

Magic Quadrant for Source-to-Pay Suites

24 March 2025 - ID G00809887 - 44 min read

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Procurement is tasked with delivering cost savings, improving efficiency and managing risk and compliance. This Magic Quadrant will help procurement technology leaders evaluate and select the most suitable software vendor to optimize and digitize their sourcing and procurement processes.

Market Definition/Description

Gartner defines the source-to-pay (S2P) suite market as an integrated set of solutions to source, contract, request, procure, receive and pay for goods and services across an enterprise. These solutions typically are sold as cloud-based software as a service.

Source-to-pay suites allow organizations to manage all of their sourcing and procurement activities within a single integrated solution. These solutions are modular in nature, allowing customers to activate/implement the functionality that is relevant for their needs, and are ERP/financial-system-agnostic. The integrated nature of these solutions allows for data to easily flow across the source-to-pay process, providing needed visibility to upstream and downstream information. For example, users can view a purchase order alongside its related contract, the sourcing event that led to the contract, and connected downstream documents like receipts, invoices and payments.

Mandatory Features

The mandatory features for this market include:

- **Sourcing:** The creation and management of strategic and tactical sourcing activities. These include: request for information, request for quotation and request for proposals;

and the associated collection of information, evaluation, negotiation and the awarding of sourcing events.

- **Contract life cycle management:** This manages contracts from the initiation stage through the award, compliance and renewal stages.
- **Supplier Information and performance management:** The ability to manage supplier onboarding, data validation and performance.
- **Procure-to-pay:** The automation of the transactional procurement end-to-end process, which includes purchase requests, purchase orders, catalog management, goods receipts, and invoice processing up to “OK to pay.”
- **Supplier collaboration portal:** This enables document and information collaboration with suppliers across the source-to-pay process.

Common Features

The common features for this market include:

- **Spend analytics:** The robust reporting and analysis of spend activities across all systems and data sources.
- **Category management:** The ability to create and manage category management strategy documentation and track activities required to execute that strategy.
- **Operations and savings management:** The tracking of strategic and tactical sourcing and procurement activities by user and project.
- **Advanced sourcing optimization:** A more advanced form of sourcing for very complex events that may have thousands of data points to consider for building an award solution.
- **Intake management:** This provides a simplified channel for end users to submit queries and requests to procurement, automatically routing them to the appropriate person or technology for tracking and processing
- **Supplier risk management:** The ability to monitor, manage and mitigate risk.
- **Payments:** The ability to pay supplier invoices via bank transfers, purchasing cards or other methods.

- **Robust API access:** S2P suites need to integrate with numerous adjacent systems and data sources, such as ERPs, and APIs, which are a common way to enable real-time integrations.

Magic Quadrant

Figure 1: Magic Quadrant for Source-to-Pay Suites



Coupa

Coupa is a Leader in this Magic Quadrant. Its Coupa Total Spend Management unifies processes across supply chain, procurement and finance functions. Coupa's global operation serves clients ranging from small prerevenue enterprises (e.g., pharma and tech) to large multinational companies. Coupa's investment focus areas are generative AI (GenAI)-powered AI agent named NAVI Assistant, UI enhancements and advanced category management.

Strengths

- **Product vision:** Coupa's comprehensive vision for its source-to-pay solution offers advanced customers the tools to find additional ROI opportunities. It continues to invest in a strong mix of innovative solutions such as product expansion, GenAI, built-in automation tools and community intelligence.
- **Deployment models:** Coupa offers a variety of options for deploying its S2P solution, ranging from standard multitenant to partner- or customer-managed cloud options. It also offers Federal Risk and Authorization Management Program (FedRAMP) options that are highly attractive for customers in the public sector.
- **App marketplace:** Coupa offers various prepackaged applications from third-party developers via its App Marketplace. Customers can extend the capabilities of Coupa's product with minimal effort, as some of these apps can be deployed with a single click to activate nonstandard functionality.

Cautions

- **Customer support:** While Coupa has been under new ownership for over a year, the impact of headcount reduction from the ownership change appears to linger for its customer support operations. Gartner clients have reported inconsistencies with Coupa's customer support, requiring them to take a more active role to ensure timely resolution.
- **Sales execution:** Gartner clients continue to routinely cite Coupa as challenging to negotiate with and requiring more time and effort to reach a final agreement. This negotiation challenge affects both initial acquisitions and license renewals requiring entitlement changes to match customers' evolving business needs.
- **User interface (UI):** As a wave of updated UIs appeared across the S2P landscape, Coupa did not have major updates to its UI during the evaluation period. Customers should

review Coupa's roadmap if this is a concern.

ebidtopay

ebidtopay is a Niche Player in this Magic Quadrant. Its product offers well-balanced coverage in both direct and indirect spend to provide an all-purpose purchasing solution for both private and public sectors. Its operations are primarily in Europe, and its clients range from companies with \$100 million to \$3 billion in revenue. ebidtopay's investment focus areas are AI-enhanced processing of unstructured documents, enhanced carbon footprint reporting and direct material use cases, such as bill of material (BOM) explosions for direct material ordering.

Strengths

- **Pricing model:** ebidtopay's customer-friendly pricing model allows customers with smaller budgets to access its solutions without losing functionality. It also offers fixed-price implementations with a true enterprise (i.e., unlimited usage) licensing model.
- **Sales and support network:** ebidtopay's network of resellers and distributors sell its solution to end users, and some even provide Level 1 support to customers. This allows highly localized sales and support for customers while enabling ebidtopay to grow in new regions without robust local staffing.
- **Direct material procurement:** ebidtopay offers an array of direct material sourcing, procurement and management capabilities that are more difficult to find in cost-effective solutions. This is especially valuable for prospective buyers who want to run both direct and indirect spend through their S2P solution.

