# Magic Quadrant for Accounts Payable Applications

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Accounts payable applications use a single platform with automation and predictive capabilities for supplier invoice processing, payment facilitation and supplier master data management. CFOs can use this research to assess vendors that enable the digital transformation of AP processes.

## Market Definition/Description

Gartner defines the accounts payable applications market as cloud-based applications that enable corporate controllers and their teams to automatically manage supplier invoice processing, facilitate payments and support supplier master data management across one or more ERP applications.

Organizations use accounts payable applications to improve their supplier invoice processing, payments and supplier master data management activities. They allow organizations to efficiently and confidently pay supplier invoices. These applications are modular cloud-based tools that customers can configure to deliver standard processes and integrate with one or more ERP applications. Additionally, they integrate with other operational tools, such as source-to-pay suites, partner networks, banks and payment service providers, while creating flexibility for suppliers to deliver supplier invoices. An example would be the collection and processing of supplier invoices using a digital mailroom, whereby data (structured and unstructured) is extracted from scanned documents and validated prior to approval for payment.

The most common business problems the accounts payable applications market addresses include:

- **Efficiency** — The ability to automate and streamline accounts payable operations by eliminating time-consuming and error-prone manual processes. This use case focuses on an organization's goal to drive efficiency and productivity within their accounts payable processes.

- **Managing cash flow** — The ability to gain insight into the organization's disbursements component of cash flow by leveraging robust master data. Finance organizations often struggle to provide a real-time picture of the current cash flow that can impact operations.

- **Financial controls** — The ability to facilitate a strong control environment including segregation of duties, financial and compliance controls and fraud prevention. By implementing accounts payable controls, organizations can enhance their financial management, reduce the risk of errors and fraud, and ensure they meet compliance requirements.

## Mandatory Features

The mandatory features for this market include:

- **Supplier invoice processing —** The ability to provide automated management of supplier invoice processing, including invoice capture, matching, coding, validation and approval workflows.

- **Cloud-based —** The product must be a cloud-based application.

## Common Features
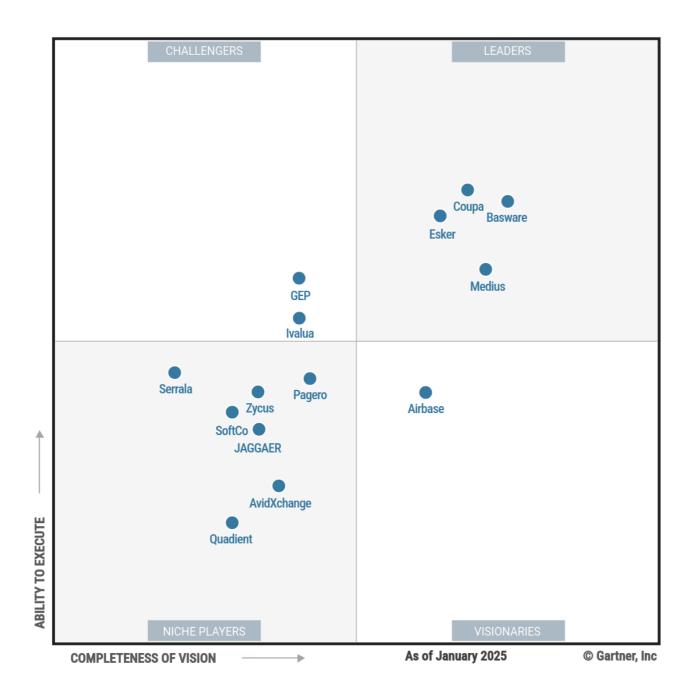
The common features for this market include:

- **Payments —** The ability to initiate payments of supplier invoices via electronic transfers, checks or other remittances as well as transmit payment remittance information to suppliers or provide an equivalent integration to an ERP application to facilitate the same.

- **Supplier master data management —** The ability to manage complete supplier details, hierarchy and other content, or provide an equivalent supplier master data integration to an ERP application.

- Supplier portal — The ability to enable supplier invoice, electronic data interchange (EDI), and document and information collaboration with suppliers and internal team members.

- **Integrated platform** — The ability to integrate supplier invoice processing across one or more ERP applications.

- **Analytics and business intelligence (ABI)** — The ability to provide spend analytics, data visualization, cash-flow management, modeling and logic writing of all underlying data.

- **Fraud detection** — The ability to flag duplicate payments and invoices, errors, and other anomalous transactions.

- **Legal supplier invoice compliance** — The ability to ensure adherence to the legal standards and rules in required jurisdictions governing the electronic issuance and receipt of invoices by suppliers and buyers.

- **Requisition and purchase order (PO) creation** — The ability to enhance operational efficiency and enable better monitoring of spend with approved suppliers through automated PO creation.

# Magic Quadrant

**Figure 1: Magic Quadrant for Accounts Payable Applications**

## Vendor Strengths and Cautions

### Airbase

Airbase is a Visionary in this Magic Quadrant. Its product, Accounts Payable Automation, uses a blend of AI technology and integration capabilities to streamline invoice capture and process automation. North America is currently the only region for Airbase's customers and operations. Customers are commonly midmarket companies.

The vendor plans to further invest in automation and AI enhancements, aiming to improve user experience and expand integration capabilities.

*Strengths*

- **Global payments:** Airbase offers cross-border payment capabilities, processing transactions in over 200 countries and 145 currencies through methods like automated clearing house (ACH), checks, international wire transfers and virtual cards. This helps chief financial officers (CFOs) maintain efficient and smooth financial operations for global and multisubsidiary organizations dealing with diverse payment requirements.

- **R&D commitment:** Airbase has the highest levels of R&D investment of all vendors in this research, focusing on enhancing AI-powered automation and real-time analytics to streamline the AP process. Recent investments have been directed toward developing AI-powered touchless AP capabilities and advanced fraud-detection systems.

- **Application strategy:** Airbase provides a unified platform that combines accounts payable, expense management and corporate card programs, which streamlines the management of nonpayroll expenditures. This strategy is appealing to CFOs who prefer a single-vendor approach over a composable strategy, aiming for simplicity and standardized processes.

