcing Solutions, 2021](#)

[Market Guide for Accounts Payable Invoice Automation Solutions](#)

[Quick Answer: 3 Options When Deploying a Supplier Portal](#)

[Quick Answer: How Can I Modernize My Contingent Workforce Technology Strategy?](#)

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**Table 1: Weighting for Critical Capabilities in Use Cases**

<b>Critical Capabilities</b>	<b>↓ Indirect Procurement Focused</b>	<b>↓ Direct Materials Focused</b>	<b>↓ Services Focused ↓</b>	<b>Finance Focused ↓</b>	<b>Complex Environment Focused ↓</b>
E-Purchasing	30%	5%	5%	5%	10%
Services Procurement	10%	0%	35%	5%	5%
Project P2P	10%	5%	15%	10%	5%
Direct Materials Procurement	0%	40%	0%	0%	5%
Supplier Collaboration	15%	15%	10%	5%	10%
AP Invoice Automation	10%	5%	5%	35%	10%
Payments	5%	0%	5%	20%	5%
Integration	5%	15%	10%	5%	20%
Analytics	10%	5%	5%	5%	15%
Partner Ecosystem	5%	10%	10%	10%	15%
As of 12 August 2021					

Source: Gartner (November 2021)

Table 2: Product/Service Rating on Critical Capabilities

<i>Critical Capabilities</i>	<i>Basware</i>	<i>Coupa</i>	<i>Esker</i>	<i>GEP</i>	<i>Ivalua</i>	<i>JAGGAER</i>	<i>Medius</i>	<i>Mercado Eletrônico</i>	<i>Oracle</i>	<i>Proactis</i>	<i>SAP</i>	<i>Zycus</i>
E-Purchasing	3.7	4.6	3.5	4.1	4.3	4.2	4.0	3.5	4.0	3.6	4.4	4.0
Services Procurement	2.9	4.2	2.1	3.7	3.7	3.6	2.8	3.0	2.9	2.9	4.9	3.5
Project P2P	3.9	4.2	2.5	4.2	4.0	4.2	3.8	2.8	4.0	3.5	4.2	3.8
Direct Materials Procurement	2.6	3.1	1.1	4.1	4.4	4.4	2.5	2.0	3.5	2.7	4.1	2.7
Supplier Collaboration	3.4	3.7	3.3	3.8	4.1	4.0	3.5	3.3	3.3	3.2	4.0	3.5
AP Invoice Automation	4.7	4.3	4.5	4.2	3.6	4.1	4.7	2.8	4.0	3.3	3.8	4.3
Payments	3.5	4.5	2.5	2.3	2.5	2.9	3.7	1.2	4.2	3.0	3.4	3.3
Integration	4.0	4.3	3.0	4.3	4.1	4.1	4.1	3.0	3.7	3.5	4.2	3.8

Analytics	3.5	4.5	2.9	4.2	3.6	3.9	3.8	3.3	3.9	3.3	3.6	3.8
Partner Ecosystem	4.1	4.2	2.5	3.2	3.6	3.4	3.3	2.3	3.3	2.5	4.1	3.6
As of 12 August 2021												

Source: Gartner (November 2021)

Table 3: Product Score in Use Cases

<i>Use Cases</i>	<i>Basware</i>	<i>Coupa</i>	<i>Esker</i>	<i>GEP</i>	<i>Ivalua</i>	<i>JAGGAER</i>	<i>Medius</i>	<i>Mercado Eletrônico</i>	<i>Oracle</i>	<i>Proactis</i>	<i>SAP</i>	<i>Zycus</i>
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Direct Materials Focused	3.35	3.74	2.31	4.01	4.13	4.14	3.29	2.60	3.58	3.02	4.08	3.33
Services Focused	3.52	4.22	2.66	3.80	3.78	3.80	3.45	2.87	3.45	3.12	4.34	3.66
Finance Focused	4.02	4.31	3.32	3.68	3.51	3.77	4.01	2.54	3.86	3.18	3.90	3.84
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As of 12 August 2021												

Source: Gartner (November 2021)