Cautions

- **Geographic coverage:** ebidtopay continues to focus its operations on Europe, where its primary customer base and support organization are located. Prospective buyers should closely evaluate ebidtopay's ability to implement and support in their regions, especially those operating in Asia and Latin America.
- **Operational resources:** ebidtopay has a smaller development team compared to other vendors in this research. Prospective buyers should evaluate how well ebidtopay's near-term roadmap aligns with their expectations.

- **Brand visibility:** ebidtopay does not have a strong brand presence outside of Europe, which may make it difficult to get executive buy-in. Prospective buyers should consider whether putting in additional effort to earn executive buy-in is justifiable compared to other well-known solutions.

Esker

Esker is a Challenger in this Magic Quadrant. Its Esker Source-to-Pay specializes in streamlining sourcing processes, improving policy compliance and enhancing supplier management to remove functional silos. Its global operation serves clients who tend to be finance and procurement leaders in midsize to large international companies with revenue from \$1 billion to \$10 billion. Esker's investment focus areas are claims and deduction management to streamline payment, GenAI-based supplier communications and support and AI-enhanced sourcing award suggestions.

Strengths

- **Sales strategy:** Esker has a strong direct sales force for both new and existing customer sales. It also offers enterprise pricing models for unlimited usage with no planned upcharge to access GenAI functionality. For regions without its direct presence, Esker leverages channel partners to enable sales activities.
- **Strong foundation in finance:** Esker has a long history in the accounts payable invoice automation (APIA) and order-to-cash markets. Prospective buyers looking for a source-to-pay solution with strong support in finance requirements should consider its finance foundation an advantage.
- **Financial viability:** Esker has been both cash flow positive and profitable with faster overall growth than the industry as a whole, indicating strong financial viability and resilience to volatility. As a publicly traded company, customers also have access to fully audited financial statements to directly monitor Esker's financial health.

Cautions

- **Vertical strategy:** Esker's product is a general-purpose solution with a limited vertical-specific strategy. Prospective buyers who need deep direct material or service procurement support should evaluate whether Esker's limited vertical capabilities can meet their needs.

- **Self-administration:** Not all administrative functions of Esker's product are available to customers, which restricts the ability to self-administer the solution. Prospective buyers looking for a high level of control without vendor involvement should evaluate and consider if key functionalities and settings are available.
- **Bring your own GenAI model support:** Esker does not currently support customers bringing their own GenAI solution to its product. The company only supports OpenAI large language models (LLMs) from Microsoft Azure, which may be challenging to address for prospective buyers using a different GenAI solution in their current source-to-pay processes.

GEP

GEP is a Leader in this Magic Quadrant. Its GEP SMART mainly supports procurement and supply chain operations. Its global operation serves clients who tend to be procurement and supply chain organizations with revenue of \$1 billion or more. GEP's investment focus areas are real-time prescriptive analytics across S2P, prioritized sustainable buying and GenAI agents for workflow optimization and orchestration.

Strengths

- **Product offerings:** GEP's product offerings provide a true platform-as-a-service (PaaS) to customers — GEP QUANTUM. Customers can use its platform-based development environment to customize the S2P solution without changing the core code and ensure add-on development works seamlessly with the rest of the solution. GEP also offers its CLICK integration layer for simplified integrations with external systems.
- **Bring your own LLM model support:** GEP's product supports large language models from a range of major AI vendors. This allows customers to match the best LLM model to each specific use case in their source-to-pay processes.
- **Product development resources:** GEP has a large development team devoted to its S2P solution and spends a larger-than-average percentage of its revenue on R&D. Its dedicated resources allow for co-development with customers without sacrificing the core product roadmap.

Cautions

- **App marketplace:** GEP's app store may not have as many third-party solutions. Prospective buyers who require extensive add-ons should evaluate whether GEP's

platform-based development would be sufficient to fill any gaps in capabilities.

- **Customer support:** The average number of outstanding support tickets for GEP's customers is higher than those of other S2P vendors. Customers should evaluate how GEP's support model matches their requirements if they have a high number of nonstandard use cases.
- **Optional product releases:** GEP allows customers the option to take new product releases or not, which, based on their business requirements, may delay them from leveraging modern functionality. Prospective buyers who choose to opt out of new product releases may introduce security or support issues.

Ivalua

Ivalua is a Leader in this Magic Quadrant. Its Ivalua Source-to-Pay offers a unified spend management experience with a single codebase, data model and UI. Its global operation serves clients with more than \$1 billion in revenue from various industries. Ivalua's investment focus areas are natural language analytics and configuration, smart savings opportunity finder and autonomous negotiation bots.

Strengths

- **Comprehensive product capabilities:** Ivalua's product offers robust capabilities that excel especially in sourcing, supplier management, procurement and UI/user experience (UX). Ivalua also works with multiple LLMs to offer GenAI capabilities to its customers, as well as a bring-your-own GenAI provider option.
- **Operation support:** In the past year, Ivalua has seen a significant improvement in the percentage of customers within one to two versions of their current solution. It also increased the number of data centers and security certifications for its S2P product, including FedRAMP support.
- **Configurable product delivery models:** Ivalua offers multiple deployment models and has built a PaaS that allows a higher degree of configurability. Customers that require a highly tailored solution can customize Ivalua without touching its core code.