*Cautions*

- **Duplicate invoice:** Airbase's application offers basic duplicate-invoice-detection features but lacks the AI/machine learning (ML) capabilities commonly provided by other vendors in this research. This limitation may lead to increased manual oversight and potential duplicate payments, requiring CFOs to invest additional resources to ensure invoice accuracy.

- **Language support limitation:** The platform currently supports only English, which could be a barrier for organizations operating in non-English-speaking regions. CFOs should consider language requirements when evaluating Airbase for international use.

- **Supplier portal:** Airbase's supplier portal lacks certain functionalities, such as analytics related to activities with the customer. CFOs may need to implement additional tools or processes to manage supplier relationships effectively.

## AvidXchange

AvidXchange is a Niche Player in this Magic Quadrant. Its product, AvidPay, automates and streamlines invoice processing and payments, offering valuable tools for integration, analytics and industry-specific needs. North America is currently the only region for

AvidXchange's customers and operations. Customers are commonly fast-growing midmarket companies.

The vendor is investing in innovations, such as AI and ML capabilities, to help customers capture complex invoices and predict invoice approvals.

*Strengths*

- **Vertical specialization:** AvidXchange provides tailored solutions for industries such as real estate, financial services and construction. By using features such as AP automation for multilocation properties and digitized lien waivers, CFOs can achieve greater efficiency and accuracy in financial management and meet specific industry needs.

- **Invoice capture:** AvidXchange offers a dedicated indexing team and AI technology to achieve comprehensive and highly accurate digitization of invoices. This capability minimizes errors and enhances data integrity, providing CFOs with reliable invoice information for efficient processing and management.

- **Contract flexibility:** AvidXchange offers flexible, shorter contract durations, allowing organizations to adapt quickly to changing needs. This flexibility reduces the risk of long-term vendor lock-in, enabling CFOs to optimize AP processes and maintain operational agility.

*Cautions*

- **AI capabilities:** While AvidXchange has made progress in AI-driven invoice processing, it lacks AI capabilities for fraud detection and cash management. CFOs looking for more comprehensive AI integration might consider other vendors in this market, which offer broader AI functionalities throughout their applications.

- **ERP integration:** AvidXchange offers a variety of configurable ERP integrations that connect via API using default settings or can be adjusted to specific requirements. CFOs should assess the level of configuration required as onboarding effort can vary depending on the specifications.

- **User experience:** AvidXchange's current offerings lack several user-friendly interface elements, such as spreadsheet-like interfaces, responsive UI, multimodal interactions and role-specific dashboards. These omissions may affect the overall user experience by making the platform less intuitive compared to other applications in this market.

**Basware**

Basware is a Leader in this Magic Quadrant. Its product, Basware's Invoice Lifecycle Management Platform, enhances operational efficiency by leveraging advanced AI-driven analytics for predictive insights and risk management. The top two regions for its customers are Europe and North America. Vendor operations can be found in North America, Europe and Asia/Pacific. Customers are commonly global enterprises with complex operations, large organizations with shared services centers and midmarket enterprises.

The vendor is investing in innovation by developing AI agents, analytics, and intelligent automation to optimize cash flow, reduce risk and provide critical financial insights.

*Strengths*

- **AI capabilities:** Basware offers AI across its platform in use cases such as automating invoice capture, validation of account coding and analytics. It also incorporates AI for fraud detection and duplicate-invoice prevention, significantly reducing manual tasks, enhancing accuracy and providing robust financial safeguards.

- **User interface:** Basware offers an intuitive user interface with responsive design, multimodal interactions and digital assistants that enhance the user experience. These features simplify use for CFOs and their teams, reducing the learning curve and improving productivity.

- **Invoice life cycle:** Basware offers an end-to-end solution, from its network to recovery services, ensuring interoperability within the application, which can be integrated into an ERP. CFOs seeking comprehensive coverage of the entire AP subledger may benefit from its automation and scalability.

*Cautions*

- **Change request strategy:** Basware's approach to managing customer change requests differs from other vendors, leading to variations in response times and outcomes. CFOs should expect a less structured methodology without predefined timelines as the vendor opts instead for a custom support model directly linked to the complexity of change requests.

- **Payments:** Basware's reliance on third-party vendors for payment processing may complicate the configuration and increase dependencies. CFOs should be prepared to

manage these external relationships to ensure consistent service delivery and address potential risks associated with these dependencies.

- **Implementation timeline:** Basware's implementation timelines tend to be longer compared to other vendors in this research. CFOs with complex operations and high automation targets should ensure the necessary resources and time are allocated to complete the configuration of advanced AI features.

## Coupa

Coupa is a Leader in this Magic Quadrant. Its product, AP Automation, automates invoice data processing, streamlines payment processes and enhances supplier management to increase efficiency. The top two regions for Coupa's customers are North America and Europe. Vendor operations can be found in North America, Europe and Asia/Pacific. Customers commonly range from small enterprises to large multinational companies.

The vendor is investing in innovations such as reimagining user experiences, enhancing supplier management and expanding global e-invoicing compliance, with plans to strengthen integration and amplify AI in data capture.

*Strengths*

- **AI-driven insights:** Coupa's AP Automation solution offers AI-driven insights and automation to improve invoice extraction and workflows. CFOs can expect a unified digital payment experience as a result of Coupa's partnerships with more than two dozen payment providers.

- **Extensibility and integration:** Coupa offers natively developed compliance-as-a-service to adhere to global regulatory e-invoicing standards. CFOs get country-specific templates, verified by PwC in 53 countries, to ensure local compliance; these templates are automatically applied to invoices.

- **Internal controls:** Coupa offers an automated reconciliation process for account statement imports, utilizing rules to align planned cash flows with actual transactions. CFOs can use this feature as an internal control to reconcile bank statements with the accounts payable subledger, helping identify unmatched transactions or duplicate entries.

*Cautions*

- **Sales cycle:** Coupa's contracting process often faces delays due to the complexity of its user-based license and volume-based transaction components, which require customization to each customer's specific needs and expected usage. As a result, finalizing these tailored agreements can be a time-consuming process.

- **User interface:** The navigation and usability of Coupa's user interface can be challenging for infrequent users due to its complex design. A new user experience is planned for 2025, requiring CFOs to provide change management support and ensure end-user technology acceptance.

- **Dashboards and reporting:** Supplier-level payments provide invoice and payment content for reconciliation but would benefit from a direct integration with the supplier ERP application. CFOs may encounter challenges when extracting content from Coupa's dashboards due to limited customization options, complicating data visualization and restricting insights.

**Esker**

Esker is a Leader in this Magic Quadrant. Its product, Accounts Payable, automates the AP process and increases the transparency of an organization's cash position through AI-driven invoice matching and data capture. The top two regions for Esker's customers are Europe and North America. Vendor operations can be found in Europe, North America and Asia/Pacific. Customers commonly range from midmarket to large multinational organizations.

The vendor is investing in innovations, such as AI-assisted supplier management functions, increased visibility of supplier payment status and internal conversations, allowing users to discuss and remedy payment issues as they arise.

*Strengths*

- **AI integration:** Esker is using AI and ML across its accounts payable application, with features like AI-based invoice recognition, predictive coding and anomaly detection. This AI integration enhances invoice processing accuracy and efficiency, providing CFOs with a reliable tool to streamline operations.

- **Customizable dashboards:** Esker's solution offers customizable dashboards and reports, allowing users to tailor insights to their specific needs, such as monitoring cash flow, tracking invoice approval times and analyzing supplier performance. This flexibility

empowers CFOs to make informed decisions and effectively manage AP processes by providing personalized and actionable insights.

- **Global compliance and multilingual support:** Esker supports e-invoicing compliance in over 60 countries and offers multilingual capabilities, making it suitable for global enterprises. This helps CFOs ensure compliance with diverse regulatory requirements and manage international operations effectively.

*Cautions*

- **Analytics and business intelligence (ABI):** Esker's native ABI tool may not align with the typical finance requirements for data visualization, data preparation, modeling and logic writing. CFOs usually integrate with a separate ABI application to improve the user experience and provide access to standard reporting features.

- **Implementation timeline:** Esker has a longer implementation time frame compared to other vendors in this research. It indirectly oversees partner-led implementations, which could lead to an inconsistent configuration. CFOs with complex operations should set a well-defined escalation path for issue resolution.

- **Third-party integrations:** Esker depends on third-party partners for specific functionalities like cross-border payments and compliance. This reliance requires careful coordination to ensure seamless execution of financial transactions. CFOs should evaluate the reliability of these partnerships to ensure sustainable operations.

**GEP**

GEP is a Challenger in this Magic Quadrant. Its product, GEP SMART, is focused on efficiency and user experience through automation of payable activities. The top two regions for its customers are North America and Europe. Vendor operations can be found in North America, Europe and Asia/Pacific. Customers are commonly large multinationals, midmarket organizations and government agencies with complex operations.

The vendor is investing in innovation with its AI-powered compliance checks, which are designed to help organizations deploy continuous compliance monitoring across various regulatory standards.

*Strengths*

- **Implementation partnership:** GEP's implementations may be led by partners with expertise in AP, P2P and S2P SaaS technology solutions. CFOs can expect collaborative

scoping to develop a shared vision, mitigate risks and enhance trust. During a hybrid implementation, the partner leads the project and GEP addresses any gaps.

- **Deep integrations:** GEP has an extensive suite of prebuilt connectors that enable quick integration with ERP and payment providers, helping CFOs ensure data accuracy, quick payments and process automation.

- **Invoice processing:** GEP offers an AI-driven solution for invoice processing by capturing data from structured and unstructured invoices, extracting header and line-item information to enhance automation and streamline workflow. CFOs can configure the application to meet diverse data needs, such as linking cost centers to reviewers or site numbers to managers.

*Cautions*

- **Procurement focus:** GEP's sales strategy focuses on procurement, particularly in contract compliance management. CFOs who prioritize invoices, payments and supplier data management may find the product enhancements they value don't align with their needs.

- **Pricing transparency:** GEP's flexible pricing model is based on functional scope, geographical complexity, integrations and contract duration. Additional effort may be required to ensure pricing covers the right features.

- **Customer experience:** GEP prioritizes direct feedback mechanisms over social channels and online communities to gather structured and confidential customer insights, favoring specific needs rather than popularity. CFOs may want to use their own networks or establish new methods for exchanging ideas and best practices with other customers.

## Ivalua

Ivalua is a Challenger in this Magic Quadrant. Its product, Ivalua Invoicing & Payments, focuses on supplier self-service, collaboration and AI data capture for invoice ingestion. The top two regions for its customers are Europe and North America. Vendor operations can be found in Europe, North America and Asia/Pacific. Customers commonly range from small enterprises to large multinational companies.

The vendor is investing in innovations such as global e-invoicing compliance, expanded business use cases, deeper integration and comprehensive payment solutions.

*Strengths*

- **Configurability:** Ivalua's private cloud application offers a configurable platform with physically separated customer data for enhanced security, and it uses low-code/no-code extensions for customization. This flexibility supports CFOs seeking industry-specific solutions with prepackaged configurations, such as allocation templates for non-purchase-order (PO) items.

- **Continuous improvement:** Ivalua improves customer-supplier communication by enabling instant collaboration to reduce risk and supports a digital payable-first approach for real-time visibility. CFOs benefit from optimized cash management, reduced invoice entry costs, and improved controls when implemented at scale.

- **Supplier management:** Ivalua's application offers supplier management solutions for statement reconciliations, editable invoice templates and collaboration on orders, delivery and timesheets. CFOs can expand their capabilities to include advanced supplier relationship and risk management, offering greater control and visibility over their supplier master data.

*Cautions*

- **Product updates:** Ivalua's software releases are delivered as optional, allowing customers to determine their upgrade timing, which causes many to remain several versions behind. CFOs who don't keep up with releases will miss out on new features and struggle to update their applications to current versions.