Cautions

- **Customer experience:** Ivalua scored slightly below average in customer satisfaction compared to other vendors in this research. Prospective buyers should evaluate Ivalua's customer success programs to ensure they meet their requirements.

- **Geographic strategy:** Ivalua's market strategy prioritizes organic, customer-led growth within regions in which it operates and supports invoicing compliance in 40 countries across these regions. Prospective buyers outside of the regions currently supported should ensure Ivalua can meet their geographic requirements.
- **Sales execution:** Ivalua's total customer base remains smaller than many of the other vendors evaluated, as it added fewer S2P customers in 2023. Potential customers may not have as many peer connections to share best practices and should evaluate Ivalua's customer community programs.

JAGGAER

JAGGAER is a Visionary in this Magic Quadrant. Its JAGGAER One provides an AI-powered source-to-pay solution, which supports all spend categories and offers many vertical-specific capabilities. Its global operations serve clients who tend to be large organizations from various industries. JAGGAER's investment focus areas are GenAI-based chat with document/data, agentic AI to drive process automation, process orchestration and supplier intelligence, including CO₂ calculations by supplier based on spend and embedded financing to maximize buyer and supplier working capital.

Strengths

- **Product strategy:** JAGGAER has a strong understanding of the evolving needs of procurement around top priorities such as advanced sourcing and spend optimization, end-to-end AP automation and supplier management. It has aligned its product strategy to develop capabilities in support of the market's priorities, including automation and analytics for delivering better and faster decision making.
- **Product capabilities:** JAGGAER's product has strong capabilities across a breadth of functionality, including sourcing, supplier management and procurement. It is also delivering key AI use cases (e.g., Chat with Your Contract, GenAI-powered resolutions on supply chain nonconformities) to support task automation and navigation across the suite.
- **Industry-specific extensions:** JAGGAER provides multiple add-ons, configurations and capabilities for specific industries with additional requirements for its S2P tool (e.g., manufacturing, life sciences, higher education/public sector). Its roadmap includes multiple additions to this feature set, including intelligent recommendations for suppliers, remediating nonconformities and make-versus-buy decision support for manufacturing.

Cautions

- **Change of ownership:** Vista Equity Partners, a private equity firm, acquired JAGGAER from Cinven in August 2024. Customers and prospects of JAGGAER should monitor the impacts of this transaction as it could lead to strategy and operational changes that could impact customers' strategic priorities.
- **Customer experience:** JAGGAER's average number of days to resolve support tickets is higher than other vendors in this evaluation.
- **Sales execution:** JAGGAER's pricing model can include price increases each year of the contract, which may be challenging for prospective buyers with an inflexible budget. It also has the second fewest number of new full S2P customers added during the evaluation period. Prospective customers should confirm that JAGGAER's licensing model conforms to their annual budgetary expectations.

Mercado Eletrônico

Mercado Eletrônico is a Niche Player in this Magic Quadrant. Its ME Source-to-pay product provides a comprehensive B2B procurement management platform. Its operations are primarily in Latin America (e.g., Brazil, Portugal, Mexico) and the United States, serving clients who tend to be large enterprises from various industries. Mercado's investment focus areas are real-time punchout catalog search and GenAI-based document creation from unstructured data (e.g., email and voice) and payments.

Strengths

- **Marketplace:** Mercado Eletrônico's product specializes in building a solution that connects buyers and suppliers in a mutually beneficial marketplace. This is extremely beneficial for customers looking to start sourcing and buying quickly with engaged suppliers.
- **Pricing model:** Mercado Eletrônico's pricing model is the only one in this research that can be fully funded by suppliers, which could bring the buyer customer's cost down to zero or even make procurement a profit center. This is a unique advantage for prospective buyers, as charging suppliers for participation is usually considered a source of friction to the supplier rather than a value-add.
- **Implementation time:** Mercado Eletrônico's active supplier network reduces onboarding time to drive quick product implementation time, which is significantly less on average

than other products evaluated in this research. Prospective buyers looking for a quick time to value should consider Mercado Eletrônico's implementation speed as a key advantage.

Cautions

- **Limited coverage outside Latin America:** Mercado Eletrônico is expanding its operations outside of South and Latin America, where it's well-known, but its global operation is still limited. While Mercado Eletrônico has customer growth and support in North America and Europe, prospective buyers in those regions should ensure Mercado Eletrônico can sufficiently support their operations.
- **Brand visibility:** Mercado Eletrônico has a small marketing team compared to other vendors in this research and does not have a strong brand presence outside of South and Latin America. Prospective buyers may need to spend more time and effort to earn stakeholder buy-in and user acceptance for Mercado Eletrônico compared to other vendors.
- **Self-administration:** Only about 70% of ME Source-to-pay's administration functions are available for customers to access. Prospective buyers looking for a solution they can self-administrate should evaluate whether key functionalities and settings are available.

Oracle

Oracle is a Leader in this Magic Quadrant. Its Oracle Fusion Cloud Applications deliver tools for spend and policy governance across the source-to-pay process to procurement and finance organizations. Its global operations serve clients ranging from companies with \$100 million to \$10 billion or more in revenue, spanning across industries. Oracle's investment focus areas are implementing the Redwood UI across the entire source-to-pay suite, GenAI for messaging and summarization and virtual card payments from a requisition.