- **AI investment:** Ivalua's recent innovations target specific use cases, such as e-invoicing and e-reporting (in response to new French regulations), receipt data capture and end-to-end virtual card processing. The current focus may conflict with the needs of CFOs who are seeking other capabilities, such as enhanced data analytics, predictive modeling or automated decision-making processes for invoice capture.

- **Extensibility and integration:** Ivalua has prebuilt integrations with ERPs like SAP, Oracle, Infor and Microsoft Dynamics 365, but primarily relies on APIs and related technologies for integration capabilities. While this approach facilitates flexible and efficient data exchange processes, CFOs must allocate additional resources to maintain these integrations.

**JAGGAER**

JAGGAER is a Niche Player in this Magic Quadrant. Its product, JAGGAER ONE Invoicing and Pay, is designed to streamline invoice processing and payment management, integrating with specific ERP applications. The top two regions for its customers and vendor operations are North America and Europe. Customers are commonly enterprises that are existing customers of its broader product suite.

The vendor is investing in innovations such as an AI virtual assistant and automating PO to invoice matching to help customers increase usage and maximize ROI.

*JAGGAER did not respond to requests for supplemental information. Gartner's analysis is, therefore, based on other credible sources.*

*Strengths*

- **ERP integration:** JAGGAER's packaged and certified ERP integrations provide CFOs with the flexibility to connect to multiple ERP systems within their organization. This capability enhances operational efficiency by allowing CFOs to consolidate invoice processing across diverse platforms.

- **Implementation partnership:** JAGGAER governs implementations with project scoping, satisfaction surveys and innovative methodologies to maximize value. These tactics align vendor, customer and partner interests, increasing the likelihood of customer success. Customers find these strategies maximize the value of their implementation efforts.

- **Vertical/industry strategy:** JAGGAER offers strong support for industry-specific requirements like compliance with funding sources, budgetary controls or tax exemptions by providing tailored configurations for sectors like higher education or life sciences. CFOs operating in those sectors should prepare more granular requirements to fit niche events.

*Cautions*

- **Workflow customization:** JAGGAER offers limited flexibility to modify workflows, such as integrating new data sources, requiring professional services support to implement changes. CFOs will need to plan for this constraint when adapting processes.

- **Navigation complexity:** JAGGAER's solutions have complex navigation for invoice processing, such as multistep workflows and intricate menu structures. Compared to other applications, CFOs may find these solutions more difficult to use to efficiently

manage tasks, necessitating additional training or resources to effectively use the platform and maintain smooth operations.

- **AI capabilities:** JAGGAER's offers several AI-based features including commodity code, PO match, and invoice approval recommendations. CFOs who require more comprehensive AI capabilities should consider this in their evaluation to ensure their requirements are met.

## Medius

Medius is a Leader in this Magic Quadrant. Its product, AP Automation, focuses on intelligent automation of the AP process, with an emphasis on improving the user experience through AI. The top two regions for its customers are Europe and North America. Vendor operations can be found in Europe, North America and Asia/Pacific. Customers commonly range from small enterprises to large multinational companies.

The vendor is investing in innovation with AI-driven features, such as fraud detection, which identifies invoice anomalies, and automated supplier onboarding, which is triggered by an invoice received from an unknown vendor.

*Strengths*

- **Internal customer service:** Medius offers an AI assistant with predefined prompts for invoice-processing queries, providing contextual support that allows users to quickly and confidently approve invoices. CFOs can use this tool to enhance customer service and reduce support costs by streamlining request management and delivering real-time assistance, ultimately leading to improved customer satisfaction.

- **AI integration:** Medius uses advanced AI and ML technologies across its accounts payable application, enhancing invoice processing accuracy and efficiency. Features like AI-driven capture technology reduce manual intervention and streamline workflows.

- **Fraud detection and risk management:** Medius' fraud and risk-detection feature examines invoice data, historical patterns, trends and supplier master data to spot anomalies. This capability provides real-time alerts and comprehensive dashboards, enabling CFOs to proactively manage risks and ensure financial accuracy.

*Cautions*

- **User experience:** Medius has made strides in enhancing user experience with AI-driven features, but some aspects of its UI design may not be as advanced as those offered by

other market leaders. CFOs seeking a cutting-edge UI might find Medius's offerings less competitive, depending on their specific utility and efficiency requirements.

- **Manufacturing focus:** Medius focuses on the manufacturing sector, offering features like complex PO matching and direct material invoice automation, a reflection that its target market is nearly twice the size of its next closest segment. CFOs who require project-based billing or service procurement should evaluate whether Medius's manufacturing-centric approach impedes their specific requirements.

- **Self-led implementation:** Medius emphasizes using its own teams for implementations rather than partners, which may lead to longer implementation time frames compared to other vendors in this research. CFOs can mitigate these execution risks by adding comprehensive training, project management expertise and a change management program.

## Pagero

Pagero is a Niche Player in this Magic Quadrant. Its product, AP Automation, focuses on enabling e-invoicing, digitizing the AP process and adhering to regional compliance standards. The top two regions for its customers are Europe and North America. Vendor operations can be found in Europe, North America and Asia/Pacific. Customers are commonly large multinational organizations.

In 2024, Pagero was acquired by the technology company Thomson Reuters, enabling the organization to better sell and serve customers within the Thomson Reuters network. Pagero continues to operate as a stand-alone business.

*Pagero did not respond to requests for supplemental information or to review the draft contents of this document. Gartner's analysis is, therefore, based on other credible sources.*

*Strengths*

- **Buyer and seller network:** Thomson Reuters has acquired Pagero, recognizing the benefits of the Pagero Network for shared stakeholders, including customers, suppliers and authorities. CFOs should monitor the company's plans for ongoing investment in Pagero.

- **E-invoicing:** Pagero is attuned to the needs of customers transitioning to e-invoicing in Europe and Latin America, recognizing challenges such as integration, changing

regulations, data security and standardization. It offers expertise to help CFOs navigate the evolving regulatory landscape effectively and adopt e-invoicing.

- **Invoice automation:** Pagero's ability to automate invoice processing, through its transition to e-invoicing and effective ingestion of PDF invoices, enables efficient and accurate invoice processing and lowers processing costs.

*Cautions*

- **Exception management:** Invoice processing for suppliers outside the Pagero Network requires a different workflow, complicating document exchanges and reducing the effectiveness of technology designed for network features. CFOs should perform a detailed analysis of their supplier master data against the Pagero Network to determine the volume of potential exceptions.

- **Payments:** Pagero offers its proprietary payment solution in Sweden, while utilizing third-party partnerships for global operations. For transactions outside Sweden, CFOs must establish separate agreements with banks or clearing houses and set up new reconciliation processes, which may involve multiple integrations depending on the number of markets.

- **Document retention:** Pagero's standard setup includes storing documents for 90 days. CFOs who need to retain documents for a longer duration will need to purchase and configure an additional archive service.

## Quadient

Quadient is a Niche Player in this Magic Quadrant. Its product, Quadient Accounts Payable by Beanworks, offers modules for managing invoices, POs, payments and expenses, with support for multiple entities and intelligent document processing. The top two regions for its customers and vendor operations are North America and Europe. Customers commonly range from small to midsize companies.

The vendor is investing in innovations such as enhancements to the PO module, workflow engine and customizable dashboards.

*Strengths*

- **ERP integration:** The Quadient AP go-to-market strategy targets small and midsize businesses, offering a cloud-based solution that integrates with ERP applications to enhance AP efficiency.

- **Implementation timeline:** Quadient implementation timelines range from 1 to 2 months, which is shorter than other vendors in this research. This quick timeline is partly attributed to its managed integrations and could speed up the realization of benefits. CFOs pursuing a larger digital transformation should evaluate these potential timelines and factor in quicker execution for this component.

- **CFO-focused:** Quadient hosted more virtual webinars and promotional events than any other vendor in this research. Its webinars emphasize the benefits CFOs can achieve by leveraging innovative solutions for both accounts payable and accounts receivable within a single application.

*Cautions*

- **Supplier management:** Quadient does not collect master data in a supplier portal for self-service supplier information management. Instead, it relies on read-only data imported from ERP applications, which negatively impacts supplier data quality.

- **AI investment:** Quadient's planned investments focus on enhancing core capabilities such as workflows, optical character recognition (OCR) data capture and dashboards. Prioritizing these application attributes over integrating new AI-enabled features may cause the company's offerings to be perceived as outdated.

- **Customer retention:** Quadient has the lowest customer retention of all vendors in this research, and conversely was one of the leading vendors for customer acquisition. CFOs should seek feedback from existing customers and pressure-test their requirements during product demonstrations.

## Serrala

Serrala is a Niche Player in this Magic Quadrant. Its product, Serrala Alevate AP, enhances efficiency and control over global invoices. The top two regions for its customers are North America and Europe. Vendor operations can be found in North America, Europe and Asia/Pacific. Customers are commonly large enterprises.

The vendor is investing in innovations such as AI-powered intelligent document processing and generative AI (GenAI) to boost data capture accuracy and streamline collaboration. These innovations aim to automate data extraction, reduce errors and facilitate intuitive interactions, enhancing operational efficiency and decision making.

*Strengths*

- **Product integration:** The integration of Serrala's solution with Microsoft Teams facilitates seamless invoice approvals and provides real-time insights. It enhances collaboration and decision making for CFOs, offering a more streamlined workflow within familiar tools.

- **Advanced analytics:** Serrala offers advanced analytics with over 50 KPIs, providing CFOs with real-time visibility into invoice status, processing performance and supplier spend. This empowers decision makers with actionable insights for process optimization.

- **Embedded SAP integration:** Serrala's solutions are deeply integrated with SAP, providing seamless connectivity for organizations using SAP as their ERP system. This integration ensures efficient data flow and process alignment, enhancing the overall effectiveness of financial operations.

*Cautions*

- **Payments:** Serrala's current solution lacks direct support for various payment types, including cross-border payments, which are on the roadmap for future development. CFOs relying on these capabilities may need to explore interim solutions or integrations, which could complicate their payment processes.

- **External partnerships:** Serrala's reliance on third-party providers for certain features, such as e-invoicing compliance and dynamic discounting, may complicate coordination and increase dependency. CFOs should be prepared to manage these external relationships to ensure consistent service delivery and address potential risks associated with these dependencies.

- **Integration flexibility:** Serrala's product mainly relies on SAP for ERP integrations, which could limit flexibility for customers using other ERP applications. Despite expanding integrations to include Microsoft Dynamics 365 and Oracle, the vendor's limited ERP integration capabilities may restrict its broader appeal.

## SoftCo

SoftCo is a Niche Player in this Magic Quadrant. Its product, SoftCoAP, automates invoice matching with purchase orders using confidence scores. Its top two regions for its customers and vendor operations are Europe and North America. Customers commonly range from midsize to large enterprises.

The vendor is investing in innovations such as ML for automating non-PO invoice processes and a data-driven insights module.

*Strengths*

- **Customer retention:** SoftCo's high customer retention rate is partly due to its proactive approach in collecting feedback during the implementation process to obtain targeted insights and provide support. CFOs can use SoftCo's dedicated customer success team to incorporate this feedback and help achieve high technology acceptance.

- **Product awareness:** SoftCo's high participation rates at in-person promotional events indicate that many CFOs are leveraging these opportunities for hands-on testing and training to inform their buying decisions. This engagement provides clarity and allows CFOs to make informed choices, ensuring they can maximize the benefits of SoftCo's offerings.

- **Market position:** SoftCo's large typical deal size suggests a strong market position and the ability to handle complex, high-profile customers and large transaction volumes. CFOs with similar needs can anticipate high levels of excellence characterized by exceptional customer service and attention to detail.

*Cautions*

- **Sales support:** SoftCo plans to add fewer AP application customers soon and has a smaller customer base than many vendors in this research. CFOs should assess whether SoftCo's smaller customer base meets their requirements.

- **Self-led implementation:** Before the fourth quarter of 2024, SoftCo had limited partner-led implementations of its SoftCoAP product, which restricted its market reach. Although SoftCo partnered with PwC for system implementations in 4Q24, CFOs should consider customer references given the short time frame of this partnership.