Strengths

- **Organizational viability:** Oracle has generated above-average customer growth over the evaluated period with its stable leadership team and no significant employee turnover. The growth rate and organizational stability indicate strong resilience against volatilities, which should be attractive for prospective buyers looking to secure a long-term contract.
- **Vertical strategy:** Oracle offers packaged extensions to support unique vertical use cases and allow third-party development that can be used across the Oracle customer base.

Oracle also controls the hardware, database and hyperscaler layer, which enable customers to get deeper support for niche, non-software-related requirements beyond what other solutions offer.

- **GenAI strategy:** Oracle has a robust strategy for delivering GenAI-based innovations, which includes delivering embedded functionality via Cohere. However, customers can embed their preferred AI models as desired via the Redwood UI page extensibility capabilities.

Cautions

- **Product awareness:** Oracle does little to promote sourcing and procurement technologies outside the scope of a larger Oracle Fusion deployment. Users of Oracle's older on-premises procurement solutions are often unaware of Oracle's cloud S2P solution and the significant improvements it provides, which may create difficulties in change management and user acceptance for prospective buyers migrating from an Oracle on-premises S2P solution.
- **Non-Oracle Fusion ERPs:** Oracle Fusion Cloud Applications are designed to deliver business impact to a full stack Oracle deployment that includes the technology and expertise of the Oracle portfolio. Prospective buyers who use non-Oracle capabilities should carefully assess the loss of business impact in transitioning Oracle's S2P solution to a non-Oracle technology ecosystem.
- **Deployment model:** Oracle Fusion does not offer deployment options other than public cloud. Prospective buyers who require specific deployment models other than public cloud or are migrating from an Oracle on-premises S2P solution should evaluate other available options and their feasibility.

SAP

SAP is a Leader in this Magic Quadrant. Its SAP Ariba solutions provide a full suite of enterprise-level functionality spanning the full S2P functional scope. Its global operation serves clients who tend to be large enterprises across all sectors and types of spend. SAP Ariba's investment focus areas are intake management, a new UI and UX across the S2P suite and a GenAI-based assistant, Joule, for simplifying tasks.

Strengths

- **Global scope:** SAP continues to demonstrate and prove its ability to deploy and support an S2P solution that meets global requirements and high transaction volumes. Its integration options support various back-end ERPs with the potential to span a network of suppliers in 190 countries.
- **Supplier network:** SAP has the largest supplier network in the industry and continues to invest in supplier-facing capabilities to reduce friction for suppliers' participation. Prospective buyers can expect to collaborate with suppliers without fees through SAP's supplier network, and suppliers can obtain advanced capabilities by paying license fees.
- **Product strategy:** SAP's product roadmap includes significant GenAI capabilities and leverages other products in its portfolio, such as using Fieldglass to deliver functionality into Ariba without requiring customers to buy additional licenses. SAP is also adding user aids like WalkMe to improve the user experience.

Cautions

- **Self-administration:** SAP Ariba does not make all of its configurations available to customers without SAP's support team. Prospective buyers who desire high levels of control over their system should ensure configurations available for SAP Ariba match their expected use cases.
- **Support operations:** SAP Ariba disclosed the longest average open ticket time and a below-average Net Promoter Score when compared to what other vendors reported to Gartner in this research. Customers with a large number of edge use cases should evaluate how well SAP Ariba can support them with standard configurations.
- **Sales execution:** Based on Gartner estimates, while SAP Ariba's overall year-over-year revenue growth is the largest among peers, SAP Ariba had an average sales growth rate by percentage for the enterprise procurement software market. Gartner forecasts that sales growth for the procurement market will increase over the next five years, so potential customers should monitor SAP's continued market traction.

Synertrade

Synertrade is a Niche vendor in this Magic Quadrant. Its Synertrade Accelerate suite targets larger enterprises looking for full source-to-pay technology that can support direct material procurement. Its operations are primarily in Europe, serving clients who range from \$500 million to \$50 billion in revenue. Synertrade's investment focus areas are a modernized user

interface and user experience across the S2P suite, intake management, data fabric to help customers make the right decision at the right time and AI-based sourcing optimization.

Strengths

- **Customer support:** Synertrade offers around-the-clock support in nine languages for direct support and via a chatbot that can support any language. Additionally, 90% of Synertrade's solution can be configured by the customer, reducing the number of configuration support tickets and helping reduce implementation costs.
- **Partner strategy:** Synertrade leverages go-to-market partners to expand its market coverage outside of what its direct sales team can support. Prospective buyers can connect with its channel partners, typically adjacent technology providers or consulting companies, to access its services outside the areas where Synertrade would typically directly support.
- **Pricing strategy:** Synertrade provides all customers with fully itemized pricing, which is rapidly disappearing in the S2P market. The detailed price breakdown allows customers to fully understand the cost of each piece of functionality they are procuring.

Cautions

- **Sales execution:** Synertrade had the lowest new customer acquisition and existing future sales funnel among the vendors evaluated in this research.
- **Low focus on innovation:** Synertrade's roadmap prioritizes UX/UI and extending existing functionalities rather than adding advanced functionalities and GenAI support. Customers should evaluate Synertrade's long-term roadmap and determine its ability to confirm alignment with their evolving needs.
- **Brand awareness:** Synertrade has the smallest marketing team among the vendors evaluated in this research and is not well-known outside of Europe. Prospective buyers in other regions may have difficulties getting stakeholder buy-in.