- **Operational support:** SoftCo offers fewer service-level agreement options for application support compared to other vendors in this research. CFOs should assess whether these options meet their requirements.

## Zycus

Zycus is a Niche Player in this Magic Quadrant. Its product, eInvoice, is a GenAI-based application for invoice capture and cost-center allocation. The top two regions for its

customers are North America and Europe. Vendor operations can be found in North America, Europe and Asia/Pacific. Customers are commonly midsize and large businesses.

The vendor is investing in innovations such as GenAI-driven invoice processing with a conversational user interface. Additionally, it is developing a consolidated invoice app and a bulk-upload app to streamline operations.

*Zycus did not respond to requests for supplemental information. Gartner's analysis is, therefore, based on other credible sources.*

*Strengths*

- **Invoice automation:** Zycus' GenAI-based automation of invoice capture, invoice matching and exception handling helps CFOs reduce invoice processing time and improve invoice capture accuracy.

- **Internal customer service:** Zycus offers an AI assistant that helps the AP team manage service requests. CFOs can enhance customer service and lower support costs by streamlining request management and delivering real-time assistance, resulting in improved customer satisfaction.

- **SaaS environment:** Zycus provides a multitenant SaaS environment and a dedicated cloud solution tailored for government customers to enhance security. It offers a single-codebase model, which CFOs can use to develop additional supporting applications, enabling custom configuration to suit specific requirements.

*Cautions*

- **Product licensing:** Zycus allows customers to make micro adjustments to the product license model at the SKU level, which impacts value from customer to customer. CFOs will need to invest resources in analyzing and selecting the appropriate bundle of services to meet their requirements.

- **Geographic strategy:** Zycus is expanding its capabilities in Latin America, but its support in the region may not yet match its more mature markets. CFOs with operations in Latin America should ensure Zycus can meet their requirements.

- **Visibility:** Zycus prioritizes promoting its GenAI-powered source-to-pay solutions over its AP application. CFOs who do not plan to expand into broader source-to-pay solutions should evaluate whether Zycus's product roadmap sufficiently supports advancements in AP applications.

# Inclusion and Exclusion Criteria

To qualify for inclusion in this Magic Quadrant, each vendor must:

- Be able to sell, implement and operate its proprietary accounts payable application as a stand-alone application, without the requirement to bundle it with other ERP modules, accounting systems, business process outsourcing (BPO) or managed services contracts.

- Provide integration with one or more ERP applications in its accounts payable application.

Each vendor must deliver a cloud-based accounts payable application that includes the following product capabilities released for general availability before 30 September 2024:

- Supplier invoice processing — The capability to provide automated management of supplier invoice processing, including invoice capture, matching, coding, validation and approval workflows.

- Payments — The capability to initiate payments of supplier invoices via electronic transfers, checks or other remittances, as well as transmit payment remittance information to suppliers or provide an equivalent integration with an ERP application to facilitate the same.

- Supplier master data management — The capability to manage complete supplier details, hierarchy and other content, or provide an equivalent supplier master data integration with one or more ERP applications.

- Supplier portal — The capability to enable supplier invoice, EDI, and document and information collaboration between suppliers and internal team members.

- Analytics and business intelligence — The capability to provide analytics, data visualization, cash-flow management, modeling and logic writing of all underlying data.

Each vendor must meet at least one of the following two market criteria as of 30 September 2024:

- Rank in the top 10 vendors in Gartner's Customer Interest Indicator compiled by Gartner Secondary Research Service for the market in August 2024.

- Rank in the top 25 vendors in Gartner's Customer Interest Indicator compiled by Gartner Secondary Research Service for the market in August 2024 and have at least 150 active B2B customers of its accounts payable application.

# Evaluation Criteria

## Ability to Execute

Gartner evaluates each vendor's Ability to Execute by assessing their product's services, sales and marketing execution, market responsiveness, customer experience, overall viability and operations. Analysts evaluate how these criteria enable the vendors to be competitive and effective in the market, support their ability to retain and satisfy customers, assist in creating positive perception and help them adequately respond to market changes.

In this Magic Quadrant, the product or service, customer experience, and operations criteria are particularly important:

- **Product or service** encompasses the vendors' ability to deliver current capabilities, a high-quality product, comprehensive feature sets and expertise, with a strong emphasis on functionality that enhances accounts payable application capabilities beyond what customers find in their ERP solutions.

- **Customer experience** evaluates a vendor's capability to deliver a seamless and empowering journey for customers. This involves the usability and functionality of the product or service itself and the integration of critical systems such as ERP and procurement applications essential for creating an end-to-end process that supports finance technology goals.

- **Operations** highlight an organization's ability to meet its goals and commitments by emphasizing a robust organizational structure, experiences, programs and systems. Performance criteria focus on predetermined metrics and operational, organizational or compliance capabilities related to accounts payable applications, all crucial for ensuring customers operate effectively and efficiently.

Table 1: Ability to Execute Evaluation Criteria

| Evaluation Criteria | Weighting |
|---|---|
| Product or Service | High |
| Overall Viability | Medium |
| Sales Execution/Pricing | Low |
| Market Responsiveness/Record | Medium |
| Marketing Execution | Low |
| Customer Experience | High |
| Operations | High |

Source: Gartner (March 2025)

## Completeness of Vision

Gartner assesses vendors' Completeness of Vision by evaluating their ability to articulate their perspectives on the market's current and future direction, anticipate customers' needs and technology trends and address competitive forces. Analysts also evaluate Completeness of Vision by gauging vendors' understanding and articulation of how they exploit market forces to create new opportunities for themselves and their customers.

In this Magic Quadrant, market understanding, product strategy and innovation are particularly important:

- **Market understanding** focuses on the vendor's ability to understand future buyers' requirements and needs. Vendors that excel in market understanding align their product development with the evolving needs of CFOs and anticipate future market trends to position themselves as leaders in the accounts payable applications market.

- **Product strategy** involves using insights about buyers' needs to shape products and services, emphasizing market differentiation, functionality, methodology and features. This includes focusing on product development and delivery while integrating strategies to support customers within a broader ecosystem.

- **Innovation** enables vendors to develop cutting-edge solutions that provide CFOs with tools that enhance efficiency and accuracy, and provide insights. The ongoing commitment to innovation through research and development, coupled with the adoption of AI and automation, empowers vendors to offer CFOs AP applications that adapt to their evolving requirements.

Table 2: Completeness of Vision Evaluation Criteria

| Evaluation Criteria | Weighting |
|---|---|
| Market Understanding | High |
| Marketing Strategy | Medium |
| Sales Strategy | Medium |
| Offering (Product) Strategy | High |
| Business Model | Medium |
| Vertical/Industry Strategy | Low |
| Innovation | High |
| Geographic Strategy | Low |

Source: Gartner (March 2025)

# Quadrant Descriptions

## Leaders

Leaders demonstrate a market-defining vision of how accounts payable applications can help CFOs achieve their objectives of driving efficiency, managing cash flow and providing a strong control environment while integrating advanced analytics and AI capabilities. They are in the strongest position to influence the market's direction and provide mature offerings that meet market demand.

Leaders are effectively executing their vision through innovative product strategies, particularly by integrating AI, ML and GenAI into their processes. They have implemented numerous AI use cases, such as fraud and anomaly detection or predicting future cash flow needs to automate the invoice-processing life cycle, thereby significantly reducing manual intervention and errors. Their deliberate approach to product development not only enhances efficiency but also differentiates their offerings from competitors in the market. By focusing on AI-driven innovation, these vendors are able to deliver solutions that automate routine tasks and provide insights to drive business value.

Leaders consistently win new deals, servicing customers across various geographies, industry verticals and organization sizes. They provide tailored solutions to meet unique industry needs, including innovative ecosystems with dedicated marketplaces for industry-specific solutions and starter kits. They effectively use partners, such as systems integrators, consulting firms and technology collaborators, in product development, sales, marketing and customer implementation efforts.

## Challengers

Challengers exhibit strong execution and product capabilities that address their customers' diverse needs for AP automation, AI-enabled solutions, and improved compliance and risk management. They have established credibility in the market, provide sufficient customer support and have developed market recognition for their accounts payable application products. They also have a proven ability to win deals and are well-placed to succeed in the market.

Challengers work in collaboration with customers to create implementation strategies, use modern techniques to enable faster implementation and extend their functionality across platforms to support end-user adoption. They provide adequate customer experiences through formal service processes and service-level agreements, demonstrating an understanding of customers' current accounts payable goals.

Though Challengers exhibit strong execution capabilities and their available product features meet customer needs, their vision and roadmap are limited. They primarily focus on enhancing established core areas such as invoices, payments and supplier master data management rather than introducing forward-leaning features. This narrow focus results in less innovation compared to Leaders and Visionaries.

A Challenger may become a Leader if it demonstrates exceptional insight into the market's direction and continues to execute proficiently. Alternatively, a Challenger may become a Visionary or a Niche Player by sacrificing growth and instead focusing on developing innovative, differentiating and/or segment-specific features and capabilities.

## Visionaries

Visionaries have a distinct vision and roadmap for product delivery, aligning with current and future market trends. Visionaries invest heavily in R&D and bring innovation and strong functionality to their applications, with established core capabilities as well as more advanced ones like AI, GenAI, low-code/no-code and analytics and business intelligence (ABI).

Visionaries possess a unique and innovative vision but often face challenges in execution, scalability and market presence. They are still building proof of their ability to deliver this vision through increased customer adoption of and customer satisfaction with digital solutions for finance. Their customer base and operations are typically concentrated in specific geographical areas, and they may rely on partners that cater to certain industries.

Visionaries have a strong and unique vision but often lack a significant market presence and a proven track record. Organizations need to carefully evaluate these vendors' market standing, especially in relation to their size, due to their limited market presence. Visionaries may face risks such as being acquired by larger companies or struggling to expand their market share.

A Visionary may become a Leader when it develops its go-to-market capabilities, generates strong growth and demonstrates whether it can develop innovations that complement its strengths. Alternatively, a Visionary may become a Niche Player if it decides to limit its target market by focusing on its core competencies, technologies or existing customers.

## Niche Players

Niche Players offer specialized products tailored to specific areas or customer needs, such as e-invoice compliance or partnership with a specific ERP vendor. They often target existing customers of their adjacent products and focus on particular functionalities. However, these vendors typically exhibit limited advanced digital capabilities, such as AI, compared to vendors in other quadrants.

Niche Players specialize in providing tailored solutions for accounts payable within specific industries or regions, focusing their operations, marketing and sales strategy on a particular market subsegment. Their approach is not geared toward consistently acquiring new business across diverse regions or industries. Instead, they concentrate on meeting the unique needs of their targeted niche, which contributes to their smaller customer base.

Niche Players can be suitable options for accounts payable application requirements, even though customers might initially assume vendors from other quadrants are better choices. Their specialization may be particularly relevant in certain use cases, and CFOs should consider these factors to determine if a Niche Player aligns with their functional objectives, making them a viable choice in specific scenarios.

Niche Players may show potential to become Visionaries, but they often find it hard to make their vision compelling and to maintain a consistent track record of innovation. Some Niche Players have the opportunity to evolve into Challengers by focusing on product development and enhancing their execution capabilities. Overall, the path for Niche Players involves either strengthening their vision or improving their execution to advance their market position.

# Context

This Magic Quadrant evaluates vendors that have met Gartner's criteria for the product market. CFOs and their staff responsible for driving improvements in accounts payable processes should use this research as part of their market evaluation.

The following are key considerations and recommendations for assessing vendors that are best suited to meet buyers' needs:

- **Implementation strategies and support —** Ask vendors questions about whether implementations are vendor- or partner-led and how much experience each vendor or implementation partner has within your region and industry. Evaluate each vendor's

existing prebuilt connectors to ERPs, banks and other applications along with their integration-technology capabilities. Assess your existing technology portfolio and how those technologies would best integrate with the AP application you select. You should also know typical implementation time frames and costs.