Zhenyun Technology

Zhenyun Technology is a Niche vendor in this Magic Quadrant. Its Zhenyun digital procurement platform heavily focuses on direct material use cases but can also manage indirect goods and services. Its operations are primarily in China, and its clients tend to be large enterprises in manufacturing. Zhenyun's investment focus areas are AI negotiation

bots, centralized procurement with support for multiple companies and multimilestone service procurement.

Strengths

- **Direct material capabilities:** Zhenyun has developed a strong set of capabilities related to direct material procurement that would normally be executed inside the ERP for many of its customers who do not have traditional ERP solutions for handling transactions. Prospective buyers without access to ERP solutions should consider its direct material capabilities an advantage.
- **Licensing cost:** Zhenyun leverages its low corporate overhead in China to drive a more aggressive pricing strategy compared to most other vendors in this research. Zhenyun was the only vendor with decreasing licensing costs over the past year.
- **Deployment model:** Zhenyun supports all deployment models, from on-premises to all cloud types, as well as single or multitenant. Prospective buyers who must match the technical deployment with specific requirements should consider its flexibility an advantage.

Cautions

- **Product functionality outside China:** Zhenyun is a China-native technology company, and a vast majority of its customers are based in China or China subsidiaries of non-Chinese companies. Prospective buyers not based in China or Southeast Asia may not have access to some functionality, such as marketplaces that are only available in China at this time.
- **Partner strategy:** Zhenyun primarily sells directly and does its own implementations, which may require consultants and third-party developers extensive ramp time to support Zhenyun's solution. Prospective buyers with a large network of partners should consider the implications of its lengthy implementation period for partners.
- **Geographic support coverage:** Zhenyun's support is all located in China and only offers native support for five languages. Prospective buyers outside of China should evaluate if Zhenyun's current support model will meet their requirements.

Zycus

Zycus is a Visionary in this Magic Quadrant. Its Zycus Source-to-Pay, powered by Merlin AI, provides an AI-powered, value-driven source-to-pay suite. Its global operations serve clients ranging from midsize companies to large enterprises. Zycus' investment focus areas are Merlin Agentic Platform for autonomous negotiation and other personalized AI agents and GenAI-enabled intake management.

Strengths

- **Investments in AI:** Zycus develops AI functional modules of its Merlin AI product line outside the normal product codebase, allowing it to quickly iterate on AI functionality without accruing technical debt in the main codebase. It has proven its ability to deliver a strong pipeline of GenAI and agentic AI use cases, with Merlin Intake Agent and the AP SmartDesk release.
- **Brand awareness:** Zycus continues to aggressively invest in both sales and marketing at rates higher than the market average to increase and maintain its brand awareness. The Merlin AI brand, in particular, is cited by Gartner clients as a reason they engaged with Zycus.
- **Customer experience:** Zycus was among the best for support ticket closing time and the number of tickets generated by customers compared to other vendors evaluated in this research. Customers can configure 90% of its product, and it also provides a Smart Admin function that automatically transports configurations from test environments to procurement environments.

Cautions

- **Scalability:** Zycus has fewer proof points of customers using its complete S2P suite at very high volumes compared to other vendors in this research. While it has large customers rolling out the complete suite, prospective buyers in large multinational enterprises should evaluate Zycus' ability to support their exact use cases.
- **Global coverage:** Zycus is still building out support and functional requirements for Latin American countries. Prospective buyers with significant operations in Latin America should ensure that Zycus is capable of meeting their support and product expectations.
- **Implementation cycle time:** Zycus has, on average, the longest average implementation time compared to other vendors in this research. Potential customers should review implementation plans to ensure they match their project expectations and identify areas where work can be shortened.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

- Synertrade
- Zhenyun Technology

Dropped

No vendors were dropped from this Magic Quadrant.

Inclusion and Exclusion Criteria

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

Own the source code, market and offer to sell all of the required source-to-pay modules as a single, stand-alone, integrated solution, including:

- **Sourcing:** Creation and management of strategic and tactical sourcing activities. These include request for information, request for quotation, and request for proposals and the associated collection of information, evaluation, negotiation and the awarding of sourcing events.
- **Contract life cycle management:** Manages contracts from the initiation stage through the award, compliance and renewal stages.
- **Supplier information and performance management:** The ability to manage supplier onboarding, data validation and performance.

- **Procure-to-pay:** Automation of the transactional procurement end-to-end process, which includes purchase requests, purchase orders, catalog management, goods receipts, invoice processing up to OK-to-pay.
- **Supplier collaboration portal:** Enables document and information collaboration with suppliers across the source-to-pay process.

And at least one of the standard capability modules:

- **Spend analytics:** Robust reporting and analysis of spend activities across all systems and data sources.
- **Category management:** The ability to create and manage category management strategy documentation and track activities required to execute that strategy.
- **Operations and savings management:** The tracking of strategic and tactical sourcing and procurement activities by user and project.
- **Advanced sourcing optimization:** A more advanced form of e-sourcing for very complex events that may have thousands of data points to consider for building an award solution.
- **Intake management:** Provides a simplified channel for end users to submit queries and requests to procurement, automatically routing them to the appropriate person or technology for tracking and processing.
- **Supplier risk management:** The ability to monitor, manage and mitigate risk.

All products must have been generally available and sold as part of the integrated suite since 1 September 2023.

Additionally:

- S2P modules must natively integrate together, with no additional integration work required for the customer.
- Be ERP/financial system agnostic with the ability to integrate into the customer's chosen ERP/Financial system
- Have at least 40 customers (logos) with \$500 million in revenue or operating budget (or more) live in production who run the defined required modules and at least one of the standard modules.

- Have added 12 or more new customers (logos) with \$500 million in revenue or operating budget (or more) signed in the calendar year 2023 who bought the defined required modules and at least one of the standard modules.
- In the last 12 months, have sold at least the defined S2P required modules and at least one of the standard modules to two or more customers with expected primary usage in different geographic regions from the vendor's home region. Geographic regions are defined as:
 - North America
 - Latin America
 - Europe
 - Middle East and Africa
 - Asia/Pacific and Japan

Honorable Mentions

Raindrop did not meet the inclusion criteria for the required number of existing customers running a full S2P suite due to the midyear 2024 release of its accounts payable invoice automation solution. Raindrop has shown significant market sales growth during its five-year life span and has expanded its solution to offer a full S2P suite. Raindrop is built on a modern platform with a significant amount of AI and generative AI functionality built in.

Zip did not meet the inclusion criteria for actively selling and marketing a contract life cycle management solution during the evaluation period. However, Zip has considerable market traction, with 400-plus customers using its solution. Zip can deliver most of the required S2P functionality and can be used in conjunction with existing installed S2P technology to enhance the user experience.

Evaluation Criteria

Ability to Execute

Gartner evaluates an S2P suite vendor's Ability to Execute by assessing its products, services, sales, marketing execution and overall operations. We evaluate how these criteria

enable the vendor to be competitive and effective in the market. We also evaluate the vendor’s ability to retain and satisfy customers, create positive perception and respond to market changes.

The ability to provide a product and a customer experience that delights clients is what drives value and motivates buyers to choose one solution over another, and as a result, product or service carries the highest weighting in this report.

Overall viability, along with sales execution/pricing, is important because customers buying S2P suites are making a major, potentially long-term commitment with high switching costs. Vendors experiencing declining sales or financial instability often find themselves in a detrimental cycle. As customers become hesitant to purchase from these struggling vendors, the vendors’ ability to invest in product development diminishes, rendering them even less appealing to potential new customers.

Operations are important, as they impact the vendor’s ability to deliver on its stated roadmap and effectively run the business. Issues in either of these areas directly impact a customer’s ability to drive additional value from its S2P investments.

Customer experience relates to the quality of customer support and other customer-facing areas such as user groups, conferences and cross-customer engagement opportunities. A strong customer experience directly impacts a customer’s ability to implement and support the vendor’s S2P solution over the long term. Breakdowns in this area often lead to an erosion of the overall value proposition and ROI the customer obtains.

Marketing execution is weighted low because driving potential customer awareness is important for a viable sales pipeline and is therefore a component of the vendor’s long-term health.

Market responsiveness/record was not rated because we have found that this is highly correlated with the operations and sales execution/pricing elements. Given the size of an S2P suite, only minor changes can be made to the codebase on short timelines. However, the ability to adjust factors like pricing, terms and operational execution are strong indicators of a company’s capacity to swiftly respond to changing customer demands.

Table 1: Ability to Execute Evaluation Criteria

<i>Evaluation Criteria</i>	<i>Weighting</i>
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	NotRated
Marketing Execution	Low
Customer Experience	Medium
Operations	Medium

Source: Gartner (March 2025)

Completeness of Vision

Gartner evaluates an S2P vendor's Completeness of Vision by assessing multiple criteria that show its ability to understand current market trends, influence the future state of the market and respond to customer needs and competitive forces.

In a rapidly evolving market, product strategy and innovation are key differentiators between vendors and their ability to anticipate and respond to future customer requirements. Market understanding and geographic strategy both convey a vendor's ability to understand customer demands and deliver value to organizations of different sizes across the globe. These criteria are split, as many vendors have effective visions for the future market. However, they lack a strategy to deliver to customers no matter their location due to a large part of the market that may be inaccessible to them.

A vendor's Completeness of Vision is also judged on sales and vertical/industry strategies, although at a lower weighting. There are differences in these strategies, especially in how

industry-specific functionality is delivered.

Marketing strategy and business model were not rated in this research. The S2P market is one with long sales cycles, and the methods of marketing to potential customers are fairly standardized across the space, so differentiation is not highly valued by customers. Business models in this space are also highly standardized around software licensing, and there is no clear better or worse business model that would materially impact buying decisions.

Table 2: Completeness of Vision Evaluation Criteria

<i>Evaluation Criteria</i>	<i>Weighting</i>
Market Understanding	Medium
Marketing Strategy	NotRated
Sales Strategy	Low
Offering (Product) Strategy	High
Business Model	NotRated
Vertical/Industry Strategy	Low
Innovation	High
Geographic Strategy	Medium

Source: Gartner (March 2025)

Quadrant Descriptions

Leaders

Leaders are in the strongest position to influence the market's growth and direction. They demonstrate a market-defining vision of how S2P technology can help procurement leaders achieve business objectives for managing compliance and controlling external spend. Leaders have the ability to execute against that vision, through products and services, and they have demonstrated business results in the form of revenue and earnings. They excel in their combination of market understanding, innovation, product features and functions, and overall viability.

While maintaining a well-established base of long-term customers, Leaders show a consistent ability to win new deals and deliver successful implementations. Their customers are deployed in the most geographic regions, and they cover a wide variety of industry verticals and sizes of organization.