- **AI-enabled solutions —** Product features and roadmaps vary among vendors. Assess each vendor's product roadmap for future automation and AI developments, including anomaly detection, use of GenAI and agentic AI to support collaboration. Consider your need for the most advanced and differentiating capabilities versus products with more limited AI capabilities that might also meet your automation needs.

- **Regulatory compliance —** Tax regulations and e-invoicing compliance requirements vary across countries and are subject to frequent changes, emphasizing the need to compare these requirements against a vendor's capabilities. Industries like manufacturing, healthcare, hospitality, public sector and education have unique accounts payable processes that require customized vendor configurations. These tailored setups are essential to address the specific needs and operational requirements of each industry, ensuring efficient and effective financial processes.

- **Pricing models —** Vendors typically provide services through subscription-based pricing, enterprise user plans, tiered pricing or usage-based pricing, often with additional costs for support. Subscription-based pricing is most common because it offers predictable revenue for vendors and manageable costs for customers, with fees calculated on a recurring monthly or annual basis based on factors like the number of users, modules or transactions. Extra fees may apply for system connectors, such as ERPs, or additional modules for procurement integration. Choose a pricing model that aligns with current needs and future growth plans, ensuring the strategy reflects the value delivered, meets market expectations and uses the software's unique features.

- **Ongoing support —** When selecting a vendor, you should evaluate its ability to accommodate your team's time zone requirements and ensure its customer service and support models align with your needs. Consider the vendor's escalation process for urgent issues and check if it provides dedicated account managers or technical support contacts. Additionally, ask to preview its self-serve learning and development resources and inquire about forums for engaging with other companies in the user community.

CFOs should not rely solely on this Magic Quadrant when selecting vendors and products. Instead, they should use it as one of several reference points, such as industry reports, peer

reviews and vendor demos, to identify the most suitable vendor and product. When choosing a solution, they should combine this Magic Quadrant with resources like the Critical Capabilities for Accounts Payable Applications.

# Market Overview

The accounts payable (AP) applications landscape is evolving due to automation, deeper integrations and AI-driven integration with broader financial processes. Modern AP applications enhance organizational efficiency, streamline operations and provide a competitive edge by reducing costs and improving operational capabilities, ultimately boosting performance and market position.

In response, vendors are expanding their AI capabilities, promoting more integration with ERPs and procurement applications, while utilizing advanced analytics to improve processes and focusing on compliance with new regulations.

## Market Trends

### Automation and AI-enabled solutions

Greater automation and AI-enabled solutions in invoice processing are significantly improving efficiency by minimizing manual intervention and reducing errors. AI and machine learning (ML) capabilities are also being used for other tasks like invoice matching, fraud detection and anomaly identification. These advancements result in more streamlined and accurate accounts payable processes. Chief financial officers (CFOs) are increasingly seeking to enhance process orchestration in AP by adopting agentic automation, which goes beyond basic task automation to manage more complex and dynamic processes. This shift highlights the evolution of AI from a simple tool to an active participant in decision making and problem solving. Examples of this include AI agents executing payments, adjusting approval workflows based on cash flow, resolving discrepancies in purchase orders and validating optical character recognition (OCR) technology outputs from invoice capture.

### Integration

Modern cloud-based AP applications enhance financial transparency by providing real-time integration to features like invoice and payment statuses that improve record accuracy and provide audit trails and regulatory adherence. A shift to transform invoice capture to e-

invoicing is driven by a need for improved compliance, enhanced security and environmental sustainability through reduced paper use. It also offers better data management and analytics, aiding informed decision making. Global mandates are encouraging businesses to adopt e-invoicing for tax compliance and fraud reduction, while integration with other systems and improved supplier relationships further promote its use. Collectively, these advancements will boost data accuracy and efficiency, and as technology progresses, the use of e-invoicing is expected to become more prevalent.

## Advanced analytics to improve process

Advanced analytics empower CFOs to make data-driven decisions that align with broader business goals by providing insights such as free cash flow forecasting and detailed invoice history for accruals. The clarity in payments helps smooth out cash flow and allows organizations to understand the financial implications of different scenarios. As a result, CFOs can devise strategies that enhance profitability and create a competitive advantage.

Enhanced supplier portals and communication tools are providing better relationships and collaboration, improving payment terms and reducing disputes. Customers are demanding flexible payment capabilities aimed at meeting the evolving needs of businesses and suppliers by offering features like dynamic discounting and early-payment options to enhance cash flow management. Vendors are emphasizing support for cross-border payments by integrating with global banking networks, which simplifies international transactions and reduces costs. These efforts reflect a shift toward more flexible, secure and efficient payment solutions tailored to a global environment.

## Compliance and risk management

To ensure organizational success, achieving compliance with new regulations while simultaneously leveraging advanced technologies is crucial. AP applications are increasingly designed to ensure adherence to e-invoicing mandates, adapt to changing tax regulations for real-time tax collection and comply with updated financial reporting standards. These applications also focus on data privacy, security and antifraud measures to mitigate risks associated with financial transactions. Organizations are increasingly using AP applications to meet their ESG goals. In response, vendors are offering AP solutions with features like sustainability analytics and responsible sourcing tools.

The AP application market is increasingly focusing on enhancing fraud-detection capabilities through advancements in AI and ML. These technologies automate fraud detection by

implementing real-time monitoring systems that alert users to suspicious activities. They also use predictive analytics and anomaly detection to spot irregularities before financial losses occur. Enhanced security measures, such as multifactor authentication, data encryption and vendor verification processes, further mitigate risks in payment processing by ensuring comprehensive record keeping and reducing fraudulent transactions.

This is the first version of the Magic Quadrant for Accounts Payable Applications. It replaces the Market Guide for Accounts Payable Invoice Automation Solutions.

## Acronym Key and Glossary Terms

| EDI | Electronic data interchange |
|-----|------------------------------|
| ERP | Enterprise resource planning |
| ESG | Environmental, social and governance |

⊕ Evaluation Criteria Definitions

Gartner.