Leaders are often the vendors that other providers measure themselves against. They are also the most likely vendors in this Magic Quadrant to still be in the S2P suite business five years from now. Leaders are suitable vendors for most organizations to evaluate when seeking an S2P suite. However, they should not be the only vendors evaluated.

Challengers

Challengers have established presence, credibility and viability, and have demonstrated the ability to meet customers' expectations in terms of functionality and customer experience. Challengers tend to have a good technology vision in terms of architecture and other IT considerations but have strategies or a vision that is not completely aligned with what customers expect from an S2P solution vendor.

Challengers are well-placed to succeed in this market. However, they may not demonstrate thought leadership or innovation to the same degree as Leaders. They may be a good choice for organizations that value execution and a broader integrated product suite that can be delivered at scale over the potential of what might be delivered in the future.

Visionaries

Visionaries are ahead of most potential competitors in their vision of what a future S2P solution will look like. These vendors embody trends that are shaping or will shape the S2P market. There may be some lack of awareness of these vendors in the market and some concerns about their ability to execute effectively at scale. Visionaries have a strong vision and roadmap, which brings innovation and strong functionality to their platforms.

Visionaries may be a good choice for organizations that want innovation without a big brand or a premium price. These vendors may also give customers an opportunity to more quickly evolve their S2P technical maturity and have more say in the product roadmap. They often lack the proof points of referenceable customers who are using the full S2P suite at scale but can still show proof of large customers. However, as these vendors mature and prove their ability to execute, they may become Leaders.

Niche Players

Niche Players offer compelling S2P suite portfolios, but their solutions may also:

- Be limited in terms of cross-industry adoption
- Lack some functional components
- Lack the ability to handle deployments consistently across multiple geographies
- Lack strong business execution in the market
- Have an inconsistent implementation track record
- Lack the ability to support large enterprise requirements or complex global deployments

Niche Players can often offer the best solutions to meet the needs of particular procurement organizations, considering the price-to-value ratio of their solutions. These vendors may win deals in specific regions or industries, but they are not consistently winning new business across multiple regions or industries at the same pace as vendors in the other quadrants.

Some Niche Players demonstrate a degree of vision that suggests they might become Visionaries; however, they may struggle to make this vision compelling. They may also struggle to develop a track record of continual innovation. Other Niche Players may have the opportunity to become Challengers if they continue to develop their products with a view of improving their overall execution.

Context

S2P suites help organizations automate the entire end-to-end sourcing and procurement process within a single integrated solution. However, vendors in the S2P market may not have market-leading capabilities across the full suite. Most vendors started with smaller

solutions in different categories, such as procurement, sourcing, spend analytics or AP/IA, and expanded their products either organically or through acquisition to address the entire functional space. The S2P market is relatively mature as a result, but the breadth of functionality and use cases varies among vendors, and customers may need to make compromises or obtain supplemental solutions to address their needs.

Procurement technology leaders should:

- **Use expected outcomes to determine primary use cases.** Ensure vendors' solutions support specific use cases driven by your organizational goals. Examples include providing end-to-end process visibility, reducing the source-to-contract cycle time and consolidating supplier collaboration into a single solution.
- **Ensure the user experience matches users' expectations.** UX expectations are constantly changing, and the capabilities across the market are evolving from the digitization of processes to automation driven by both AI and machine learning. Both of these elements drive an organization's ability to gain adoption by internal end users. Therefore, their alignment with user expectations and the cost will impact the business case.
- **Review supplier-facing capabilities, such as network size, features, onboarding practices and UX.** Supplier adoption is often a key factor in maximizing the effectiveness of an S2P suite. Large supplier networks and supplier-friendly functionality are generally beneficial to reducing the effort required to gain supplier adoption.
- **Understand global requirements.** E-invoicing and tax regulations vary by country and change regularly. Assess the vendor's capabilities in processing fully compliant invoices where necessary.
- **Explore integration and extension capabilities.** Extending and enriching the S2P process can bring more long-term value to your investment. Open APIs for simplified integration are common, but may not cover the entire data model or functionality. Third-party app stores may be available for one-click buying and activation of custom-made capability extensions. Additionally, many solutions offer deeply configurable platforms to enable customer-specific capabilities that do not negatively impact the ability to deploy standard upgrades.
- **Examine industry-specific requirements and experience.** S2P suites widely vary in their ability to support sourcing, contracting, supplier management and purchasing practices

unique to specific industries (e.g., manufacturing, healthcare, hospitality, public sector and education).

- **Compare vendor-led and partner-led implementation models by level of experience, best practices, time frames and costs.** Implementation support may vary by region based on available local resources or lack thereof. Vendor-led implementation models are typically strong with software configuration and often have better hand-off to long-term support. Partner-led models are typically stronger with business process changes and overall organizational change management.
- **Compare on-premises and cloud delivery models.** Most vendors included in this research have a preferred multitenant public cloud delivery model. However, some will offer on-premises, private cloud or single-tenant deployment options. If your organization requires specific deployment models, raise that early in the evaluation process.
- **Examine differentiating features and vendor roadmaps.** Prioritize GenAI, UI/UX improvements, analytics and automation in your evaluation. Ensure that the selected vendor is focused on growth and development that tracks with market expectations and trends to future-proof your investment.
- **Ensure understanding and alignment with the post-go-live service model.** There are various service delivery models (e.g., local and remote support, multiple languages supported and premium levels of support). Ensure that any specific needs can be met and be aware of any additional associated costs.
- **Understand the monetization model for AI.** Vendors have different approaches for GenAI and agentic AI: Include it at no cost, create new product SKUs, increase the price of standard offerings or combine all these approaches. Given the market's excitement about AI's expected impact on productivity, customers should ensure they understand the current and future costs to gain access.

Market Overview

Source-to-pay suites have a broad appeal for organizations across all industries and geographies, and interest in S2P suites remains high among sourcing and procurement buyers looking for cost savings, process automation and risk reduction in daily procurement activities. The market offers a wide variety of options, such as ERP vendor-integrated S2P, stand-alone, cloud-based and on-premises solutions. However, while available options are

quite comprehensive, customers' biggest challenge is that no solution is perfect across every dimension. This keeps the market evolving to meet new customer demands and backfill incomplete functionality. Gartner estimates that the S2P technology market will experience a five-year compound annual growth rate (CAGR) of 16%, resulting in an annual spend of approximately \$16.315 billion on S2P software in 2028 (see [Forecast: Enterprise Application Software, Worldwide, 2022-2028, 4Q24 Update](#)). ¹

Key differentiators in the market remain similar to the previous year, but the list has expanded as customers seek more flexibility in S2P solutions. They include:

- **Generative AI** for simplifying tasks, making configuration easier, improving the user experience and improving analytics.
- **Configurable platforms** that allow customers to customize their environment to a much greater degree without requiring any core code changes.
- **Intake and process orchestration**, which is now top of mind for buyers as they look to simplify how users interact with S2P solutions and to better integrate external systems.
- **Ease of use for internal users and external suppliers** as implementation fees continue to grow, making successful user and supplier adoption critical.
- **Depth of support for multiple spend types** (see Note 1) across sourcing, supplier management and procurement activities.
- **Unified supplier networks** that provide a single location for all supplier-facing collaboration.
- **Tight integration across the S2P process** so that actions and data are linked and visible to upstream and downstream activities.
- **Actionable analytics and intelligence** that guide users to opportunities to improve their process automation or where additional savings, quality and policy compliance could be obtained.
- **Global support, supplier onboarding and configurable industry capabilities.** Gartner expects increased process automation, prescriptive analytics insights and turnkey integrations to heavily influence vendor selection in the coming years.

The differentiations between solutions are often not obvious and hinge on how each solution addresses specific requirements. Thus, an in-depth evaluation is required to closely match

requirements with the solution, especially considering that S2P implementations and support are significant long-term investments.

Market Trends

Generative AI and AI

Smart automation is in high demand, even if buyers are not specifically calling out generative AI or AI in their selection criteria. Common desired capabilities include:

- Supplier recommendations for setting up a sourcing event or raising a purchase request.
- Chatbot for buying and executing various tasks.
- Intelligent digitization of contracts with extraction of metadata and clauses.
- Intelligent risk analysis of contracts.
- Assisted authoring or editing of contract language.
- Automated creation of category strategies based on inputted data, past orders and market intelligence data feeds.
- Automated supplier risk identification from public news sites and social media.
- Assisted creation, execution and analysis of sourcing events.
- Intelligent invoice digitization, matching and coding.
- Analytics created via natural language.
- Automated supplier response agents.

Category Management

Buyers are increasingly looking for S2P solutions to provide value beyond process automation. They seek smart systems that will assist them in creating strategic plans to drive greater savings and reduce supply disruption risks. Additionally, buyers want to track the actions taken against their strategic plans and track them to completion for performance reporting.

Risk Management

Organizations often deploy an S2P suite as a system of record that's ideal for enforcing company policies and mitigating supplier risks. It empowers procurement to impact spend before it happens by seamlessly guiding end users to suppliers and products that support internal policies and goals. The desire to quickly reduce or shut off new purchases from high-risk suppliers is also growing, leading to more scrutiny on how well supplier information and risk management are integrated into S2P solutions. Country-level legislation around "know your supplier" and carbon footprint reporting is also forcing organizations to enable controls earlier in the S2P process.

Deep Integrations

Customers continue to demand fully internally integrated solutions that enable users to access accurate data and information related to the actions they are taking from anywhere in the solution. Deep integrations reduce errors and magnify the value of the single integrated S2P suite. Examples of deep integrations include:

- Integration of supplier risk ratings into sourcing events.
- Contract pricing that can be converted to a shoppable catalog in one click.
- Purchase requisitions that can be flipped to a sourcing event with the results automatically populating back to the purchase requisition.
- Contracts available for matching against invoices.
- Negotiated terms in a sourcing event that are automatically included in the final contract.
- Updating supplier data based on supplier responses to sourcing events and contract negotiations.

⊕ Evidence

Note 1: Gartner Spend Type and Source-to-Pay Definitions

Spend Types:

- **Indirect goods:** Purchases of tangible items consumed by the organization that are not directly related to the manufacturing or sales of products. These goods are typically needed to operate.
- **Direct goods:** Purchases of tangible items directly related to the manufacturing of a company's products. Examples include raw materials, component parts and hardware.
- **Services:** Transactions of intangible deliverables purchased by the organization, typically defined by a statement of work.
- **Source-to-pay:** A suite of applications that address spend analysis, sourcing, contract life cycle management, supplier management, supplier risk management, category management and procure-to-pay.

⊕ Evaluation Criteria Definitions

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